

Summary

Indian Railways (IR) is a state-owned railway company, responsible for rail transport in India. It is owned and operated by the Government of India through the Ministry of Railways. It is one of the world's largest railway networks comprising 117,996 km of track over a route of 66,030 km and 7,137 stations. In 2015-16, IR carried 8.101 billion passengers annually or more than 22 million passengers a day and 1.107 billion tons of freight in the year. In 2014-15, Indian Railways had revenues of Rs.1.709 trillion (US\$25 billion), which consists of Rs.1.118 trillion (US\$17 billion) from freight and Rs.451.26 billion (US\$6.7 billion) from passengers' tickets.

Locomotives in India consist of electric and diesel locomotives. The world's first CNG (Compressed Natural Gas) locomotives are also being used. Steam locomotives are no longer used, except in heritage trains. In India, locomotives are classified according to their track gauge, motive power, the work they are suited for and their power or model number.

The present work entitled "A Study of Techniques & Lacunas of Inventory Management in Railway Production Unit, Special Reference to Diesel Locomotive Works, Varanasi."

Diesel Locomotive Works (DSW), Varanasi is located near to the Manduadih Railway station around 3.3 km through the Manduadih road and around 7.2 km from the railway station Cantt Varanasi. It is situated around 5.6 km from the Banaras Hindu University through the BHU road.

DLW Varanasi is a pioneer production unit of Indian railways for manufacturing diesel locomotives. It manufactures two makes of locomotives ALCO and G.M. Material constitute major part in the total cost of locomotive. Thus, its management is of prime importance for DLW.

DLW has integrated material management system covering:

- Material Requirement Planning

- Procurement

- Stores accounting

- Inventory Management etc.

Design and Development

Chief Design Engineer is the overall in-charge of design engineering functions and quality control. His principal responsibilities include:

- Design development of new locomotive, import substitutions/indigenous development of loco components, multi-sourcing, day-to-day design matters raised by diesel sheds and workshops,

liaison with RDSO and Railways Board liaison with technology partners, development cases, design and development assigned by LSC, DMG etc.

Upgradation of technology with a view to reducing maintenance and increasing reliability and availability of locomotives.

Findings

As from the study of questionnaire responses, it can be concluded that most of the time DLW follows inventory management techniques. Major findings can be summarised as follows:

DLW has well equipped to grasp fundamentals of inventory control system.

Most of time DLW maintained ABC classification of inventory but sometimes it is not possible.

Company tries not to become surplus of stock but sometimes it is seen.

Most of Time Company maintained MIS system of inventory.

Company follow inventory budget but sometimes company has to do work beyond the budget.

Mostly time inventory procurement system as per Economic order quantity but some time it is ignored due to discount policy offered by the vendors or urgency.

Most of inventory does not have any expiry date in DLW.

Company has computerized inventory control system but some of records are maintained manually.

Company has sufficient space for material storages but some cases are differ.

Most of time company serve monthly statement. In some cases it is prepared yearly quarterly and weekly.

DLW has shortage of staff.

Most of employees are satisfied for the system of inventory control in DLW.

Conclusion

From the analysis of the responses received from the employees in DLW a majority of employees are satisfied their inventory management system.

I found many employees cannot give proper information regarding inventory so company should maintained proper MIS.

I found managers make generally monthly statements for information. If it is maintained online, then information can be checked anytime anywhere.

I found inventory verification system is good in DLW and internal audit also going on throughout the year.

I found most of inventory issued on the base of book average price. It is suggested that company should use FIFO method in case of expiry material.

Suggestions

DLW maintained ABC classification of inventory but some of material cannot be classified so company should try to classified such type of material.

Company should maintain proper management information system.

DLW should make strong budget and work should be done according to budget.

Some of inventory has expiry date so company should not by such type of inventory in heavy quantity.

Inventory information should be updated and it can be checked any time. For this purpose company should maintain complete computerized inventory control system,

DLW should have shaded inventory stores.
