Sub: JPO on “Wagon Damages”

Ref: (i) SECR’s letter No. MECH/HQ/008/006/2178 dated 18.06.2018
(ii) Board’s letter No. 2010/TT-IV/9/1 dated 18.09.2015
(iii) Board’s letter No. 61/951/38M(N) dated 15.01.1964
(iv) Board’s letter No. 75/M(N)/951/55 dated 16.08.1989

Please refer to letter under reference (i) wherein clarification was sought regarding use of Railway Board’s JPO under reference (ii) or Board’s instructions under reference (iii) & (iv) for realization of damage charges from M/s Bhilai Steel Plant.

The matter has been examined and it is advised to act as per the Railway Board JPO and its subsidiary JPO in SECR. NTXR is not to be involved in the matter.

Vivek Mohan
Dir. Mech. Engg (Frt.)
Railway Board

PCME/All Zonal Railways except SECR- For kind information along with copy of letter under reference (i).
Sub: JPO on "Wagon Damages"

Ref: Railway Board’s letter no 2010/TT-IV/9/1 dated 18.09.2015

1. Reference above, it was instructed that Zonal Railways shall frame their JPO on wagon damages. Accordingly, SECR had framed JPO and implemented for all Railway sidings since 13.10.2016 (copy enclosed).

2. M/s Bhilai Steel Plant represented against the JPO. The copy of representation is enclosed. They contended that damages and realization of damage charges shall be governed by Railway Board’s letter nos. 61/951/38(M/N) dated 15.01.1964 and 75/M(N)/951/55 dated 16.08.1989.

3. It should be clarified whether the wagon damages and realization of damage charges shall be applicable to M/s Bhilai Steel Plant in accordance to instructions under reference or otherwise.

Endl: As above.

(J. DIGI)
Chief Rolling Stock Engineer
SECR/BSP
Divisional Railway Managers  
BSP, R & NGP/SECR  

Sub: JPO on Wagon Damages and Realization of Damage & Deficiency Cost.

Please find enclosed herewith the Joint Procedure Order on “Wagon Damages and Realization of Damage & Deficiency Cost” duly signed by CME, COM, CCM and FA&CAO/SECR for implementation.

This supersedes the SECR’s earlier JPO issued vide letter no. 2013/109/001/PS/10/2831 dated 12.06.2013.

It is requested to intimate all Siding Authorities in your division of the revised JPO on “Wagon Damages and Realization of Damage & Deficiency Cost” and its implementation accordingly.

Encl: As above (05 pages).

(J. DIGI)  
Chief Rolling Stock Engineer  
SECR/ Bilaspur

Copy to:  
COM, CCM & FA&CAO/SECR - for kind information please.
JOINT PROCEDURE ORDER ON WAGON DAMAGES
AND REALISATION OF DAMAGE & DEFICIENCY COST

A. Background and References:

1. Railway Board have issued instructions from time to time to reduce/control damages due to improper Mechanized handling of wagons at loading/unloading points.

2. The relevant instructions by Railway Board are as under:

<table>
<thead>
<tr>
<th>S.N.</th>
<th>References</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Letter no. 98/M(N)/951/12 dated 27.11.2002</td>
<td>Siding owner liable to pay repair charges (Labour &amp; material cost) for the wagon damaged due to defect in tippler/retarder</td>
</tr>
</tbody>
</table>
| 2    | Letter no. 2002/CE-I/SP/1 dated 12.07.2005 | Para 18 of "Standard form of Agreement of Private Siding" stipulates that "The siding owner is entirely responsible for damage to the engines, damages and deficiencies of rolling stock (Railway Wagons) or other property of Railway Administration from any cause and shall make good on demand for all such losses."
| 3    | Letter no. 2010/TT-IV/9/1 dated 08.10.2012 | Action Plan to reduce damages to wagons                                   |
| 4    | Letter no. 2010/TT-IV/9/1 dated 18.09.2015 | JPO on wagon damages                                                       |

3. Based on the instructions contained in item 2(1), 2(2) & 2(3) above, SECR has drawn a JPO at HQ level for realizing cost of damages to wagons vide letter no. 2013/109/001/PS/10/2831 dated 12.06.2013 of CME/SECR.

4. Representation on soundness of existing JPO is being received. It is contended that clear scope of applicability is not defined. It was also commented that the JPO is devoid of sound logic & average billing defined is on presumptive ground. Difficulties in realization of damage & deficiency costs are also highlighted.

5. HQ finance has also advised to draw a fresh JPO in the light of latest JPO vide item 2(4) above.

6. Issue of average billing has also been contended from various corners, but under the existing set up, there is no better option of pin-pointing the damages and the concerned defaulting sidings. Reasons being –

a) C&W staff is not posted in all the sidings.

b) Almost all rakes run for more than one loading/unloading points before returning to C&W examination point.

c) Guard, Driver and Commercial staff who are in direct witness at sidings on day-to-day basis, cannot be given additional burden of identifying quantum of damages.

d) Mechanical department cannot depute C&W staff as escort in all trains to siding for damage detection only.
7. Negligible damages from manual loading/unloading and packaged loading especially in Cement sidings are also highlighted. There is no doubt that packed baggages & manual loading in cement sidings should not cause damages. But almost all cement sidings are unloading coals & clinkers as raw materials by means of Mechanized unloading. Methodology is defined considering the quantum of damages out of total number of wagons checked during the sampling period. Therefore, it should even out the quantum of negligible damages from manual/packed baggage unloading/loading.

8. Railway Board has not specifically defined average billing procedure for damages in wagons other than Tipplers/Retarders. But the methodology is intended to be extended to all including manual and other Mechanized loading/unloading.

B. Identification of sidings causing damages to the wagons:

1. Defaulting sidings shall be identified from the data base of Mechanical department, communication received from Railways, internal reports, inspection notes and daily control position, etc. by Sr. DMEs(C&W).

2. Sample joint check should be conducted on identified defaulting sidings for assessment of quantum of damages & deficiencies and its recovery.

3. Surprise joint checks by Inspectors & committee comprising of Sr. DOM, Sr. DME and Sr. DCM shall be conducted at regular interval. The checks shall examine & review the trend of damages established by the joint sample check. The check shall also pin-point infrastructural deficiencies in the siding and instruct for corrective remedial measures to be undertaken by the siding.

4. Defaulting sidings of concerned division including of other Railways from which damages & deficiencies come to the notice, the Sr. DME(C&W) shall report the defaulting sidings with approximate details of damages to the owning divisions/Railways on monthly basis for preventive/corrective measures.

C. Procedure for raising the bills:

1. Cost of damage per wagon shall be arrived at based on 03 days sample joint check by specified team. Minimum sample size should be 02 rakes (except B/Van). Joint team will consist of Inspector of C&W, Inspector of Operating/Commercial/Finance and representative of concerned siding. Inspector of Commercial or Operating or Finance department can be co-opted based on their ready availability. Co-options of the representatives shall be done/approved by DRM/ADRM.

2. Report from the joint sample check containing no. of wagons checked, details of damages and no. of wagons detected as rejected (unloadable) due to damages are to be compiled and got acknowledged/signed from the representative of the siding on completion of the sample joint check. In case the representative of siding refuses to sign/acknowledge, it should be so recorded by remaining Committee members in the report.

3. On the basis of the joint check report, Sr. DME(C&W) shall work out the average cost of damages per wagon & average cost of loss of earning per wagon. Methodology for Damages & Deficiencies cost calculation is in Para F. This exercise
will be completed within (D+5 days) from the last day of joint sample check of a particular siding.

4. The copy of worked out average total damage cost per wagon (Avg. Recovery Rate) i.e. damage cost & cost of loss of earning shall be sent by Sr. DME(C&W) to the concerned siding authority to represent back, if any. Siding authorities are required to represent back within (D+20 days) from the date of communication. Representation received beyond prescribed days shall be treated as NIL representation.

5. Representation/dissent, if any and worked out Avg. Recovery Rate shall be put up to DRM/ADR for decision/approval. This exercise shall be completed within (D+30 days) from the last day of joint sample check.

6. The Avg. Recovery Rate so decided/approved shall be final & binding on the siding authorities for one year under normal circumstances, plus grace period of 03 months maximum. (which shall include Service Tax and GST extra)

7. The damage bills shall be calculated and prepared on monthly basis by Sr. DMEs(C&W) based on decided/approved Avg. Recovery Rate. The total wagons interchanged during the period (month/part of month) shall be taken into account for the damage bills of the month or part of the month. Sr. DME (C&W) shall submit the bills by 10th of every following month. For example, bills of June should be submitted by 10th of July.

8. Monthly damage bills shall be submitted to Sr. DFM. Sr. DFM shall maintain the details of damage & deficiency charges in “Bills Recoverable” register accordingly. (Ref: para 5 of Letter no. 2010/TT-IV/9/1 dated 18.09.2015). Sr. DFM will raise the bills to Siding Authorities on monthly basis. Delayed unpaid damage bills shall be raised & recovered with an interest to be specified by the Sr. DFM. (For Realization of dues from sidings/firms SR.DCM and SR.DOM shall be made jointly as nodal incharge).

D. Other Checks and Avg. Recovery Rate:

1. Other checks are surprise joint checks and joint sample checks on calls from Siding Authorities.
   - **Surprise joint checks**: Surprise joint checks should also be conducted, if required. Requirement of surprise joint check should judiciously be assessed by Sr. DME(C&W) based on data-base with Mechanical department. The surprise joint checks should be conducted with the approval of DRM/ADR.
   - **Pre-mature joint sample checks**: Pre-mature joint sample checks should also be conducted on calls from Siding Authorities when sizable reduction in wagon damages are achieved by Siding Authorities due to infrastructural improvement. Prior approval of DRM/ADR should also be taken for such checks.

2. In both above pre-mature joint checks, Avg. Recovery Rate should be calculated & implemented when-
   a) Minimum sample size checked is 02 rakes (except B/Van)
   b) Abnormal deviation in Avg. Recovery Rate is (+/-) 30% from the running Avg. Recovery Rate.
3. Finalization of Avg. Recovery Rate for the other checks should also be carried out on the same procedure defined in item 3 to 8 of Para C.

E. Periodicity of Checks and Validity of Avg. Recovery Rate:

1. Periodicity of sample joint check and validity of Avg. Recovery Rate should be one year under normal circumstances. However, Avg. Recovery Rate shall remain valid till next joint sample check & implementation of revised Avg. Recovery Rate. Under no circumstances, validity of any Avg. Recovery Rate should be extended beyond 15 months.

2. Approved Avg. Recovery Rate from regular joint sample or other checks shall remain valid for minimum period of six months.
   For example, normal validity of Avg. Recovery Rate arrived out of regular sample check is from Jan.'16 to Dec.'16. Any of the other checks if conducted in April '16, the existing Avg. Recovery Rate from the regular sample check shall be continued till June '16. Avg. Recovery Rate arrived from the other check shall be effective only from July '16. And, in case other check is conducted & Avg. Recovery Rate finalized in 30th Sept.'16, Avg. Recovery Rate arrived from other check shall be valid from the following month in this case from Oct.'16. The regular joint sample check shall defer accordingly. But regular joint sample check and finalization of its Avg. Recovery Rate should not be deferred beyond grace period of 03 months.

3. DRM/ADRM will monitor the recovery of bills raised on monthly basis and advise the loading/unloading authorities (i.e. Siding Owner) to stop such practices which result into damage/deficiency in wagons (Ref: Para-9 of Letter No. 2010/TT-IV/9/1 dated 08.10.2012).

F. Methodology for Damage and Deficiency cost calculation:

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Item</th>
<th>Calculation</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Cost of material and labour for damaged wagons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.1</td>
<td>No. of wagons checked during 3 days sample check/surprise check</td>
<td>a</td>
<td>100 nos.</td>
</tr>
<tr>
<td>A.2</td>
<td>Material cost of damage &amp; deficiencies</td>
<td>b</td>
<td>Rs.200/-</td>
</tr>
<tr>
<td>A.3</td>
<td>Labour cost (22% of material cost “A.2”)</td>
<td>b X 0.22** = c</td>
<td>200 X 0.22 = Rs.44/-</td>
</tr>
<tr>
<td>A.4</td>
<td>Total cost of damages (material + Labour)</td>
<td>b + c = d</td>
<td>200+44= Rs.244/-</td>
</tr>
<tr>
<td>A.5</td>
<td>Departmental charges 12.5%</td>
<td>d X 12.5% = d1</td>
<td>Rs. 244/12.5% =30.5 say Rs.31/-</td>
</tr>
<tr>
<td>A.6</td>
<td>Total cost of damages (material + Labour)+ Departmental Charges</td>
<td>d+d1 = d2</td>
<td>Rs.244+Rs.31/= Rs.275/-</td>
</tr>
<tr>
<td>A.7</td>
<td>Average cost of damages per wagon</td>
<td>d2/a = e</td>
<td>Rs.275/100= Rs.2.75</td>
</tr>
<tr>
<td>A.8</td>
<td>Total No. of wagons interchanged in the siding for the billing period (Except Brake Vans)</td>
<td>f</td>
<td>1000 nos.</td>
</tr>
<tr>
<td>A.9</td>
<td>Total cost of damages for ‘f’ wagons</td>
<td>e X f = g</td>
<td>Rs.2.75X1000= Rs.2750/-</td>
</tr>
<tr>
<td>S.N.</td>
<td>Item</td>
<td>Calculation</td>
<td>Example</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------------------------------------------</td>
<td>-------------</td>
<td>------------------</td>
</tr>
<tr>
<td>B.1</td>
<td>Loss of earning due to wagons rejected for loading (unloadable)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.1.1</td>
<td>No. of wagons checked during 3 days sample check/surprise check</td>
<td>a</td>
<td>100 nos.</td>
</tr>
<tr>
<td>B.2</td>
<td>No. of wagons detected as rejected for loading</td>
<td>h</td>
<td>2 nos.</td>
</tr>
<tr>
<td>B.3</td>
<td>Loss of earning of wagon per day</td>
<td>i =Rs.11,652/-*</td>
<td>Rs.11652x2X2=</td>
</tr>
<tr>
<td>B.4</td>
<td>Minimum days lost on earning capacity due to rejection</td>
<td></td>
<td>Rs.23304/-</td>
</tr>
<tr>
<td>B.5</td>
<td>Total loss of earning of ‘h’ wagons for minimum 03 days</td>
<td>h x i x 3 = j</td>
<td>Rs.11652x2x3x3=</td>
</tr>
<tr>
<td>B.6</td>
<td>Average cost for loss of earning per wagon</td>
<td>j/a=k</td>
<td>Rs.69912/-</td>
</tr>
<tr>
<td>B.7</td>
<td>Total No. of wagons interchanged in the siding for the billing period (Except Brake Vans)</td>
<td>f</td>
<td>1000 nos.</td>
</tr>
<tr>
<td>B.8</td>
<td>Total cost for loss of earning for ‘f’ wagons</td>
<td>k x f = m</td>
<td>Rs.699.12X1000=</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Item</th>
<th>Calculation</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>Total cost (damages cost + loss of earning cost)</td>
<td>g + m = n</td>
<td>Rs.2750+Rs.699120=Rs.701870/-</td>
</tr>
</tbody>
</table>

Note:

i. Item B shall be applicable only when wagons are detected damaged to the extent of rejection (unloadable).

ii. Earning per wagon per day is taken from Page. No. 52 of SECR's Pocket Book of financial results & important statistical highlights-2014-15. Earning per wagon per day shall be updated every year from the date of publication of SECR's Pocket Book of financial results & important statistical highlights.

iii. Each wagon will incur loss of earning for minimum 03 days when rejected as unloadable.

iv. Labour cost is taken from SECR's earlier JPO. Labour cost is considered dependent on material cost on assumption that WPI of both material & industrial labour would escalate proportionately more or less and most importantly to simplify calculation.

v. On cost element in earlier JPO had not been considered as almost all the damages are attended at siding & C&W depots/Examination points, not in workshops.
OFFICE OF THE DY. GENERAL MANAGER (TRAFFIC - OPRN)
T & D ORGANISATION
BHILAI STEEL PLANT

No. T&D/DGM (T-OPRN)/2018/30
Date: 17.04.2018

Sub: Appeal for long pending issue on Damages & Deficiency charges bills

For the assessment of damages & deficiencies in the wagons interchanged with Steel Plant, the practice of joint continuous check of all the wagons was introduced in 1964 vide Railway Board letter no. 61/951/38M (N) dt. 15.01.1964 (Annex-I). Salient principles of this letter were as below:

- All wagons interchanged should be checked jointly and damages & deficiencies raised based on the results of such joint checks.
- IRCA rates should be adopted for raising the above debits.
- No labour charges in addition to the cost of materials at IRCA rates should be recovered.

The above system was being followed at all steel plants excepting Durgapur Steel Plant where there was a system of random check of wagon for a period of 15 days every six months due to certain operational reasons.

With a view to bring uniformity in the procedure for all the steel plants, Railway Board in consultation with Ministry of Steel and SAIL decided to introduce periodical joint check vide letter no. 75/M(N)/951/55 dt. 16.08.1989 (Annex-II). The salient principles of this order was as below:

- The sample checks will be for a period of 3 weeks at a steel plant so that the sample bears a statistical relation to the size of wagon population interchanged.
- The sample check should be conducted round the clock.
- The checks should be conducted at intervals of six months. A notice of 2 weeks may be given to steel plant to organize staff from their side for sample check.
- The average cost of debit per wagon arrives at by the above method be the basis for raising debits till the end of the next check.

Railways have raised the damages & deficiency bill as per above method till December 2006 and Bhilai Steel Plant has also paid these bills regularly.

From January 2007 Railways have started raising labour cost along with material cost in their Damages & Deficiency bills as per Railway Board order no. 98/M[N]/951/12 dt 27.11.2002 (Annex-III). Railway board order was only for those sidings where wagons got damaged due to defective tipplers. Although our tipplers have never been declared defective, Railway has raised the labor cost in Damages & Deficiency charges. bills for tippler area in addition to non-tippler area, hence labour cost in damage and deficiency bills was not accepted by us. Only the material cost of the bills has been paid and labour cost was kept under dispute. We have made
several correspondences on this issue (Annexure IV to IX). Railway has deducted the total labour cost i.e. Rs 5,18,23,219/- unilaterally for the period from January 2007 to June 2013 from our supply bill of rail (Annex-X) and also deducted Rs 31,62,753/- twice that we have already paid. The deducted amount has not been refunded by Railways till date. Our Finance Deptt has made several correspondences on this matter (Annex-XI, XII & XIII).

Further in June 2013 Railways have formed a JPO (Annex-XIV) in zonal level and started raising Damages and Deficiency charges bills accordingly from July’13. Railways have totally changed the method of raising damages & deficiency bills. Railways have introduced various components in their damages & deficiency bills like prime cost, shop on cost, general on cost, freight charges on store on cost and loss of earning capacity of wagon per day. This JPO is not accepted by us due to following reasons

- This JPO has formed in local level without consulting Ministry of Steel & SAIL.
- This JPO is not the amendment of previous Railway board order 75/M (N)/951/55 dt. 16.08.1989.
- Joint sample check in Bilai Steel Plant is being done as per Railway board letter no. 75/M (N)/951/55 dt. 16.08.1989 and organized by Neutral Control, IRCA, Kolkata twice in a year for 21 days (copy of letter enclosed — Annexure-XV).

With this new formula amount of our Damages & Deficiency charges bills have increased so many times. We can compare Damages & Deficiency bills for the period from Jan’14 to June’16 with reference to old & new formula (calculation with old formula in Annex-XVI).

<table>
<thead>
<tr>
<th>Bill Period</th>
<th>Bill amount with Old formula</th>
<th>Bill amount raised initially with New formula</th>
<th>Revised Bill amount raised with New formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>July’13 to Dec’13</td>
<td>1044269.01</td>
<td>24351042</td>
<td>-</td>
</tr>
<tr>
<td>Jan’14 to June’14</td>
<td>606827.14</td>
<td>18029144</td>
<td>-</td>
</tr>
<tr>
<td>July’14 to Dec’14</td>
<td>1206430.26</td>
<td>5296277</td>
<td>2058907</td>
</tr>
<tr>
<td>Jan’15 to June’15</td>
<td>918914.41</td>
<td>4462000</td>
<td>1568716</td>
</tr>
<tr>
<td>July’15 to Dec’15</td>
<td>705806.92</td>
<td>4889254</td>
<td>1222702</td>
</tr>
<tr>
<td>Jan’16 to June’16</td>
<td>913241.59</td>
<td>6299474</td>
<td>1589383</td>
</tr>
</tbody>
</table>

From the above table it is clearly understood that the bill amount with new formula for the period from July’13 to June’14 has risen by many times as compared to bill amount with old formula. However, bill amount for the period from July’14 to June’16 has decreased as
compared to previously raised bills but still higher than the bill amount with old formula. Bill amount has decreased only due to no. of wagons under repair have taken zero.

Although Railways have raised the damages & deficiency bills as per this JPO but bills were not accepted by SAIL-BSP and returned back for amendment in bills as per Railway Board letter no. 75/M (N)/551/55 dt. 16.08.1989 (Annex- XVII to XXI). But Railways have deducted the total bill amount of Rs.4,79,45,850/- unilaterally for the period from July 2013 to June 2016 from our supply bill of rail (Annex-XXII). We have already requested Railways vide letter dt 20.01.2015 (Annex-XXIII) for getting clarification from Railway Board regarding methodology adopted for joint sample check and its billing but no clarification has been received till date.

We are now in receipt of a new JPO dt 18.10.2016 formed by Zonal Railways (Annex-XXIV). However Railways has not raised Damages & Deficiency charges bill from July’16. This JPO cannot be accepted by SAIL-BSP due to the same reasons as mentioned for earlier JPO.

There is no uniformity of billing of Damages & Deficiency charges across various Zonal Railways. In Bokaro Steel Plant that is one of the sister plant, where Railways has been raising Damages & Deficiency charges bill for material component only since the starting of sample check (Copy of bill enclosed-Annex-XXV).

In view of the above, it is necessary that

(a) the methodology adopted by SECR for raising bills on Bhilai Steel Plant on account of Damages & Deficiency charges may be reviewed and the bills on account of Damages & Deficiency charges be raised on the basis of material value as per Railway Board circular no. 75/M (N)/95/1/35 dt. 16.08.1989.

(b) on reviewing the methodology, the amount of Rs.9,97,68,569/- (Annex-XXVI) deducted during 2014-18 from Rail supply bills of Bhilai Steel Plant for the period from Jan 2007 to June 2016 along with the amount of Rs.31,62,753/-may be refunded to Bhilai Steel Plant.

Sr. DME (Co-ord),
SEC3, Raipur

Copy to:
1. Sr. DFM, SECR, Raipur
2. DME, SECR, Bhilai
3. AHM, SECR, Bhilai

Dy. GM (Traffic)

[Signature]
The Board have come to a conclusion that the following arrangement should be made with regard to the supply of material in the form of steel plate, blooms, billets and other items.

1. All materials purchased and delivered to the Board should be inspected at the point of receipt by the Inspecting Officer in order to avoid any wastage due to defects.

2. Rates should be fixed for the returned material at Rs. 100 per ton unless the material is considered to be of the same grade.

3. All future purchases should be made on the basis of the prices prevailing at the time of purchase.

4. It is desired that the purchase department should be kept informed of any changes in the market price of the material and that the rates should be reviewed periodically.

5. Copy for information and necessary action to the Secretary, Furnace Works, and immediate action should be taken to implement the above recommendations.

New Delhi, dated 25.1.64

Annexure - I

No. 91/951/66

G. M., dt. 25.1.64
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

NO. 75/M(N)/957/95

New Delhi, dt. 16/6/1989

The General Managers,
All Indian Railways,

Sub: Introduction of Sample checks of railway wagons interchanged at Steel Plants - Recovery of charges for damages and deficiencies of wagons.

For assessing the damages and deficiencies in the wagons interchanged with Steel Plants the practice of joint continuous check of all the wagons interchanged was introduced in 1954. This system was being followed at all Steel Plants excepting Durgapur Steel Plant where there was a system of random check of wagon for a period of 15 days every six months due to certain operational reasons.

With a view to bring uniformity in the procedure for all Steel Plants, Railway Board in consultation with the Ministry of Steel and SAIL, have now decided that periodical joint checks may be adopted as Railways' policy for raising debits against the steel plants for damages and deficiencies of wagons interchanged and system of joint continuous check be given up with effect from 31/12/1989. The following broad principles may be followed in this regard:

1. The sample checks will be for a period of 3 weeks at a Steel Plant so that the sample bears a statistical relation to the size of wagon population interchanged.
2. The sample checks should be conducted round the clock.
3. The checks should be conducted at intervals of six months; a notice of 2 weeks may be given to the Steel Plant to organise staff from their side for sample checks.
4. The sample checks will cover all items and the deficiencies be established by examination of the same wagon.

Contd. 2/-
No. 75/II(N)/95/95

New Delhi, Dt.: 16-6-89

Copy for information and necessary action to:-

1. Ministry of Steel and Mines, Department of Steel,
   Qibrug Bhawan, New Delhi-11, in reference to their
   letter No.7/(I)-MS-82-dt. 10-7-1989.

2. Shri K. Neelkanta, Adviser(Rail Movement), SAIL,
   2, Fairlie Place, Calcutta-700 007.

3. Shri J.K. Verma, Dy. Director (Operations),
   SAIL, ISFAT Bhavan, Tiadi Road, New Delhi.

(R.K. Shukla)
Executive Director Mech. Engg.(RS),
Railway Board.

DA: Nil