

**GOVERNMENT OF INDIA (BHARAT SARKAR)  
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)  
RAILWAY BOARD**

No.2018/RS(S)/709/8


New Delhi, dt.04.09.2018

**Principal Chief Material Managers,  
WR, SCR, CR, SWR and SR**

**Sub:- Minutes of the meeting of PCMMs of Southern and Western Region with  
Railway Board held on 21.08.2018 at SCR Hqrs, Secundrabad.**

A copy of the Minutes of the meeting of PCMMs of Southern and Western Region with Railway Board on 21.08.2018 regarding review of Scrap Sale Performance is sent herewith for information and necessary action. Action taken on the Minutes may please be advised at the earliest.

DA: Minutes.

  
(Apparao)  
**Director Railway Stores (C)  
Railway Board.**

Copy to Sr.PPS to DG/RS – for kind information of DG/RS

PPS to AM/RS – for kind information of AM/RS

**MINUTES OF SALES PERFORMANCE REVIEW MEETING OF PCMMS OF SOUTHERN AND WESTERN REGIONS HELD ON 21.08.2018 AT SCR HQRS, SECUNDERABAD.**

**Present**

<b>Railway Board</b>	
<b>S/Shri</b>	
<b>V.P.Pathak</b>	<b>DG(RS)</b>
<b>O.P.Khare</b>	<b>AM(RS)</b>
<b>H.R.Soni</b>	<b>EDRS(C)</b>
<b>V.Apparao</b>	<b>DRS(C)</b>

<b>Railways</b>	
<b>S/Shri</b>	
<b>P.C.Sharma</b>	<b>PCMM/W.Rly</b>
<b>P.K.Sangewar</b>	<b>PCMM/S.C.Rly</b>
<b>V.R.Mishra</b>	<b>PCMM/C.Rly</b>
<b>K.Shanmugaraj</b>	<b>PCMM/S.W.Rly</b>
<b>Vinay Ambade</b>	<b>CMM/S.Rly</b>

**1.0 Presentation by EDRS(C)**

- 1.1 EDRS(C) welcomed all the PCMMs of Southern and Western Regions in the meeting. A presentation was made on overall sales performance of IR.
- 1.2 At the end of Jul'18, total scrap sales of IR was Rs. 838 crores as against the proportionate target of Rs. 992 crores, i.e. a deficit of 15.6%. CR and SCR are lagging behind their proportionate targets by 39% and 32% respectively whereas WR has exceeded the proportionate target by 35%. SR has almost reached to the proportionate target and in the case of SWR, the deficit was 11.5 % as compared to proportionate target.
- 1.3 Scrap balance at the end of Jul'18 of all Railways put together was worth Rs. 271 crores which is substantially higher as compared to the corresponding balance of Rs. 188 crores at the end of Jul'17.

- 1.4 Scrap sale in first quarter of current year was at the monthly average rate of Rs. 220 crores but has dropped to Rs. 180 crores in July. Thus, there is an urgent need to reverse this downward trend.
- 1.5 Price trend of average sold rate was also presented. In Jul'18, the prices of ferrous scrap, rails and P-way scrap have fallen on an average by 6% over the corresponding prices of Jun'18. However, the prices have stabilized in August and therefore, sales should now pick up.
- 1.6 CR, SCR and WR have scrap balances equivalent to 2.2, 1.4 and 1.9 months respectively of their average monthly sales which is considered to be on higher side and all out efforts are to be made to bring it below one month's average sale.

## **2.0 Address by AM/RS**

- 2.1 Scrap disposal is an important activity of Stores Department. The meeting at regional level is organized with a view to have focused discussion on agenda items at micro level.
- 2.2 Scrap sales and balances at the end of month are closely monitored at Railway Board's level and therefore, PCMMs should pay special attention to this activity.

## **3.0 Address by DG/RS**

DG/RS while addressing the officers mentioned that we as Material Managers have been very successful in arranging timely supplies of materials. At the same time, it is equally important to expeditiously dispose of scrap material available in the railway system. It not only augments Railway's earnings and contributes in improving operating ratio, but also leads to neat and clean railway premises. On the other hand, if we do not sell scrap timely, then it may lose its value with the passage of time. Besides, scrap lying aside track is a potential safety hazard and therefore, our endeavour should be, not to leave any scrap unattended and unsold.

## **4.0 Discussion on Railway-wise performance**

### **4.1 Central Railway**

4.1.1 Railway achieved sale figure of Rs. 46.4 crores upto July'18 as against the proportionate target of Rs.77 crores. Disposal of rails and other ferrous scrap was substantially lower as compared to the corresponding sales during last year.

4.1.2 PCMM/CR while presenting his action plan to enhance the pace of sales mentioned that:

- i) 24,000 MT of second hand rails are lying unutilized. The matter was taken up at the level of GM and it has been decided that 30% of such rail is to be immediately offered as scrap.
- ii) In Mumbai suburban region, approx. 14,000 MT of scrap rails are lying along the tracks. However, Mumbai division has offered only 2,000 MT for sales. He brought out the difficulties in getting adequate blocks for lot formation. In this context, PCMM/CR was advised to make use of extent powers of GM to form scrap rail lots at required/available distance. WR in the Mumbai region has been able to dispose scrap rails under similar circumstances and their experience should be put to use and sales of scrap rails should be speeded up.
- iii) Abandoned structures - Thakurli Powerhouse, Kalyan and Butt Welding Plant have been identified for disposal. S&T Workshop Byculla, TRD Depots, Electrical Stores, etc. will also be surveyed for scrap mobilisation.

4.1.3 Replacement of catenary/contact wires in Mumbai suburban area is a major activity. Non-ferrous scrap released in the process should be timely and properly accounted for and disposed off. Regular inspections in this area are to be undertaken.

4.1.4 PCMM/CR was advised to plan and undertake section-wise detailed inspection of entire Railway for mobilization of scrap.

4.1.5 Instructions exist for formation of mobilization committees of officers in Workshops/Sheds, etc. involving different departments which should

periodically inspect the premises and identify the scrap available and monitor for its prompt disposal. These should be re-activated.

4.1.6 Division/depot-wise target and sales performance was discussed and PCMM/CR assured of surpassing the annual sales target of Rs.270 crores.

## **4.2 Southern Railway**

4.2.1 Southern Railway achieved sales of Rs. 69.9 crores as against the proportionate target of Rs.72 crores at the end of Jul'18. The Railway has projected arising of 45,000 MT of rails and P-way scrap in the current year.

4.2.2 CMM/SR discussed divisional/depot-wise sales performance and was optimistic of achieving the annual target of Rs. 255 crores.

4.2.3 Apart from track renewal, several gauge conversion projects are under progress in the Railway. Assessment of arising of engineering scrap from these works needs to be done immediately. GC sites should be personally inspected by CMM/Sales/SR.

4.2.4 In GSD/Perambur, tracks are buried under earth and are unutilized. Requirement of such track in all the depots should be critically reviewed and in case of no utility, such tracks should be scrapped and disposed off.

4.2.5 CMM/SR was advised to nominate all Hqr. Stores Officers for foot by foot survey of each section of the Railway and assessment of scrap arisings must be made. The entire exercise should be completed within a month, i.e. by 20.09.2018. It should also include Depots of TRD, RE, S&T and General Electrical Stores.

4.2.6 Unserviceable and condemned PSC sleepers lying alongside track should be also processed for disposal.

4.2.7 Division/depot-wise targets and performance was discussed. CMM/SR was advised to undertake critical analysis of available scrap and anticipated arisings in the Railway and come prepared for discussion in Railway Board after two weeks.

### 4.3 South Central Railway

- 4.3.1 The Railway has achieved sales of Rs.56.2 crores as against the proportionate target of Rs. 82 crores upto Jul'18.
- 4.3.2 PCMM/SCR while presenting the sales performance mentioned that Board has fixed a very high target for their Railway. Last year, the rail and P-way scrap of entire Akola- Khandwa MG section has been sold and there is no left over scrap from gauge conversion works for current year. As a result, the arising of rails and P-way scrap will not be in line with that of last year. Based on their assessment, Railway can achieve scrap sales of maximum Rs. 185 crores.
- 4.3.3 16,946 MT of open line P-way scrap was identified through foot by foot survey in April/May,2018. Further, 10,000 MT was identified in June/July,2018. As per their assessment, major scrap arisings in the current financial year are:
- |                       |   |           |
|-----------------------|---|-----------|
| - Rails & P-way scrap | : | 47,000 MT |
| - Other Ferrous       | : | 30,000 MT |
| - Non Ferrous         | : | 1,500 MT  |
- 4.3.4 Till Jul'18, 10216 MT of rails and P-way and 5,329 MT of other ferrous scrap has been sold and balance of 2,548 MT of rails and P-way and 2,944 MT of other ferrous was available at the end of July'18. Thus, Railway has to speed up the process of mobilization and sales of scrap.
- 4.3.5 PCMM/SCR informed that the Railway has been selling released rails and P-way material to RVNL/RITES and getting full credit thereof in sales disposal. This procedure ensures proper accountal of released material and should be adopted by other Zonal Railways as well. EDRS(C) will issue suitable guidelines in this regard.
- 4.3.6 The Railway was advised to survey areas like Khandwa-Akola section for identification of condemned MG bridges, non- ferrous cut pieces released from RE works/TRD works, condemnation of Goods sheds, PSC concrete sleepers, etc.
- 4.3.7 Railways sales target of Rs. 290 crores is although a tough target, but considering their excellent past performance and additional mobilization avenues of scrap mobilisation, the Railway is considered capable to achieve the above target.

4.3.8 PCMM/SCR mentioned that catalogue publishing time period for rejected lots may be reduced to 3 days. It will enable Railways to try out the unsold lots more frequently. In this context, views of other PCMMs were also taken and it was decided to suitably revise Board's instructions in this matter.

#### **4.4 Western Railway**

4.4.1 The Railway has achieved sales of Rs.109 crores till Jul'18 as against proportionate target of Rs. 81 crores.

4.4.2 PCMM/WR mentioned that in Mar'18, foot by foot survey of entire railway has been completed and 64,000 MT of Rail and P-way scrap was identified. They have been consistently monitoring for quick mobilization and lot formation of line scrap which has led to such a good sales performance.

4.4.3 Division/depot-wise sales target and performance was also discussed.

4.4.4 Further, 450 MT of Steel Girders and 1255 MT of bridges structure have been identified as scrap and will be disposed off in the current year.

4.4.5 Other areas like RE/TRD Depots and General Electrical Stores will also be surveyed periodically for identification and offering of scrap particularly, non-ferrous scrap.

4.4.6 PCMM/WR mentioned that condemned/concrete sleepers are fetching good sales revenue in their railway. So far, sales of about Rs. 4 crore has been realized through PSC sleepers and this shall be continued with the same momentum.

4.4.7 Several GC projects are under progress in Western Railway. The project sites should be inspected by CMM/Dy.CMM and scrap released from such works should be expeditiously obtained for sale and disposed of.

4.4.8 The Railway has a balance of Rs. 51.85 crores worth scrap equivalent to two month's average sales and specific efforts should be made to reduce it to less than a month's sale.

4.4.9 PCMM/WR expressed confidence to surpass the annual sales target of Rs. 285 crores.

## 4.5 South Western Railway

- 4.5.1 The Railway has achieved sales of Rs.26.3 crores as against proportionate target of Rs. 30 crores till Jul'18. Foot by foot survey of all sections in the Zone has been completed and 22,000 MT of rail and P-way scrap has been assessed at the ground level.
- 4.5.2 PCMM/SWR mentioned that large quantity of second hand rails lying in Railway unutilized and matter was taken up at GM level. It has now been decided by GM to offer 3,000 MT of such rails as scrap for sales.
- 4.5.3 In SWR, condemned coaches are now being converted to NMG for transportation of cars and hence, their sales will be less as compared to last year.
- 4.5.4 In RE/Mandya, 25 MT of copper scrap has been identified and 450 MT of structural I-beam are also available for disposal. RCD at Castle rock is planned for closure. Scrap released from this unit will be taken up for disposal.
- 4.5.5 The Railway has identified about 1.25 lakh PSC sleepers and further arising of 2.00 lakh such sleepers is anticipated. It will generate sales of approx. Rs. 10 crores.
- 4.5.6 PCMM/SWR mentioned that in SWR's Ghat sections, there is difficulty in mobilization and lot formation particularly in rainy season, However, efforts will be made to dispose of this scrap once the weather improves.
- 4.5.7 Other structures/assets which are under survey for getting scrap are MW towers, height gauges, S&T signal posts, tracks not in use in Stores Depots, etc. Sale of scrap rails to Forest Department is estimated to be around Rs. 10 crores this year.
- 4.5.8 PCMM/SWR mentioned that their Railway will surpass the target of Rs. 105 crores set by the Board.
- 5.0 Meeting ended with vote of thanks to DG/RS, AM/RS, PCMMs/CMMs, other participating officers and with thanks to PCMM/SCR for successfully organizing this meeting at SCR Hqtrs.

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