

CHAPTER - VI

EVALUATION OF THE APPLICATION OF TOOLS AND
TECHNIQUES FOR INVENTORY MANAGEMENT BY THE
COMPANIES IN THE CONTEXT OF GOVERNMENT
CIRCULARS AND DIRECTIVES

It may be recalled that we have already stated in Chapter III that the inventory had been showing an increasing trend in all the companies under study throughout the period from 1975-76 to 1984-85. The inventory position in relation to current assets had been on an average of more than 50 % and this was more than 70 % in relation to capital employed and more than 100 % to working capital.

Again raw materials in terms of months' value of raw materials consumption indicate that the public enterprises were inclined to over stocking of raw materials. On an average this was 15 months' value of raw materials consumption in the case of Braithwaite & Company Ltd., 3 months' in Hindusthan Cables Ltd., 12 months' in Mining & Allied Machinery Corporation Ltd., 3 months' in Hindusthan Copper Ltd. and 9 months' value in Jessop & Company Ltd. The increasing or very fluctuating or understocking trend had been noticeable in goods-in-process in terms of

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months' value of production in finished goods in terms of months' value of sales and in spare parts in terms of months' value of consumption of spare parts. Goods-in-process inventory in terms of months' value of production on an average was 8 months' in Braithwaite & Company Ltd., 1.6 months' in Hindusthan Cables Ltd., 3.5 months' in Mining & Allied Machinery Corporation Ltd., 4 months' in Hindusthan Copper Ltd. and 3 months' in Jessop & Company Ltd. Similarly finished goods in terms of months' value of sales had been on an average 1 month's value in all the companies under studies except Mining & Allied Machinery Corporation Ltd. where it was near about 2 months' value. Spareparts inventory in terms of month's value of consumption of spareparts on an average showed an increasing trend in all the companies, and it was very high in Hindusthan Cables Ltd. (more than 12 months' value) and Hindusthan Copper Ltd. (more than 20 months' value). The aforesaid data clearly suggested that there is need for control of inventory in the public sector undertakings in general and the companies covered by the present study in particular. The issue therefore figured in the discussion at the Government level and the reports of the Committee on Public Undertakings (formed in May, 1964) published at different times gave some important guidelines as regards inventory. The circulars are projected below :

The Committee on Public Undertakings observed that the holding of inventory to the extent of 15 months' value (present practice in almost public sector units) of production by

the Public Sector Undertakings can by no means be justified. The Committee was, therefore, in favour of reducing holding of inventories by industrial running concerns to 6 months' value of production which, according to the Committee, would have the advantages of releasing capital for the gainful employment somewhere else in the same undertaking or to finance some other financial project or programme. The Committee, therefore, urged the Ministry of Industry etc. to advise the public sector undertakings that every efforts be made by them towards materials management and application of various scientific techniques to control inventories and to draw their attention to the importance of keeping the level of inventories as low as possible. Based on these suggestion, a Circular was issued by Bureau of Public Enterprises(BPE)³⁶ in October 1967.

The Committee on Public Undertakings suggested to review the existing system of planning and purchasing of stores and spares and the items in stock of the individual enterprises in the public sector so as to ensure that the undertakings are not burdened with excessive stock.

It also suggested , by a Circular³⁷ routed through the BPE, for periodical reviewing of all items in stock

36. BPE No.9(28)/FI/67/Cir.Adv.(P)-1 dt.16th October 1967 ; Vide Government Policy for the Management of Public Enterprises ; Vol.II : BPE SCOFE , New Delhi, p.55.

37. BPE No.9(28)/FI/67 Cir.Adv.(P) 2 dated 16th October,1967 Vide Op.cit., pp.55-56.

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so as to locate particularly non-moving surplus stores for their disposal as early as possible.

The Committee further observed that all stock items should be properly classified and codified and their nomenclature standardised, so as to facilitate their quick and sure identification. It even advised the creation of a separate cell for maintaining necessary catalogues and to make it available to all concerned to acquaint with the items of stores available for the best utilisation of existing stocks by the plant and also for avoidance of unnecessary purchases. The Ministry of Industry acted on this suggestion of the Committee through a Circular of the BPE in October 1967³⁸.

The Committee noted that there were enough scope for cost reduction in the public undertakings through the reduction of varieties in stores. Cost reduction, in the opinion of the Committee, would result from reduction of workload because of bulk purchases of fewer items, securing economic prices also from smaller investment on account of stocks and stores, if necessary through Indian Standard Institutions or other Specialised Agencies. This observation of the Committee was brought to the notice of the Public Sector Undertakings by a Circular of the BPE dated 16th October, 1967³⁹.

38. BPE (9)(28)/FI/67 Cir.Adv.(P)3 dated 16th October 1967 Vide Op.cit.,p.56.

39. BPE No.9(28)/FI/67 Cir.Adv.(P)4 dated 16th October 1967 Vide Op.cit.,p.56.

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The Committee on Public Undertakings desired to introduce the ABC Analysis on an urgent basis to the public undertakings as it minimises risks of stock-out on the one hand and reduces investment in inventories on the other.

Accordingly, through a Circular of the BPE, the Ministry of Industry directed the Public Sector units to carry out ABC Analysis if not already implemented. It also advised that the stocking limits, replenishment intervals, quantities for replenishments and frequency of reviews in respect of A items should be done at the Head of the Department level with the approval of the top management⁴⁰.

The Committee noted different stores and purchase organisational set-ups in different undertakings or several stores organisations in one undertakings. Since the modern trend is to have an integrated materials management department entrusted to the job of planning and programming of purchases, procurement, inspection, storage, handling of materials and effective control over inventories etc., the Committee, felt that the individual enterprise should review the present organisational set-up and the degree of modification it needs to ensure effective control. This was conveyed to the different public sector undertakings by the Ministry of Industry through BPE Circular dated 16 October 1967⁴¹.

40. BPE No.9(28)/FI/67 Cir.Adv.(P) 5 dated 16th October, 1967 Vide Op.cit., pp.56-57.

41. BPE No.9(28)/FI/67 Cir.Adv.(P) 6 dated 16th October, 1967 Vide Op.cit., p.57.

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The BPE, vide O.M. No.13/Main/69-BPE/MM dated 20.3.71, gave stress on having inventory control wing or department properly manned and supervised by a Senior Officer, having full knowledge and control on the issue, for every public sector enterprise. Such Senior Officer was to report to the management regarding the position obtaining in respect of inventory with suggestions for remedial measures.

The Committee on Public Enterprises while examining one of the enterprises, came across a number of cases where the suggestion offered by it for streamlining and improving the organisational set-up of the materials management department, had not been implemented at all. The Committee sensing deeper malady in such failures reiterated its earlier stand and recommended that the Government should ensure that officers who are initially put in charge of stores and procurements are persons of experience and proven integrity so as to give a sound start to the enterprises. This suggestion offered by the Committee was conveyed to the operating public enterprises in India by the Ministry of Industrial Development through a Circular of BPE dated September 14, 1972⁴².

The Committee on Public Undertakings felt that organisational set up for inspection of bought out items

42. BPE No.21/1(E)72-BPE/MM dated September 14, 1972, vide Op. Cit., p.57.

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by Public Enterprises needs review. In its opinion there was to be a separate wing for the same with the object of evolving an uniform pattern best suited to requirements of different Public Sector Undertakings. This inspection wing was to seek help from the technical personnel wherever necessary. Since the responsibility for providing materials in right quantity, quality and in time lies with the Materials Management Department it would be logical to place that inspection wing under the over all control of Materials Management Department.

This view of the Committee was conveyed by the Ministry of Industry etc. to different Public Enterprises through a Circular of the BPE dated 16.10.67⁴³.

The Committee on Public Undertakings read improper planning and programming for materials, in large percentage of orders, of small value by the operating public sector enterprises. It felt, therefore, the necessity for a system of planning so that there is no emergency purchases except under unforeseen circumstances. It also advised for introducing a system of periodical reporting to the Head in respect of such purchases.

The Ministry of Industry etc. communicated this suggestion of the Committee to the operating public sector

43. BPE No.9(28)/Fl/67/Cir.Adv.(P)7 dated October 16, 1967, Vide Op.cit., pp.58-59.

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enterprises through a BPE Circular dated October 16, 1967⁴⁴.

For proper materials planning the Committee on Public Undertakings felt the necessity for having a close liaison between the Production Department and the Materials Management Department. The Materials Management Department in the opinion of the Committee is to forecast accurately both the immediate and forward requirements of principal materials. It is also to determine the further orders to be placed and scheduling the delivery of materials with reference to stock in hand and other relevant factors.

This advice of the Committee was conveyed to the operating public enterprises in India through a Circular of the BPE dated 16.10.1967⁴⁵.

The Committee on Public Undertakings was of the opinion that procurement of items of stock in regular uses based on indents leads to excessive stock. As such it felt the urgency for having an automatic replenishment system in respect of stock in regular use. This system is to be based on minimum, maximum and reorder levels so that the unpleasant phenomenon of having excessive stock can be avoided. These limits are also to be reviewed periodically as the procurement times and rate of consumption on which such estimates are based, changes frequently.

44. BPE No.9(28)/Fl/67/Cir.Adv.(P) 8 dated 16th October, 1967 Vide Op.cit., p.59.

45. BPE No.9(28)/Fl/67/Cir.Adv.(P) 9 dated October 16, 1967 Vide Op.cit., p.59.

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Further, in the opinion of the Committee, items which are now categorised as non-stock items but the experience shows that these are procured frequently for avoiding emergency purchases and also for having economy, it is better that such items are converted into stock items.

The Committee on Public Undertakings further advised the even distribution of work load of the Purchase Department instead of rushing for purchases at the close of the year. This suggestion of the COPU was communicated to the operating public sector enterprises through a Circular of the BPE dated October 16, 1967⁴⁶.

The COPU desired to lay down the procedure for inspection of various types of materials purchased for all the public undertakings while recognising the basic reality that the types of inspection will be different. The process of inspection, in the opinion of the Committee, is to be simple one so as to minimise the cost, time and the danger of by-passing. The Committee also suggested laying down of the time limit of inspection and reviewing of the same periodically on the basis of the actual time taken against the prescribed time limit.

This recommendation of the COPU was communicated by the Ministry of Industry through a Circular of the BPE

46. BPE No.9(28)/Fl/67/Cir.Adv.(P) 13 dated October 16,1967 Vide Op.cit., p.60.

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dated October 16, 1967⁴⁷.

The COPU noticed that the public undertakings did not maintain statistics about the materials rejected, the supplier of the same etc. The maintenance of such statistics, in the opinion of the Committee, would improve the location of the types of materials found defective and the suppliers of such defective or sub-standard materials. The Committee therefore advised the Ministry of Industry, etc., to ask the public undertakings to maintain the statistics for rejected materials and the names of suppliers etc.

This suggestion of the COPU was communicated to the different public sector undertakings by a Circular of the BPE dated October 16, 1967⁴⁸.

The COPU in its 40th Report (Third Lok Sabha) suggested the necessity of fixing the consumption norms for various materials on a scientific basis and the periodical checking of the actual consumption with the predetermined norms in order to locate the cases of excess consumption.

The Ministry of Industry etc. advised the different public undertakings on this point through a Circular of the BPE⁴⁹.

47. BPE No.9(28)/F1/67/Cir.Adv.(P)20 dated October 16, 1967 Vide Op.cit.,p.61.

48. BPE No.9(28)/F1/67/Cir.Adv.(P)21 dated October 16, 1967 Vide Op.cit.,p.61.

49. BPE No.9(28)/F1/67/Cir.Adv.(P)22 dated October 16, 1967 Vide Op.cit.,pp.61-62.

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The COPU was also keen to avoid laxity in the care and custody of the materials. In its opinion a scheme of storage and stores, control was to achieve the following objectives :

- (i) Maximum space utilisation in the storage ;
- (ii) Adequate care of handling stores during the receipt, inspection, storage and issue of material and to ensure its un-interrupted and easy flow ;
- (iii) Preservation of stores against breakage, spoilage or deterioration ;
- (iv) Scrutiny against pilferage.

This specific observation of the COPU was brought to the notice of the different operating public enterprises by a Circular of the Ministry of Industry routed through the BPE⁵⁰.

The COPU noticed serious lapses of some public undertakings on maintenance of stores account which serves the following major purposes :

- (a) Record of stores received, issue and balance at a particular time ;
- (b) Documentation of receipt and issue ;
- (c) Valuation of stores whenever needed and the assets involved in the stock held ;

50. BPE No.9(28)/F1/67/Cir.Adv.(P)23 dated October 16,1967 Vide Op.cit.,pp.62-63.

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- (d) Ensuring legal custodian of stores who could be held responsible in the case of loss due to theft, or pilferage.

In the absence of proper account the COPU felt that it was difficult to have control over the receipt, issue of materials and fixing up of responsibilities for shortage and loss of materials.

The Ministry of Industry etc. was therefore requested to advise the enterprises under its controlling authority to ensure maintenance of proper and complete stores account in consultation with the Finance Department. This was communicated to the operating Public Enterprises by a Circular of the BPE No.9 (28)/Fl/67/Cir.Adv.(P) 24 dated 16.10.1967.

In the opinion of the COPU large variation between the actual stores and ledger balance reflects the standard of stores keeping and stores accounting. As such any discrepancy revealed as a result of such verification is to be reconciled promptly and all shortage that come to light are to be investigated.

The Ministry of Industry, etc. brought this matter to the notice of the public sector units through a Circular of the BPE No.9(28)/Fl/67/Cir.Adv.(P)25 dated 16.10.67.

The COPU desired to have a norm established for handling losses to be reviewed from time to time so that the actual losses on this score may be compared with the norm

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established and the cause for wide discrepancies, if any, may be located. The suggestion of the Committee was communicated to the public sector units through the Circular of BPE No.9(28)/F1/67/Cir. Adv.(P) 26, dated October 16, 1967.

For ensuring uniform procedure in respect of purchasing, inspection, storing, issues and disposal etc. of materials COPU felt the necessity of having a comprehensive manual prepared by each operating public enterprises.

The suggestion of the Committee for a comprehensive manual was therefore communicated to the different operating public sector units through a Circular of the BPE No.9(28)/F1/67/Cir. Adv.(P) 27 dated October 16, 1967. The COPU reiterated its suggestion for a comprehensive manual, as aforesaid, when it came to its notice that even in 1972 there were some undertakings which did not care for a manual of its own. The insistence of the COPU for a comprehensive manual was therefore once again communicated to the different public sector units by a fresh Circular of the BPE No.21/I(A)/72-BPE/MM, dated September 14, 1972.

COPU, as a safe guard against the accumulation of finished goods, suggested that before taking up of actual production of items a firm contract be entered into with customer placing the order. Not only this, the agreement should also provide for the levy of storage charges etc. should the customer fail to lift the goods according to the delivery schedule. This suggestion of the COPU was brought to the notice of the operating public undertakings

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at the initiative of the Ministry of Industrial Development and Company Affairs through a Circular BPE No.9(28/F1/67/Cir.Adv.(P) 29, dated September, 1968.

COPU felt further the urgency of setting up a suitable limit for holding of finished and semi-finished goods and its periodical comparison of the actuals with the limits so fixed, the objective being the prevention of unnecessary accumulation of stock.

The Ministry of Industrial Development and Company Affairs communicated this suggestion of the COPU through a Circular of the BPE No.9(28)/F1/67/Cir.Adv.(P) 30 dated September, 27, 1968.

The COPU observed that the practice that had hitherto been followed for determination of the economic order quantity of stock items in the public sector units was unscientific since it would not consider the buying cost per order and the inventory carrying cost. There had also been no system of periodical reviewing of economic order quantity. COPU, therefore, suggested the consideration of order cost and carrying cost besides consideration of usage and lead time while fixing up EOQ for an operating public sector unit.

The Ministry of Industrial Development and Company Affairs, etc. communicated this observation of the COPU to the public sector undertakings through a Circular of the BPE

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No.9(28)/F1/67/Cir.Adv.(P) 31 dated September 29, 1968.

The COPU was of the opinion that for a higher level of efficiency it would be desirable to maintain only one set of stores cards instead of two sets as maintained at present. This besides avoiding duplication of work would go long way to contribute in attaining efficiency in the materials control system. No doubt under the system the practice of maintaining priced store ledger in the Accounts Department would have to be continued. But where situation demands i.e. where the number of items in stock is very large, the Committee was in favour of installation of computerised system for stores accounting.

This suggestion of the COPU was brought to the notice of public sector undertakings by a Circular BPE No.9(28)/F1/67/Cir.Adv.(P) 35, dated September 27, 1968.

COPU pointed out in the absence of proper periodical reporting, the top management finds it difficult to keep close watch over the inventories in the public sector undertakings. While the precise nature of reports to be submitted and the periodicity, therefore, may differ to some extent from the undertakings to undertakings, the top management (General Manager, Chairman, Managing Director, Board of Directors) in the opinion of the Committee should

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get periodical reports on the various aspects⁺ of materials management.

The Ministry of Industrial Development and Company Affairs communicated this suggestion of the COPU through a Circular of the BPE No.9(28)/F1/67-Cir.Adv(P) 37 dated, February 24, 1969.

The COPU, after a thorough examination of the working of materials management in the different public sector undertakings, came to the conclusion that although most of them were conscious of their heavy investment in inventories, nevertheless, there was much leeway to make up in this respect including introduction of new techniques for materials management.

+ The different aspects to be covered in the Materials Management Reports are :

- (I) Reports about the purchases containing the following information :
 - (i) details of purchases over certain limits ;
 - (ii) purchases over certain limits where the lowest tender were not accepted ;
 - (iii) details of rush or emergency purchases ;
 - (iv) details of indent outstanding ;
- (II) Reports about stores department the following information:
 - (i) stock position about the major item of inventories;
 - (ii) position of slow moving/non-moving stores and their disposal ;
- (III) General Report about the following :
 - (i) foreign exchange utilisation report ;
 - (ii) the imports mode ;
 - (iii) steps for import substitution and its result ;
 - (iv) value analysis report etc.

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The other observations of the Committee were :

- (i) Material Management occupied secondary importance in the organisational set up of the public sector undertakings.
- (ii) Large number of public sector undertakings depend on imported spare parts and components. Long lead time involved in import and the inconvenience caused by limitations on the use of foreign exchange created a tendency among the public sector units to hold and carry disproportionately a large volume of stores and spares.
- (iii) Barring a few undertakings, various methods of inventory control such as, classification, codification, standardisation, variety reduction, value analysis, ABC analysis etc. which are much in use in advanced countries have hardly been tried in the public sector undertakings in India.
- (iv) From the point of view of quality and price, indigenous production tried for import substitution has been found to compare very unfavourably with the imported one.
- (v) Utilisation of by-products and its import on cost reduction did not receive adequate attention of the operating public sector undertakings.
- (vi) In respect of materials management there was a feeling in the operating public sector undertakings that it does not require any specialised knowledge. Consequently, there were practically no arrangement in the country for training of

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personnel at various levels for appointment to materials management post. It hardly needs any emphasis that efficiency in respect of material management depend on the qualification and experience of the personnel appointed therein.

On the advice of the COPU the Ministry of Industrial Development and Company Affairs etc. drew the attention of the different public sector units to these observations of committee through a Circular of the BPE No.9(28)/F1/67/Cir.Adv.P(40) dated March 26, 1969.

The COPU found that despite the Circular of the BPE No.9(28)/F1/67/Cir/Adv.(P) 10 dated 16.10.67 and the guidelines for materials management in public enterprises, issued by the same advising the introduction of automatic replenishment system in the public sector undertakings based on maximum, minimum and reorder levels to all purchases of stock items and also nonstock items to the extent it is possible. Some of the public enterprises did not take proper action in this respect.

On the advice of the Committee the Ministry of Industrial Development etc. drew the attention of the management of operating public sector units to this snag in materials management through a Circular of the BPE No.21/19c/72-BPE/MM dated September, 14, 1972.

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Company wise Appraisal of the Applications
of Tools and Techniques of Inventory Control
as Suggested by the Government :

In the context of the above suggestions, directions and advice given by the Government through different Circulars at different times for inventory management, a review of the procedures followed by the companies under study for the period from 1975-76 to 1984-85 has been made so as to see how far the companies have actually followed the Government directives.

(A) ABC Analysis : 1977-78 to 1984-85

1. Braithwaite & Company :

ABC analysis and value analysis techniques had not been applied by the company. The Company is using this technique of inventory control only from the year.

2. Hindusthan Copper Limited :

ABC analysis has been done by Khetri Copper Complex and Indian Copper Complex. Other Units are yet to carry out the exercise. In 1984-85, this techniques has been done by all the projects except Danidea and Chandmani Copper Projects. Though the technique has been exercised but all the items of inventory are not covered by the technique.

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3. Hindusthan Cables Limited :

This selective inventory control technique has been introduced by both the units of the Company (i.e. Rupnarayanpur & Hyderabad Units) but the approach has been only partial as all the items of inventory are not covered by the technique as was the case with Hindusthan Copper Limited.

4. Mining & Allied Machinery Corporation :

In this Company also the application of the technique has been partial as all the items are not covered. In 1979-80 out of 21992 items, 5810 items and in 1980-81 out of 23594 items, 4319 items had been covered by this selective control system in this Company.

5. Jessop & Company :

Upto 1973-79, ABC analysis has not been done in this company. From 1979-80 however, ABC analysis has been introduced in the Company in respect of high value items from 1984-85 ABC has been introduced in respect of all the inventory items in the Company.

(B) Catalogues for Stock Items & Norms for Store Items

1. Braithwaite & Company :

Catalogues have not yet been prepared for stock items and no norms have been fixed for any items of stores.

2. Hindusthan Copper Limited :

Catalogues have been prepared and issued for use by Indian Copper

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Complex and Khetri Copper Project. But no norms have been fixed up for store items.

3. Hindusthan Cables Limited :

Catalogues have been completed by Rupnarayanpur Unit only. These are yet to be prepared by Hyderabad Unit. In 1983-84 and 1984-85 these catalogues were also once revised. Though catalogues have been prepared and revised, no norms have yet been set up for store items.

4. Jessop & Company :

In this company there had been no catalogues for stock items and norms for store items upto 1977-78. Since 1978-79 efforts were made to fix up norms for various categories of inventories.

5. Mining and Allied Machinery Corporation :

In this Company catalogues for different stock items are already in use but these need revision and the Company is making efforts to revise these catalogues and revised catalogues for stock items are under preparation. No norms for store items have yet been set up.

(C) Codification :

Codification enables easy recognition of an item in stores and thereby reducing clerical efforts to the minimum. It serves as the starting point of simplification and standardisation. Though the importance of codification is felt by the Companies under study, most of them have

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not yet adopted this exercise. Analysis of the ten-years' data covered by the present study about functional activities of the Companies in this respect, shows that Braithwaite Company had adopted no such method for its inventory upto 1980-81. In 1981-82 efforts were made for the first time to codify the inventory in this Company. In the cases of other Companies, however, codifications were introduced though all the items of inventory are not yet covered by such codifications with the sole exception of Jessop & Company. Jessop & Company introduced codifications for the all items of its stores from the year 1984-85. This is a significant development specially when in 1978-79, 1035 items were codified and total member of codified items in the Company as on 31.3.1980 was 38667. In 1980-81 work of re-codification in Hindustan Copper Ltd. with the object of bringing an improvement had also been in progress.

(D) Computerisation of Stores Accounting :

Materials management function consists of forecasting, prices, materials planning, purchasing and inventory management. All these activities can be easily computerised. The scope of application of computers in areas like inventory control is really immense. But the Companies under study have not applied the computer for inventory though efforts are being made to introduce the same. 1981-82 in Braithwaite Company efforts have been made to computerise information as regards inventory. This would be possible if all the scientific methods are adopted. In 1982-83, Jessop & Company took up

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computerisation of materials by stages and the Steel and consumable items have been computerised. In 1984-85 Jessop & Company completed the computerisation of all types of its stores. In 1983-84, Hindusthan Cables Ltd. took up the programme of computerisation of store accounting. Hindusthan Copper Ltd. also introduced computer to prepare catalogues for raw materials, spares and stores in respect of its three units, during the period 1984-85.

E. Economic Ordering Quantity, Lead Time, Maximum Level, Minimum Level, Ordering Level, Safety Stock :

The Companies under study did not have any specific Economic ordering Quantity worked out even for important items of inventory.

To manage inventories efficiently and effectively the company should not only have ascertained Economic Order Quantity but also should fix up Minimum Level, Maximum Level, Ordering Level and Safety stock. Though, through different circulars the Government conveyed the importance of the maintenance of these levels for each type of stock items, in inventory management, in the government companies, nothing tangible did emerge in this respect in any Company under study.

Similarly, though the Companies felt the importance of lead time for replenishment of inventory items, they never followed any specific time period for the procurement of raw materials, components, spares and stores etc. This had been more pronounced in case of imported items. Purchases were very irregular and quantum

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of purchases also had never been economic.

The combined effect of all these has been unnecessary accumulation of different inventory items leading to obsolete and/or non-moving stocks and stores as can be read from the following Table :

Table - 45 : Statement Showing Value of Inventory Items Having no Movement for more than Two Years for the Period from 1977-78 to 1984-85

(Figure in Lakhs of Rupees)

	1977-78	'78-79	'79-80	'80-81	'81-82	'82-83	'83-84	'84-85
Wraithwaite & Company	* LARGER ACCUMULATION OF DIFFERENT INVENTORY ITEMS							
Engineering & Allied Machinery Corporation	N.A.	N.A.	222.70	234.95	235	277	280	N.A.
Assop & Co.	54.00	54.03	59.63	67.31	90.00	46.18	47.82	N.A.
Industhanables Ltd.	N.A.	28.31	N.A.	172.45	N.A.	N.A.	134	54.86
Industhanopper Ltd.	191.60	181.61	228.87	N.A.	427.00	N.A.	N.A.	553.00

*Some of the items did not move for over 8 to 10 Years

N.A. - Not Available

Source : Published Annual Reports of the Companies.