

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2280
ANSWERED ON:07.12.2006
INVENTORY OF RAW MATERIAL
Jha Shri Raghunath

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the inventory of raw material in stock of PSUs has been found to be more than annual consumption blocking substantial funds in working capital ;
- (b) if so, the number of PSUs in which the inventory has been found to be more than annual consumption; and
- (c) the reaction of the Government thereto?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) to (c) : As per available information as on 31.3.2005, out of 227 operating Central Public Sector Enterprises (CPSEs), there were only 6 CPSEs which were having inventory of raw material at the end of the financial year more than their annual consumption. Out of these 6 CPSEs, 4 CPSEs are consistently profit making and because of their nature of operations / activities these CPSEs, at times, may require to hold more inventory. Other 2 CPSEs are loss making and utilizing very minimum capacity and already referred to Board for Reconstruction of Public Sector Enterprises (BRPSE) for their advice on revival / restructuring.