

भारत सरकार (GOVERNMENT OF INDIA)
रेल मंत्रालय (MINISTRY OF RAILWAYS)
रेलवे बोर्ड (RAILWAY BOARD)

No. 2017/RS(G)/779/2

New Delhi, dated: 25.04.2018

PCMMs,
All Indian Railways/PUs

Sub: Inventory Management and WMS issues.

Ref: Board (FC)'s DO No. 2018/AC-II/46/2 dated 22.03.2018.

Board (FC) has taken note of mismatch in physical and financial outturn reported by most PUs. The concerns have been communicated vide above referred DO letter (copy enclosed).

It is requested that the issues highlighted in the said DO be looked into and compliance ensured.

DA: As above

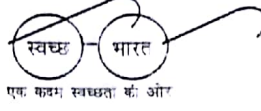


(Anshu Malik)
Joint Dir/RS(G)
Railway Board

A. K. Prasad



सत्यमेव जयते



वित्तायुक्त (रेलवे) और पदेन सचिव
भारत सरकार, रेल मंत्रालय
रेल भवन, नई दिल्ली - 110001
FINANCIAL COMMISSIONER (RAILWAYS)
&
EX-OFFICIO SECRETARY TO
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
RAIL BHAVAN, NEW DELHI-110001

D.O. No.2018/ AC-II/46/2

Dated 3.2018

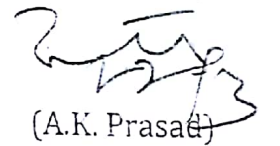
My dear General Managers,

While reviewing inventory balances of various Production Units, it is observed that there is a mismatch in physical and financial outturn. As you would be aware, invoices for Rolling Stock, Spares and other Issues from Production Units must strictly match physical outturn, under the provision of GST Act. As per Sec 12 (2) (a) of the CGST Act, levy of GST should coincide with removal of Goods for supply to the recipient, where the supply involves movement of Goods. I would urge you to personally monitor this to ensure there are no penalties imposed on your Production Unit due to non adherence to tax law.

Further, a strict vigil needs to be maintained on purchases, management of shop floor material and timely turn out as per approved production programs, to ensure there is no blocking of funds and wastage of material. This is particularly critical in view of the fact that most of the bulk order procurement of Rolling Stock for Indian Railways is financed from borrowed funds. Any excess procurement of stock or delays in disposal of shop floor scrap would only add to intractable debt burden. I am hopeful that your personal attention on these issues will improve inventory management and effect a reduction in unit costs of production.

With Best Wishes

Yours sincerely



(A.K. Prasad)

Shri/Smt.
General Manager/CAO/R,
All Production Units.