

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

SHARAT SANKAR
RAIL MANTRALAYA

No. 77/709/28/RS(S)

New Delhi, dated 18-11-1977

To

The General Managers (Stores),
All Indian Railways including ICF, DLW & C.L.W.

Sub: Disposal of Scrap.

Minutes of the 36th periodical meeting of the Controllers of Stores with the Railway Board held on 13th and 14th September '77 were circulated to all the Railways under Board's letter No. 77/RS(G)/509/4 dated 18.10.77. It would be observed therefrom that in the meeting the Minister and the Board had laid emphasis on certain aspects connected with the disposal of scrap on railways and it was desired that immediate action should be taken in this regard to achieve best results. Some of the important aspects are enumerated below:-

- i) Inspection of sheds, shops and depots by the Controllers of Stores with a view to arranging expeditious identification and collection of scrap and its quick disposal.
- ii) Returning Officers to be directed to arrange return of scrap duly sorted according to correct nomenclature of the price list as far as possible as stipulated in para 2407-S.
- iii) Loading of sold materials to be done departmentally as far as possible. Loading by purchaser's labour to be permitted in difficult and special circumstances only and in that case adequate supervision and safeguards to be taken to prevent any malpractices.
- iv) Adoption of twin yard system as provided in para 2407-S to the extent possible.
- v) The disposal of existing accumulation to be considered on the basis of "as is where is" with proviso to take out certain specified items at the time of delivery, with the approval of Competent Authority.
- vi) Exploring possibilities of conducting auctions departmentally by having additional staff within the ceiling of total agency commission paid to the auctioneers.
- vii) Reconciliation of scrap balances with the value of scrap shown in the appropriation account statement and elimination of any discrepancies if found in that.
- viii) The attention of individual railway was also drawn to the other specific aspects peculiar to them where early action was needed.

The Board desired that action taken by the Railways on the above points and the progress achieved may please be advised to the Board immediately.

S. M. Pandey
S. M. Pandey

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

NO.99/RS(S)/709/3

New Delhi, dated 10-2-99

The General Manager(Stores)
All Zonal Railways and PUs

Sub:- Accountal of scrap returned to the Stores Depots.

Ref:- Audit para No. 4.4.4(95-96) regarding loss due to shortage in receipt of scrap materials (copy enclosed).


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Audit in the above referred para had occasion to observe discrepancies in the scrap materials received in the depots as compared to RRs and DSS mainly on account of reasons like (a) incomplete particulars on DSSs (b) late receipt of DSSs (c) lack of follow up to investigate short receipts etc.

The matter has been reconsidered by Board, in the light of audit observations. It has been decided that, an effective monitoring computer based system be introduced on the railways, and all wagons of returned stores be taken on computer, division-wise summaries prepared and sent to each division/department/workshop for reconciliation with the returning officers. Dy. COS/DCOs of the division should be asked to liaise with the various departments for investigation of discrepancies if any, and for effective implementation of procedures laid down in Stores Code and instructions issued by Board from time to time. These instructions should be implemented for all wagon receipts from 1.4.1999.

PCs may be provided in the depots wherever required, within the powers delegated to the GM/HODs for early implementation of these instructions.

Receipt of this letter may be acknowledged.



(Col. S. Mandhani)
Executive Director, Rly. Stores (Steel)
Railway Board.

No.99/RS(S)/709/3

New Delhi, dated 10-2-99

Copy to:-

- (i) Controller of Stores, All Zonal Railways & PUs.
- (ii) FACAOs, All Indian Railways & PUs.
- (iii) ADAI(Railways), New Delhi with 10 spares copies.
- (iv) The Director of Audit, All Indian Railways.


(Col. S. Mandhani)
Executive Director, Rly. Stores(Steel)
Railway Board.

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

No. 2000/RS(S)/709/5

New Delhi, July 12, 2000

The Controller of Stores,
All Indian Railways/Production Units,

Sub : Prevention of leakages of scrap.

During vigilance checks recently carried out it has come to notice that some workshops and stores depots are not following certain codal provisions in regard to preparation of Issue Notes, Gate Passes with stipulated checks etc. In this connection AM(RS)'s D.O. No. 2000/AM(RS)/Scrap/ContdL dated 20.6.2000 may also be seen wherein it was mentioned that different types of irregularities have come to the notice during various vigilance checks. Some of the irregularities were mentioned as per enclosed Annexure-I.

Further, vigilance checks have revealed certain irregularities and lapses as per Annexure II. It is requested that immediate remedial action may be taken to strengthen the accountal and disposal procedures. COSs are requested to issue adequate instructions to all concerned for immediate corrective action so that such irregularities/lapses do not continue. It is also desired that all concerned may be advised to follow the relevant code paras meticulously with a view to avoid any malpractices in accountal and sale of scrap. Board's letter No. 2000/RS(S)/709/5 dated 26.5.2000 may also be referred.

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(R.C. Jat)
Exec. Dir. Rly. Stores(S)
Railway Board.

S. K. Singh

Annexure -1

1. Wrong fixation of reserve price on non ferrous items by headquarters
2. Discrepancy in account of return scrap stores.
3. Unaccounted material found after delivery of non-ferrous items.
4. Theft of railway scrap ferrous material
5. Non-adherence of prescribed gate pass etc.
6. Non-presence of the supervisor at the time of delivery
7. Material delivered from place other than specified in the delivery order
8. Location not specified for the material offered for inspection.
9. Identification plate no. not available on the lot.
10. Continuity no. of machines not available on the sale issue note.
11. Ledger posting not up to date.
12. The lot of scrap rails formed without balance available in ledger
13. New material sent to stores depot along with scrap loaded in the same wagon
14. Improper formation of lot.

Irregularities/lapses notices during vigilance checks

1. Non-ferrous material found in excess (in weight) in sold lot.
2. Non-ferrous brass pieces were found in condemned ferrous machine parts loaded in truck at the time of delivery.
3. Fresh arisings unloaded adjacent to the sold lot of some material
4. Sold lot of melting scrap was containing material like wheel-sets trolley parts etc without stipulation of exclusion of such items.
5. Condemned wagons found missing.
6. Quantity of wheel-sets as per ground balance was not matching with ledger balance.
7. Sold rails were delivered on ordinary issue note without sale issue note and Gate Pass at the time of delivery.
8. Demand Draft with expiry date was taken towards returnable entry fee and FDR were taken in place of Bank Drafts.
9. Identification plates were not available on the lots sold.
10. Sold lot was at several places without mentioning in the survey sheet.
11. Machine No., Sale Issue Note and Gate Pass were not used for delivery.
12. Sold material were lying scattered and mixed up with other unsurveyed material of rails.
13. Non-accountal of several DS-8 even after receipt of material.
14. Delivery of material without proper Sale Issue Note.
15. Irregularities in issue of Entry Tokens.
16. Non accountal of scrap copper/lead used for welding in the workshop.

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

No.2001/RS(S)/709/20

New Delhi, dated: 17-6-2003

The General Manager,
All Indian Railways
Including PUs.

Sub: Review of the Policy and procedure
for disposal of scrap on Indian
Railways.

Board wide letter of even number dated 24-9-02 have conveyed Board's approval on the recommendation of SAG Committee on the subject noted above. Subsequently vide letter No. 98/CE-II/MPW-2 dated 23-1-03 PCE's of Railways were advised that the Board's decision in regard to item 28 and 35 of recommendation of SAG Committee are under review of the Board.

Board have since reconsidered the matter and decided that the instruction contained in the two clauses shall stand modified as under:

- Recommendation 28: The scrap lots in the custody of Stockholders (PWI, Section Engineer) shall be verified jointly by the stock verifier & stockholder, before the same are offered for auction and the presence of stockholder or his representative at the time of auction need not be insisted upon.
- Recommendation 35: The delivery process involves three departments namely Civil Engineering, Accounts and Security. The co-ordination role for delivery of scrap as detailed in committee's recommendations (earlier para 35(i) to 35 (viii) will be performed by ADRMs [instead of DSE(C) mentioned earlier] with the assistance of Sr.DCOS/DCOS in the Division.

The Depot Officer entrusted with the conduct of auction should advise the ADRM/CTE/Branch Officer of the concerned Division within next two working days of the conduct of auction the details of lots of P.Way Scrap (Lot number, quantity, rate, purchaser's name etc.) which have been sold in the auction.

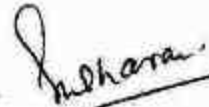
(earlier para 35 (ix).

The coordination work for delivery of sold scrap in respect of Construction Organisation shall be done by the Dy.CE(Construction) in the field and Dy.COS(Const) in the head-quarter Office.

(earlier para 35(x)).

It is desired that the recommendation of SAG Committee as accepted by Board be implemented and a consolidated monthly report indicating the progress made should be made available to Board.

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



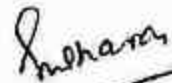
(Sushil Kumar)
Executive Director,
Railway Stores (C),
Railway Board.

No.2001/RS(S)/709/20

New Delhi, dated: 17-6-2003

Copy forwarded for information and necessary action to:-

1. The Controller of Stores, Principal Chief Engineers, CSTEs, CEEs, C.M.E., FA&CAO, All Indian Railways and Production Units.
2. Director General, RDSO, Lucknow.
3. A.D.A.I., Railways, New Delhi (with 10 spares).
4. Vigilance-IV, RS(G), FS(POL), Track & Mech.(W), M(N), M(C) & M(L) Branches in Railway Board's office.



(Sushil Kumar)
Executive Director,
Railway Stores (C),
Railway Board.

Copy to:-

PPS/CRB, PPS/FC, PPS/MS, PPS/ME, PPS/MT, PPS/ML & PS/Secy.RB.
AM(CE), AM(W), AM(ME), AM(F), AM(RS), AM(PU), Adv.(Vig), DG/RPF.
EDV(S), EDF(S), EDCE(P), ED(W), EDME(Tr.), EDME(Chg.),
EDME(Fr.), EDME(W), EDTT(M), EDRS(G), EDRS(S) & EDRS(P).