

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

No.2007/TC-III/1/2

New Delhi, dt. 14-6-2007

The General Manager/Claims
All Indian Railways.

Sub: Expeditious settlement of claims filed by Industry.

As Railways are aware, claims organization on the Railways is required to provide 'after sales service' to its customers in the form of prompt settlement of their claims as a responsible transporter committed towards safe carriage of their consignments. It has however, been reported by the Industry in the meeting of Railway – Industry Coordination Committee presided by Hon'ble MR on 10-5-07 that there are inordinate delays in the settlement and payment of their claims by the Railways. It has been requested by the Industry that the claims settlement process should be speeded up.

Being the largest transporter of the country it is obligatory on the part of the railways for expeditious, assured and satisfactory Claims settlement achieved through a process which is transparent and customer friendly. The existing systems have to be so oriented or upgraded so as to meet with the expectations of the customer.

The need for expeditious settlement of claims by the railways for non-delivery, shortage, damage etc. filed by the rail customers has been emphasized time & again in the past. The following instructions are once again reiterated for their strict compliance:-

- 1) The most important parameter for judging the performance of a Claims Office is the time taken for settlement of claims. It is therefore necessary that not only time targets be laid down for different commodities and causes and for important customers, but firms arrangements also be made to process the cases on the basis of these time frames. Necessary flow charts for processing claims at various stages should be enforced in the claims office with the objective of settling these claims within the time schedule as laid down under Board's letter No. 97/TC-III/49/7 dated 1-8-97.(copy enclosed)
- 2) The existing system of claims settlement is beset with delays, long drawn out methods, absence of live communication with customers etc., is much below the expectation. Arrangements have to be made to reply each and every communication from the customer. Our responses should be positive to assure the claimant at the earliest the payability of the claim

and the time target by which he should receive the settlement. In this context, special meetings on quarterly basis held with important customers for finalizing their claims on a time bound programme are of extreme importance and should become the back-bone of claim settlement process.

- 3) The adjustment of the sanctioned claim of the Industry against their outstanding railway dues should not be done without giving them two notices. In this connection Board's instructions as contained in their letter No. 2000/TC-III/9/3 dated 14-6-2000 (copy enclosed) may please be referred to.
- 4) An effective functioning framework of rules and procedures for efficient handling of claims is not only a must but requires to be updated from time to time. There should be firm arrangements for notifying instructions to all staff and inspectors in the form of Standing Order Books, Compendiums of circulars and Manuals and there should be Workshops/Seminars for making them up-to-date. To start with, each railway should organize a workshop on quarterly basis for its staff and inspectors.
- 5) Expeditious settlement of claims is one way of securing customers satisfaction, but it needs to be appreciated that the claims organisation on the railways is only a part of after-sale service, and, therefore, is in the form of solving a problem after it has occurred. In order to get real customer satisfaction, it is necessary for the railways that the goods reach their destinations speedily and safely. Heavy detention of detached and unconnected wagons is a serious matter and needs greater attention. Monitoring of unconnected wagons and Not-Received wagons and parcels through NR Cells should be put on a sound basis by providing a proper infra-structure in the form of modern means of communications, adequate staff and correct procedures.
- 6) It may be ensured that cases are sent to Law and Finance/Accounts Departments only after all necessary particulars are collected and placed on the file thereby obviating the need for making any back reference. A proforma to be attached as top sheet for claims case may be drawn up indicating dates of receipt of the papers in various sections including date(s) of sending the same back for clarification. This would highlight not only the delays taking place at various points but also the incidence of piecemeal back reference. If the cases are monitored actively, there should be no reason for delay leading to filing of complaints by the parties.
- 7) In terms of the Board's letter No. 58/AC-III/28/11 dt. 30.9.58 (copy enclosed) which is reiterated from time to time, only 10 days have been provided to the Finance Branch for their concurrence, 5 days for check of

bills, making of pay orders and issue of cheques and only 5 days for dispatch of cheques to the payees. These targets should be strictly adhered to.

Board desires that in the light of the above, FA&CAOs and Chief Claims Officers should take all possible measures to activate the machinery for monitoring of claims cases so that delays are not caused in the settlement of claims cases leading to complaints.

Please acknowledge receipt and ensure compliance.

DA: As above.

(Miss. SR Sett)
Jt. Director, Traffic Comml.-Claims
Railway Board.

Copy to: (i) ED(FM), EDF(C), Railway Board
(II) FA&CAOs, CCMs, CCOs all Zonal Railways.