

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:1791

ANSWERED ON:07.03.2013

DISPOSAL OF SCRAP

Deo Shri Kalikesh Narayan Singh;Mani Shri Jose K.

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

- (a) the total quantity of railway scrap and the revenues therefrom generated during the last three years, year-wise;
- (b) the criteria adopted by the Railways for effective and proper disposal of scrap;
- (c) whether there have been instances of scrap being sold at prices below the reserve price;
- (d) if so, the details thereof and the reasons therefor along with the total loss incurred by the Railways as a result thereof;
- (e) the total quantity of scrap placed for auction and the quantity actually auctioned during said period and the loss incurred by the Railways due to such unsold scrap; and
- (f) the manner in which such unsold scrap is utilised by the Railways?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI KOTLA JAYA SURYA PRAKASH REDDY)

(a)to(f) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF UNSTARRED QUESTION NO. 1791 BY SHRI JOSE K. MANI AND SHRI KALIKESH N. SINGH DEO TO BE ANSWERED IN LOK SABHA ON 07-03-2013 REGARDING DISPOSAL OF SCRAP

(a) Category wise details of total quantity of scrap sale and total revenue generated in last three years, year wise is as under:

Type of Scrap	2009-10	2010-11	2011-12
	Quantity	Quantity	Quantity

Rails & P.way	1216166	1410893	912882
Ferrous (M.T.)			

Other Ferrous (M.T.)	377546	393205	338637
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Non-ferrous (M.T.)	21166	21836	18465
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Wagons (Nos.)	16223	13472	11896
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Coaches (Nos.)	2468	1621	1500
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Locomotives (Nos.)	174	237	170
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Miscellaneous 146.61 176.72 206.96  
(Rs. in crores)

Total Sales Value 3525.46 4408.84 4002.11  
(Rs. in crores)

(b) Scrap is normally sold by public auction or by advertised tender. The public auctions are conducted at different places after publishing the dates in various newspapers. Auction programme and auction catalogue is uploaded on Railways' public website to bring in greater competition and participation of purchasers. Recently, e-auction has also been started on Indian Railways as one of the modes for disposal of scrap.

(c) & (d) If the final bid received is lower than the reserve price, generally the material is not sold and the same is rejected. However, if the auction-supervising officer feels that the optimum price has already been received and it is considered desirable to dispose off the materials at the rate even slightly lower than reserve price, but within prescribed range, he can sell the lot by recording the reasons. Though no separate record is maintained for such lots but such cases are very rare in the system. Reserve price is only an assessment and as such neither sale above reserve price is a gain nor sale marginally below reserve price is a loss as scrap material is sold to highest bidder in open public auction in dynamic market conditions with all sold rates being in public domain.

(e) & (f) Scrap Disposal on the Railways is a continuous cyclic activity wherein identified scrap material is put up for disposal through public auctions. Normally each scrap depot holds 1 to 2 auctions per month. The lots remaining unsold in a particular auction on account of non receipt of appropriate bid are carried forward and put up for sale in subsequent auction. As such there is no concept of unsold scrap and loss thereof.