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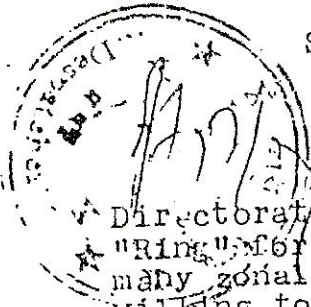
Government of India (Bharat Sarkar)  
Ministry of Railways (Rail Mantralaya)  
(Railway Board)

No. RS (S)/81/709/21

New Delhi, dated 5-3-1984.

The General Managers (Stores),  
All Indian Railways,  
CLW, DLW & ICF.

Sub: Disposal of scrap - Prevention of formation of  
Cartels, etc.....



Preventive checks and discreet enquiries by Vigilance Directorate of the Ministry of Railways, have revealed that "Ring" formation is prevalent at auctions of scrap materials on many zonal railways. New entrants to the auctions, even though willing to purchase the scrap at comparatively higher rates, are not above to participate thereat for fear of the "Ring" who do not allow them to take part.

2. Complaint had also been received that scrap sold by Railways is reconditioned and supplied to them against items of local purchase.

3. These observations of the Vigilance Directorate are being brought to your notice for taking preventive action to avoid "Ring" formation and re-sale of reconditioned scrap items.

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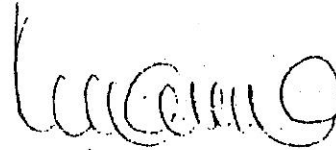
4. In this connection attention is invited to instructions issued vide Board's letter No. RS (S)/82/709/38-CA III, dated 4th March, 1983, wherein it was brought out that all the scrapped items which can be recycled after reconditioning should be broken up/ assemblies sub-assemblies and disfigured before being sent for disposal so that there is no possibility of recycling these items after reclamation. The purchase Officers were also required to keep special watch on the material locally purchased to prevent such mal-practice.

5. As regards preventive steps against formation of "Ring", instructions have been issued vide Board's letter No. RS (S)/81/709/21, dated 29.5.82, and amplified vide letter dt. 28.2.1984, regarding charging of entry fee from the bidders. Detailed instructions were also issued vide Board's letter No. 74/709/37/RS (S) dated 25.2.83 regarding fixation of reserve prices for auction of scrap, which is intended to ensure that "Ring"/"Cartels" do not carry away the material at prices lower than what can be obtained otherwise.

6. The above instructions are reiterated for strict compliance and exercise of vigilance by all auction conducting Officers etc.

...../-

Please acknowledge receipt.



(K.P. Varma)  
Addl. Director, Railway Stores (Steel),  
Railway Board.

No. AS (S)/81/709/21

New Delhi, dated 5-3-1984.

Copy forwarded for information and necessary action to:

1. The Controller of Stores, CME, FA&CAOs, All Indian Railways and Production Units.
2. The General Manager, Wheel&Axle Plant, 45, Millers Road, Bangalore.
3. C.O.S. Central Organisation for Modernisation of Workshops, Eastern Avenue, Manarani Bagh, New Delhi.
4. D.G., R.D.S.O., Lucknow.
5. R.L.O., Parliament Street, New Delhi.
6. A.D.A.I., Railways, New Delhi (with 10 spares).
7. Vigilance I, IV, RS(G), F(S) I, II, III, Track and Msch. (W) M(N), M(C) & M(L) Branches in Railway Board's office.



(K.P. Varma) 2-3-84.  
Addl. Director, Railway Stores (Steel),  
Railway Board.



Issue

