

**CENTRAL RAILSIDE WAREHOUSE COMPANY
(A GOVT. OF INDIA ENTERPRISES)**

**POLICY IN THE MATTER OF IMPLEMENTING TEMPORARY HIKE IN DAILY STORAGE
TARIFF DURING MONSOONS AT RWC'S**

1. NEED AND OBJECTIVES:

During Rainy season, cement/ sugar parties tend to come to RWC and resort to longer storage as these commodities are very much susceptible to damage when it comes in contact with moisture. This sometimes leads to packing of godowns resulting into rake detention/ demurrage and consequently displeasure of Railways. Therefore, in order to avoid such situation and to ensure smooth operations at the terminal, during rainy season storage charges may be hiked which will be situation based to keep the godown congestion free at any point of time in order to accommodate and facilitate more numbers of incoming rakes at the terminal.

2. GUIDING PRINCIPLES:

There is a system of penal wharfage in Railways also, if their wharf remains occupied continuously. We may also consider levying penal rates of storage charges and curtailing / discontinuing reservation as and when required during the monsoon season. Since such a situation may be temporary though recurring in monsoon, it is suggested to empower Terminal Managers to increase tariff by certain percentage if stocking is more, and bring back to normal level when congestion is eased. This may increase turnover by inducing faster evacuation and alternately assist in earning more revenue besides avoiding displeasure of railways.

3. METHODOLOGY FOR HIKE IN TARIFFS COVERED IN THIS POLICY:

(I) Temporary Penal Provisions:

To ensure smooth operations at RWC during rainy season, it has been decided to hike the storage tariff of those parties (Daily & Reservation) in the following manner:-

- a). Increase tariff by 20% for one week in the first phase and in case the same is not effective, then
- b). increase tariff by 40% in second phase till situation of congestion normalizes.

TMs should notify the period of hike and its withdrawal in advance by 2 days. The terminal manager should invariably notify introduction & withdrawal of the penal increase in writing through their notice boards besides endorsing communication to users (through mail), CGS and DGM-LOM / Manager LOM.

Since such tariff hike may be required and withdrawn on urgent & frequent basis and getting approval from CO may take time defeating the very purpose of this measure, the terminal manager has to take a conscious decision at his/her level in the above circumstance in the best interest of the organization.

(II) Regular Monsoon Provision

Apart from above, it has also been decided to increase storage tariff (Daily & Reservation) by **05 % (Five percent) at all RWCs** considering monsoon season and to avoid any hindrance in smooth operations at the RWCs irrespective of the above situation described at para 3 above.

The hike in tariff as referred to in **para. 3 (I)** will be in addition to this uniform hike of 5% in the storage tariff.

4. DATE OF EFFECTIVENESS OF THIS POLICY:

The above policy will be effective from **01.07.2019 to 31.08.2019 initially**. Further instructions will be issued after examining the business situation prevailing at that time. The terminal manager shall submit fortnightly feedback on the policy and their clear recommendation to extend it beyond **31.08.2019** by **20.08.2019**. If no recommendation is received, it may be construed that the concerned terminal does not require further extension beyond 31.08.2019.

5. AMENDMENTS/ INTERPRETATION AND RELAXTION:

The company may, at any time, depending upon requirement, modify/ amend / alter any rules of this policy in the overall interest of the Company. The Managing Director will have the power to interpret these rules, make corrections in the policy and in case of doubt, provide clarification and his decision will be final. He may also relax any of the provision of these rules in overall interest of the company.
