Controller of Stores,
All Zonal Railways and Production Units & other units

Sub:  Audit Para No. 4.4.3 for the year 2005-06 regarding 'Loss due to non-recovery of cost of rejected stores.'

Ref: Board's letter of even No. dated 04.11.2008 (copy enclosed)

Statutory Audit while deliberating on subject Audit Para regarding 'Loss due to non-recovery of cost of rejected stores' have observed as under:-

"Despite issue of instructions from the Railway Board, the position remains the same. Neither recovery has been made nor have these cases been processed for obtaining write off sanction from the competent authority.

Despite issue of instructions from time to time to Zonal Railways and also to inspecting agencies to carry out the inspection and testing of the material in proper manner so that there is no scope for rejection of store at consignee end, there are cases of rejection by the consignee. This indicates that rejection of material is dealt with in a routine manner without addressing this issue seriously and devising any system to prevent rejection of stores lying unresolved for long time."

In view of above it is advised that guidelines and procedures contained in the existing instructions on rejections and recovery process may be followed strictly and periodical monitoring of rejection cases and recoveries thereof, if any, be done at the level of CMM in the Headquarters also.

DA: As above

(Santosh Mittal)
Deputy Director Railway Stores (G)
Railway Board
Government of India
Ministry of Railways
(रेलवे बोर्ड Railway Board)

No. 99/RS(G)/709/4
New Delhi, dated: 04-11-2008

The General Managers,
All Indian Railways & Production Units including NF(Const.),
CORE, Allahabad.
Metro Railway, Kolkata.

The Director General, RDSO/Lucknow and RSC/Vadodara.

The Managing Director, RITES, RITES Bhavan, Sector-29, Gurgaon.
The Managing director, KRCL, Raigad Bhavan, 8th floor, Sector – II, CBD, Belapur,
Navi Mumbai – 400 614.
The Managing Director, MRVC, 2nd Floor, Churchgate Station Building, Mumbai – 400 020.
The Managing Director, CRIS, Chanakyapuri, New Delhi.

CAO/Workshop Projects Organisation, 1st Floor, Chamber Bhawan, J.C. Road, Patna – 800001.
CAO, DMW/Patiala and COFMOW/New Delhi.
The MD/MTP, NBCC Place, Bhishma Pitamah Marg, Pragati Vihar, New Delhi.
CAO/MTP, Mumbai & Chennai.

Sub: Expeditious finalization of cases relating to rejected materials by the Railways.

Audit, while deliberating on Audit Para No. 4.4.3 for the year 2005-06 regarding “Loss due to non-recovery of cost of rejected stores”, have observed as under:

“Keeping finalization of rejected materials pending for years together indicates poor monitoring/ no monitoring by the Railway Administration.”

In view of above observation of Audit, Railways are advised to strictly follow laid down procedure for timely clearance of rejected stores. Clearance of rejected stores should be regularly monitored at Headquarter Level also.

(Trilok Kothari)
Director Railway Stores(IC)
Railway Board