

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:2626  
ANSWERED ON:16.12.2004  
BAN ON AUCTION OF SCRAP IN RAILWAY  
Modi Shri Sushil Kumar

**Will the Minister of RAILWAYS be pleased to state:**

- (a) whether the Government had taken a decision in the new rail Budget to do away with the auction of all types of scrap;
- (b) if so, whether ban has been imposed on the auction of only 27 types of scrap while the remaining items like wheels, wagons and the entire bogies have not been included there under;
- (c) the rationale behind not banning the auctions of wheels, wagons and entire bogies and the time by which the Government is likely to put a ban on the auction of these items; and
- (d) the losses suffered by the Railways due to ban on the auction of scrap?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS ( SHRI R.VELU)

(a) to (d) A statement is attached.

STATEMENT REFERRED IN REPLY PARTS (a) TO (d) OF UNSTARRED QUESTION NO.2626 ASKED BY SHRI SUSHIL KUMAR MODI TO BE ANSWERED IN LOK SABHA ON 16-12-04 REGARDING BAN ON AUCTION SCRAP IN RAILWAY.

(a) to (c) In the Rail Budget 2004-05, it was decided to explore the possibility of in-house utilization of the scrap by re-cycling it, subject to a detail examination of the logistics, cost benefit analysis etc. A high level committee was constituted to explore the possibility of in-house utilization of Railway scrap. Pending the recommendations of the committee's report, Railways were allowed to sell those scrap items, which prima-facie can not be re-cycled/are not economical to re-cycle. The committee has since given its recommendations and same are under examination. Wheels, wheel sets, wheel discs, cast iron bogie frames, under frames of wagons, Axle guard etc. are re-cycled in-house for manufacturing wheel & Axle and Steel casting items.

(d) Does not arise.