

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

No. 2012/RS(S)/709/4

New Delhi dated: 29 .05.2012.

General Manager,
All Indian Railway and Production Units.

Sub : Review of the policy and procedure for ways & means of plugging the leakage/pilferage in the area of scrap disposal on Indian Railway.


The question of streamlining the policy and procedure for efficient and speedy disposal of scrap, particularly in the context of ways & means of plugging the leakage/pilferage in the area of scrap disposal, has been engaging the attention of Board for some time now.

In this connection, a senior level Committee of SAG officers was constituted to examine all aspects of the scrap disposal. The recommendations made by the Committee, as accepted by Board are given in Annexure-I.

The recommendations of the Committee as accepted by the Board may be implemented forthwith. Necessary modifications/ amendments to the auction conditions may be ensured.

This issues with the concurrence of Finance Directorate of this Ministry.

Receipt of this letter may please be acknowledged.


(V.K. GARG)

Executive Director Railway Stores (C)
Railway Board.


Contd.....2/-

2012/RS(S)/709/4

New Delhi dated: 29.05.2012.

Copy forwarded for information and necessary action to:-

1. OSDs, North Central Railway/Allahabad, South Western Railway/Bangalore, East Central Railway/Hajipur, East Coast Railway/Bhubaneswar, North Western Railway/Jaipur, West Central Railway/Jabalpur and South East Central Railway/Bilaspur.
2. The Controller of Stores, Chief Engineers, CSTE, CEEs, C.M.E. FA&CAO, All Indian Railways and Production Units.
3. Controller of Stores, Wheels and Axle Plant, Yehalanka, Bangalore.
4. Controller of Stores, Central Organization for Modernisation of Workshops, Railway Offices Complex, Tilak Bridge, New Delhi.
5. Director General, RDSO, Lucknow.
6. A.D.A.I., Railways, New Delhi. (with 10 spares).
7. DG/RSC, Vadodara, Directors/IRIMEE, Jamalpur/IRICEN, Pune IRISSET, Secunderabad and IRIEE, P.B.No. 33, Nasik Road, Maharashtra.
8. Vigilance-IV, RS(G), FS(POL), Track and Mech.(W), M(N), M(C) & M(L) Branches in Railway Board's Office.
9. Dir. (C&IS) for uploading on website.


(V.K. GARG)
Executive Director,
Railway Stores (C)
Railway Board.

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RECOMMENDATIONS OF THE SAG COMMITTEE TO SUGGEST WAYS & MEANS FOR PLUGGING THE LEAKAGE/PILFERAGE IN THE AREA OF SCRAP DISPOSAL AS ACCEPTED BY BOARD

(Enclosure to Board's letter No. 2012/RS(S)/709/4 dated 29th May'2012)

Reco. No.	Recommendation by SAG Committee as accepted by Board.
1.	<p>Selling of low value scrap on "as is where is basis"</p> <p>Divisions should finalise the list of low value items with the concurrence of DAO/Sr.DAO and with the approval of DRM, keeping in view the codal provision in para 2314 of Stores code. These items should be disposed of on as "as is where is basis". These scrap lots valued up to Rs. 100,000 can be disposed of by Sr.DMM/DMM by calling for bids tenders from the list of likely buyers.</p>
2.	<p>Disposal of P.Way scrap on "as is where is basis"</p> <p>Each railway should make out a Joint Procedure Order to be signed by COS, PCE, FA&CAO & CSC/RPF for the sale of Engg. Scrap from the line itself on "as is where is basis". Movement of Engg. Scrap from the place of arising to Stores depots should be avoided. Deviations may only be effected with personal approval of PCE/CAO/C.</p>
3.	<p>Scrap plan</p> <p>Each supervisor should make a scrap plan for the ensuing year subdividing the same up to monthly level. This plan should include the likely scrap arising and the method of disposal to be adopted. Such plans should be approved by branch officers as being done for other activities.</p>
4.	<p>Disposal of low value scrap by workshops</p> <p>A list of such low value scraps should be finalised by each CWM and such low value scrap items should be disposed by respective CWMs from the workshop itself. The workshops may have a separate space for storing these low/nil value items within the workshop premises. The system being followed by CWM/Lalaguda workshop may be studied by other workshops for its implementation.</p>
5.	<p>P.Way scrap computerization</p> <p>Computerisation of accountal of P.Way scrap must be expedited. The scrap module developed by the Civil Engineering Dte. to monitor lot formation, auction, delivery of scrap module etc., which will be finally a part of the TMS system must be implemented and test in next three months.</p>

6.	<p>Implementation of e-auction</p> <p>E-auction should be implemented at the earliest.</p>
7.	<p>Time line for disposal of P.Way scrap</p> <p>The Committee has recommended time lines for main activities involved in P.Way scrap disposal as under:-</p> <p>(i) Collection and formation of material to be offered in lots: 8-10 weeks (for manual works) 3-4 weeks (for mechanised works)</p> <p>(ii) Joint Inspection by stock verifier and PWI: 2 weeks</p> <p>(iii) Preparation of survey sheets and sending to Divisional Hqr. for approval: 1 week</p> <p>(iv) Verification of the survey sheets and required test checks at Divisional level and forwarding for approval of CTE office: 2 weeks</p> <p>(v) Scrutiny of survey sheet, approval of survey sheet by CTE and Forwarding to COS office: 1 week</p> <p>(vi) Verification of lots by Stores deptt., inclusion of the lot in Auction catalogue and conducting auction by Stores Deptt.: 4 weeks</p> <p>(vii) Disposal through auction by Stores Deptt.: 3-4 weeks</p> <p>(viii) Delivery of material to the Purchaser: 6-7 weeks</p>
8.	<p>Surprise checks by officers and its frequency</p> <p>Surprise checks particularly in respect of the item & quantity being delivered may be made at officers' level during the course of delivery of scrap to the purchasers. These checks should be conducted by the depot officers in case of delivery of scrap from the depot, by DME/Sr.DME in case of delivery of condemned rolling stock, by DEN/Sr.DEN in case of delivery of P.Way scrap and by the workshop officer/shed officer in case of delivery of scrap from the shop/shed premises.</p>
9.	<p>Provision of baling presses</p> <p>All Railways/PUs should plan to purchase baling press for Scrap Depots, Workshops, ROH depots and Loco sheds for making bales of turning/boring & other thin sheets. This will not only reduce the volume & increase handling capacity but will also increase the market value of the scrap. However, Rlys. may plan provision</p>

	of these presses based on scrap qty. generation at these locations, wherever found viable.
10.	Monitoring of scrap disposal The position of the collection of scrap vis-a-vis accrual and disposal should be monitored in the headquarters office by a Committee of 4 PHODs i.e. PCE, CME, COS & FA&CAO once in two months so that corrective action if required on the part of department involved is taken timely. This will also help in immediate disposal of the scrap after its arising from track renewal works.
11.	Provision of M&P items/labour in stores scrap depots Stores scrap depots should have the required M&P items either through purchasing or by hiring them and this should not be an excuse for delay in scrap disposal. Depot officers should also be given powers for hiring labour for these activities with a ceiling of say Rs. 1 lakh per month. Similarly PWIs must procure at least one weighing machine of one MT capacity or higher for each PWI depot.
12.	Publication of delivery dates on Railway web site The delivery dates should be put up on Railway website of concerned zonal railway so that information is available to all concerned to carry out surprise checks etc.
13.	Time for delivery and depositing payment The system may be modified as under:- a) Free delivery time shall be maximum 50 days from the date of auction. This time can be extended up to 65 days by COS/CMM at the time of auction depending on complexity of lot or even after auction in case Railway Administration is responsible for delay. However, beyond 65 days, delivery can be given only after imposing ground rent. In exceptional circumstances when delay is purely due to fault of Railway Administration, delivery time can be extended without ground rent with personal approval of GM/AGM. b) If the purchaser fails to deposit balance sale value for a sold lot within the allowed period of 20 days from the date of auction and requests for an extension of this period, the Railway Administration, may at its discretion, on the merits of the case, allow further time not beyond 40 days from the date of auction, subject to the levy of interest charges. However, the Earnest Money shall stand forfeited, if the balance sale value is not deposited by the purchaser within the said period of 40 or 20 days as the case may be.
14.	Availability of PWIs and subsequent delay in delivery To strengthen the PWI, at least one Material Clerk should be posted under him. At present, some PWIs are handling the material with the help of literate Gangmen which is not desirable as the Gangmen's accountability cannot be fixed in case of

	<p>any fraud. There shall be no need to create extra post and DRMs should ensure posting of this Material Clerk under each PWI through the re-organisation of the cadre available in the Division. This must be ensured within three months.</p>
15.	<p>Shortage of stock verifiers</p> <p>Sr. DFMs of Divisions which face this problem of shortage of Stock Verifiers, may take it up with FA&CAO and evolve a system whereby such a situation is avoided through a schedule for such special verifications. However, such special verification may be adopted as a stopgap measure to avoid permanently affecting regular beats and schedules.</p>
16.	<p>Departmental Stock Verification after delivery of each lot</p> <p>For carrying out of departmental stock verifications for fast moving scrap items after delivery of each lot, COSs should draw a list of such items for each scrap depot within three months. However, there may be problems in frequent stock verifications of items for which large stocks are available. Hence, COSs should draw this list keeping in mind the pilferability, value, stock & other aspects.</p>
17.	<p>Instructions issued by Board (ME) for formation of P.Way scrap lots</p> <p>Vide D.O. letter No. 2002/RS(S)/709/10 dt. 12th May'2006, addressed to GMs, the then ME explained that "the spirit behind issue of these guidelines (no loose or unverified stock is allowed within a kilometer and preferably within block section etc.) is to ensure that no mix up takes place between the stock to be auctioned and usable rail materials. There has been persistent complaint that after the auction the purchaser also takes away the nearby stacks of usable rail material. In order to prevent this incident, it is essential that the usable stacks of rail materials for possible use, should be kept sufficiently away from the stacks which are intended to be auctioned. It has to be ensured that such usable stacks are kept near level crossing gate lodges or depot or near the headquarter of a particular gang so that these materials are kept under watch. Considering any practical difficulty, however, GMs may relax these guidelines by ensuring adequate safeguard to prevent pilferage of usable rail material. It is not in the interest of any body to prolong disposal time of the materials. Disposal time has, therefore, to be kept as minimum as possible. Disposal of more than a month should definitely not be acceptable. After all these stacks which are auctioned have been disposed of, final disposal sheet must be countersigned by the AEN. It is an essential safeguard which should not be relaxed."</p> <p>These instructions should be strictly followed and any deviation or relaxation there to should be only with the approval of GM.</p>
18.	<p>Association of stock verifier/ISA in the process of disposal of P.Way scrap</p> <p>Notwithstanding the shortage of stock verifiers, association of stock verifiers at three stages i.e. foot by foot survey, lot formation and delivery is necessary to safeguard the chances of leakages.</p>
