

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No.2003/TC-III/16/1/Magazine

New Delhi, dated 11.11.10

The General Manager (Claims)
All Indian Railways

Sub: Guidelines for settlement of claims of Newspaper/ Magazine firms.

A lot of complaints are being received from Newspaper/Magazine firms regarding non-settlement of their tenable claims.

In order to make the settlement of claims of Newspaper/Magazine firms customer friendly and also to give a comprehensive guideline for zonal railways to avoid any undue delay in settling these claims, a set of instructions is given below:-

1. Nature & Importance of Newspapers & Magazines:

Newspapers and Magazines should be given the same importance and urgency as perishables. Safe and quick delivery of this class of traffic is also required to keep good public relations. Railways must ensure to give priority to the consignments of newspapers and magazines and should also ensure that these are dispatched by first available train and by direct trains as far as possible to avoid the hazards of transshipment en-route to avoid consequent chances of over-carriage, pilferage and delay, etc. It should be ensured that this traffic receives special consideration.

2. System of Packing the consignments:

Newspapers and Magazines should be wrapped with polythene sheets of 20 micron and above. The whole packet should then be tied with strong twines/nylon tape and knotted.

3. Newspapers and Magazines are booked under two different systems viz. Parcel Way Bill (PWB) and Monthly Account System or FSLA System.

4. Procedure for booking under P.W. Bills:

1. Under the P.W. Bills, the railway should ensure to issue proper P.W. Bill for each consignment and should ensure to charge the freight as stipulated in IRCA rates manual for newspapers and magazines.

2. To enable a larger number of parcel to be connected to P.W. Bills, the forwarding stations must send Guard's copies of P.W. Bill with the

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parcel. If for any reason, some Guard's copies of P.W. Bills are left behind, they should be sent by post to the Station Master of the destination to enable him to link deliveries given on the basis of Railway Marks, private marks, etc. This should help to reduce the number of unlinked memo deliveries.

3. As stipulated in Para 915 of IRCM Vol.I, the guard foil of the P.W. Bills should be handed over to the guard and the same should accompany consignment to destination. To ensure compliance of these instructions, zonal railways are directed that booking of perishables should be stopped one hour in advance of schedule departure of the train. This should be rigidly enforced.
 4. Board further desires that if for any exceptional reasons, guard's copies of P.W. Bills are left behind, the same should be sent by post to the Station Master of the destination immediately to enable him to link the memo deliveries given on the basis of Railway marks, private marks, etc.
 5. To enable Guards and junction station staff to sort out Newspaper and Magazine bundles in the limited time, it would be helpful if the destination station name is written in bold and conspicuous letters on the top of each bundle. Station Masters of the booking stations should check this point and wherever necessary, the publishers should be persuaded to do so.
5. **Procedure regarding issue of Shortage Certificate/Partial Delivery Certificate (under PWB):**
- (a) In case of short delivery of packets, the marking as indicated in **Para '7(1)'** below (i.e. 1/5, 2/5...5/5) will facilitate the railway staff to ascertain the number of missing packets and issue of certificate on the basis of the delivery register.
 - (b) In case the top label showing the number of copies is missing on the packet, and there is no indication of number of copies, the railway staff may certify the weight of the consignment on shortage certificate if the condition of the consignment so requires.
6. **Procedure for booking under FSLA/Monthly Account System:**
(As prescribed in Para 929 of IRCM, Vol.-I)
- (a) Newspaper firms having regular newspaper parcels traffic for booking by rail may be granted the facility of paying freight charges through monthly bills on the weight carried to different stations. Firms wishing to avail of this facility will deposit with the railway administration, a sum equivalent to two months average freight transaction by way of security in any of the following forms:-

- (i) A deposit in cash (this will not carry any interest)
- (ii) Government Securities at five per cent below the market value
- (iii) Deposit in National Savings Certificate
- (iv) A Bank guarantee

This amount will be subject to revision when on later date it is found that the freight charges exceeded the deposit held.

- (b) No PW Bill will be issued, but distribution list will be prepared separately for each train.
- (c) Parcels will be tendered at the forwarding station not less than half an hour before the scheduled departure of train. Firm will prepare distribution list as shown in Appendix IX-B (*as contained in IRCM, Vol. I*) in four copies for each train and deliver the station staff at any time not less than four hours before due departure of the train. The staff will check the parcels presented. Shortage or excess, if any found, will be entered in the original copy of the distribution list to be handed back to the representative of the firm once in a day duly signed by the staff together with the time of arrival of parcel after despatch has been completed for the day. One copy will be handed over to the Guard.
- (d) If parcels are presented less than half an hour before the schedule departure of the train, the staff will give a remark on the distribution list "too late to check" and refuse it to the press. This will limit railways liability.
- (e) On remaining three copies freight will be shown, one copy will be kept for record, one will be sent to Accounts Office and one will be given to the party.
- (f) Test checking of weighment will be done by the railway representative in the firms for one week in each quarter commencing from January, April, July and October of each year. If parcel is despatched on five week days and for Saturday and Sunday separately, care being taken to avoid holidays during the weighment. These weighments during the weighment work will be carried out so as to make out two schedules – one schedule to cover despatch pertaining to issue of Monday to Saturday and other schedule for Sunday edition. Test weighment for Sunday edition will be carried out from 6 hours of Saturday to 6 hours of Sunday. The average weight arrived at during test week will form the basis for preparation of bills for the three months in the quarter concerned.

A special test weighment will be conducted in the manner stated above at least five days prior to the start of the new system. It will form the basis of charge till the regular quarterly test weighment due is conducted.

Test weightment statements will be prepared in four copies. Two copies will be handed over to the station master, one will be sent to the Divisional Railway Manager and one for firm. One copy will be sent by the station master to the Accounts Office along with Newspaper parcels statements prepared for the first month of the quarter for exercising necessary checks. Other copy will be retained by the station master for preparing returns for subsequent two months in the quarter. The test weightment statements will be signed by both the railway officials deputed for the purpose and the representative of the firm with a certificate that the test weightment was made and weights recorded in their presence.

When special editions are proposed in the issue, the firm will communicate this fact to the Divisional Railway Manager and the station master the number of extra pages which would be printed in the special edition would be addressed to the station master who will calculate the weight chargeable on pro-rata basis in relation to weight/number of pages in the issue.

(g) Newspaper parcel will be labeled by the press showing:-

- (a) Name of destination
- (b) Number of copies
- (c) Consignees name

(h) The Newspaper parcel along with a copy of distribution list will be handed over to the guard of the train who will deliver the parcels at the respective destination stations under acknowledgement of the staff concerned. When the Newspaper parcels are booked to stations reached via a junction, a separate distribution list in duplicate will be prepared by the forwarding station and given to the guard who will hand it over to the parcel clerk of the junction station under acknowledgement for onward transmission by the guard of the connecting train. At the last destination station shown in the distribution list, the guard will make over the list along with the packages to the parcel clerk and take his acknowledgement in the rough journal.

(i) Stations receiving Newspaper parcel will enter them in the parcel delivery book and arrange delivery on the basis of the address printed on the label and pasted on each bundle. The signature of the person taking delivery must invariably be obtained in delivery book. The list will be kept for record for future reference. It may be inspected at any time.

(j) The total charges as worked out by the staff at the booking station on the list furnished by newspaper firm will be posted daily in the "ledger accounts parcel book" for each firm separately as shown in Appendix IX-C (as contained in IRCM, Vol. I). At the end of each period, the total weight booked and the amount due will be worked out and the total of all the three periods will be consolidated at the end of the month for



each Newspaper firm separately. The total amount due from all the firms for Newspaper parcels booked during the month will be taken into debit in balance sheet of the month to which the transactions relate and will take credits for payments made. If no payment has been made, the amount will remain as outstanding.

- (k) The ledger accounts cum bill shall be prepared in three copies. One copy will be kept for record and two copies will be sent to the firm for payment. The firm will return one copy duly countersigned showing the date of payment. Then this copy along with distribution list received during the month will be sent as a return by the station master duly recorded particulars of the remittance of the payment made by the firm to the accounts office.
- (l) The monthly ledger accounts cum bill will be sent to the Newspaper firm not later than third of the following month to which it relates and payment to be made within three days of its presentation.

The monthly ledger accounts cum bill, will be checked by the Accounts Office for raising any debit.

- (m) The total amounts due from all the firms for Newspaper parcels booked during the month will be consolidated in a form shown in Appendix IX-C 1, and sending the balance sheet in support of amount shown as outstanding under the head "Booking of Newspaper under the monthly ledger account system".

7. **Procedure regarding issue of Shortage Certificate (under FSLA):**

- (1) As soon as 'Monthly Accounts System' is introduced for any party, all relevant details should be promptly furnished to the concerned railways and acknowledgement obtained from them. As regards issue of shortage certificate, it should be made clear to the staff that RRs are not issued under the 'Monthly Accounts System'. The newspaper agencies will indicate on the top of each package, the total number of packages booked and also number them in serial order. Thus, if 5 bundles of newspapers are booked to a particular consignee, the newspaper agencies will mark them 1/5, 2/5.....5/5. This marking will indicate if any package is missing. Newspaper agencies have agreed to pack only one type of periodical in one package and also give the number of copies packed on the top label of the packet. This will facilitate the station in issuing a shortage certificate. When the top label showing the number of copies is missing and there is no indication of the number of copies, station staff may certify the weight of the consignment, if the conditions of the consignment so warrants. Before issue of a certificate for the loss of complete package in case of periodicals, the delivery register should be checked for a period of one week from the date of probable arrival to take into account cases of late printing, dispatch

and delay in transit. For newspapers, such a check may be carried out for two days after probable date of arrival.

- (2) The claims for newspapers/periodicals booked under the PWB or 'Monthly Accounts System' are invariably lodged by the newspaper agencies who are firms of repute. In view of the small amount involved in each claim, the Railways should settle the claims on the basis of the shortage certificate issued without going through, except in a few test cases, the procedure for confirmation of booking. Newspaper agencies have also been asked to indicate in Col.4 of Annexure IX B of the proforma of the "Advance List" prescribed under **Para 929 (B)** of Indian Railways Commercial Manual Vol-I, details of packets booked to each consignee and the name of the newspaper/periodical.
- (3) The newspaper agencies will indicate on the label
- (i) Number of packets
 - (ii) Destination station
 - (iii) D/list no.
 - (iv) Consignee name in full
 - (v) Magazines name
 - (vi) Number of copies
 - (vii) Train No. etc.

The label should be securely pasted on the packet.

8. **Short receipt and non-receipt of newspaper consignments during transit by rail.**

Some booksellers and News Agents have reported against short-receipt and non-receipt of magazines and newspapers consigned to them from different parts of the country by rail. It is found that the following reasons account for this type of shortcomings:-

- a) Non-accompaniment of P.W. Bills/Distribution Lists
- b) Absence of proper Railway/Private marks on the packets
- c) Non-indication on the bundles about total number of pieces and weight.
- d) Packets with torn and weak packing
- e) Packets haphazardly loaded in the brake van
- f) Packages without entry in the summary.

In view of the above, it is imperative that a review of the system of acceptance, booking, documentation and dispatch of periodicals may be carried out in order to ensure a fool proof arrangement and take remedial measures to avoid complaints.

9. **Procedure regarding issue of Non-Delivery Certificate (PWB/FSLA):**

In case of non-delivery of the consignment, the Railway staff at the destination station when approached by the consignee along with Booking Confirmation Certificate or Distribution List or P.W.B. for issue of non-delivery certificate, will check the delivery register for the period of one week from the date of probable arrival of the packet and after satisfying himself of the non-receipt of such packets, will issue a non-delivery certificate to the consignee. In case of newspaper, such a check may be carried out by the parcel staff for two days after the probable date of arrival of the packet.

10. **Procedure regarding settlement of Claims for Non-delivery:**

(a) Claims Offices should settle the claims of Newspaper & Magazine firms on the basis of the PWB or booking confirmation certificates or photocopy of Distribution List duly attested by the consignee accompanied with non-delivery certificate issued by the destination stations.

(b) In view of the small amounts involved in each claim pertaining to newspapers/magazines, the claim office may, if desired, verify few test cases to ascertain/confirm booking and loading at the forwarding station by deputing claims Inspector.

(c) Under the FSLA system, no RR/PWB is issued. Hence, the claim offices and the parcel offices will not insist for production of RR/PWB in respect of the consignments booked under the above system.

11. **Procedure regarding settlement of claims for late delivery of consignments:**

If monthly magazines are delivered after 30 days, fortnightly magazines are delivered after 15 days, and weekly magazines are delivered after 7 days, claims for their full value (minus the estimated sale value of the delayed copies) would be admissible unless the evidence shows that delay in transit was not due to negligence of the railway administration or the consignment was carried in normal transit time. The claims paid on this account should be kept under special watch for prompt remedial measures in case of misuse. If necessary, the Railway should refer the matter to the Board for reconsideration. These instructions should be adhered to strictly.

12. **Procedure for settlement of Claims of Partial/Short delivery:-**

(a) The claims for pilferage of "magazines" booked under "Monthly Accounts System" should be settled if these are otherwise tenable under extant rules.

(b) In case of FSLA booking, the claim offices will settle the claim of small amount on the strength of the shortage certificate produced by the claimant. The Railways may, however, verify the procedure for confirmation of booking in a few test cases, if desired.

13. **Procedure for delivery of consignment in the absence of RR:-**

- (a) Under the FSLA system, since no RR/PWB is issued, the parcel office should not refuse the delivery of the consignment in the absence of RR/PWB.
- (b) Since Newspapers/Magazines are dated items, the Railway should satisfy themselves of genuineness of the consignments. After satisfying themselves of genuineness of the consignee and based on the Railway/Private markings on the bundles, the delivery should be given to the consignee.
- (c) In case of consignments booked under RR/PWB, the Railway should ensure that proper General Indemnity Bond and indemnity notes are duly executed by the consignee before taking delivery. In case where the above are not executed, the Railways should insist for getting the same from the consignee.
- (d) Where the RR is lost and is not available, the G.I. Bond and the Indemnity Note executed by the consignee will take care of Railways liability and therefore, the deliveries on this account should not be stopped since Newspapers/magazines are dated items.

14. **Procedure for settlement of claims in the absence of RR:**

In the case of claims cases where RR is lost, the claims may be processed and settled on merits on production of an Indemnity Bond of equivalent value subject to the following conditions:-

- (a) The cost of the stamp duty will be borne by the claimant i.e. consignor or consignee or endorsee if RR is lost by the party.
- (b) The cost of the stamp duty will be borne by the staff responsible if it is lost while in railway custody. Any other action contemplated as per rules, against the staff responsible should not hinder the processing of the claims case.
- (c) The claimant will execute an additional unstamped Indemnity Note indemnifying railway administration against any counter claim by any other party.
- (d) If the consignee is a Government official, the claims may be processed on production of unstamped Indemnity bond by a competent Government Official in his official capacity irrespective of whether the RR is lost by the party or while in the custody of the railways.
- (e) For settling such claims, the following documents are essential viz.

- (i) Certified copy of PWB/RR



- (ii) Non-delivery/damage/shortage certificate from destination station
- (iii) Tracing report
- (iv) Verification of claim and claimant
- (v) Letter of subrogation/authority from consignee if the claimant is endorsed consignee
- (vi) Indemnity Bonds on Stamp paper of appropriate value as per law in force to the effect that (a) original RR has been lost; (b) Consignee is the bonafide owner; and (c) no claim has been made so far and will not be made in future, if ORR is found.
- (vii) Manuscript registers to be introduced in claim office and associate accounts office to record particulars of such cases. Monthly data regarding number of claim cases commodity-wise along with monthly/annual trend to be maintained. Any unusual feature/pattern noticed in the trend should be investigated properly.
- (f) The claim case will be processed immediately after fulfillment of the formalities. However, the payment of claims for such cases will be made only after expiry of a period of six months from the date of booking.

15. Procedure regarding payment of Sanctioned Claims:

Each zonal railway will ensure to make payment by enclosing detailed list of claims along with the cheque to enable the claimant to link the cases properly. In case payment has been deposited in claimant's bank account, the railway must ensure to send details of the payment to the party as soon as party's bank account is credited.

16. Procedure regarding Suit Barred Claim:

As per Section 106 of the Railways Act, 1989, in case of claim for compensation for the loss, destruction, damage, deterioration or non-delivery of goods, a notice should be received within a period of six months from the date of entrustment of goods or date of delivery, whichever is later.

Railway Board has delegated powers to the General Managers of Zonal Railways for settlement of time barred goods compensation claims, which are barred by limitation as per Section 17(1) (a) of the Railway Claims Tribunal Act, 1987. However, this is subject to compliance of the provisions of Section 106 of the Railways Act, 1989.

In other words, in case a customer has given a valid notice as per the provisions of Section 106 of Railways Act, 1989, but could not approach the Railway Claims Tribunal within three years, the General Manager of the

concerned Railway zone can settle such claims on merits of the case. However, these powers delegated to General Managers for settling of suit barred claims are subject to receipt of a valid notice as per the provisions of Section 106 of the Railways Act, 1989. In case of failure to comply with Section 106 of the Railways Act, 1989 regarding issue of a valid notice, a claimant is not entitled to claim any relief either from the General Manager or from Railway Claims Tribunal or any other court. (Ref: Railway Board's Circular letter No.TC-IV/2007/RP/1 dated 22.2.10.)

17. **Some area of concern while settling of claims:**

(a) Loading Summary :

In terms of Rule 940 of Chapter IX of IRCM Vol.I, loading summary is prepared in two copies by Railway staff of forwarding station - one as record and another copy handed over to the Guard.

Some railways are insisting upon production of loading summary while settling claims, but the same has nothing to do with the settlement of claims and the claimant should have no access to this document. In view of the small amounts involved in each claim pertaining to newspapers/magazines, the claim office may, if desired, verify few test cases to ascertain/confirm booking and loading at the forwarding station by deputing claims Inspector.

(b) Booking Confirmation Certificate:

Railways should settle the claims for non-delivery, shortage, etc. of the newspapers and magazines firm booked on monthly account system on the basis of the shortage certificate issued. The claims offices should settle the claims on the basis of PWB or photocopy of Distribution List or booking confirmation certificate accompanied with non-delivery certificate issued by destination station. However, in a few test cases, the Inspectors may be deputed for confirmation of booking, if the consignments have been booked on Monthly Accounts System. As such, the claims can be settled based on photocopy of Distribution List or booking confirmation certificate or on the basis of shortage certificate. It is also instructed that all Railways should strictly issue necessary certificates in the prescribed format to signify correct dispatch/loading of consignment, etc. under FSLA scheme.

(c) Distribution List:

The Distribution List should bear reference number, proper signature and office seal of the party and while lodging claims such photo copies should be certified, as True Copy of the original, by the claimant. The designation and office seal of the Railway staff concerned who receive these lists should also be duly incorporated in such Distribution Lists.



(d) Settling of past claims where photo copies of Distribution Lists were not attested by the claimant:

It is advised that for the past cases, where the photocopy of Distribution List has not been attested, serial numbered, etc., the claimants may be asked to have these lists attested by them before their settlement.

18. Delegation of Powers for settlement of Suit Barred Claims:

The General Managers of Zonal Railways will have full powers in regard to settlement of Suit Barred Claims for compensation with further authority to re-delegate their powers to the Chief Commercial Superintendents and the Dy. Chief Commercial Superintendents to the extent considered necessary. The concurrence of the Financial Advisers and Chief Accounts Officers or the Deputy Financial Advisers and Chief Accounts Officers is to be obtained in each case.

19. Pilferage and loss of Newspapers/Periodicals :

Surprise checks should be conducted especially at the booking points by officers and supervisory staff to prevent pilferage from parcel consignments and responsibility should be fixed for loss and shortages.

20. Expeditious Settlement of Claims for Newspaper & Magazines:

Claims for compensation should be settled expeditiously and should not be repudiated on flimsy grounds. Newspaper & Magazine firms shall submit a list of pending claims in respect of each zone every month. Necessary action on the same may be taken by the railway concerned to settle them expeditiously.

21. Quantum of Compensation:

Claims for newspapers and magazines are to be settled to compensate for actual loss where percentage charge has been paid. In cases where value is not declared and percentage charge not paid, the maximum amount payable is Rs.50/- per Kg or the actual loss whichever is lower. The burden of proving the actual loss is on the party seeking compensation. Railway Administration must decide each case on the circumstances and merits.

22. Time limit for settlement of claims:

Target period for disposal of claims cases for (i) non-delivery of complete consignments, (ii) partial non-delivery of complete packages and (iii) shortage/damage/breakage of consignments have to be settled within 6 months, 4 months and 3 months respectively. These cases booked by customers should be settled expeditiously. Board desire that Dy.CCM (Claims) and Dy.FA&CAO of railway should interact regularly on monthly basis and ensure that all claim cases which could not be settled within the target period are finalized quickly.

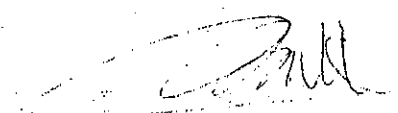
23. Claim lodged by parties on Website:

The claim filed through internet within six months should be considered as notice of claim by the railways even though the actual signed/stamped claim letter is received after six months from the date of booking. Hence, Board desires that if the claim notice through web is received within six months of the date of booking of the goods, it should be treated as "in-time" and not as "time-barred" even if the actual stamped/signed claim notice is received after the period of six months from the date of booking.

24. Board desires that the above instructions should be re-iterated to the Divisions and Railway stations and their strict compliance monitored properly leaving no scope for complaints in future. Any deviation in this regard on the part of any of the railways would jeopardize the customers in the timely process of their claims.

25. This issues with the approval of Finance Directorate of this Ministry.

26. Please acknowledge receipt of this letter.

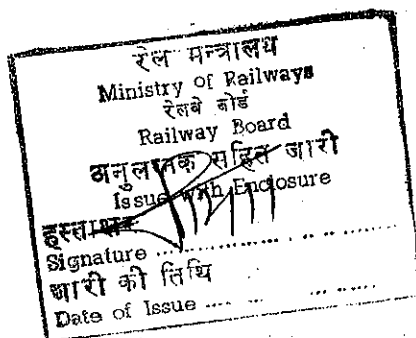

(Miss. S.R. Sett)

Director Traffic Commercial (Claims)
Railway Board

No.2003/TC-III/16/1/Magazines

New Delhi, dated // .11.2010

Copy to: FA& CAOs, All Indian Railways.




for Financial Commissioner (Railways)

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