

CHAPTER -12

CLAIMS AGAINST CARRIERS

12.1 **Introduction**

DPS is procuring items from Indigenous as well as foreign sources. Normally the mode of dispatch is by Rail, Road, Air and Sea. In order to ensure timely completion of projects and attending to the requirements of the running plants, it is necessary to get the items as fast as possible without any damage. However, Loss of consignments, delay in arrivals /clearance, damage of consignment in transit, etc., are inherent risk involved in foreign consignments. It is, therefore, important to know and follow the right procedure for preferring claim on the concerned agencies. Non-adherence to procedures may lead to non-admission or rejection of the claim leading to loss to Department.

12.2 **Claims against the Railways**

Whenever consignments are received, the consignee or his representative shall ascertain if the packages have not been damaged in transit or ensure that the seals, if any, are not tampered with and no disagreement in weight. Should there be any suspicion that the package has been tampered with or loss in weight, the circumstances are to be pointed out at once to the railway authorities and appropriate comment entered in the delivery book to that effect that the cases are damaged/tampered with. Railways, however, permit weighing in cases where:

12.2.1 Prima-facie reasons exist that incorrect weights have been entered on the railway receipt (R.R/PWB).

12.2.2 There is reason to believe that the package or consignment has been tampered with, i.e., seals broken, leakage, etc. or actual damage has occurred.

12.2.3 In case of above, open delivery shall be insisted upon by writing to the railway authorities at the destination station. While conducting open delivery, the presence of railway authorities, technically qualified departmental officials of the User Unit and consignee's representative shall be ensured. Once shortages/damages are established at the time of open delivery/survey necessary Open Delivery Certificate is to be obtained from the railway authorities so as to facilitate claim for the loss. Endorsement in ink to the result of open delivery shall be made on Railway Receipt and Carriers Receipt Note.

12.2.4 While taking 'Open Delivery', suppliers Invoice (Copy) may be provided to the railways on demand. Any shortage or damage is to be endorsed in ink on the Railway Receipt and the Railways Inward Delivery Book.

Railway will not entertain any claim once the consignments are cleared without conducting open delivery and certificate thereof.

12.2.5 When there is clear evidence that the loss or damage has occurred in transit a claim has to be prepared for the loss by the consignee with the Chief Claim Manager of the destination station of railways. Copies of the following documents are to be submitted along with the claim.

- a) RR / PWB.
- b) Open Delivery Certificate
- c) Supplier's Invoice
- d) Packing Slip if available

Copy of claim to be endorsed to supplier/consignor, contracting and paying authority and user unit .Under Section-77 of the Indian Railway Act IX of 1980, every claim for damage to goods must be preferred on railways. In the event of not having the details of cost for the loss/damage, a claim for the provisional amount shall be preferred within the statutory period.

The consignment received in damaged / shortage, etc. shall be taken delivery physically from the railway premises by the consignee after completing the open delivery formalities.

12.3 Claims on Railways in case of Non-Delivery

12.3.1 Consignee holding Railway Receipt for consignment, which is not received within a reasonable period i.e., the specified days from the date of RR / PWB shall send preliminary claim to the railways in the form of a letter indicating all the details of the consignment. The matter should be pursued with regular reminders to the railways. Even after this action, if the consignment is still not received, a formal claim shall be preferred on railways and their acknowledgement should be obtained. The particulars of the claim shall be registered in Stores Unit's claims register in form DPS/SP/05. It shall be ensured that under no circumstances the preliminary letter of claim to be delayed beyond the specified period of the date of RR and formal claim shall not be delayed beyond the permissible period of the date of RR.

12.3.2 Claim on railways is to be raised in triplicate. Original copy is addressed to the Claim Office of the destination station of the railways and obtain acknowledgement. The duplicate copy is sent to Station Master of Local Railway Station and the triplicate copy is to be retained by the Unit.

12.3.3 Railway authorities are to be regularly reminded till the claim is settled. To get quick response, following information is to be given while sending reminders or carrying out subsequent correspondence:

- a) Number and date of the previous references from Railway Claim Office, if any.
- b) Previous references to the Railway Claim Office.
- c) Type of claim.
- d) Name of forwarding and destination stations.

- e) Number and date of Railway Receipt and Railway Invoice Number as appearing on RR.
- f) The cost of item lost/undelivered.

12.3.4 When any claim preferred has been accepted in full or part by the railway authorities, the consignee will furnish details of such cases to PAO who will take necessary action for effecting the necessary accounting adjustments.

If the railway claim is not settled within one year, the matter shall be taken up demi-officially at the level of Regional Director/ Joint director / Deputy Director with Zonal Headquarters of the concerned railways enclosing self contained statement of case duly supported by copies of all related communications and to be followed up regularly. The matter is to be referred to Director DPS, in case no settlement is received. DPS shall take up the matter with appropriate level of the railways.

12.4 **Claim on Road Transport Companies**

When a consignment dispatched by Road is found to be missing or damaged at the destination, following action shall be taken by the consignee.

- a) In case of a **missing consignment**, the consignee shall write to the transporter for chasing the consignment and its immediate delivery. A copy of this letter will be given to consignor for taking up the matter with transporters forwarding office. In the event consignment is still not delivered within reasonable period of despatch a formal claim shall be prepared on the carriers with all the details and followed by Final Claim.
- b) **In case of damage**, the consignee has to arrange open delivery along with the representative of the receiving transport office or godown of the transporter or the lorry driver, as the case may be and obtain the certificate for the extent of damage.
- c) The responsibility of preferring claim on the transport agency and follow up action for damage, shortage and non-delivery are rest with the consignee. Copy of the claim shall be endorsed to supplier / consignor, contracting authority, paying authority and the user unit.

12.5 **Acceptance of claim by Transporter**

When any claim preferred has been accepted in full or part by the transporter, the consignee will furnish PAO with details of claim with a copy of letter from the transporter acknowledging the liability and the draft/cheque given by the transporter. PAO will take necessary action for booking the above transaction into Government account

12.6 **Claim of Compensation for transit losses in the case of Insured Goods**

Irrespective of mode of transportation i.e., by Air, Rail, Road or by sea the claim will be preferred on insurance agency along with all related documents

and certificates in case the goods lost/damaged in transit when insured. It is up to the insurance agency to prefer the claim on carriers.