

**ESTIMATES COMMITTEE
(1963-64)**

**FIFTY-SECOND REPORT
(THIRD LOK SABHA)**

**PERSONNEL POLICIES OF PUBLIC
UNDERTAKINGS**



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**LOK SABHA SECRETARIAT
NEW DELHI**

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ESTIMATES COMMITTEE
(1963-64)

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SECRETARIAT

Shri N. N. Mallya, Deputy Secretary.

*Elected w.e.f. 16th August, 1963 vice Dr. K. L. Rao ceased to be a member of the Committee on his appointment as a Minister.

INTRODUCTION

1. The Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present the Fifty-second Report on Personnel Policies of Public Undertakings.

2. The subject of Personnel Policies of Public Undertakings was examined in detail by the Sub-Committee of the Estimates Committee on Public Undertakings which took the evidence of the representatives of the Hindustan Machine Tools, Indian Refineries, Hindustan Steel and Heavy Electricals (India) Ltd. on the 30th and 31st January and 1st and 14th February, 1964. They also took the evidence of the officers of the Ministries of Industry, Steel, Mines & Heavy Engineering, Transport, Finance, Home Affairs and Labour & Employment on the 17th, 18th and 19th February, 1964. The Report was approved by the whole Committee on the 31st March, 1964.

3. A statement showing an analysis of the recommendations contained in this Report is also appended to the Report (Appendix XVII).

4. The Committee wish to express their thanks to the various Ministries and the Public Undertakings for placing before them the material and information which they wanted in connection with the examination of the subject. They also wish to thank the officers of the Ministries of Industry, Steel, Mines & Heavy Engineering, Transport, Finance, Home Affairs and Labour & Employment as well as the representatives of Hindustan Machine Tools, Indian Refineries, Hindustan Steel and Heavy Electricals (India) Ltd. for giving evidence before the Sub-Committee. They also thank Prof. D. K. Sanyal, Director, Indian Institute of Social Welfare & Business Management, Calcutta; Shri P. L. Tandon, Chairman, Hindustan Lever Ltd.; and Shri N. K. Bhojwani, Executive Director, National Productivity Council, New Delhi for giving evidence and making useful suggestions to the Committee.

NEW DELHI:
April 6, 1964

Chaitra 17, 1886 (S)

ARUN CHANDRA GUHA,
Chairman,
Estimates Committee.

INTRODUCTORY

The Industrial Policy Resolution of 1956, recognising the need of rapid industrialisation for the accelerated growth of the economy, emphasised the role of the public sector in the setting up of new industrial undertakings as follows:—

Role of
Public
Sector.

“The adoption of the socialist pattern of society as a national objective, as well as the need for planned and rapid development, required that all industries of basic and strategic importance, or in the nature of public utility services, should be in the public sector. Other industries which are essential and require investment on a scale, which only the State, in the present circumstances, could provide, have also to be in the public sector.”

2. In pursuance of this policy, the Government of India have been promoting a number of key industries in different parts of the country. The public sector today covers a wide range of activities viz., steel and heavy engineering, mining and minerals, petroleum and chemicals, aviation, shipping and ship-building, generation and distribution of electric power, banking and insurance, trade, social services, etc. At the end of 1962-63, the total investment in 52 of the public sector undertakings stood at over Rs. 1,400* crores and they employed well over 4 lakh of persons. The annual wage bill of these undertakings amounted to Rs. 103.05 crores† during the year 1962-63.

Investment
and
Employment.

3. During the last year, five** new undertakings have been added and an increasingly large number of them are likely to be established during each subsequent Plan Period.

4. Three factors are basic to the working of any enterprise, viz., ownership, control and management. Of these, effective management is the most decisive. No matter how well a project is conceived, how large its investment, or how advanced its technology, its success in the ultimate analysis would depend on the quality and strength of its management. The Committee consider that public under-

Importance
of Manage-
ment.

*This does not include Government investment in financial institutions, viz., Film Finance Corpn., Industrial Finance Corporation of India, Life Insurance Corporation of India, Reserve Bank of India and State Bank of India.

†This excludes Film Finance Corpn., Khadi & Village Industries Commission, Neyveli Lignite Corpn., Praga Tools Corpn., and Rehabilitation Housing Corpn. Ltd.

**Aeronautics India Ltd., Bokaro Steel Ltd., Cochin Refineries Ltd., Janpath Hotels Ltd., and Minerals and Metals Trading Corporation of India.

*takings have a special responsibility and should pursue personnel policies which can help attract and maintain competent personnel at a reasonable cost and "which will encourage added effort and initiative and give the employees satisfaction, a sense of participation and feeling of loyalty to the enterprise and pride for its achievements."**

During the course of their examination of various undertakings in the past, the Committee took note of certain shortcomings of management and certain disparities and diversities in the principles, practices and procedures followed by them in personnel matters. In the context of ever-increasing public investment in these undertakings and their employment potential, the Estimates Committee thought it appropriate that it should undertake a horizontal study of the management patterns of the public undertakings. The Committee wish to make it clear that in examining this subject they have given anxious thought to the imperative need to preserve the autonomy of public undertakings in their day-to-day working and it is not their intention that they should detract from that autonomy. Nevertheless, the Committee are equally anxious to ensure that deficiencies in the management of public undertakings are brought to notice so that they may be remedied and sound and well-established principles and practices in personnel matters are followed.

Undertakings covered by the study.

5. The present study covers 58 undertakings—Statutory Corporations and Govt. Companies—listed in Appendix I. The findings of the Committee are embodied in the succeeding chapters.

They regret to place it on record that, despite repeated reminders, the information called for in their written Questionnaire dated 7th September, 1963 has not yet been received from Garden Reach Workshops Ltd. nor have they intimated any reasons for their inability to furnish the requisite information. The present study does not, therefore, cover that undertaking. The Committee expect the Govt. to ensure that the Ministries, their subordinate offices and public undertakings promptly comply with the request from Parliamentary Committees for furnishing of information.

II

BOARD OF DIRECTORS

6. The management of each public undertaking vests in Board of Directors, which is appointed by Government. One of the Directors is nominated as the Chairman of the Board.

A. Chairman

7. The Committee are informed that there is no hard (1) Selection. and fast rule laid down for selecting the Chairmen of public undertakings, but the suggestions* made by the Krishna Menon Committee, which have been commended by the Estimates Committee, are kept in view. Government select the most suitable man available.

8. It has been suggested to the Committee that top personnel in an organisation, including the Chairman, must be thrown up by the organisation itself and should not be brought from outside, except as a last resort, because it is likely to create a feeling of frustration among the top operational executives. This is just as it should be. In fact one of the public undertakings gave the Committee to understand that it was already training officers with that end in view.

9. *Managerial talent or skill even in developed countries is scarce and much more so in a country like ours. It takes a period of about 15 to 20 years for an industry to throw up its top men. Though in the initial stages of the setting up of an undertaking it may be necessary to rely on the civil service to man these posts, no undertaking can*

Committee's
recommendation.

*No hard and fast rule either in regard to the academic or other qualification or of age can be laid down with regard to the selection of the Chairman. It is obvious, however, that he should have maturity of judgment, experience of the particular type of concern or of similar kind of industry, the capacity to work with a team and a personality that would enable him to give a lead by his example to both staff and labour. He should normally be beyond acute political or rather party or sectional controversies which would make him start with a handicap. It may also be said that normally such a person at the time of appointment should be between 30 and 50 years of age. This provision is desirable because it should not become the practice that the Chairmanship of Boards is a kind of 'berth' for retiring civil servants or others who are appointed to a post as part of a reward for any service they might have rendered to a political party. (Para 25 of Krishna Menon Committee Report.)

afford to depend upon these services for long. The Committee feel that Public Undertakings should organise a regular scheme of executive development from the very beginning. This would enable them to provide trained and seasoned executives ready to step into positions of responsibility as the need arises, as also reduce their dependence on Central Services. In the Committee's view, there is little indication that this is being done at present by the undertakings or the Government have paid any attention to this matter. They feel that positive steps are necessary on the part of Government and public undertakings in this direction and trust that the matter would receive due attention.

Advance selection for new Undertakings.

10. In the case of new undertakings, it has been the practice for Government to appoint Officers on Special Duty to process a project and later to appoint them as Chairman/Managing Director. A new project at the initial stage faces numerous difficulties and problems which are by no means easy to overcome even for seasoned administrators. *The Committee, therefore, consider it imperative that top management for a new enterprise (Chairman, Financial Adviser and Personnel Manager) should be placed in position well in advance of the launching of a project and given intensive training and orientation in a comparable undertaking, where they should also acquaint themselves with the difficulties and problems likely to be encountered at the project stage.*

(ii) Appointment of Chairman and Managing Director.

11. The Committee note that, in the following undertakings, the chief executive (namely full-time Chairman or Chairman-cum-Managing Director) combines in himself the functions and duties of both the Chairman and the Managing Director :—

- (i) Fertiliser Corporation of India Ltd.
- (ii) Heavy Electricals (India) Ltd.
- (iii) Heavy Engineering Corporation Ltd.
- (iv) Hindustan Machine Tools Ltd.
- (v) Hindustan Organic Chemicals Ltd.
- (vi) Hindustan Steel Ltd.
- (vii) Indian Oil Co. Ltd.
- (viii) Indian Drugs & Pharmaceuticals Ltd.
- (ix) Indian Refineries Ltd.
- (x) Industrial Finance Corporation of India

- (xi) National Coal Development Corporation Ltd.
- (xii) National Mineral Development Corporation Ltd.
- (xiii) National Small Industries Corporation Ltd.
- (xiv) Neyveli Lignite Corporation Ltd.
- (xv) State Trading Corporation of India Ltd.

The rest of the public undertakings follow a different pattern and have generally a part-time Chairman in addition to a full-time Managing Director.

12. It is well-known that a part-time Chairman has no specific functions or responsibilities, besides presiding over the meetings of the Board, and the executive responsibility is vested in the whole-time Managing Director. In this context the Krishna Menon Committee have observed that "a Chairman who has only the trappings of authority is not of much functional value". *The Committee have from time to time suggested that the posts of Chairman and Managing Director should be combined and they are happy to note that their suggestions have met with approval and have been implemented in some public undertakings e.g. National Coal Development Corporation and Indian Refineries Ltd. The Committee are convinced that the pattern of appointing only one chief executive (Chairman-cum-Managing Director) should be increasingly followed. They recommend that Government may review the position and examine the feasibility of combining these posts in all public undertakings as far as possible.*

Feasibility of combining two post to be examined.

13. The Committee note that in certain undertakings (e.g., Hindustan Aircraft Ltd.), Government have appointed a full-time Chairman as also a full-time Managing Director. As stated earlier, the Committee feel that there should be only one chief executive in an undertaking. During evidence the Secretaries of the Ministries of Industry and Finance agreed that if there was a full-time Managing Director in an undertaking, a full-time Chairman was not called for. The Chairman of a multi-unit undertaking has told the Committee that it is difficult to demarcate the functions between full-time Chairman and the Managing Director. *During their study tour, the Committee also gathered the impression that the functions of the Chairman and Managing Director of HAL had not been clearly demarcated. This could lead to difficulties of co-ordination and control. The Committee suggest that this anomaly may be avoided and, wherever it is found absolutely necessary to appoint both full-time Chairman and Managing Director their functions may be clearly demarcated.*

Appointment of full-time Chairman and Managing Director.

14. Government decided in November, 1961, that "no Secretary of a Ministry/Department shall be a member of any Board". The Committee regret to note that Secretaries/

(ii) Appointment of Secretaries as Chairmen.

Additional Secretaries continue to be appointed as members and even as Chairmen of the Boards of Directors of public undertakings. For example, the following public undertakings are headed by Secretaries/Additional Secretaries:—

- (1) Central Warehousing Corporation (Secretary)
- (2) Hindustan Shipyard Ltd. (Additional Secretary)
- (3) Indian Telephone Industries Ltd. (Secretary) *
- (4) Mogul Line Ltd. (Additional Secretary)
- (5) National Buildings Construction Corporation Ltd. (Secretary) †
- (6) National Seeds Corporation Ltd. (Secretary)

15. It has been stated during evidence that Secretaries are not ordinarily appointed as Chairmen but where exceptions** had to be made, specific approval of Government had been taken. However, a further distinction is sought to be made that the above decision of Government would not apply to Additional Secretaries.

Earlier recommendation of the Committee.

16. The Committee have expressed themselves clearly on many occasions about the inadvisability of the practice of associating senior secretariat officials with the Boards of Directors of Public Undertakings. They have pointed out that (i) the practice leads to blurring of responsibilities of the Secretary of the Ministry who has to advise the Minister on matters of policy while at the same time, as a Member of the Board, he has to share responsibility for the execution of those policies and (ii) it is not possible for such an official to give sufficient attention to the affairs of the undertakings in addition to performing his normal duties. The Committee would like to add that decisions at the Board meetings are arrived at by consensus of opinion. It may well happen that if the Secretary is out-voted, he can be embarrassed if he has to fight the recommendation before his Minister.

Committee's Observation.

17. *The Committee do not understand why the Secretaries or Additional Secretaries have been appointed as Chairmen in six* undertakings mentioned in paragraph 14 some of which were set up as far back as 1950. It is unfortunate that this arrangement is being continued despite Government's decision against it. Once a decision is arrived at and communicated to the Parliament, the Parliament expects that it would be acted upon.*

*At the time of factual verification, it was stated that Shri M.M. Philip ex-Secretary, Deptt. of Posts and Telegraphs has retired from service w.e.f. 20th February, 1964.

†At the time of factual verification it was stated that Secretary was the Chairman of NBCC up to 2-7-1963.

**The Committee understand that Cabinet Secretary and Secretary, Iron & Steel have been appointed as Chairmen of Aeronautics India Ltd., & Bokaro Steel Ltd., respectively.

18. *The Committee would also like to point out that the reasons advanced against the appointment of Secretaries as Members or Chairmen of the Boards of Public Undertakings equally hold good in the case of Additional Secretaries as their functions and privileges are more or less the same as those of the Secretaries. Hence, the Committee do not approve of the practice of appointing them as members, much less as Chairmen of the Boards of Public Undertakings. They trust that early action would be taken to change the composition of the Boards of Directors accordingly. In this connection, reference is invited to para 180 of the 35th Report of the Estimates Committee (1962-63).*

B. Strength of the Board

19. A statement showing the number of members of the Boards of Directors of various public undertakings, as on 30th September, 1963 is given in Appendix II. It will be seen that the strength of the Board of Directors varies from undertaking to undertaking. For example, Hindustan Teleprinters has four Directors as against eight in Indian Telephone Industries and eleven in Nahan Foundry.

Variation in the number of Directors.

20. The Committee have been informed that besides the Chairman and/or Managing Director, a representative each of the administrative and Finance Ministries is appointed on the Board of Directors of an undertaking. In addition, persons possessing special knowledge of a particular industry and having experience of industrial management are also included. Sometimes, the representatives of State Government and of the consumers are also appointed.

21. It has been stated during evidence that no rigid rule or principle has been laid down to determine the strength of the Board of Directors of a public undertaking, which depends upon the scale of operations and activities of the company concerned. The Committee, however, find that this is not borne out by facts. It is seen that the Boards of Directors of Hindustan Steel and Heavy Electricals, with a capital investment of Rs. 724.10 crores and Rs. 52.22 crores respectively and having four or more units, consist of eight and ten Directors respectively, while much smaller undertakings, like Hindustan Antibiotics and Hindustan Insecticides with an investment of Rs. 2.47 crores and Rs. 1.22 crores, have twelve and fourteen Directors respectively.

Principles to determine the strength.

22. *In the opinion of the Committee, for the efficient functioning of the Board, its strength is to be governed by two considerations—essential representation and workable size. Three points of view are essentially to be represented; those of management, ownership and business experience. The proportion in which these viewpoints need to be represented, establishes the minimum size of the Board.*

Views of the Committee.

The upper limit should be determined by practical considerations of workability. In order to ensure that the strength of a Board has some relation to the nature and scope of its activities and does not become unwieldy, the Committee consider it necessary that some broad principles should be laid down by Government for the guidance of the various Ministries, taking into account the interests that might have to be represented thereon. In this connection, they would also refer to the views of the Krishna Menon Committee that a Board may be usually small, between 5 and 9 according to the size and nature of the concern.

C. Functional versus Part-time Boards

Functional Directors

23. The functions of a Board determine its form. Whether it should be functional or part-time should be governed by this principle. It has been stated in the Third Five-Year Plan that the main functions of the Boards should be to lay down the broad policies and the general objectives of the undertakings. It is, however, seen that matters of major policy like location of new plants, expansion of existing factories, introduction of new processes, pricing policy, etc., in respect of public undertakings are largely decided by Government. The functions of the Boards are, therefore, normally confined to carrying out the task of production of goods and services economically and efficiently.

24. The advantages of having functional Boards are, that the directors are fully familiar with the enterprise and its problems. They also bring loyalty and faith in the organisation and are vitally interested in its success. But functional Boards also suffer from certain disadvantages. The directors tend to become complacent and develop an inbred outlook which may make it difficult for a Board to carry out its functions.

Part-time Directors

25. As regards part-time Directors, it is said that such Directors, with their wide experience, can bring to bear upon the enterprise and its problems their mature judgment and fresh approach. But such Directors may not always be able to make much contribution for lack of knowledge about the enterprise or the necessary time to familiarise themselves with its problems. Further, such members may want details on every problem, which might make the expeditious and smooth working of the Board difficult.

Committee's observation

26. *On balance of advantages, the Committee are inclined to the view that it would be better to have a mixed Board consisting of some full-time and some part-time Directors. The Committee have no doubt that Government would keep these considerations in view while deciding the composition of the Boards of Directors of Public Undertakings in future.*

D. Functional Directors

27. The Committee find that the Boards of the following undertakings include functional (full-time) Directors, in addition to the full-time Chairman or Managing Director:

- (1) Heavy Electricals (India) Ltd., (Technical Director & Project Administrator).
- (2) Heavy Engineering Corporation Ltd., (Finance, Personnel and Construction).
- (3) Mazgaon Dock Ltd., (Financial Manager).
- (4) National Small Industries Corporation (Two).
- (5) State Trading Corporation of India (Two).

During the constructional stages of the projects, the Board of Hindustan Steel also included some functional Directors. After the plants went into production, it became necessary to entrust the day-to-day powers to the General Managers. Therefore, instead of functional Directors, advisers of corresponding status and technical knowledge have been appointed. During evidence the Secretary of the Ministry of Industry has stated that recourse to functional directors is taken if the volume of work justified it.

28. It has been represented to the Committee that in big multi-unit undertakings, one Chairman-cum-Managing Director, with only part-time Directors, is likely to find the load of work too heavy and there will be difficulties in dealing with problems which arise even in day-to-day work when he is absent on long tours or even on short leave. It has been further represented that in industries of highly technical nature, it would be necessary to have some one at the level of Director to co-ordinate, guide and attend to technical matters. Similarly, a Personnel Director may be necessary in bigger undertakings. In this connection the Krishna Menon Committee observed as follows:—

“While no uniform pattern can be laid down it may be said that a Board should consist of financial talent, administrative talent, technical skill, representatives of labour and personnel management. Therefore, normally, the Board should consist of a Chairman, the Managing Director (if there is one), someone who is a financial expert not drawn from *outside the company*, one or more of the senior executives, the chief production executive, a representative wherever possible of labour and often one of staff.”

Views of
Krishna
Menon
Committee.

Government Decision.

In their decisions announced in November, 1961, Government stated that—

“efforts should continue steadily to build up higher managerial personnel in the public sector undertakings so that more of them qualify to become as Directors.”

The Committee consider that it may be useful to appoint on the Boards of multi-unit undertakings full-time directors to discharge technical, personnel, and other functions depending upon the size and requirement of each undertakings.

29. *The Committee also recommend that the desirability of appointing a full-time Director of Finance in all undertakings, except of course the smaller ones, may be examined by Government. In their opinion, an arrangement under which the Financial Adviser is a part of the organisation would facilitate better co-ordination.*

E. Directors**(i) Qualifications.**

30. As stated earlier, the directors of all Government owned companies/corporations are appointed by the President. No qualifications have, however, been laid down for such appointments. In their 33rd Report (1958-59), the Committee had recommended that the qualifications of members of the Boards of industrial undertakings in the public sector may be defined in broad terms. This was reiterated in their 35th Report (1962-63) in the following terms :—

“The responsibilities of (such) Boards in the public undertakings are very onerous. Apart from providing the necessary leadership and direction to the undertaking, they have to ensure that the management of the various projects under their charge is sound and effective. The right choice of members of the Board is, therefore, of prime importance. The Committee suggest that Government might lay down the qualifications and the nature of experience expected of persons who will be appointed as members of the Board of Directors of industrial undertakings. The statutes relating to the setting up of public undertakings in the U.K. specify such qualifications and experience.”

31. The matter relating to determination of qualifications of Directors is stated to be under consideration of Government*. *The Committee hope that an early decision would now be taken.*

(ii) Procedure of appointment.

32. The Committee have been informed that there is no uniformity in the procedure followed in making appointment of Directors on the Boards of public undertakings.

* Chapter V of 2nd Report of the Estimates Committee (3rd Lok Sabha)

In a number of cases, the Chairman of an enterprise is consulted on an informal basis but there have been occasions when these appointments have been made without consulting the existing Chairman. The Secretary of the Ministry of Industry stated during evidence that there was no necessity for such consultation as the appointments were to be made by the President. The Secretary, Finance informed the Committee that in so far as financial institutions were concerned a convention had been established that the proposals would be put up by him to the Minister in consultation with the Chairmen/Governors of the undertakings concerned and the Cabinet Secretary.

33. *The Committee consider it necessary that the appointment of Directors, particularly the non-officials, should be made in consultation with the Chairman who is ultimately responsible for the success of an enterprise. They feel that the convention established by the Ministry of Finance in this regard is a healthy one and may be followed by all the administrative Ministries.*

Committee's views.

34. Government decided in November 1961 that "no officer who is assigned ordinary Secretariat duties should be appointed in more than 3 or 4 companies at the maximum". Nevertheless, certain officers are even now serving on the Boards of as many as five to eight undertakings. It has been stated during evidence that as and when suitable opportunities arose, the number would be brought down to four.

Appointment of an officer on more than four Boards.

35. *The Committee regret to observe that the decision taken by Government as far back as November 1961 has not been fully implemented. They suggest that a periodical review of the composition of the Boards of Directors of public undertakings might be made by Government to ensure that the decisions and principles laid down in this behalf are strictly complied with.*

F. Representation to State Governments

36. The Committee find that the State Governments concerned have been given representation on the Boards of a majority of Central Government undertakings during the project stage. Undertakings like Hindustan Machine Tools, which have projects in more than one State, have representatives of those State Governments by rotation. The Boards of the following undertakings do not, however, include representatives of State Governments concerned:—

- (1) Fertilizer Corporation of India.
- (2) Hindustan Teleprinters Ltd.
- (3) Indian Drugs & Pharmaceuticals Ltd.
- (4) National Mineral Development Corporation Ltd.

**Reasons
advanced.**

37. In justification of appointing representatives of State Governments on the Boards of Public Undertakings, it has been argued that it helps in securing essential facilities like land, water and electricity, in solving labour problems and expediting construction work. The Committee have also been told that in principle it is not correct to give representation to State Governments on the Boards of public undertakings merely because the plant is located there. On the other hand, the Chairman of a major undertaking has stated that such an arrangement could not be sustained. The Board is responsible for policy making and problems of local nature are dealt with by the General Managers. As such, the representative of the State Government could not render any valuable assistance to the Board.

**Views of the
Committee.**

38. *The Committee feel that Government should consider this matter from all angles and clearly define its policy about giving representation to State Governments concerned on the Boards of Directors of Public Undertakings. They are doubtful if their association even during the construction stage of a project would be beneficial. But, if the Government so decide, it should normally be followed in respect of all public undertakings. The Committee hope that the matter will receive due consideration.*

G. Project Administrators/General Managers

39. As stated earlier, the Project Administrator of Ranipur Project of Heavy Electricals Ltd., is a member of the Board of Directors of Heavy Electricals. Till recently the General Manager of Rourkela Steel Plant was also a member of the Board of Directors of Hindustan Steels Ltd.

40. The Chairman of Heavy Electricals Ltd. has informed the Committee that the Project Administrator is a civil engineer and, as many civil engineering problems arose in the projects, it was considered that it might be beneficial to include him in the Board to advise on such problems. In principle, however, he did not favour the appointment of Project Administrators on the Board of Directors.

41. *The Committee suggest that, based on their experience, Government may examine the merits and demerits of appointing Project Administrators/General Managers on the Boards of Public Undertakings and lay down a definite policy in this regard which may be uniformly followed by all the administrative Ministries.*

H. Frequent Changes in Top Posts

42. A statement showing the names of Chairmen and Managing Directors of Public Undertakings, together with the period for which each one of them held the post, is given in Appendix III.

43. It will be seen that the Chairmen of public undertakings have been changed very frequently. For example, the Central Warehousing Corporation set up in 1954 has had four different Chairmen, Damodar Valley Corporation 10, Hindustan Insecticides 6, Indian Refineries 4 and National Small Industries Corporation 8. In a few cases the tenure of Chairmen was very short and varied from 17 days to 2 or 3 months.

44. Similarly, the Managing Directors have also been changed very frequently. It has been stated during evidence that non-officials holding these posts might have been changed on their own volition but officials are not ordinarily changed for at least 3 years unless there are compelling reasons to do so.

45. It is generally recognised that the success of an undertaking depends, to a large extent, on the direction and guidance provided by the chief executive viz., the Chairman/Managing Director, and it takes him some time to acquire an intimate knowledge of the problems and programmes of the enterprise. Frequent changes of the incumbents of these posts are therefore not desirable. It is a waste of experience and intimate knowledge acquired by the individual. On these considerations, continuity in top posts is very necessary. The Committee recommend that till such time as each undertaking is able to provide managerial talent from within the organisation, the incumbents of these posts should be selected carefully and appointed for a minimum term, say 5 years, so as to enable them to fully implement the plans and programmes entrusted to them and to contribute to the efficient and economic working of the enterprise concerned. Committee's observations.

46. At the same time, the Committee feel that the tenure of these posts should be linked up with the performance of the individuals concerned. It should always be possible for Government to remove unsuccessful and inefficient persons before the expiry of their term. In making this suggestion, the Committee have in mind quite a few instances where the incumbents of these posts were not found to be quite suitable to be allowed to continue but Government found that their contracts were not terminable. To avoid a situation where it might become necessary to continue unsuccessful persons to the detriment of the undertaking, it would be desirable to stipulate a 3 months' notice to terminate their services in the event of being found unsuitable. The Secretary of the Ministry of Industry Tenure should be linked with performance.

agreed to this suggestion. The Committee trust that Government would review all such cases and examine the desirability of making such a provision in the terms of appointment for such top posts.

I. Inter-locking Directorships

47. The Committee note that with a view to co-ordinate policies, one or more common Directors have been appointed on the Boards of certain undertakings (*viz.* Oil Companies and Air Corporations). A similar arrangement exists between the Heavy Engineering Corporation and Hindustan Steel. But, this practice does not appear to have been followed uniformly by Government in the case of all public undertakings working in the same or allied fields or those located at the same place or region. The Committee feel that interlocking of Directors, as mentioned above, is a useful device, which could be followed with advantage. They hope that this matter would be kept in view while laying down the procedure for appointment of Directors.

J. General

Framing of
rules suggested.

48. As stated earlier, no principles have been laid down to determine the strength and composition of the Boards of public undertakings nor is there uniformity in the procedure followed in making appointment thereto. Even the decisions of Government, *e.g.*, not to appoint Secretaries as members of the Boards, are not being followed strictly. *With a view to ensuring that uniform criteria and principles are followed by all the administrative Ministries concerned in the formation of the Boards of Directors, the Committee suggest that comprehensive rules might be framed for the guidance of the Ministries concerned.*

Travancore
Minerals
Ltd.

49. The Committee find that after Dr. John Matthai vacated the office of the Chairman of Travancore Minerals Ltd. on 30th July, 1959, it has not been possible to get a suitable person as Chairman. The Chief Administrative Officer is acting as the chief executive of the Company. *This state of affairs should not have been allowed to continue. The Committee trust that early action would be taken to appoint a suitable Chairman for the Company.*

III

MANAGERIAL PERSONNEL

A. Industrial Management Pool

50. In their Ninth Report (1953-54) on Administrative, Financial and other Reforms, the Estimates Committee had recommended that, for the management of State Undertakings, recruitment should be made from people experienced in business, commerce and industry and trade so that these undertakings may be run on efficient business principles and practices. The Committee had also suggested that a common cadre of officers for the management of these undertakings should be constituted with the designation of "The Indian Commercial & Industrial Service". In their Sixteenth Report (1954-55), on the Organisation and Administration of Nationalised Industrial Undertakings, the Committee reiterated their earlier recommendation.

Committee's
earlier recom-
mendations.

51. In their reply dated the 31st March, 1957, Government stated that a decision had already been taken to constitute an Industrial Management Service, designed to meet the needs of all Government Industrial Undertakings. Ultimately, however, an Industrial Management Pool was constituted *vide* Resolution No. 21(12)-EO/56, dated the 12th November, 1957.

Governme-
nt's decision.

52. The main features of the Pool were that:—

Main features
of the Pool.

- (i) it was intended to cater to posts of non-technical nature relating *e.g.*, to general management, finance and accounts, sales, purchase, stores, transportation, personnel management and welfare and town administration;
- (ii) the initial strength of the Pool was fixed at 200 and the scheme envisaged an annual intake of 5% of the authorised strength;
- (iii) selections for the Pool were to be made on the recommendation of a Special Recruitment Board to be constituted for the purpose;
- (iv) it was stipulated that all participating undertakings will report all existing or prospective vacancies, which may be suitably held by members of the service, to the Controlling Authority (Ministry of Home Affairs) but it will not be obligatory on them to accept a member of the Service for a particular vacancy, nor will the

Controlling Authority be bound to supply a Pool Officer for every such vacancy.

Candidates recruited and employed.

53. From over 18,000 candidates who applied, 212 were initially selected for appointment to the Pool in 1959. Of these, only 130 could be appointed. 19 have since reverted, resigned or died and one is on an assignment in the U.N.O. Five are holding appointments under Government. Therefore, 105 officials are at present holding jobs meant for I.M.P officers, which is much below the authorised strength of 200. The Committee note that all undertakings are not employing officers from the Pool. Further, it took a long time to absorb the officers selected to the Pool, and no recruitment has been made to the Pool after the first recruitment in 1959.

Views expressed before the Committee.

54. It has been alleged before the Committee that the Pool was not properly administered. Government had no idea of the exact number and types of officers required. As such, the recruitment was not correlated to the requirements. Further, the Pool failed to attract suitable experienced managerial talent from well-managed companies in the private sector and instead officers from central services were recruited. The Recruitment Board* also did not include any one who had any experience of the industry.

Working of the Pool examined.

55. The Committee find that an officer of the Indian Institute of Public Administration, who examined the working of the Scheme in 1962 came to the following conclusions† :—

- (1) The scheme suffered from most of the rigidities and other defects of Government service without providing any of its advantages;
- (2) the scheme also suffered because of the lack of effective authority for implementing it. No additional machinery was built up to any significant extent for operating the scheme;
- (3) Many provisions in the scheme have never been effectively implemented. Not only has there been no fresh recruitment, but there has also been no compulsory notification of vacancies by the under-

*The Committee have been informed that the Chairman or a Member of the U.P.S.C. presided over the Special Recruitment Board which comprised of the following Members :—

- (1) Shri S. Ranganathan, Secretary, Ministry of Industry;
- (2) Shri M. M. Philip, Secretary, Department of Communications;
- (3) Shri G. Pande, Deputy Chairman, Hindustan Steel Ltd.;
- (4) Shri J. M. Srinagesh, General Manager, Hindustan Aircraft Ltd., and
- (5) Shri F. C. Badhwar, Non-official Member, (Retired Chairman, Railway Board)

† The Industrial Management Pool—An Administrative Experiment by Dr. H. K. Paranjpe.

takings to the Pool authorities so that the Pool officers as such have not been considered for the vacancies arising in the undertakings;

- (4) The initial recruitment was faulty in that no attempt was made to recruit persons against the actual requirements of the undertakings. This was the basic reason of all the later difficulties about absorption of selected candidates; and
- (5) The provision in the scheme that the enterprises can neither demand an officer from the Pool nor be compelled to accept one for a vacancy in their personnel makes the task of the Controlling Authority an impossible one.

56. As regards the officers serving in the Pool, it has been stated by Government that they have been discharging their duties satisfactorily but difficulties are being experienced in matters of posting and promotions of officers of the cadre for want of suitable vacancies in the undertakings. Thus, the mobility of the officers is limited. The Pool officers sometimes feel that their claims for promotion in the undertakings are overlooked and the direct employees of the Corporation are promoted. The whole position is, therefore, under examination by a Committee of Secretaries.

Views of
Government.

57. It will thus be seen that long after the Estimates Committee recommended in 1953-54 the constitution of an "Indian Commercial and Industrial Service", a decision to set up an Industrial Management Pool was taken in 1957. Even then, its scope was restricted to non-technical posts. Further, bulk recruitment was resorted to without ascertaining the exact requirements of public undertakings with regard to the types of officers required by them. Naturally this led to the selection of candidates possessing qualifications and/or experience different from what the undertakings required, with the result that they had to be persuaded to accept the selected officers. This is corroborated by the fact that it took a very long time to absorb the candidates selected to the Pool. It is also unfortunate that the Resolution about the setting up of the Pool stipulated that "it will not be obligatory on public undertakings to accept a member of the service for a particular vacancy, nor will the controlling authority be bound to supply a Pool Officer for every such vacancy." Obviously, this lacuna in the scheme gave the public undertakings a choice whether or not to accept the Pool Officers with the result that they have been reluctant to accept those men who are rather considered outsiders. Taking all the above factors into consideration, the Committee are inclined to the view that neither was the scheme to set up the Industrial Management Pool conceived nor implemented properly.

Committee's
Observation.

58. *The Committee also do not fully appreciate the difficulty of Government, referred to in paragraph 56, in posting Pool Officers to public undertakings, particularly when appointments to top posts (Managing Director, General Manager, Financial Adviser) are made by Government and appointments to higher posts require their approval. It is pertinent to mention in this context that even now over 190 top managerial posts in public undertakings are held by serving or retired officers of the Central Government.*

Had the scope of the Pool been initially restricted to such higher posts, the recruitment made with reference to the existing requirements, and the officers selected put through a suitable training course, the working of the Pool might not have created any problem. On the other hand, the country would have by now a cadre of trained executives to man the top posts in public undertakings, thus reducing their dependence on all-India services.

59. *The importance of ensuring a regular supply of managerial and technical personnel for the public undertakings need hardly be emphasised. The Committee, therefore, urge that before taking any decision to abolish or discontinue the Pool, Government might examine the matter in all its aspects in consultation with competent persons both from private and public sectors and see if the difficulties experienced in the working of the Pool can be avoided. In this connection, they reiterate their earlier recommendation for the constitution of an "Indian Commercial and Industrial Service."*

B. Managerial Posts

Position.

60. It is noted that out of about 800 top posts in 54 public undertakings, which have furnished the information, over 190 are held by serving or retired officers of the Central Services. Details of the posts held by officers of the State Governments are not available. However, it is seen that particulars have not been supplied by the undertakings on a uniform basis. For example, in certain cases (e.g., Heavy Electricals), the number of total posts required during full production, which has not yet been reached, has been indicated. At any rate, it is clear that public undertakings continue to depend, to a large extent, on Central/State Services for manning their top managerial posts.

No Assessment of requirements made.

61. It has been stated during evidence that an overall assessment of the requirements of managerial personnel in public undertakings has not been made but the Institute of Applied Manpower Research is currently studying the problem.

Committee's Observation.

62. *The Committee appreciate that in the initial stages it was inevitable to appoint persons from administrative services to man these posts. But as stated earlier, the Committee do not consider it desirable that public undertakings*

should rely on central services indefinitely, as it has the effect of diluting the administrative services as well. The more basic objection to such an arrangement is that the officers are a little casual in their approach to work because, if they are not successful, they can always go back to their parent departments. The arrangement also militates against the development of a sense of loyalty to the undertaking concerned.

63. The need for building up competent personnel to man the top posts in public undertakings cannot be over-emphasised. With the rapid expansion of the public sector undertakings, this problem will assume greater and greater importance. In this context, the Committee are surprised to find that even an assessment of the requirements has not yet been made. It would appear that sufficient attention has not been paid either by Government or the Public Undertakings to develop suitable personnel for these posts. They consider that time has come when a planned programme should be prepared to ensure regular supply of suitable personnel with requisite capacity and experience, for, on them depends the efficient functioning of the enterprises. Apart from the executive development programme suggested earlier, the Committee feel that some ad hoc measures are called for to meet the immediate requirements. One way of doing so would be to start a scheme of imparting orientation and training to selected officers. The Committee suggest that an estimate of the likely requirements of top men for the next five years should be prepared and action taken to select suitable persons from all possible sources—public undertakings, government service or private sector—who should be given specialised training for a period of about 2 years. Such of the selected persons as have aptitude for industrial management, and are temperamentally suited for such jobs, would form a nucleus for filling such posts in the public undertakings. The Committee would like to add that those of the officers, who successfully complete the probation period, should be seconded for employment in the public undertakings for the rest of their service. If necessary, the terms of their appointment should be so devised as to attract suitable persons.

C. General Managers

64. It has been stated by Government that the following broad principles, laid down in the Third Five-Year Plan, are kept in view while making appointments to the post of General Managers :—

Principles of appointment.

“Leadership, guidance and the main driving force in a Project has necessarily to come from the General Manager. He must, therefore, be selected on the basis of technical competence, administrative ability and qualities of leadership. He must be able to see clearly what is going on and to know which Department is not working satisfactorily and must

have the requisite knowledge to help the departmental managers to put it right."

Posts held
by Service
Officials.

65. The Committee, however, find that the posts of General Managers of the following Projects are held by service officials of the Central (I.C.S., I.A.S., I.A. & A.S.) and State Governments :—

- (1) Rourkela Steel Plant
- (2) Bhilai Steel Plant
- (3) Rishikesh Project of Indian Drugs & Pharmaceuticals Ltd.
- (4) Hyderabad Project of Indian Drugs & Pharmaceuticals Ltd.
- (5) Madras Project of Indian Drugs & Pharmaceuticals Ltd.
- (6) Barauni Refinery
- (7) Pipeline Project of Indian Refineries Ltd.
- (8) Kiriburu Project of NMDC.
- (9) Some units of Fertiliser Corpn. of India.

The above list may not be exhaustive.

Committee's
Observations.

66. *It is needless to point out that administrators have judgment and executive ability but hardly any business acumen or experience. For a General Manager of a Project mere innate intelligence is not enough. The person concerned must have a thorough grounding in management principles and practices and techniques of decision making, which, in the public undertakings, are mostly about production planning, production control, material control, budgetary and cost control, pricing and sales control, wage and salary administration, industrial and labour relations, etc. Obviously, all service officials do not possess these qualifications.*

67. *In the Committee's view, the right choice of a General Manager for a Project is of basic importance. They have earlier suggested the introduction of an executive development programme by each undertaking and trust that in course of time suitable personnel would be available to man these posts from within the organisation. The Committee suggest that where technically qualified officers have to be borrowed from other Government Departments like Railways, Posts & Telegraphs Department, etc., and are found suitable, efforts should be made to second them to the undertaking concerned for the rest of their service.*

D. Financial Advisers

Position.

68. It is noticed that as many as 25 public undertakings employ serving officers of the all-India or State Services for the post of Financial Adviser/Financial Controller. It

is not unlikely that a few others would also be employing retired officers for this post. In addition, many other posts in the Accounts Department (Deputy Financial Advisers and below) are held by serving officials of the Government. The Committee have been informed that since the appointment of Financial Advisers is made by Government, officers belonging to all-India services are generally selected. As regards the steps taken by Government to train these officers in the principles and practices of financial management, it has been stated that a training scheme has been initiated in the Ministry of Finance for imparting necessary orientation to certain selected officers of Central and State Governments, and these officers would form a 'reserve' from which public sector units would draw upon for manning their financial posts. Twenty-nine such officers are stated to have been trained so far. A school has also been started by the Ministry of Finance at Calcutta to train cost accountants.

69. *While the Committee welcome any attempts that Government might make to train up financial advisers in the techniques of financial management of public enterprises, they do not appreciate continued dependence of public undertakings on the Central Services for manning these posts. It is desirable that public undertakings train their own officers as early as possible. In fact, some of the undertakings have already done so. With that end in view, the Committee recommend that training facilities, referred to above, should be extended to the officers of public undertakings, including those selected to the IMP, so that in course of time they could replace the service officials.*

Committee's
Recommendation.

70. *The Committee also suggest that Government should issue specific instructions to public undertakings to recruit, train and develop suitable officers for the purpose within a specified period say 5 years. At the same time, the proposals for deputation of service officials should be discouraged. They hope that necessary action would be taken in the matter. These remarks would also apply to the accounts personnel employed in the lower hierarchy.*

71. *In this connection the Committee consider it desirable that a 'Financial & Accounts Service' may be organised for the public undertakings to which officers may be recruited centrally at an early stage, who could, in due course, man the higher posts in the Finance & Accounts Divisions of the public undertakings. They trust that the feasibility of introducing such a Service will be examined by Government.*

IV MANPOWER

A. Overstaffing

Assessment
of staff re-
quirements.

72. An assessment of staff requirements of Public Undertakings is made at the time the details of Projects are approved as also when expansion schemes are implemented.

During their examination, the Committee have noticed that public undertakings are invariably overstaffed. Relevant extracts from their Reports on Ashoka Hotels, Fertiliser Corporation of India (Sindri), Heavy Electricals (India) Ltd., Life Insurance Corporation of India, National Coal Development Corporation Ltd., National Newsprint & Paper Mills and Neyveli Lignite Corporation are given in Appendix IV. The Praga Tools Corporation have also admitted overstaffing in the following terms:—

“We have today a substantial excess staff and since the last two years efforts are being made to reduce the number.”

73. The Chairman of Heavy Engineering Corporation has admitted before the Committee that staff in its various Divisions (e.g., Recruitment Division) is on the high side. The Chairman of Indian Refineries Ltd., has also informed the Committee that there is a surplus of about 200 men in the Gauhati Refinery. In regard to the Air Corporation, a view has recently been expressed that the staff strength of Air-India and Indian Airlines Corporation could be reduced by 1,000 and 1,500 persons respectively without affecting their efficiency.

74. The Committee find that staff employed in the three steel plants of Hindustan Steel is also far in excess of the manpower estimates given in the project reports.

75. A comparative statement showing the Project estimates and actual staff employed on 30th December, 1963 is given below:—

	Project Report Estimates (Persons)	Actual strength on 30-12-63	Surplus
Bhilai	7300	17108	9808
Rourkela	4831	19083	14252
Durgapur	6535	14623	8088
	18666	50814	32148

76. It will be seen that the three Projects employed 32,148 persons over and above the Project Report estimates. The following reasons have been advanced for employing the additional staff:—

Reasons
Advanced

Bhilai:

Though the excess is relatively large compared to manpower figures assessed in the Project Report, it is difficult to make comparison due to the factors indicated below:—

- (1) The Project Report is silent in regard to the basis adopted for the assessment. There is ambiguity in the corresponding designations and nature of duties.
- (2) Each department has been given a small crew for maintenance without indicating as to how scheduled, heavy and medium maintenance will be looked after. This is based on Russian practice where some of these jobs are done by agencies external to the Plants.
- (3) The provision of semi-skilled and unskilled workers in the Project Report was inadequate and the Russian experts admit it. This is due to absence of mechanisation in maintenance, particularly in the movement of materials and lower labour productivity.
- (4) a number of departments had not been included in the estimates such as raw materials, energy and economy, safety, industrial engineering, central planning, scrap and salvage, weigh bridge, lubrication etc. etc.

Rourkela:

The basis of classification adopted in the I.G.K.D. Project Report was different from the prevalent Indian practice. The I.G.K.D. Project Report divided the staff into employees (commercial), employees (technical), foreman, skilled workers, semi-skilled and unskilled workers without defining these designations. Further no assessment was made for the entire Rolling Mills and a number of other major departments such as Production Planning, Statistics, etc. Because of these factors the divergence between the Project Report estimates and actuals is sizeable.

Durgapur:

The difference between the estimates and actuals is due to the fact that in the Red Book, assessment of staff for the Administration Department, as also for a few of the Technical Departments, was not made.

77. The Committee find that even if the staff employed in the Departments not covered by the Project Reports is taken into account, the position is as follows:—

	Project Report Estimates plus Staff employed in Deptts. not covered.	Actual on 30-12-63	Surplus
Bhilai	8453	17108	8655
Rourkela	11449	19083	7634
Durgapur	8217	14623	6406
	28119	50814	22695

78. It will thus be seen that the steel plants employ a surplus staff of over 22000, as compared to their requirements for full-rated capacity which has not yet been reached in all the plants.

**Reasons for
over manning
at Bhilai.**

79. As regards the Bhilai Steel Plant, the Personnel Manager has stated during evidence that the surplus was largely in the category of unskilled workers. On the completion of construction work, which had been undertaken departmentally, quite a large number of persons who were rendered surplus, had to be retrenched. At that stage, pressure was brought to bear on the Project authorities to provide alternative employment to such persons. As a result, about 6,000 persons were retained in the years 1959 and 1960.

**Other Pro-
jects.**

80. No satisfactory explanation has been furnished in regard to overstaffing at the other two plants. It has, however, been stated that it is proposed to adjust whatever surpluses exist at the one-million ton stage of the three steel plants against the manpower requirements for expansion of the plants. For this purpose, training programmes for upgrading the skill of some of the personnel are stated to have been initiated.

**Staff em-
ployed on
similar
plants in
other
countries.**

81. In this context, the Committee have been informed that in the U.S.A. a one million ton steel plant would employ about 6,000 men as against about 19,000 at the Rourkela Plant. They have also been informed that an automatic fertiliser plant would normally employ about 900 or 1,000 men as against about 9,000 employed at Sindri. The representative of the Ministry of Finance has stated during evidence that overmanning was mostly in the category of unskilled labour and the tendency of employing helpers for every job was responsible for it.

82. The Committee note that the Minister of Steel, Mines and Heavy Engineering referred to the problem of overstaffing in public undertakings in a statement made by him in Lok Sabha on 20th September 1963 in the following terms:—

Statement
by the Minister.

“Excessive manpower besets many of our public sector plants. This is particularly true at Sindri, one of our older enterprises. Unemployment we have, but to load any given plant with excess manpower is not the way to deal with it. In both Steel and Fertiliser our manning per ton of product is several times more than in comparable operations abroad. To contend that Indian conditions require this overmanning is wrong.”

83. The desirability of doing away with the practice of providing helpers to the skilled workers has been stressed in paragraph 92. The Committee, however, feel that this does not fully account for overstaffing in public undertakings. It would appear that recruitment of staff is not strictly related by Public Undertakings to the requirements at different stages and there is a tendency to employ the staff required for full-rated production in the initial stages itself. Having committed the initial mistake, they find it difficult to subsequently increase the workload of employees or to lay them off, with the result that they are obliged to carry the extra strength. Besides other ills, that usually accompany excessive employment, it leads to low productivity and higher cost of production. It also leads to greater expenditure for providing residential accommodation and makes labour problems more difficult.

Committee's
Observations

84. The Committee consider that if the public sector undertakings have to achieve efficient and economic production and secure adequate return on the capital employed, it is very necessary that detailed and realistic estimates of staff requirements are prepared by them and their establishment expenses, which account for a major portion of the cost of production, are kept to the minimum. The Committee, therefore, feel that

- (i) it would be desirable for public undertakings to keep their staff strength at a level slightly below the number recommended by the Consultants for a particular stage;
- (ii) no extra staff over and above the estimates of Consultants should be employed without the approval of Government;
- (iii) norms should be laid down to determine the staff strength in various industries; and
- (iv) Government should keep a close watch and periodically examine the staff employed by pub-

lic undertakings with reference to the estimates of Consultants and the norms laid down with a view to controlling excessive employment of manpower.

Study of existing over-staffing suggested.

85. *As regards the existing overstaffing, the Committee suggest that a thorough study of the position may be made with a view to determine the extent of overstaffing and steps taken to utilise the surplus staff in the expansion of Projects concerned or in manning of new projects.*

B. Hierarchical System:

Government pattern followed.

86. It is seen that public undertakings are generally functioning on Government pattern and some of them have introduced four to five layers of officers in each Department. For instance, in the State Trading Corporation there are five categories of officers from the Assistant Divisional Manager to the Divisional Manager and three of them have two grades. In the Indian Refineries there are four layers of officers between the Chief Accountant and the Financial Controller, viz., the Assistant Accounts Officer, Accounts Officer, Assistant Controller of Accounts, and Deputy Controller of Accounts. Similarly, its Stores Department has four categories of officers, viz., Assistant Stores Officer, Stores Officer, Store & Purchase Officer and Controller of Stores & Purchase.

87. The Construction Department of Heavy Engineering Corporation employees six categories of officers, viz., Chief Engineer, Deputy Chief Engineer, Superintending Engineer, Zonal Engineer, Executive Engineer and Assistant Engineers. Its Inspection Department also has six categories of officers between the Assistant Inspecting Officer and the Director of Inspection. The Chairman of Heavy Engineering Corporation has admitted that various categories of staff needed to be brought on some rationale.

88. It has been stated before the Committee that the representatives of the administrative and Finance Ministries, who are on the Boards of public undertakings, point out from time to time the desirability of following commercial principles in this regard. The position could be improved if the Directors took interest in the matter but, more often than not, they got engrossed in production and allied matters and did not attach much importance to the organisational aspects.

Committee's observations.

89. *It is needless to point out that the hierarchical system of administration, which has been devised for Government Departments to provide checks and balances, is neither desirable nor necessary for industrial and commercial enterprises. This was also agreed to by the representative of the Ministry of Industry. Besides being costly, it also leads to delays. The Committee appreciate that determination of basic organisation structure and major changes therein predominantly reside in the Boards of*

public undertakings. But it is unfortunate that the Boards are not paying sufficient attention to this matter. What is more surprising is that the representatives of Government on the Boards should not have been vigilant in this matter and allowed the undertakings to develop on Government pattern. The Committee recommend that Government should impress upon public undertakings the need to review and remodel their organisation structure on business principles.

C. Helpers:

90. It is noted that, in 33 public undertakings, helpers **Position.** are provided to skilled workers including production operatives, carpenters, turners, fitters, plumbers, linemen, wiremen, drivers, etc. to assist them in handling and moving materials & components, cleaning and oiling of machines, etc. The Heavy Engineering Corporation alone employs as many as 332 helpers.

91. The Committee discussed this matter with the representatives of major industrial undertakings and they were all agreed that the system of providing helpers to skilled workers was not in keeping with the present times and should be done away with. The representative of the Ministry of Finance has stated that the practice has developed because there is no labour shortage in the country. Other countries do not follow this practice. He also attributed overstaffing in public undertakings to this fact.

92. *The Committee feel that the practice of providing helpers to skilled workers has developed purely for historical and traditional reasons and not all jobs require such assistance. While there might be some justification for providing helpers to certain categories of operators, electricians working on overhead transmission lines, etc., the practice should be discouraged and gradually done away with. The Committee consider that, as a first step towards the abolition of the category of helpers, it may be desirable to provide such assistance on a unit or shop basis depending upon the requirements instead of on individual basis.*

93. *The Committee would also recommend that efforts should be made to train the existing unskilled workers for holding skilled jobs.*

D. Stenographers and Peons:

94. It is noted that public undertakings employs over **Number em-** 3500 stenographers and steno-typists and over 13,300 Peons. **ployed.** Life Insurance Corporation employs 649 stenographers and 4684 peons and Hindustan Steel employs 523 stenographers and 1772 peons. A statement showing the number of stenographers/Steno-typists and Peons employed by each undertaking is given in Appendix V.

(i) Stenographers.

95. As regards Stenographers, the Committee understand that in other advanced countries and in the private sector the officers are given the assistance of 'secretarial' personnel but only a modest ministerial and accounts staff are maintained. In public undertakings, however, in addition to secretarial staff attached to the officers, there is preponderance of staff at the lower level, as has been admitted by the Chairman of an Undertaking.

96. *The Committee recommend that the strength of stenographers may be reviewed by all public undertakings with a view to economy. They further recommend that instead of allowing stenographers to individual officers, a pool of stenographers may be created in each Department so as to make the maximum use of them.*

(ii) Peons.

97. As regards peons, it is seen that National Mineral Development Corporation, Pyrites & Chemicals Development Co., and Rehabilitation Industries Corporation determine their requirements on the basis of criteria followed by Government. In Hindustan Steel the strength of peons is based on the norms laid down by the Ministry of Finance. The Central Warehousing Corporation, Damodar Valley Corporation, Hindustan Cables, Hindustan Salt, Industrial Finance Corpn. Life Insurance Corporation, National Mineral Development Corporation, National Projects Construction Corporation and State Trading Corporation allow two peons to Chairmen, Managing Directors, Executive Directors, General Managers, etc. In the Life Insurance Corporation, the Chairman is allowed three peons.

98. In this context, the Committee find that Hindustan Machine Tools employs only 38 peons at Bangalore. At Pinjore, Hindustan Machine Tools does not employ any peon and this pattern is proposed to be followed in its other factories as well.

99. *The Committee are inclined to think that as senior executive posts in public undertakings are generally held by Government officials, they tend to follow Government scale in this regard which is not correct. They note that even Government feel that the existing scale of peons does not fit in with the present needs, and are considering the matter. The Prime Minister has also on several occasions referred to the malady of people being employed on such jobs with little or no work. The Committee consider it necessary to make a more purposeful use of the existing peons. With this end in view, Government should impress upon public undertakings to keep the number of peons to the minimum.*

100. *They would also suggest that efforts may be made to gradually train the existing peons so as to develop them into technical hands.*

E. Deployment of Surplus Personnel:

101. As stated in paragraph 79, pressures are brought to bear on public undertakings to retain unskilled and skilled construction personnel who become surplus on the completion of the Projects. This results in over-staffing. The need for redeployment of skilled personnel rendered surplus on the completion of construction works of irrigation and power projects as well as industrial projects, was considered by Government during the period of the Second Plan and the National Projects Construction Corporation was set up for the purpose of ensuring *inter alia* the optimum utilisation of the available personnel, particularly the large number of surplus employees of the Damodar Valley Corporation and Hirakud. But "the Corporation has not been able to fulfil its "avowed objective"*:

102. *The Committee do not understand why it should not be possible for public undertakings to dispose of such surplus labour when the private contractors are able to do so. They have no doubt that political and labour organisations would not insist on surplus personnel being employed in public undertakings, after the construction work for which they are temporarily employed is over. The Committee feel that from the point of view of overcoming this problem, the setting up of a separate company for the construction and erection of Bokaro Steel Plan appears to be a step in the right direction, and should be increasingly followed for the erection and construction of future projects.*

F. Industrial Engineering Departments:

103. It is noted that Hindustan Antibiotics, Hindustan Insecticides, Hindustan Shipyard, Mogul Line, Neyveli Lignite Corporation and Travancore Minerals have not organised Industrial Engineering Departments. Such departments have only recently been set up in Bharat Electronics, Fertilizers and Chemicals Travancore Ltd., H.A.L., Indian Rare Earths and National Coal Development Corporation. National Instruments have stated that they have a small industrial engineering unit which requires strengthening.

104. *The fact that a well-staffed industrial engineering department has a vital contribution to make towards the efficient and economic working of an industrial enterprise needs no emphasis. Indeed it is a must for every industrial enterprise of adequate size and importance. The Secretary of the Ministry of Industry agreed to impress upon the public undertakings the desirability of organising such departments. The Committee trust that this will be done.*

* Para 6 of 155th Report of Estimates Committee (2nd Lok Sabha).

G. Review of organisational set up:

105. Each undertaking has to determine its own organisational structure with particular reference to its objectives and the stage of its development. This has to be reviewed at regular intervals and adjusted according to the changing needs and experience. In the absence of such a review and adjustment, the undertaking may be faced with the problem of having developed an organisation larger than its needs.

106. *Bigger undertakings have, no doubt, organised industrial engineering departments which might be able to make studies of the organisational set up periodically, to enable necessary changes being made. The Committee, however, consider that it might be useful to organise a central manpower consultancy bureau to periodically examine the organisational set-up, manpower requirements, etc. of all public undertakings from an objective and detached point of view. The Secretary of the Ministry of Industry agreed with this suggestion and felt that it might be advantageous to set up an Inspectorate at the Centre for this purpose as also for periodical evaluation and appraisal of the public undertakings. The Committee trust that a well-staffed bureau or agency would be set up at an early date. It should, however, be ensured that any such agency does not become unwieldy and a further cog in the wheel or a mere critic of the undertakings. In this connection attention is also invited to paragraph 258.*

In addition to the agency mentioned above, it would be worthwhile for each undertaking to set-up an Organisation and Methods Cell for a continuous study of the undertaking and submit reports to the management concerned periodically. They have little doubt that a built-in agency of this nature will go a long way in increasing the efficiency of the undertakings and will be given due importance.

CONDITIONS OF SERVICE

A. Government Control

107. The Acts relating to the setting up of statutory corporations (*viz.*, Aid Corporations, Industrial Finance Corporation of India, L.I.C., Reserve Bank of India, State Bank of India, Central Warehousing Corporation, Oil and Natural Gas Commission etc.) provide that rules regulating the terms and conditions of their employees will be drawn up with the approval of the Central Government. In the case of the Public Undertakings registered under the Companies Act, the position is different. The terms and conditions of their employees are determined by the Companies themselves, with the approval of the Boards of Directors, and are not invariably subject to approval by Government. Position.

108. With effect from October 1962, Government's approval in regard to the determination of service conditions of the employees of Air Corporations has also been limited to pay scales, dearness allowance, leave, retirement benefits and other general service conditions. Air Corporations.

109. *The Committee feel that it is necessary for Government to ensure that the terms and conditions of service of employees in the statutory corporations and the Government companies are just and fair. Corporations as well as companies do not in the initial stages have the necessary trained staff, or experience in establishment matters, and some guidance and direction from Government appears to be necessary. The very fact that 23 public undertakings have not yet framed their service rules is a clear proof that there is need for such direction.* Committee's Observation.

110. *The Committee are not aware of the considerations which led Government to follow a practice different from that of statutory corporations in the matter of approval of terms and conditions of service of employees of Government companies. In the absence of a governmental agency to coordinate and direct in such matters, there is always a risk of diverse practices being followed by undertakings with a consequent risk of abuse of powers. It would appear that this aspect has not been given sufficient attention. The Committee recommend that Government may examine whether the terms and conditions of service of employees of Government Companies should not be subject to their approval, as in the case of statutory corporations.*

B. Conditions of Service Rules

Not laid
down.

111. It is noted that the following 18 public undertakings have not laid down the terms and conditions of service of their employees so far:—

Name of the Public Undertaking	Year of setting up
(1) Bharat Electronics Ltd.	1954
(2) Fertilizer Corporation of India	1961
(3) Film Finance Corporation Ltd.	1960
(4) Heavy Engineering Corporation Ltd.	1958
(5) Hindustan Aircraft Ltd.*	1940
(6) Hindustan Antibiotics Ltd.	1954
(7) Hindustan Housing Factory†	1953
(8) Hindustan Insecticides Ltd.	1954
(9) Hindustan Photo Films Mfg. Co. Ltd.	1960
(10) Hindustan Salts Ltd.	1958
(11) Indian Drugs and Pharmaceuticals Ltd.	1961
(12) Indian Refineries Ltd.	1958
(13) Nahan Foundry Ltd.	1952
(14) National Instruments Ltd.	1957
(15) National Seeds Corporation Ltd.	1963
(16) Praga Tools Corporation Ltd.	1943
(17) Rehabilitation Industries Corporation Ltd.	1959
(18) Travancore Minerals Ltd.	1956

112. It is understood that, insofar as the Central Warehousing Corporation is concerned, the rules framed by it are pending approval of Government, though the Corporation was set up in 1957. The Indian Rare Earth has framed the rules which are also stated to be under scrutiny. Hindustan Cables have framed service rules only for some categories of their employees. The Hindustan Machine Tools has framed only Discipline and Appeal Rules and the letter of appointment is stated to contain their terms and conditions of service. Hindustan Teleprinters has laid down only leave rules and travelling allowance rules for its employees.

*At the time of factual verification it was stated that HAL have laid down that the terms and conditions of service of their employees will be governed by their Standing Orders which are comprehensive in nature.

†At the time of factual verification, it was stated that Hindustan Housing Factory have laid down the terms and conditions of some of the categories of their employees.

113. It will thus be seen that as many as 23 undertakings, including those set up about 12 years back, have not yet framed or codified the terms and conditions of service of their employees. In this context it may be mentioned that Ashoka Hotels, National Mineral Development Corporation, Neyveli Lignite Corporation and Shipping Corporation of India also did not have such rules when the Committee examined their working but have since framed them.

114. Obviously the present position in this regard is neither satisfactory nor desirable. In the absence of regular conditions of service rules, it is difficult to ensure that the public undertakings follow well-established principles in this regard. The Committee hope that Government would at least now pursue this matter vigorously and ensure that the conditions of service rules are framed by all public undertakings within a period of six months, as agreed to by the Ministry of Industry.

Vigorous steps to ensure laying of Service Rules suggested.

115. The Committee would also recommend that Government should issue suitable instructions when a public undertaking is set up, that it should frame the service rules of employees within the above period.

116. The Committee find that a majority of the undertakings, which have not framed the conditions of service rules for their employees follow Fundamental and Supplementary Rules applicable to Government servants. Some other undertakings (DVC, CWC, ERIC*, NMDC, NPCC, NSIC, & ONGC) which have framed such rules, have also modelled them on Government rules. It has been represented to the Committee that the employees of public undertakings should not be governed exactly by Government rules, and their conditions of service should be based on the practices followed in industrial concerns. Moreover, during the initial stages, the undertakings are faced with many problems and it is not possible for them to devote sufficient time to these matters. It would, therefore, be helpful if model rules could be drawn up for the guidance of all public undertakings.

Laying of Model Rules suggested.

117. In this context, the Committee would refer to the recommendation contained in their 156th Report (1961-62) that such Model Rules should be laid down. They regret to observe that this has not been done so far. The Secretary of the Ministry of Home Affairs agreed that model conditions of service rules for public undertakings would be useful. These of course, could be varied by undertakings to suit their individual requirements. It is, therefore, suggested that a Committee consisting of the representatives of the Ministries of Industry, Home Affairs, Finance, Labour, heads of major public undertakings etc. should be set up to lay down Model Conditions of Service Rules for public undertakings.

*Since transformed into Export Credit and Guarantee Corporation.

C. Appointments on contract basis

Position in
H.S.L.

118. It is noted that appointments in the public undertakings are generally made on probation and the employees are confirmed after successful completion of the probation period which varies from 6 months to 2 years. Hindustan Steel, however, follows a different practice in that all appointments to executive posts in the regular establishment of the company, including those for operation and maintenance of the plant and the management cadre, are made on contract basis. This contract is initially for a period of five years (including the period of probation) and, after satisfactory service, the contract is automatically extended upto the age of superannuation (58 years) subject to its termination on three months' notice by either party.

Reasons.

119. The Committee have been informed that in the initial stages, H.S.L. had to recruit a large number of people and as it did not know much about the antecedents and character of the candidates, the arrangement for an initial contract for 5-years was devised. This also enabled the company to assess the suitability of the candidates selected. The Committee have been further informed that contracts of 173 persons had to be terminated during the last 3 years due to their performance and/or conduct not being found satisfactory.

Committee's
Views.

120. *The Committee feel that the employment on contracts may be suitable for higher managerial posts, and in the case of employment of foreigners. Such contracts do not appear to be suitable for production staff as high productivity is usually the result of continuous practice and stable service. The Committee understand that H.S.L. is currently examining the question whether appointments to executive posts should continue to be made on contract basis or should be made on a permanent basis. They hope that early action would be taken to do away with the existing practice.*

D. Scales of Pay

121. In the Third Five-Year Plan it is stated that:—

“The Board of Directors should have adequate powers to make appointments and fix salaries. However, to avoid the risk of migration of personnel from one public sector undertaking to another, if different scales of pay are adopted by them for posts of similar nature, it may be necessary to indicate to the Board broadly the basic scales of pay for different categories of posts. It should, however, be open to the Board to fix specific pays for specific jobs.”

Subsequently, in the decisions of Government, laid on the table of the House in November 1961, it was stated that:—

“Government should broadly indicate to the Board the basic scales of pay for different categories of posts. The Board of Directors should broadly be guided by the scales, but will be free to fix specific scales for specific jobs.”

122. *The Committee regret to observe that Government have not taken any action to implement the above decision so far beyond issuing a letter on the 28th February 1962 that all Government companies may “exercise powers within the broad framework of scales of pay as obtaining in Government service from time to time (and that) Boards of Directors will be free to fix specific scales and allowances for specific jobs for which there may not be strict parallel in Government departments.” This general direction has not been of sufficient guidance to the undertakings which, under the circumstances, have prescribed scales of pay obtaining in Government for similar posts.*

Decision not implemented

123. *As to the reasons for not implementing the decision of Government, the Additional Secretary of the Ministry of Finance stated during evidence that it was a difficult job and it might be necessary to set up a regular pay commission to prescribe scales of pay for all jobs in all the public undertakings. Difficulties anticipated are no sufficient justification for shelving an issue of this nature.*

Reasons.

124. *The need for ensuring that public undertakings follow a rational and sound policy in regard to pay scales cannot be over-emphasised. This cannot be ensured without proper guidance from Government. The Committee apprehend that if this important matter is not attended to immediately and individual undertakings are allowed to fix pay-scales on ad hoc basis, it might be difficult to remedy the position later on. They appreciate that it might not be practicable to lay down a rigid common pattern of basic scales of pay for different categories of posts for all undertakings, as the duties and responsibilities of posts even having the same designation, may vary from unit to unit, industry to industry and region to region. At the same time, they consider it urgent that scales of pay are based on some scientific method so that men doing the same or equivalent work receive approximately similar pay, at least within one locality or region. With this end in view, the Committee consider it desirable that a Committee consisting of representatives of the Ministries of Finance, Industry and Home Affairs, O. & M. Division, heads of major public undertakings etc., should be constituted to go into the matter immediately. They hope that the matter would receive earnest consideration.*

Setting up of a committee suggested.

No Uniformity in pay scales in undertakings located at the same place.

125. The Committee find that while the undertakings located at Bangalore have attempted to introduce some uniformity in the scales of pay, the scales adopted by the undertakings at Bombay and Alwaye, for similar posts vary. Two comparative statements are given at Appendices VI and VII.

126. *It is hoped that the pay committee, suggested in paragraph 124, would examine the desirability of introducing uniformity in the scales of pay for posts of an allied nature and responsibility taking into consideration the locality also.*

Posts not classified.

127. The Committee note that not all undertakings have classified their posts, grouped them or standardised the scales of pay attached thereto. While Air-India, Hindustan Machine Tools, Indian Telephone Industries, Hindustan Aircraft Ltd., Bharat Electronics Ltd. and Indian Refineries have classified their posts under 8 to 16 groups and standardised the scales of pay for those categories, the Fertiliser Corporation has as many as 260 different posts each, at Nangal and Sindri. The posts in Heavy Electricals and Heavy Engineering Corporation have also not been classified. Heavy Electricals has as many as 65 different scales of pay.

128. *The Committee consider that for a rational pay structure and administrative convenience, classification of posts, with more or less equal responsibilities, is very necessary. They trust that the suggested pay committee will look into this matter as well, with a view to reducing the number of pay scales to the minimum.*

Designations for similar posts to be standardised.

129. *It would also be desirable if the designations of posts for similar duties and responsibilities in all Public Undertakings are standardised, as far as possible, so that there is broad uniformity in this matter.*

Salaries in Public Sector.

130. It has been stated that, for lower categories of posts, the salary scales in the public sector undertakings are higher as compared to the private sector, but are less attractive for higher jobs. It has, therefore, been suggested that they should be brought on par with the private sector.

131. *The Committee consider that the conditions of service and responsibilities of the officials in the public sector are not comparable with those obtaining in the private sector. The risks and uncertainties which management face in regard to capital, production, cost, demand, pricing, profit etc. in the private sector are not comparable to those in the public sector. The criteria of judging performance in the two sectors are also not the same. Moreover the public sector which is emerging as the biggest employer should set the pace for other employers by peg-*

ging the salaries rather than compete with the private sector in this regard. A socialistic pattern of society should aim at narrowing the gap between the highest and the lowest paid rather than attempt to widen it. The Committee hope that these considerations would be kept in view while considering any change in the present pay structure of public undertakings particularly in the higher posts, consistent with the demands of efficiency and production.

E. Allowances and other benefits

132. During the course of their examination the Committee noticed certain disparities in regard to the payment of allowances and other benefits by various undertakings. These are briefly indicated below:—

Disparities noticed.

133. The State Trading Corporation has adopted the scales of pay and allowances admissible to Government servants holding corresponding rank. However, the rate of house rent allowance paid by it to its employees is 5% higher than those prevalent in the Government of India. As to the reasons, in a written note furnished to the Committee, it has been stated that—

(i) House Rent.

- (1) In the Government of India, a pool of accommodation is available to their employees and about 35% of their employees always get Government accommodation; but there is no pool of accommodation with the Corporation;
- (2) The pool accommodation of the Government is also not available to the employees of the Corporation because autonomous bodies like Government Companies are not eligible for Government accommodation;
- (3) The Offices of the STC are located in metropolitan cities like Bombay, Calcutta, Madras and Delhi where the accommodation problem is really acute. Even with the increase in the house-rent allowance, the officials will not get any suitable accommodation in these cities. The Corporation felt that it would be justified to give some relief at least to their employees by enhancing the house-rent allowance.
- (4) The Officers coming over to this Corporation on deputation stand to suffer, for they lose their right to Government accommodation, and if this relief is not granted, the experienced officers drawn from the Central and State Governments, who otherwise would have been eligible to Government accommodation, would be put to some additional hardship. The enhanced house-rent allowance, therefore, provides some relief; and

- (5) Other public undertakings also have provided enhanced house-rent in the form of taking houses on market rent and allotting them to the employees on 10% recovery, thereby incurring additional expenditure on house rent than the Government rate.

134. The representative of the Ministry of Finance has stated during evidence that these matters are within the purview of the management and are not even put up to the Board of Directors, except in a general way.

(ii) **Dearness Allowance.** 135. A majority of the undertakings pay dearness allowance to their employees at rates admissible to Government employees. All shore employees of the Shipping Corporation of India are, however, paid dearness allowance at 100 per cent of the basic pay, subject to a minimum of Rs. 90 p.m. and a maximum of Rs. 200 p.m.

(iii) **Deputation Allowance.** 136. In Bharat Electronics Ltd., Bangalore, the staff deputed for duty out-stations at Delhi and Madras, from Bangalore, is paid a deputation allowance at 20 per cent of the pay of individual together with house rent allowance and city compensatory allowance as applicable to Central Government employees of equivalent status, apart from the dearness allowance.

(iv) **Car/Conveyance allowance.** 137. Car/conveyance allowance is admissible to certain officers of the Hindustan Steel Ltd. in Durgapur, Bhilai and Rourkela Steel Plants as under:—

- (i) Officers of the rank of Asstt. Supdt. and above working in the Operation and Maintenance Departments who are required to visit the works in connection with break-downs or supervision at odd hours.
- (ii) Officers in the scale of Rs. 700—1150 and above who are required frequently to perform short journeys on duty for which no mileage is permissible and who maintain their own conveyance for the efficient discharge of their official duties and perform a reasonable minimum monthly average running on official duties.

Rates of allowance are as under:—

- (a) Officers in the grade, Rs. 1600—2000 and above who maintain a motor car—Rs. 200 p.m.
- (b) Officers in the grade, Rs. 1300—1600 and above but below the grade of Rs. 1600—2000 who maintain a motor car—Rs. 175 p.m.
- (c) Officers in the grade, Rs. 700—11500 and above but below the grade of Rs. 1300—1600 who maintain a motor car—Rs. 75 p.m.

(d) Officers who maintain a motorcycle/scooter—
Rs. 50 p.m.

Some officers in the shore establishments of the Shipping Corporation of India are also paid a car allowance of Rs. 200 p.m. for maintaining their own cars and for using them for official work.

138. According to general orders issued by the Ministry of Finance, Project allowance may be paid to employees in the large-sized projects to compensate them for lack of amenities if their execution involves the establishment of large construction organisation and the construction is spread over a number of years. Specific approval of Government is necessary in each case. The allowance is reduced in stages, as and when the amenities have been provided. (v) Project Allowance..

139. The Committee find that while Hindustan Machine Tools does not pay such an allowance to its employees during the stage of construction of its new factories, DVC, Heavy Electricals, Indian Refineries, National Buildings Construction Corporation, National Coal Development Corporation, NMDC, Neyveli Lignite, Pyrites and Chemicals Development Co. Ltd. are paying such an allowance to their staff in the projects.

140. Besides, ONGC pays drilling allowance to its staff in Assam at the following rates:

Pay	Rate of allowance
Below Rs. 100	37½% of pay
Rs. 101—300	30% ..
Rs. 301—500	30% subject to a minimum of Rs. 95 or maximum of Rs. 127.50
Rs. 501—600	Rs. 127.50
Rs. 601—699	Rs. 150
Rs. 700—1299	Rs. 187.50

Hindustan Steel and ONGC pay field allowance also to their employees stationed in out-of-the-way places lacking urban facilities and where prospecting is carried out. NMDC has sanctioned bad climate allowance for the employees of Bailadila Project posted in the Dantewara Tehsil.

141. In this connection it has been stated before the Committee that the Project Allowance upsets the wage structure and creates difficulties, as the labour later on insists for its inclusion in the wages. It has been further stated that a scientific wage structure is not possible if extraneous considerations come in.

Laying down
of broad
principles
suggested.

142. *The facts enumerated above are a further pointer that these are not matters which could be left to the public undertakings themselves and that some direction and guidance from Government are necessary to put them on proper lines. The Committee feel that varying practices in these matters are likely to lead to repercussions in other public undertakings and it may be difficult to resist a similar demand made by their employees. It is therefore desirable that public undertakings follow a common pattern in this regard as far as possible. The Committee trust that the pay committee suggested in paragraph 124 would study all such varying practices followed by public undertakings and lay down broad principles to determine the scale of such allowances.*

F. Retirement Benefits

Position.

143. It is noted that the public undertakings are not following a uniform policy in regard to the retirement benefits available to their employees. A statement showing the position in the various undertakings is given at Appendix VIII.

Policy of
Government.

144. It has been stated that under the Factories Act, provision of provident fund facilities is a statutory obligation. In regard to the retirement benefits, the following policy has been laid down:

- (i) In the public sector undertakings where the rate of contribution for the Contributory Provident Fund is based on 8-1/3%, there is no need for a separate Gratuity Scheme; and
- (ii) In the public sector undertakings where the rate of contribution for the Contributory Provident Fund is based on 6½% plus the Gratuity Scheme, either *status quo* might be maintained or if increase to the rate of 8-1/3% in Contributory Provident Fund is desired the Gratuity Scheme should be dropped.

Review re-
commended.

145. *The Committee, however, find that in the Export Risks Insurance Corporation*, Indian Rare Earths Ltd., Oil & Natural Gas Commission and Travancore Minerals Ltd. although the rate of contribution for the Contributory Provident Fund is based on 8-1/3%, a gratuity scheme has also been introduced, which means that the policy of Government is not being followed. The Committee recommend that Government may undertake a comprehensive review of the position in various public undertakings with a view to ensuring uniformity in this regard.*

* Since transformed into Export Credit and Guarantee Corporation.

VI

RECRUITMENT

A. Appointment of Top Executives

146. The appointments of Chairmen, Managing Directors (also General Managers who function as Managing Directors) and Financial Advisers in Government Companies are made by the President. The appointments of senior executives on pay exceeding Rs. 2,250 p.m. (over Rs. 3,000 p.m. in the case of retired Government servants) also generally require prior approval of the President or the Central Government. Government companies are thus empowered to create and fill posts on scales of pay upto a maximum of Rs. 2,250 p.m. and below.

Control in Government Companies.

147. Regarding the considerations on which Government have reserved to themselves the powers to make these top appointments, the Committee have been informed that they were key posts. As such Government had decided that, irrespective of the pay attached to them, such appointments should be outside the purview of the undertakings.

Considerations for reserving powers.

148. It is, however, noted that a different practice is followed in the case of statutory corporations. The appointments of only the Chairman in the case of the LIC, the IFC and the State Bank of India, of the Managing Directors of the State Bank and of the Governor and Deputy Governors of Reserve Bank are made by or with the approval of the Central Government. The powers of making all other appointments vest in the institutions themselves. In Oil & Natural Gas Commission creation of posts and appointments carrying a salary of Rs. 2,000 per month or more are subject to previous approval of Government. In the case of Employees' State Insurance Corporation, appointments to posts carrying a maximum monthly salary of Rs. 500 and above are to be made in consultation with U.P.S.C. In Khadi & Village Industries Commission, approval of Government has to be obtained for making appointments of officers whose maximum of the scale exceeds Rs. 500 per month. As regards Air Corporations, besides the post of General Manager, the appointments of heads of departments also require Government's approval as indicated below :—

Position in Statutory Corporations.

Air India

- (i) Deputy General Manager.
- (ii) Financial Controller.

- (iii) Commercial Director.
- (iv) Director of Planning and International Relations.
- (v) Director Engineering.
- (vi) Director of Flying Operations.

Indian Airlines Corporation

- (i) Deputy General Manager.
- (ii) Financial Controller.
- (iii) Chief Traffic Manager.
- (iv) Engineering Manager.
- (v) Chief Operations & Training Manager.

149. *The Committee do not think that under the above arrangement the Air Corporations have been faced with any difficulty. While it is necessary that Government, as owners, should exercise control over the appointment of chief executives and principal officers of public undertakings, the Committee are unhappy to note that varying practices have been allowed to develop in this regard. They feel that Government control in this important matter should follow some definite principles and rationale. If the analogy of the Air Corporations that appointments of heads of departments should receive Government approval, is to be followed, it may be desirable to extend this principle to all undertakings.*

Views of the Committee.

150. *In the opinion of the Committee, it is also not correct to allow Government companies, irrespective of their size, to appoint officers upto Rs. 2,250 p.m. without reference to Government. They are also not quite sure that there was no case of the abuse of this power. In fact the limit of Rs. 500 in the case of ESIC and Khadi and Village Industries Commission appears to have been determined on these considerations.*

151. *The Committee feel that a review of the powers delegated to the undertakings in regard to creation of and appointment to posts is called for.*

B. Principles of Recruitment

152. A note containing the principles of recruitment to be followed by public undertakings was laid on the Table of the Lok Sabha by the Minister of Industry on 14th April, 1961. A copy of this note is given in Appendix IX. It has been stated by Government that the broad principles indicated in the note, which has been circulated to the undertakings, serve as a guide rather than as a directive. While keeping in view these principles, the Boards of the undertakings are free to adopt such procedures as the circumstances and conditions obtaining in their units necessitate.

153. The Committee enquired the reasons for not laying down the recruitment policy for public undertakings earlier than April 1961. They have been informed that the principles embodied in the Note, referred to above, were being followed, more or less, from the very beginning. In 1961, an occasion arose for making a statement in Parliament when the existing position was re-stated.

154. *The Committee were, however, surprised to be informed by the representatives of Hindustan Steel that some of the principles contained in the Note (e.g. association of a representative of the State Government with Selection Committees) were not being followed by them as, in their view, the direction on the subject had not been issued by their administrative Ministry. This case would appear to indicate that unless such principles are issued in the form of a directive, public undertakings are prone to treat them as not binding. The Committee feel that the principles contained in the Note are healthy and should have been issued as a directive. They recommend that the desirability of incorporating them in the model recruitment rules suggested in paragraph 157 may now be considered.*

C. Recruitment Rules

155. The Committee find that the following 28 undertakings have not framed Recruitment Rules so far:—

Not framed by 28 undertakings.

Sl. No	Name	Year of setting up
1.	Ashoka Hotels Ltd.	1955
2.	Central Warehousing Corporation.	1957
3.	Employees' State Insurance Corporation	1948
4.	Export Risks Insurance Corporation Ltd.	1957
5.	Film Finance Corporation Ltd.	1960
6.	Hindustan Cables Ltd.	1952
7.	Hindustan Housing Factory Ltd.†	1953
8.	Hindustan Photo Films Mfg. Co. Ltd.	1960
9.	Hindustan Salts Ltd.	1958
10.	Hindustan Shipyard Ltd.	1952
11.	Hindustan Teleprinters	1960
12.	Indian Drugs & Pharmaceuticals Ltd.	1961
13.	Indian Oil Co. Ltd.‡	1959
14.	Indian Rare Earths Ltd.	1950

*Since transformed into Export Credit and Guarantee Corporation.

†At the time of factual verification it was stated that the Recruitment Rules for workers are contained in the Company's Certified Standing Orders.

‡At the time of factual verification it has been stated that IOC has finalised the Rules on recruitment, promotion and discipline which are likely to be published in about a month's time.

Sl. No.	Name	Year of setting up
15.	Industrial Finance Corporation of India	1948
16.	Mogul Line Ltd.	1938
17.	Nahan Foundry Ltd.	1952
18.	National Instruments Ltd.	1957
19.	National Mineral Development Corporation	1958
20.	National Newsprint & Paper Mills Ltd.	1947
21.	National Research Development Corporation of India	1953
22.	Neyveli Lignite Corporation Ltd.	1956
23.	Oil & Natural Gas Commission	1959
24.	Praga Tools Corporation Ltd.	1943
25.	Pyrites & Chemicals Development Co. Ltd.	1959
26.	Rehabilitation Industries Corporation	1959
27.	Shipping Corporation of India	1961
28.	Travancore Minerals Ltd.	1956

Committee's
recommen-
dation.

156. *That every enterprise should have proper written recruitment rules understood by all, from the very beginning, needs no emphasis. It is noticed that even undertakings set up as far back as 1948 and 1950 have not framed their recruitment rules nor have the administrative Ministries concerned ensured their formulation. It is not surprising that in the absence of these rules there have been allegations of favouritism and nepotism. Recruitment of manpower for new industries is no doubt the responsibility of the undertakings concerned but Government, as owners and employers, have to ensure that it is carried out with fairness and integrity. The Committee suggest that Government should examine the desirability of issuing suitable instructions to undertakings, specifying the period within which these rules should be laid down, as was agreed to by the representative of the Ministry of Industry during evidence.*

Laying
down of
Model Rules
suggested.

157. *In this connection, the Committee feel that if model recruitment rules are laid down by Government, it might help the undertakings to frame them, as they cannot be expected to have the necessary organisation or experience in the initial stages. They trust that model recruitment rules will be laid down by Government for the guidance of the undertakings.*

D. Job Specifications

158. The basic essential to ensure the recruitment of the most suitable man for each post, is to clarify and define the specifications and requirements of each level of management, each department and each key job or groups of similar jobs. Such specifications also serve the following important purposes:—

- (i) It gives each employee a clear conception of his proper part and relationship in the organisation as a whole. This makes it possible for him to concentrate his full energies and attention towards accomplishment of these objectives;
- (ii) It affords an invaluable basis for "breaking in" new appointees and training them to meet the requirements of the job;
- (iii) It provides a sound basis for the periodic appraisal and rating of individual performance and capabilities in terms of the requirements of the job;
- (iv) it serves as a basis for job evaluation which is essential in an effective plan of salary control.

159. From the information supplied by the undertakings it is, however, seen that job specifications have been laid down by Hindustan Steel in Rourkela and Bhilai plants and that too for non-executive level personnel. For the officer level the work is stated to have been initiated. Hindustan Cables has generally laid down job specifications for most of the lower levels of staff. Neyveli Lignite Corporation has done so only in respect of supervisory and management personnel. Bharat Electronics has recently set up a Job Evaluation Committee to lay down standard job specifications for the various posts. The other undertakings have generally laid down the duties and responsibilities of the various categories of staff but have not properly defined job specifications for each level of officers/ staff.

Job Specifications not laid down by many undertakings.

160. It has been represented to the Committee that, in the absence of proper job specifications, public undertakings generally insist on candidates possessing combination of qualifications quite out of proportion to the job requirements and salary offered. It has also been stated that, due to the absence of job specifications, degree holders have been recruited for jobs which could as well be performed by diploma holders. *It is, therefore, very necessary that detailed descriptions and specifications for each job are clearly laid down. It is regretted that this has not been properly done by most of the public undertakings. The representative of the Ministry of Industry agreed that it was necessary. The Committee recommend that, as this is*

Issue of instructions by Government suggested.

a matter of great importance, Government might issue suitable instructions to the public undertakings to lay down job specifications for each category of post as early as possible.

E. Selection Committees

Association of Outsiders. 161. The Committee find that Bharat Electronics, Central Warehousing Corporation, Fertiliser Corporation of India, Heavy Electricals, Heavy Engineering Corporation, HAL, Hindustan Salts, Hindustan Teleprinters, Indian Refineries, Indian Telephone Industries, National Mineral Development Corporation, National Projects Construction Corporation, National Seeds Corporation and Oil & Natural Gas Commission associate outside experts and/or representatives of local State Governments with the Selection Committees. Ashoka Hotel associates workers' representative elected by the elected members of the Works Committee for lower posts. The other undertakings do not generally associate any outsider with such committees.

162. *The advantages of associating an outside expert with the selection committees of public undertakings are obvious. Besides enabling the recruitment of the most suitable persons, such a procedure will inspire confidence in the public mind that recruitment is being done in a fair and unbiased manner. The Committee do not appreciate the view held in certain quarters that the association of an outside expert with the selection committees will impinge upon the autonomy of public undertakings. In fact such an association is stipulated in the Note on Recruitment Policy circulated by Government (Appendix IX). The Committee trust that Model Recruitment Rules suggested in paragraph 157 will include suitable provisions in this regard.*

F. Re-delegation of Powers by the Boards

Position 163. As stated earlier, the Boards of public undertakings have been generally empowered to create and fill posts on scales of pay upto the maximum of Rs. 2,250 p.m. and below. This limit has been raised to Rs. 2,500 in the case of HSL. The Boards have in turn delegated their powers to the Chairmen and/or Managing Directors and General Managers as shown in Appendix X. It will be seen that re-delegation of powers by the Boards to the principal officers does not follow a uniform pattern even in undertakings of the same size and magnitude. For instance, the Managing Director of Nepa Mills is empowered to make appointments upto the grade of Rs. 250—600 while an officer of the same status in Hindustan Insecticides can make appointments to post carrying a maximum salary of Rs. 1,000 p.m. The General Manager in HMT is empowered to make appointments to posts not exceeding Rs. 600 p.m. while a General Manager in HAL has been delegated

powers to make appointments upto Rs. 160—310 and Rs. 195—375 only. In Hindustan Steel full powers of the Board have been delegated to the General Managers (upto Rs. 2,500 p.m.).

164. The Committee appreciate that delegation of powers by the Boards to principal officers would depend upon the needs of each undertaking but it should follow some definite principles. One would have expected the representatives of the Ministry of Finance on the Boards of public undertakings to have given necessary guidance in this matter. The Committee recommend that Government should review the position and indicate to the Boards, the broad principles, which may be followed by them in this matter.

Laying of broad principles suggested.

G. Planning of Recruitment

165. The Committee gather that staffing and recruitment in public undertakings is not planned in good time. Such planning is necessary in the context of the present shortage of specialised and technical staff and the time lag between advertising the vacancies and final recruitment. The representative of the Ministry of Industry also agreed that such advanced planning was necessary. The Committee feel that, when recruitment is not so planned, in their anxiety to meet urgent requirements, the public undertakings will find it difficult to adhere to the basic principles of sound recruitment policy. They, therefore, consider that it would be helpful if annual job inventory is prepared by each undertaking in the light of its need and expansion programmes and action to effect recruitment is initiated in good time. The Committee trust that public undertakings would pay due attention to this matter.

H. Age Composition

166. The Committee appreciate that in the initial stages the public undertakings require experienced persons and it might not be possible for them to make a classified selection or to pay attention to the age composition of the candidates. Similarly, in order to meet their requirements of engineers, many undertakings, e.g., Hindustan Steel, Heavy Electricals and Heavy Engineering Corporation had to recruit a large number of fresh graduates of, more or less, the same age group for training in the factories of collaborators. But such a step will pose a major problem later on. The promotions of the employees to higher posts, which are few in number, will be blocked leading to dissatisfaction and frustration. Moreover, when they reach the age of superannuation the replacement of all of them at the same time is likely to create serious organisational problems and difficulties. Urgent attention is therefore, needed to this important aspect from now itself, if the above difficulties are to be avoided.

Proper balance suggested.

I. Degree-holders

Employed on subordinate supervisory jobs.

167. It is noted that about 1,740 degree holders are employed by public undertakings on subordinate supervisory jobs like that of Assistant Foreman, Charge-hand, draughtsman, etc. In this connection, it has been represented to the Committee that too much emphasis is placed on graduate engineers in the workshops, for which such qualifications are not generally required. It has been stated that, for management on the shop floor and production, diploma-holders should suffice if given the necessary training. The graduate engineers are justified for posts connected with research, development, design, industrial engineering, quality control, etc.

Reasons Advanced.

168. During evidence the Special Secretary in the Ministry of Home Affairs admitted that, in Government as well as in public undertakings, graduate engineers had been employed on jobs which could as well as be performed by diploma holders. He attributed this to the general shortage of diploma-holders and stated that the Manpower Directorate was studying the problem.

Committee's observation.

169. *In the Committee's view a shortage of diploma-holders in the country is no justification for the employment in subordinate supervisory jobs of degree-holders whose number also is not so abundant. Such an arrangement is not desirable from many points of view. Firstly, there is also a shortage of graduate engineers in the country. Secondly, it is costlier to appoint graduate engineers than diploma holders. Thirdly, graduate engineers, when entrusted with subordinate jobs, tend to be dissatisfied and always look for better jobs. At the same time, the diploma-holders in their organisation feel disgruntled at being denied subordinate supervisory posts, to which they could aspire. In paragraphs 210-212 the Committee have dealt with the question of shortage of diploma-holders and have elsewhere suggested that job specifications should be laid down for each post. They trust that, after the Manpower Directorate have studied the problem, Government would issue suitable instructions to the public undertakings to examine their staffing with a view to remedy the existing state of affairs which the representative of the Ministry of Home Affairs aptly termed as "wasteful."*

J. Notification of Vacancies to Employment Exchanges

Statutory provisions.

170. Under Section 4 of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, every establishment in the public sector is required, before filling up any vacancy, to notify that vacancy to the prescribed Employment Exchange. Further, when the Bill was under discussion in Parliament, the Labour Minister had assured both Houses of Parliament that so far as public sector undertakings are concerned, these establishments

would not only notify all vacancies but they would also fill the vacancies, through the Employment Exchanges. The Committee noticed that public undertakings were not notifying their vacancies to the Employment Exchanges, and that a number of them had even filled certain posts without recourse to the normal method of advertisement. They, therefore, enquired from the Directorate General of Employment and Training about the extent to which public undertakings were making use of the agency of Employment Exchanges for recruitment to various posts under their control, particularly the lower posts. They have stated as follows:—

“... according to an agreement entered into with the then Ministry of Commerce and Industries (now renamed as Ministries of Industry & Steel and Heavy Industries) all vacancies in the lower scales and skilled workers, clerks and other non-technical staff, whose scales are comparatively low, arising in the undertakings under that Ministry should be communicated to the Employment Exchange close to the project. Advertisements which are made in papers should be in the local languages and in the local newspapers and such advertisements should specifically mention that preference would be given to persons who are registered with the Employment Exchanges. To keep a watch on the extent of utilisation of the Employment Exchanges by these industrial undertakings, this Directorate General is collecting statistics showing the recruitment made through the Employment Exchanges and through other sources from certain selected industrial undertakings under the Ministries of Industry and Steel & Heavy Engineering. This information is being collected at half-yearly intervals so as to relate to half-year ending January and July of each and the same is reviewed on a regular basis. A copy of the latest review showing the position for the half-year ended 31-7-1963 prepared on the basis of returns received from industrial undertakings under the above mentioned Ministries is enclosed herewith (Appendix XI).....Based on this review nine* public sector undertakings were addressed by this Ministry on the 20th December, 1963 requesting them to issue instructions to various appointing authorities under them to notify all vacancies, other than those filled through the UPSC, to the prescribed Employment Exchanges and show greater cooperation in the utilisation of the Employment Service. Of these nine

NSIC, STC, Rehabilitation Industries Corpn, Hindustan Antibiotics, Hindustan Insecticides, Nepa Mills, Fertiliser Corpn. (New Delhi & Nangal) & HMT

undertakings, Rehabilitation Industries Corporation, Calcutta have agreed to the notification and filling up of all vacancies through the Employment Exchanges. The correspondence with the other remaining undertakings is still under process."

Vacancies notified to Employment Exchanges.

171. From the note at Appendix XI it will be seen that industrial undertakings under the administrative control of Ministry of Industry and the Ministry of Steel and Heavy Industries notified to the Employment Exchanges 69·5% of the vacancies that occurred during the half-year ended July 1963 as against 76·8% during the previous half-year. During the same period, the proportion of vacancies filled by registered applicants submitted by the Exchanges to the total number of vacancies filled amounted to 43·7% as against 34·4% during the preceding half-year.

Views of the Directorate General of Employment & Training.

172. In conclusion, the Directorate General of Employment and Training have stated as follows:—

"It is our general experience that the Government of India undertakings have taken much time to adopt on regular basis Employment Exchanges as a normal channel for recruitment of their staff, and they hold that they are autonomous organisations, and should recruit staff in their own way, i.e., by resorting to advertisements, by collecting fees, etc. from intending applicants and also by resorting to recruitment from any area they like. To facilitate their recruitment programmes Directorate General of Employment & Training have been establishing Project Employment Exchanges and have suggested the Employment Officer-in-Charge to hold *ex-officio* status in the project administration so as to carry out the orders of the Project authorities day to day and render prompt assistance."

Committee's Observations.

173. *The above remarks would indicate that the position is not satisfactory. The agreement arrived at by the Ministry of Labour with the Ministry of Industry refers to the steps taken after the Minister of Industry had laid on the Table of the House, on 14th April 1961, a note on Recruitment Policy in the public undertakings (Appendix IX) which inter alia stipulated that all vacancies in the lower scales and skilled workers and other non-technical staff should be communicated to the Employment Exchanges close to the Project. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 had, however, come into force from 1st May, 1960 i.e. about 12 months earlier. It was expected of the Ministry of Labour to ensure that statutory provisions of the Act are complied with by the public undertakings. From the Review (Appendix XI) it would, however, appear that even the*

undertakings falling under the purview of the Ministries of Industry and Steel and Heavy Engineering are not all complying with the provisions of the Act. From the fact that the Ministry of Labour and Employment is collecting statistics from selected industrial undertakings, it would appear that that Ministry has also not paid sufficient attention to secure compliance with the provisions of the Act.* The Committee recommend that vigorous and effective steps should now be taken by the Ministry of Labour in consultation with the administrative Ministries concerned, to ensure that full use is made of the agency of Employment Exchanges, as was envisaged by the Minister of Labour at the time of discussion of the Bill in Parliament.

174. The Committee note that though the Ministry of Labour have been affording the necessary facilities by way of establishing Project Employment Exchanges, they have not tried to enlist and ensure the cooperation of the Project authorities. They hope that this would now be done and public undertakings would also extend their full cooperation in the matter.

K. Recruitment to technical Posts

175. It has been stated by the public undertakings that they are experiencing great difficulty in finding recruits for the following categories of staff:— Difficulties experienced.

- (i) Chartered Accountants;
- (ii) Cost Accountants;
- (iii) Engineers (Civil, mechanical, electrical and chemical);
- (iv) Engineering personnel with experience of design, erection and operation of power stations;
- (v) Machine Tool Designers;
- (vi) Overseers;
- (vii) Skilled Artisans, e.g., tool-room makers, tool-room grinders, tool-room millers and tool-room inspectors;
- (viii) Welders (gas and electric);
- (ix) Instrument mechanics;
- (x) Fitters;
- (xi) Boiler makers/platers;
- (xii) Wiremen;
- (xiii) Plumbers;
- (xiv) Copper smiths; tinsmiths and rivetters;
- (xv) Estimators;

*At the time of factual verification, the Ministry of Labour & Employment informed the Committee that that Ministry had also moved Ministry of Home Affairs to issue revised instructions requiring all Ministries to enjoin upon all the quasi-Government institutions and statutory organisations under them to notify vacancies to the Employment Exchanges in the manner and form prescribed under the Rules and also to fall in line with the Central Government departments in the recruitment of staff through the agencies of employment service. The instructions have been issued by the Ministry of Home Affairs vide their O. M. No. 14/11/64—Easts (D) dated 21st March, 1964.

- (xvi) Drivers;
- (xvii) Medical Officers and qualified nurses; and
- (xviii) Stenographers.

Steps taken
by Govern-
ment.

176. As regards the steps taken by Government to overcome these shortages, the Committee have been informed that efforts are being made to expand the facilities for technical training. The number of seats available in training institutes for engineering trades has been increased from 10,000 in 1956 to 39,000 in 1961. It is proposed to further raise this number to 1,00,000 before the end of the Third Five Year Plan. The Committee have been further informed that the Ministry of Finance is arranging for the training of Cost Accountants and the Institute of Chartered Accountants is doing its best to increase the outturn of qualified Chartered Accountants.

177. From the information furnished by the Directorate General of Employment and Training, the Committee, however, find that a large number of applicants in the categories listed above were on the Live Register of Employment Exchanges on 30th June, 1963 as shown in Appendix XII. The Labour Secretary stated before the Committee that these statistics should not be taken to indicate that there are no shortages in these categories because (i) the men might be required in a particular area while they may be available in other parts of the country and the latter may not be mobile; (ii) the public undertakings might need experienced men while the persons registered with the Employment Exchanges might be mostly freshers and (iii) if the experienced persons, already in some employment, are registered with the Employment Exchanges, they would not like to change over, unless better prospects were offered to them. The Special Secretary in the Ministry of Home Affairs has assured the Committee that the Manpower Directorate would study this problem of shortage on the one hand and unemployed personnel on the live registers of Employment Exchanges on the other hand.

178. *The above arguments are, no doubt, relevant to the issue but, as pointed out earlier, a large number of public undertakings are overstaffed. Besides, all undertakings are not making full use of the agency of Employment Exchanges. In this context it is also noteworthy that graduate engineers are employed for jobs which could as well be performed by diploma-holders. In the circumstances, the Committee do not feel that there is any real shortage in the categories referred to above. They have no doubt that if the public undertakings make a realistic assessment of their staff requirements and release their surpluses, lay down proper job specifications and make full use of the assistance offered by the Employment Exchanges, it would be possible for them to overcome the shortages. The Committee trust that the Manpower Directorate would keep these aspects in view while studying this problem.*

L. Scheduled Castes/Scheduled Tribes

179. In accordance with the provisions of Articles 16(4) and 335 of the Constitution, the following reservations have been made for scheduled castes and scheduled tribes in the services under the control of the Government:

Reservation
of Posts.

Scheduled Castes

- (i) 12½% of the vacancies filled by direct recruitment in the case of posts and services recruitment to which is made on an all India basis by open competition.
- (ii) 16-2|3% of vacancies filled by direct recruitment in the case of posts and services recruitment to which is made on an all-India basis otherwise than by open competition.

Scheduled Tribes

Both in recruitment by open competition and in recruitment made otherwise than by open competition, there is a reservation of 5% of the vacancies filled by direct recruitment on an all-India basis.

These reservations have been extended to statutory and semi-Government organisations and Government-owned companies subject to the efficiency in the services being maintained.

180. A statement showing the number of scheduled castes/scheduled tribes employed by each undertaking is given in Appendix XIII. It will be seen that the number of candidates belonging to scheduled castes/tribes employed by a majority of the public undertakings is lower* than that laid down by Government.

No. employ-
ed in public
undertakings.

181. The representative of the Ministry of Home Affairs has informed the Committee that, as scheduled castes/scheduled tribes were not able to get their share of employment in all technical categories, steps had been taken to provide them with training facilities, scholarships, etc.

182. *The Committee do not appreciate why it should not be possible for the public undertakings to fully implement the general policy of Government in the matter of reservation of posts for candidates belonging to scheduled castes/tribes. They feel that in the coming years public undertakings are likely to offer greater employment opportunities than other public services. Therefore, unless persons*

Committee's
Views.

*Since the information in respect of candidates belonging to scheduled castes/scheduled tribes has not been furnished separately by all public undertakings and on a uniform basis, it has not been possible to work out percentages.

belonging to scheduled castes/tribes are given a fair share of employment in the public undertakings, they would lag behind. The Committee would urge the Government to ensure that the policy of reservation of posts for scheduled castes/tribes is strictly followed by all public undertakings.

M. Personnel Commission

Earlier
Recommendation.

183. In para 75 of their 39th Report (1956-57), the Committee had recommended the setting up of a separate Public Service Commission for recruitment of officers in public undertakings. This was pursued in the 38th Report of the Estimates Committee (1958-59). Last year the Committee reiterated* the earlier recommendation in the following terms:—

“The Committee consider that the problem is one of reconciling the requirements of public responsibility and regularity on the one hand and adequate business and commercial freedom to the greatest possible extent on the other. They feel that the solution lay in establishing a Personnel Commission similar to the UPSC for public enterprises staffed by people with business experience who understand the personnel needs of the public sector. The functions of such a Commission should *inter-alia* be to examine and approve the terms and conditions of service recruitment, promotion and other personnel policies devised by various public undertakings and prescribe model rules. The Commission can also provide members for being co-opted on departmental recruitment and promotion committees of public undertakings. While, therefore, reiterating their earlier recommendation the Committee would urge that Government decision may be taken at an early date in the light of the above observations.”

184. Asked about the action taken on the above recommendation, the Home Secretary informed the Committee that the Ministry of Home Affairs had strongly commended the setting up of a committee or commission for recruitment in public undertakings so as to inspire public confidence and dispel any apprehensions of patronage in the selection of personnel. In fact, that Ministry was not in favour of leaving recruitment for higher posts to the public undertakings. The representative of the Ministry, however, added that one body might not be able to cater to the needs of all public undertakings. It might, therefore, be necessary to allow each larger unit to have a recruitment agency of its own while the smaller ones might be group-

ed. The matter was stated to be under the consideration of the administrative Ministries concerned.

185. *The Committee do not visualise any difficulty in the arrangement suggested by them which has been successfully followed in the case of Railways, Posts and Telegraphs Department, Ordnance Factories, etc. On the other hand, they feel that such a centralised recruitment for higher posts would enable uniform standards of selection, eliminate competitive bidding for scarce personnel and ensure fairness, besides saving the time and work of the public undertakings. The Committee have no doubt that the representatives of the undertakings concerned and suitable outside experts will be associated with recruitment of personnel through such a Commission. If, however, the setting up of a single Central Commission may not be considered feasible, the Committee would suggest the setting up of such Commissions on regional or industry basis. They trust that the matter would be carefully examined before taking a final decision in the matter.*

Early decision to be taken.

N. Retired Personnel

186. It is noted that despite the decision announced in Parliament in November, 1961 that "Government should give broad indication of the principles to be followed by public undertakings in the employment of retired persons", no principles have as yet been laid down. *The Committee are unhappy at the inability of Government to implement a decision which they announced over two years ago. It is expected that once a decision is placed before Parliament, it would be acted upon. They hope that this would be done now.*

Government decision.

187. It is further noted that for posts including non-technical secretarial ones, the public undertakings are employing over 1,000 retired personnel. For instance, the Fertilizer Corporation of India, Heavy Engineering Corporation, Hindustan Antibiotics, Indian Oil Company, Indian Refineries, National Building Construction Corporation, National Coal Development Corporation, National Mineral Development Corporation and Rehabilitation Industries Corporation are employing retired personnel even for secretarial posts like those of Assistant Superintendents, Stenographers, Junior Assistants, Head Clerks, Upper Division Clerks, Clerks, Store-keepers, pay clerk, etc.

Position.

188. *The Committee agree that there might be cases where it is inevitable to re-employ retired technical personnel, in the national interest, to isolated specialised posts for a specific period, if persons of requisite knowledge and experience are not otherwise available. But they do not approve of this practice being followed indiscriminately and retired personnel being employed even for non-techni-*

Committee's Observation.

cal secretarial jobs. The Committee hope that Government would keep this aspect in view while laying down broad principles to be followed by public undertakings in the employment of retired personnel.

O. Deputationists

Position.

189. The Committee find that public undertakings employ about 3,450 deputationists from Government services. These again include non-technical secretariat officers like Section Officers, Stenographers, Assistants, Junior Assistants, U.D.Cs., Typists, Despatch Supervisors, Record Keeper and even peons.

190. As regards the extra cost involved in employing deputationists, the Ministry of Finance have stated that it is difficult to make out a correct estimate. However, according to the general terms of deputation, an employee placed on deputation may elect to draw either the pay in the scale of pay of the deputation post or his basic pay in the parent Department plus (duty) allowance at 20% thereof. The extra cost on this account will be the amount drawn by the deputationist over the minimum, provided it is possible for the undertaking to recruit any officer on the minimum of the scale without giving any advance increments. In their view, on a broad and rough basis, the average extra cost in filling a post on deputation basis, instead of by direct recruitment, may be taken on an average at approximately 15% in respect of pay and allowances for each deputation. They have added that expenditure on account of the leave salary contribution and pension, which the undertakings have to pay, may be ignored because in lieu of these contributions the undertakings will save their liability for leave salary in respect of the leave taken by the Officers during the period of deputation and Provident Fund contribution which they have to incur for their own employees.

Committee's
suggestion.

191. *The Committee feel that, besides being costly, the practice of depending upon Government for manning posts, in public undertakings, particularly non-technical ones, is not conducive to efficiency. Such officers as have no stake in the undertaking can hardly be expected to put in their best. They fail to develop a feeling of attachment to the undertaking and do not identify themselves with its problems. Besides, this arrangement of drafting staff on tenure basis, creates uncertainty and perpetuates inexperience. What is more, such an arrangement affects the promotion prospects of the regular employees of the undertaking. Earnest efforts should, therefore, be made by public undertakings to recruit, train and develop their own men and do away with their dependence on deputationists within a period of, say, five years after they are set up. Government on their part should also discourage the undertakings from*

appointing deputationists unless it is very necessary to do so, as it has the effect of diluting its own services. The Committee trust that Government would issue suitable instructions in the matter and undertake a periodical review of the progress made by public undertakings in this respect.

P. Drift of Personnel

192. The Committee find that as many as 4,857 technical/managerial personnel have left the public undertakings during the last three years to join other public or private undertakings. The drift in lower categories might, perhaps, be still larger. Position.

193. In 1962 an officer of the Indian Institute of Public Administration studied this problem and submitted a report* to Government. This does not appear to have been considered as yet.

194. During evidence it has been stated that it is not possible to completely impose a ban on such movements. Committee's Observations
 If the migration results in higher utilisation of a man's qualifications it is not undesirable. Otherwise, it is a waste. It has been further stated that, as far as possible, care is taken to see that candidates are not interviewed by an undertaking unless they have applied with the permission of the existing employer. *The Committee are not, however, sure whether this practice is being followed by all public undertakings. They have elsewhere suggested that the desirability of devising somewhat uniform scales of pay for similar posts in all public undertakings may be considered. They have also suggested the introduction of cadre and career development schemes by all undertakings. If the tendency of drift of personnel has to be checked, the Committee feel that, in addition to the above measures, the public undertakings should try to create a good public 'image' of themselves. The Committee hope that Government would consider the matter in all its aspects and take suitable measures to arrest the horizontal movement of personnel to the extent it is considered undesirable.*

*A study of the flight of technical personnel and related problems affecting public undertakings by Dr. H. K. Paranjpe.

VII PROMOTIONS

A. Promotion Rules:

Not laid
down by 31
under-
takings.

195. It is noted that the following 31 public undertakings have not laid down rules to regulate promotions of their employees:—

Name 1	Year of Setting up 2	
(1) Air-India	1953	(Circulars issued to heads of Dept)
(2) Ashoka Hotels Ltd	1955	
(3) Central Warehousing Corporation	1957	
(4) Export Risks Insurance Corporation Ltd.*	1957	(Office order issued)
(5) Film Finance Corporation Ltd	1960	
(6) Heavy Engg. Corporation Ltd.	1958	
(7) Hindustan Cables Ltd.	1952	
(8) Hindustan Housing Factory Ltd.	1953	
(9) Hindustan Photo Films Mfg. Co. Ltd.	1960	
(10) Hindustan Salts Ltd.	1958	Government rules followed
(11) Hindustan Shipyard Ltd.	1952	
(12) Hindustan Teleprinters.	1960	
(13) Indian Drugs & Pharmaceuticals Ltd.	1960	
(14) Indian Oil Co Ltd.	1959	
(15) Indian Rare Earths Ltd.	1950	
(16) Industrial Finance Corporation of India	1948	
(17) Mogul Line Ltd.	1938	
(18) Nahan Foundry Ltd.	1952	
(19) National Buildings Construction Corporation Ltd.	1960	
(20) National Instruments Ltd.	1957	
(21) National Mineral Development Corporation Ltd.	1958	Under preparation

*Since transformed into Export Credit and Guarantee Corporation.

1	2
(22) National Newsprint & Paper Mills Ltd.	1947 Being framed
(23) National Research Development Corporation	1953
(24) National Seeds Corporation Ltd.	1963
(25) Neyveli Lignite Corporation	1956
(26) Oil and Natural Gas Commission	1959
(27) Praga Tools Corporation Ltd.	1943
(28) Pyrites and Chemicals Development Co. Ltd.	1960
(29) Rehabilitation Industries Corporation	1959
(30) Shipping Corporation of India	1961
(31) Travancore Minerals Ltd.	1956

196. *The Committee regret to observe that even Undertakings set up as far back as 1948 or 1950 have not laid down any promotion rules. The absence of proper rules on the subject may provide opportunities for favouritism and thus expose the undertakings to criticism and allegations. That promotions should be based on well defined principles, which inspire confidence in the employees, needs no emphasis. The Committee consider it necessary for such rules to be laid down from the beginning, when the bulk of the recruitment and promotions take place. The Secretaries of the Ministries of Home Affairs and Labour agreed that Promotion Rules should be laid down. The Committee trust that suitable instructions will be issued to the above undertakings to frame promotion rules within a specified period.*

197. In this context the Committee note that the Ministry of Labour have taken up for study the experience of different undertakings in the matter of promotion policies and to draw up a Model Promotion Procedure for the guidance of public sector undertakings. *They trust that the Model Procedure would be finalised early and the undertakings persuaded to adopt the same.*

B. Merit Rating

198. Promotions in any organisation are made on the basis of periodical assessment of employees, called "merit-rating". Such periodic rating or appraisal of individual performance also serves as the basis for:— Purpose.

- (i) early discovery and elimination of unsuitable men;
- (ii) Special training and more suitable placement of employees;
- (iii) Discovery of talent, and with the most advantageous training, development and placement thereof;

- (iv) Selection and appointment of best qualified men to key positions;
- (v) Disposition of inadequately qualified men in key positions;
- (vi) Establishment of a permanent record of employees' qualifications, avoiding sole reliance upon personal knowledge of supervisors who may be shifted; and
- (vii) Assisting management in maintaining and improving the quality of personnel in all responsible positions.

Introduction
in Public
Undertak-
ings sugges-
ted.

199. The Committee find that while certain undertakings have devised a system of merit rating (as in the form given in Appendix XIV) others have not introduced it, and are generally maintaining annual confidential records which, as aptly stated by one of the undertakings, are more indicative of the general performance rather than "merit-rating". The Secretary of the Ministry of Industry has admitted during evidence that the system of merit-rating would be an improvement on the system of annual confidential reports. He, therefore, agreed to examine whether the existing forms require any modification. *The Committee trust that Government would take suitable action in the matter and ensure that a proper system of merit rating is introduced in all undertakings as early as possible.*

C. Quick Promotions

Cases of
Quick Pro-
motions.

200. It is noticed that there have been quite a few cases of quick promotions in many undertakings, notably in Hindustan Steel, Heavy Electricals, Heavy Engineering Corporation, Indian Refineries and National Coal Development Corporation Ltd.

201. The Committee would refer to paras 204 and 240 of their 32nd and 35th Reports (1962-63) insofar as promotions in National Coal Development Corporation and Heavy Electricals (India) Ltd., are concerned. As regards Heavy Engineering Corporation it is noted that certain Assistant Engineers and Executive Engineers have been promoted to the next higher grade within hardly 6 months or 1 year of service in the Corporation. Further, promotions have been made irrespective of the fact whether sanctioned posts were available or not. Even where no vacancies existed, the posts held by the promotees have been treated as upgraded. Similarly in Indian Refineries Ltd., cases have come to light where second promotion has been made within two to nine months of the first promotion.

202. The Committee have come across similar cases of quick promotions in Hindustan Steel also. There have been instances of two or three promotions within 4 to 5 years of service of the officers and the salary drawn by some of them on 1st April, 1963 was 3 or 4 times the salary drawn on initial appointment. In one case a Junior Engineer, who was drawing Rs. 342.75 p.m. in his previous employment and was on 28th February, 1960 appointed at Rs. 380 p.m., has already had two promotions. On 1st April, 1963 he was drawing a salary of Rs. 900 p.m. i.e. within a period of 3 years.

203. In this context, it is seen that while some undertakings insist on a minimum service ranging from 1 to 3 years in a grade before promoting an officer to the next higher grade, the others do not. The representative of the Ministry of Home Affairs has stated that such a minimum service could with advantage be laid down in respect of clerical posts but it was neither possible nor desirable in the case of technical posts.

Minimum service in a grade not insisted by all undertakings.

204. The Committee appreciate that promotions are by far the best incentive an undertaking can provide to its employees. In fact, promotions have been accepted as an important factor of progressive management. For this purpose, the Committee have suggested the introduction of career development schemes. Nevertheless, they feel that there is no substitute for experience. For the efficient working of an enterprise, it is therefore necessary that only persons possessing the minimum experience required for higher posts are entrusted with such jobs. Promotions of persons with inadequate experience and training affect the efficiency of the undertakings. As such it is not correct to promote people just to fill up vacant posts, if properly qualified and experienced persons are not available. The fact that public undertakings have not yet been able to build up efficient management, would indicate that this aspect is not being given the attention it deserves.

Committee's Observations.

205. To avoid premature promotions, the Committee consider it necessary that a minimum service of say, 3 years in a grade should be insisted upon so that the candidates concerned acquire the necessary experience for shouldering higher responsibilities. Another way to avoid premature promotions would be to advertise all higher specialised posts in an undertaking and to consider the suitable employees along with outside candidates. The Committee trust, that, in their study of promotion policies of public undertakings referred to above, the Ministry of Labour would keep this aspect in view and suggest suitable measures with a view to placing promotion procedure in public undertakings on a sound footing.

D. Cadre Schemes

Schemes laid
down in
National Coal
Development
Corporation.

206. The Committee find that in order to attract the best candidates available for a post, the National Coal Development Corporation has constituted a Cadre Scheme for each group of allied jobs requiring the same basic qualifications, e.g. for mining, engineers, for electrical and mechanical engineers, for civil engineers, for geologists etc. The cadre schemes indicate the number of posts at each of the various levels in which the Cadre is divided, and prescribe the minimum experience required for promotion from one level to another. It has been stated that such a scheme, operated along with a regular seniority list of officers belonging to a Cadre, has the advantage of ensuring persons belonging to the Cadre, that, subject to their own merit, they could look forward, at given interval in their career, to higher and still higher posts. These schemes are stated to have played an important part in attracting technical personnel to the Corporation.

207. *The Committee appreciate that it may not be possible to introduce such Cadre Schemes in smaller undertakings. They, however, recommend that all public sector undertakings of adequate size, particularly the multi-unit undertakings, should constitute similar cadre schemes. The Committee trust that Government would issue suitable instructions in the matter.*

VIII TRAINING

A. Technical Manpower

208. Of all the resources for development, perhaps, the most fundamental at the present time is trained manpower*. The technical manpower requirements of public undertakings for the Third Five-Year Plan, based on the data furnished by the managements of these undertakings and the concerned Ministries, were estimated as follows:—

Requirements during Third Plan Period.

(1) Graduate Engineers	11,000
(2) Diploma-holders	17,000
(3) Skilled & semi-skilled craftsmen	90,000

209. Recently, after the present emergency, the Directorate of Manpower reviewed these requirements. The relevant figures for the years 1963 and 1964 are given below:—

	1963	1964
Graduate Engineers	3,355	2,830
Diploma-holders	2,418	3,804
Skilled Engineering Craftsmen	9,399	19,194

210. It was expected that the requirements of Graduate Engineers would be fully met by the estimated outturn in the country, but there might be a shortfall in the supply of diploma-holders. The requirements of skilled engineering craftsmen were also expected to be substantially met by the programme of expansion of Industrial Training Institutes, and by training of such personnel in some of the industrial establishments.

(i) Shortfall in the supply of diploma-holders.

211. As regards the steps taken by Government to meet the shortage of diploma-holders, the Committee have been informed that the number of diploma institutions has been increased from 195 in 1960-61 to 231 in 1962-63 and it is proposed to further increase it to 263. Besides this, the intake capacity of existing institutions has been increased. Diploma courses have been accelerated by reducing vacations and by working extra time. Examinations are also held more frequently. It has, however, been admitted that one reason for the shortfall in the supply of diploma-holders is the shortage of teachers and equipment.

Steps taken to meet the shortage.

*Third Five Year Plan.

Committee's Observations.

212. *The Committee are glad to note that efforts are being made to increase training facilities and accelerate training courses in order to meet the growing needs of the country. They have no doubt that suitable measures will also be taken to overcome the shortage of teachers and to provide as early as possible the necessary equipments to the diploma institutions which at present are lacking in proper equipment.*

(ii) Review of personnel requirements.

213. *The requirement of any public undertaking for technical personnel is likely to differ from time to time, depending on the stage of its development (viz., construction, production, expansion and introduction of new processes). Since trained manpower is one of the basic needs of any industry, the Committee consider it necessary that the estimates of personnel requirements should be reviewed by Government, from time to time, and steps taken to train the necessary manpower.*

(iii) Practical outlook in Engineering.

214. *A number of undertakings have represented to the Committee that engineers coming out from Universities have theoretical background but they are deficient in practical outlook. The Special Secretary in the Ministry of Home Affairs has informed the Committee that the All-Indian Council of Technical Education and the Ministry of Education have been considering the matter from time to time. At one time a sandwich course was proposed to be introduced but various difficulties were experienced. Six institutions have been established to offer sandwich courses. It has now been decided that, instead of increasing the number of engineering colleges, the capacity of the existing colleges should be enlarged and that they should be better equipped. The Committee recognise that there has to be emphasis not only on out-turn of engineers but also on their quality and practical experience. They trust that the matter will receive due attention at the hands of the Manpower Directorate, the All-India Council of Technical Education and the Universities.*

B. Induction Courses

Position.

215. *It is noticed that except DVC, ERIC, Fertilizers & Chemicals Travancore Ltd., Hindustan Aircraft Ltd., Hindustan Antibiotics, Hindustan Insecticides Ltd., HMT, Indian Rare Earths, ITI, LIC, NCDC, ONGC, Praga Tools Corporation, Shipping Corporation of India and STC, the public undertakings have not introduced a regular induction course for their employees. Air India has introduced such a course only for mechanics, junior executives, cabin crew and flying crew. Some enterprises like Heavy Electricals, and Hindustan Steel have combined induction with training programmes for their technical personnel though some plants of HSL are recently stated to have introduced more systematic induction course and prepared induction pamphlets. In IOC, certain categories of employees, viz., Sales & Accounts Staff are given initial introductory*

training for a short period of 2 to 3 weeks before they are assigned regular duties.

216. *Proper induction of newly recruited employees and workers is an indispensable item in the programme of effective utilisation of manpower in an enterprise. It is only through such induction into the duties of his job that a worker can be made to give of his best. The Committee recommend that Government might impress upon all public undertakings the need for introducing a regular induction course for their employees.*

Need for introducing regular induction courses.

C. Training Facilities

217. To meet their requirements of skilled and technical personnel, a number of public undertakings have taken up large scale training, both within the country and abroad and they spend over Rs. 5 crores per year for the purpose. A statement showing details of facilities available in the training institutions of public undertakings is given in Appendix XV. The total capital investment, on these institutions is not known. As to the steps taken by Government to ensure full utilisation of the training facilities available in the public undertakings, the Committee have been told that a stage has not yet been reached where surplus capacity would be available. However, if there was any such possibility, the other public or private sector undertakings, which required such training facilities could utilise the same.

Facilities available in public undertakings.

218. *It is true that, in relation to the long-term economic development of a country, the extent of trained manpower available and the training facilities established, constitute a major determinant of the measure of advance which can be achieved in different directions. Therefore, it is urgent to plan for training the required manpower to meet the increasing demands of public undertakings. But, if public undertakings are not to be saddled with unnecessary additional expenditure, it is equally important that full use is made of such facilities. During their examination of public undertakings, it has been noticed by the Committee that there exists unutilised capacity* in the training schools of the public undertakings. To some extent the tendency of each undertaking to start its own training schemes might be responsible for it. A fully co-ordinated and integrated training programme for the undertakings, functioning broadly in the same field of technology, is therefore called for. The Committee consider that it is high time that a study should be made of the utilization of training facilities available in different public undertakings, which have been organised at considerable cost, and steps taken to utilise the surplus capacity, if any.*

Study of the extent of utilization suggested.

*The average utilisation of training schools of NCDC during 1959-60, 1960-61 and 1961-62 was about 35%. The utilised capacity was 54.4% in 1959-60, 77.4% in 1960-61 and 62.1% in 1961-62.

Setting up
of Advisory
Committee
suggested.

219. *The Committee suggest that Government might also consider the desirability of setting up an advisory committee under the Directorate of Employment and Training to ensure that new training institutions are not set up by public undertakings if their needs could be made by the existing institutions.*

220. *The Committee further suggest that the question of awarding suitable diplomas/certificates by the various training institutions run by public undertakings, which would be recognised all over the country, should be examined as was agreed to by the representative of the Ministry of Industry.*

Foreign]
Training.

221. *The programmes of public undertakings for training their technical personnel in foreign countries require approval by Government. As the reasons, the representative of the Ministry of Finance has stated, during evidence, that such training involves expenditure of foreign exchange. Further, without Government's active help it is not always possible to arrange for such training, as it entails inter-governmental negotiations.*

222. *The Committee enquired whether persons to be deputed for training in the factories of collaborators were first put through any in-factory training in India so that they could fully benefit from such foreign courses. The representative of the Ministry of Industry stated that it depended on the requirements of each case. For example, in the case of Indian Drugs & Pharmaceuticals Ltd. some persons had been sent abroad immediately after recruitment. The representative of the Ministry of Finance added that when any new industry was set up in the country it became necessary to send the initial set of people abroad. But even the collaborators had advised, and it was also the experience of Government, that full value of foreign training could be obtained if people to be deputed were given some preliminary training in India. Therefore, if facilities were available, the trainees were usually given some training in the Indian factories, before being sent abroad.*

Committee's
Observations

223. *The Committee appreciate that in the case of new industries it might be difficult for public undertakings to arrange for necessary preliminary training of initial recruits for technical posts. Nevertheless, the Committee trust that Government would keep this aspect in view while approving programmes of public undertakings for training of their personnel in the factories of consultants and ensure that such persons are put through a preliminary practical course in the public or private sector undertakings in the same field of technology before being sent abroad.*

224. Now that public undertakings have been set up in almost all engineering fields, the Committee feel that it should be possible for them to train up the personnel required for expansion of existing plants or for manning new plants in same or allied fields. Foreign training should, therefore, be restricted to specialised subjects only for which requisite know-how is not available in the country. The Committee hope that this matter would receive due attention.

225. It has also been suggested to the Committee that instead of sending trainees abroad, adequate number of supervisors should be recruited from overseas for training Indian personnel in new undertakings. The Committee trust that this aspect would be kept in view while deciding deputation of trainees abroad.

D. Supervisory & Middle Grade Management

226. It is noticed that except Hindustan Steel and ITI, Position. the public undertakings have not generally introduced regular schemes for training their supervisory and middle grade management personnel. Some undertakings, however, take advantage of the training courses organised by various agencies like National Productivity Council, Administrative Staff College or engage experts to give courses of training to their supervisory personnel. Air-India provides initial training to junior executives and supervisory categories in Traffic Department. HMT has posted junior executives as under-studies in the administrative departments. In technical departments, the technical training programme is stated to provide the basic training required. The STC has recruited two Apprentice Officers for 2 years' training.

227. The representative of the Ministry of Home Affairs has informed that a committee under the chairmanship of Shri K. B. Mathur, which examined the matter, has recommended that every public undertaking should provide for a 2 years' supervisory training for all personnel required at junior management level. Of these 2 years, six months' training should be provided at a central institute which should be set up for the purpose.

Recommendation by Mathur Committee.

228. Supervisors constitute the backbone in any industrial undertaking. With the expansion of the public sector, the workload and responsibilities placed on supervisors will continue to increase. Regular programmes for supervisory training are, therefore, needed to increase the competence of personnel employed in this capacity. The Committee consider that unless serious efforts are made from now onwards, the difficulty would be almost insurmountable in later years. They trust that early steps would be taken by the public undertakings to introduce regular

Committee's Observation.

schemes for training their supervisory and middle grade management personnel.

E. Training within Industry

229. The Committee find that not all industrial undertakings have introduced the scheme of training known as "Training within Industry". Such training has been developed in industrially advanced countries, particularly for the supervisory staff who have to function as organisers, managers and instructors of their working group, whose co-ordination they have to ensure. The object of this scheme is to inculcate skills and 'keep skills going' through performance. The training is interlinked with daily supervision. This type of training not only helps the employee to perform his task easily and correctly but also aids him to work without assistance. In other words, it leads to self-supervision and relieves the superiors of frequent and detailed guidance to the members of his workgroup. *The Committee suggest that similar schemes may be introduced in all public undertakings in India on a wider scale.*

F. Personnel Managers

**Posts held
by Service
Officials.**

230. It has been represented to the Committee that the post of Personnel Manager/Administrative Manager in a majority of the undertakings is held by officers of All-India Services, Central Secretariat Service or of State Governments.

231. Asked whether professionally qualified persons are not available for these posts, the representative of the Ministry of Industry stated that no qualifications could be prescribed for the incumbents of these posts. Even in the private undertakings such officers are developed within the organisation. The Committee, however, note that while Air-India, Bharat Electronics, Fertilizers & Chemicals Travancore Ltd., Fertilizer Corporation of India, Hindustan Aircraft Ltd., Hindustan Antibiotics, Hindustan Housing Factory, Hindustan Shipyard, Hindustan Steel, Indian Rare Earths, ITI, NMDC, Neyveli Lignite Corporation & ONGC have taken advantage of the facilities offered by professional institutes and arranged for the training of their Personnel Officers, the other undertakings have not taken any step in this regard. As stated in paragraph 235, the Labour Secretary has admitted before the Committee that Personnel Section is probably the weaker of the different sections in a public undertaking. *The Committee trust that the Ministry of Labour would impress upon public undertakings the need for training their personnel managers in one of the All-India Management Institutes set up at Ahmedabad and Calcutta and the Administrative Staff College at Hyderabad.*

G. Refresher Courses

232. It is noted that as many as 18 public undertakings do not depute their serving engineers or management personnel for refresher courses. *The Committee feel that the training of technical personnel does not end with their having learnt the rudiments of their job during the period of initial training. It is very desirable that after a few years of experience, they should be sent back to the training school to refresh their theoretical knowledge and also to gather new ideas and learn new techniques. The training of these personnel should, therefore, be a continuous process. In the opinion of the Committee, any expenditure on such refresher courses will not only be compensated by increased productivity but will also result in economies in the long run. They hope that Government will impress upon public undertakings the need for deputing periodically their technical and managerial personnel for refresher courses offered by various institutions in the country.*

H. Career Development Scheme

233. With a view to offering an employee a satisfying career for the whole of his working life, the progressive companies in India and abroad have devised a regular career development scheme. This envisages constant training for development by inculcating new and related skills in the employee so that he may take over higher responsibilities when opportunities present themselves. The companies map out lines of promotion in the organisation and work out training programmes in order to fit the employees for future jobs. The understudy method is one of such trainings for employee development.

234. *The Committee feel that besides creating a sense of loyalty and of belonging to the undertaking, the introduction of a career development scheme will go a long way in arresting the tendency of job shifting on the part of employees. They suggest that the desirability of introducing a similar scheme in all public undertakings might be considered. The Committee trust that Government will issue suitable instructions to the public undertakings in this matter.*

IX

LABOUR MATTERS

A. Personnel Departments

Views of the
Ministry of
Labour.

235. The Committee enquired from the representatives of Government whether all public undertakings had evolved proper procedures and set up suitable machinery to deal with labour matters. The representative of the Ministry of Industry stated that in many undertakings, the Managing Director looks after these matters. Some undertakings, (e.g., Heavy Engineering Corporation) have appointed a full-time Director for the purpose. The Labour Secretary added that in the general set up of management, Personnel Department is probably the weaker of the different Sections. In the Handbook on "Labour Laws and Practices" published in October 1962 also that Ministry has observed as follows:—

"The procedures evolved and the machinery set up in many of the public sector undertakings to deal with Labour matters leave much room for improvement..... While creation of such (Personnel) departments may not be a statutory obligation, it is necessary that efficient personnel departments, adequately staffed with trained and experienced officers, are set up in the public sector undertakings to deal with labour matters."

Conclusion
of Tripartite
meetings &
conferences.

236. It is noted that this matter also came up for discussion at the Tripartite meetings and Conferences held between 6th and 14th July 1963 when the following conclusion was arrived at:—

"The Personnel Departments in the public sector undertakings should be strengthened."

In pursuance of the above conclusion, the Ministry of Labour & Employment has collected the necessary information from the public undertakings regarding their Personnel Departments, and is examining the same before advising them in this matter.

Committee's
Observation.

237. *It is needless to say that a well-equipped and properly staffed Personnel Department is a must in any modern undertaking, be it in the private or the public sector. In fact, the efficient and smooth working of an undertaking depends not a little on proper staffing and functioning of its Personnel Department. In the opinion of the Com-*

mittee, the absence of an efficient and effective Personnel Department in the undertakings has to some extent been responsible, as has been pointed out later, for the lack of proper attention to even elementary things like the adoption of Standing Orders drawing up of a Grievance Procedure, etc. The Committee trust that the Ministry of Labour and Employment after studying the information collected by it, would render the necessary advice to the Public Undertakings and ensure that such departments are properly organised by them as early as possible.

238. The Committee also hope that Personnel Officers of public undertakings would be accorded proper status—which the Labour Secretary stated, had not been given to them.

B. Standing Orders

239. The Industrial Employment (Standing Orders) Act, 1946 requires all industrial undertakings employing 100 or more workers to frame standing orders which, include: (i) classification of workmen into permanent, temporary, apprentices, probationers or *badlis*; (ii) manner of intimating the working periods and hours of work, holidays, pay days and wage rates, (iii) shift working; (iv) attendance and late coming; (v) procedure in applying for leave and holidays and the authority which may grant them; (vi) requirement to enter premises by certain gates and liability to search; (vii) closing and re-opening of sections of the industrial establishments, etc. The Central and State Governments have drawn up Model Standing Orders for the guidance of the managements. Managements are required to submit Draft Standing Orders, within 6 months from the date of application of the Act to the certifying officers appointed for the purpose.

Statutory
Provision.

240. The Committee find that Standing Orders have not been framed by the following undertakings so far. The figure in bracket indicates the year of establishment of the Undertaking:—

Standing
Orders not
framed.

1. Damodar Valley Corporation	(1948)
2. Hindustan Photo Films Mfg. Co. Ltd.	(1960)
3. Indian Drugs & Pharmaceuticals Ltd.	(1961)
4. Nahan Foundry Ltd*	(1952)
5. National Bldgs. Construction Corporation Ltd.	(1960)
6. National Projects Construction Corporation Ltd.	(1957)
7. Pyrites & Chemicals Development Co. Ltd.	(1960)

*At the time of factual verification it was stated by the Ministry of Labour and Employment that Standing Orders of Nahan Foundry have been certified.

In the absence of Standing Orders, the workers of Nahan Foundry Ltd. are currently governed by Railway Mechanical Code. The Standing Orders framed by the following undertakings have not been certified so far:—

1. Air India. (1953)
2. Fertilizer Corporation of India Ltd* . . . (1961)
3. Heavy Engineering Corporation Ltd.* . . . (1958)
4. Hindustan Machine Tools Ltd* (1953)
5. Hindustan Steel Ltd* (1954)
6. Indian Refineries Ltd. (1958)
7. National Instruments Ltd. (1957)
8. National Mineral Development Corporation Ltd* (1958)
9. National Small Industries Corporation Ltd. (1955)
10. Rehabilitation Industries Corporation Ltd. . (1959)

**Committee's
observation.**

241. It will be seen that in respect of 17 Public Undertakings, including those set up as far back as 1948, Standing Orders have not been framed, or certified. *Obviously, the position is not satisfactory. It would appear that the Ministry of Labour has also not exercised proper vigilance to secure compliance with the provisions of the Industrial Employment (Standing Orders) Act, 1946, which stipulate the formulation of Standing Orders within 6 months of the setting up of an undertaking. Nor have the administrative Ministries paid any attention to this matter. The Committee would urge that vigorous efforts should now be made by the administrative Ministries and the Ministry of Labour to ensure that these Standing Orders are framed by all public undertakings within a stipulated time and these are certified as early as possible.*

C. Grievance Procedure

**Not laid
down by 28
undertak-
ings.**

242. The following 28 public undertakings have not laid down proper procedure for redressal of grievances of their employees:—

1. Central Warehousing Corporation (1957)
2. Fertilizer Corporation of India (Nangal Unit) (1961)
3. Heavy Engineering Corporation Ltd. (1958)
4. Hindustan Antibiotics Ltd. (1954)
5. Hindustan Cables Ltd. (1952)
6. Hindustan Housing Factory Ltd. (1953)

†Indicate the year of incorporation of the undertaking.

*At the time of factual verification it was stated by the Ministry of Labour and Employment that the standing orders of Nangal Project of Fertiliser Corpn. of India, HEC, HMT, Durgapur & Rourkela Projects of Hindustan Steel and NMDC have been certified.

7.	Hindustan Photo Films Mfg. Co. Ltd.	(1960)
8.	Hindustan Salts Ltd.	(1958)
9.	Hindustan Shipyard Ltd.	(1952)
10.	Hindustan Steel Ltd.	(1954)
11.	Hindustan Teleprinters Ltd.	(1960)
12.	Indian Airlines Corporation	(1953)
13.	Indian Oil Co. Ltd.	(1959)
14.	Indian Refineries Ltd.	(1958)
15.	Industrial Finance Corpn. of India	(1948)
16.	Khadi & Village Industries Commission	(1957)
17.	Nahan Foundry Ltd.	(1952)
18.	National Buildings Construction Corporation Ltd.	(1960)
19.	National Projects Construction Corporation Ltd.	(1957)
20.	National Small Industries Corporation	(1955)
21.	Oil & Natural Gas Commission	(1959)
22.	Praga Tools Corporation Ltd.	(1943)
23.	Pyrites & Chemicals Development Co. Ltd.	(1960)
24.	Rehabilitation Industries Corpn. Ltd.	(1959)
25.	Shipping Corporation of India	(1961)
26.	State Bank of India	(1955)
27.	State Trading Corporation of India	(195)
28.	Travancore Minerals Ltd.	(1956)

243. The Labour Secretary has informed the Committee that model grievance procedure form has been circulated to public undertakings to adopt it with necessary modifications to suit their special requirements. But no steps have been taken so far to its introduction in all public undertakings. *To ensure good labour relations, the Committee consider it necessary for all public undertakings to establish a regular grievance procedure from the very beginning. They trust that Government would now issue instructions and ensure that proper grievance procedure is introduced in all undertakings within a specified time.*

D. Disciplinary Rules

244. It is noted that the following public undertakings have not framed disciplinary rules for their employees:—

1.	Fertilizer Corporation of India	(1961)
2.	Film Finance Corporation Ltd.	(1960)
3.	Hindustan Housing Factory Ltd.	(1953)
4.	Hindustan Insecticides Ltd.	(1954)
5.	Hindustan Shipyard Ltd.	(1952)

Not framed
by 19 under-
takings.

- | | | |
|-----|--|--------|
| 6. | Hindustan Photo Films Mfg. Co. Ltd | (1960) |
| 7. | Hindustan Salts Ltd. | (1958) |
| 8. | Indian Oil Co. Ltd. | (1959) |
| 9. | Indian Rare Earths Ltd. | (1950) |
| 10. | Mazagon Dock Ltd. | (1934) |
| 11. | Nahan Foundry Ltd | (1952) |
| 12. | National Building Construction Corp. Ltd. | (1960) |
| 13. | National Instruments Ltd. | (1957) |
| 14. | National Projects Construction Corpn. Ltd. | (1957) |
| 15. | National Research Development Corpn. Ltd. | (1953) |
| 16. | National Seeds Corporation Ltd. | (1963) |
| 17. | Praga Tools Corpn. Ltd. | (1943) |
| 18. | Pyrites & Chemicals Development Co. Ltd. | (1960) |
| 19. | Rehabilitation Industries Corpn. Ltd. | (1959) |

245. *The Committee recommend that Government should issue suitable instructions to the above undertakings and ensure that disciplinary rules are framed as early as possible.*

Periodical
review sug-
gested.

246. As pointed out earlier, all public undertakings have not fully implemented the labour laws. According to the Ministry of Labour, these lapses have often been traced to lack of fuller understanding on the part of managements, of the obligations which the Labour laws and Government's labour policy impose on them. *The Committee hope that, with the organisation of well-staffed personnel departments in all public undertakings and constant guidance from the Ministry of Labour, the position will improve. They consider that a periodical review by the administrative Ministries and the Ministry of Labour and Employment is also necessary to ensure that the undertakings comply with the labour laws. The Committee trust that the administrative Ministries would take necessary action in consultation with the Ministry of Labour and Employment and devise suitable procedure for the purpose.*

E. Labour-Management Relations

247. The Committee note that labour-management relations are not very cordial in a number of public undertakings. This is generally attributed to non-recognition of labour unions. *It may be a matter of study for the Government why for undertakings located in the same town or region, labour relations in one are comparatively far better than in others. The Labour Secretary has stated that the factors which disturb industrial peace in the public or in the private sector are broadly the same. But sometimes inept handling of a situation by management contributes to the labour trouble. It has also been stated in*

this context that a post of Additional Secretary has been created in the Ministry of Labour to advise public undertakings on labour problems and the position should improve.

248. *That maintenance of good labour relations is necessary for sustaining and developing high levels of production needs no emphasis. This has become all the more necessary in the present emergency. The Committee would urge both the employees and the employers to recognise their mutual rights and duties. They feel that the workers' education scheme started by the Ministry of Labour would also contribute to good labour-management relations.*

249. *In this context, it has been suggested to the Committee that the unions of workers should be managed by the workers themselves and outsiders should not be allowed to act as office-bearers. The Committee hope that this matter would also receive due consideration.*

X

GENERAL

A. Organisational Manual

Position. 250. It is seen that except Air-India, Export Risks Insurance Corporation,* Fertilizers & Chemicals Travancore Ltd., Heavy Electricals (India) Ltd., Life Insurance Corporation of India, National Small Industries Corporation, Oil & Natural Gas Commission and Reserve Bank of India, the public undertakings have not prepared organisational manuals. Hindustan Steel have stated that work on the preparation of organisational manuals has been initiated in all plants/units of the Company though some have been prepared for specific departments. Bharat Electronics and HAL have prepared a manual for the Accounts Department only. In Hindustan Antibiotics, plant procedure and quality control instructions have been laid down and are being followed, but no comprehensive manual has been prepared.

(i) Need and Importance. 251. It is hardly necessary to emphasise the need or the importance for a comprehensive organisational manual for each undertaking. Such a manual is useful for many purposes. Where there are written organisational or standard practice manuals, the time required for training new employees is reduced to minimum, and the time of supervisors, fellow-workers and trainees is saved. Where activities are of a repetitive nature, it is desirable for management to reduce methods to writing than to depend upon uncertainties of memory and variable judgement of those concerned. Only by prescribing written practices it is possible to ensure consistency and permanence to the conduct of important activities. What is more, unless basic operating data are reduced to writing, certain portions of it are liable to be ignored every time there is a change in personnel. In addition, such a manual serves as an effective aid in (a) achieving and maintaining a sound plan of organisation, (b) ensuring that all concerned have a proper understanding of the general plan and their proper parts and relationships thereto, (c) facilitating the study of organisational problems, (d) systematising the initiation, approval and issue of necessary organisational changes, and (e) serving an effective guide in connection with the rating and compensation of key personnel.

Issuing of instructions suggested. 252. *The Committee recommend that Government might consider the desirability of issuing suitable instructions to all public undertakings emphasising the need for preparing*

*Since transformed into Export Credit and Guarantee Corpn.

comprehensive organisational manuals within a specific period, as was agreed to by the representative of the Ministry of Industry.

253. The Committee note that Heavy Engineering Corporation has entered into a contract with its Russian and Czechoslovakian collaborators for a complete organisational manual and a sum of over Rs. 27 lakhs is payable to them on this account. As to the reasons for H.E.C. not preparing the manual itself, it has been stated that the production pattern of the Corporation is very complicated and technical personnel to be engaged in production is not in position. As such, the work has been entrusted to the Consultants.

(ii) Organisational manual for H.E.C.

254. During discussion with the Chairman of Heavy Electricals, it transpired that for the preparation of a similar manual for Tiruchy Project, the Consultants of the Company had originally demanded Rs. 10 lakhs. The undertaking, however, felt that most of the data required for the manual was already available in the Project Report. Further, the engineers, who were undergoing training abroad, were expected to pick up most of the organisational procedures within their respective trades and help in preparing the manual. As such, it was considered that the Consultants should demand very small fees for supplying the remaining data for the manual and the matter was stated to be under discussion with them.

255. The Committee are happy to note that efforts are being made by Heavy Electricals, whose production pattern is equally complicated, to make the maximum use of the data available in the Project Report and the experience gained by its engineers, for the preparation of its organisational manual. It is unfortunate that the same procedure was not adopted by Heavy Engineering Corporation which is making a payment of Rs. 27 lakhs to its foreign collaborators for an organisational manual. The Committee feel that Government should have at least suggested to HEC the course adopted by the HEL, which would have resulted in considerable economy. That this was not done is regrettable, particularly because both the undertakings are under the administrative control of the same Ministry. In this connection, it is significant that Hindustan Steel is also preparing the organisational manuals by itself.

256. The Committee trust that Government would in future insist on public undertakings preparing the organisational manuals through their own agencies as far as possible. In this connection the Committee would like to mention that an organisational manual received from foreign consultants cannot be made fully applicable to Indian conditions and has to be adapted with suitable changes and modifications.

B. Co-ordination at Government level

257. As would be seen from a study of this Report, there are disparities in the practices and procedures followed by public undertakings in important personnel matters. The Committee, therefore, enquired whether any organisation in the Government provided common policy and overall guidance to public undertakings in this regard. It has been stated that there is no separate organisation in Government specifically charged with this task. Each Ministry is responsible in its own sphere and co-ordinates common policy matters through the various Committees of Secretaries and the Cabinet. In the former Ministry of Commerce and Industry, a Projects Coordination Committee was constituted for informal consultation between the authorities of the Undertakings and Officers of the Ministry in 1957. The scope and functions of the Committee are being examined in the light of the recent changes in the administrative set up of the former Ministry of Commerce and Industry. In this context, the Committee have also been informed by the Cabinet Secretariat that it has no coordinating function in regard to personnel matters including the appointment of top management for public undertakings.

258. The Committee has been informed that the Ministry of Industry has been co-ordinating in matters of common policy in consultation with the individual Ministries. The Projects Co-ordination Committee could not meet regularly and is *moribund* for the reasons stated earlier. The Ministry of Finance has organised a co-ordination cell in regard to financial matters. It has been agreed by representatives of Ministries that for all other matters, it is desirable to set up a centralised co-ordinating unit which could also make a continuous appraisal of the performance of various public undertakings. Such a unit could be organised, according to administrative convenience, either in the Ministry of Industry which is in charge of industrial policy or the Ministry of Finance. *The Committee trust that suitable machinery staffed with qualified personnel, possessing knowledge in industrial management, will be organised for the purpose at an early date. They recommend that besides other matters, this agency should ensure that a comprehensive policy in personnel matters is established in all public undertakings and it is reviewed from time to time to meet changing needs and circumstances. In this connection paragraph 106 may also be seen.*

C. Miscellaneous

259. *In this context, the Committee feel that it would be worthwhile for Government, as soon as a new undertaking is set up, to issue a comprehensive Memorandum of Instructions indicating the broad policy and procedures to*

be followed by it in various personnel matters so that these are attended to in time and in proper manner and sequence.

260. The Committee further suggest that the Managing Directors, General Managers, Financial Advisers and Personnel Managers of public sector undertakings should meet at regular intervals to exchange views and discuss common problems, including those relating to personnel management. The Ministry of Industry, which is the coordinating agency, should see that these meetings take place regularly.

261. The Committee also consider it desirable that Government should prepare a comprehensive handbook on personnel matters for the guidance of public undertakings. The proposed handbook might contain, among other matters, Model Staff Regulations, Recruitment and Promotion Rules, directions, instructions and decisions of Government on personnel matters, etc.

262. It should also be the purpose of the Government to see that the personnel policies of public undertakings are oriented to ensure efficient and economic management of the undertakings and to ensure good labour relations. This would help to keep the undertakings free from public criticism.

*NEW DELHI;
April 6, 1964
Chaitra 11, 1886 (S).*

*ARUN CHANDRA GUHA,
Chairman,
Estimates Committee.*

APPENDIX I

(Vide Para 5)

List of Public Undertakings covered in the examination.

S.No.	Name of the Undertaking	Date of registration	Administrative Ministry	Project/units	Remarks
1	2	3	4	5	6
1	Air-India	15-6-1953	Transport (Civil Aviation Wing)		
2	Ashoka Hotels Ltd.	17-10-1955	Works, Housing and Rehabilitation		Jointly owned by the Central Government and Private Interests.
3	Bharat Electronics Ltd.	21-4-1954	Defence		
4	Central Warehousing Corporation	2-3-1957	Food and Agriculture		
5	Damodar Valley Corporation	7-7-1948	Irrigation & Power		
				(i) Manufacturing unit at Bangalore (ii) Branch office, Madras (iii) Liaison Office, New Delhi.	
				81 Warehouses.	Jointly owned by Central and State Governments of West Bengal and Bihar.

6	Employees State Insurance Corporation	1-10-1948	Labour & Employment
7	Export Risks Insurance Corporation* Ltd.	30-7-1957	International Trade
8	Fertilisers and Chemicals Travancore Ltd.	22-9-1943	Petroleum and Chemicals
9	Fertiliser Corporation of India Ltd.	1-1-1961†	Do.
10	Film Finance Corporation Ltd.	25-3-1960	Finance
11	Gasden Reach Workshops Ltd.	26-2-1934 (Acquired by Government on 19-4-1960)	Defence
12	Heavy Electricals (India) Ltd.	29-8-1956	Steel, Mines and Heavy Engineering
13	Hindustan Engineering Corporation Ltd.	31-12-1958	Do.
14	Hindustan Aircrafts Ltd.	23-12-1940	Defence

Branch Offices at Calcutta and Madras

One mixing unit each at Coimbatore and at Chingvadam, Kottayam Kerala State. Offices at Cochin, Wellington Island, Alwaye Coimbatore and Trivandrum

Units and Slidri, Nangal, Rouzkela, Trombay, Namrup & Gorakhpur.

Four Units as follows —

- (i) Bhopal (Madhya Pradesh)
- (ii) Tiruvembur (Tiruchirappalli, Madras)
- (iii) Ramachandrapuram (Andhra Pradesh)
- (iv) Ranipur (Hardwar, U.P.)
- (v) Foundry Forge Project, Ranchi
- (vi) Heavy Machine Building Project, Ranchi
- (vii) Coal Mining Machinery Project, Durgapur
- (viii) Heavy Machine Tools Project, Ranchi
- (ix) Manufacturing Projects
- (x) Aircraft (b) Engines (c) Railcoaches
- (xi) Overhaul Projects
- (xii) Airframe (b) Piston Engine (c) Accessories (d) Jet Engine

Jointly owned by the Central and State Government.

* Since transformed into Export Credit and Guarantee Corporation.

(iii) *Development Projects*

15	Hindustan Antibiotics Ltd.	30-3-1954	Petroleum & Chemicals	Pimpri	
16	Hindustan Cables Ltd.	4-8-1952	Industry	Rupnarainpur, West Bengal	
17	Hindustan Housing Factory Ltd.	27-1-1953	Works, Housing and Rehabilitation		
18	Hindustan Insecticides Ltd.	11-3-1954	Petroleum and Chemicals	Two Units at Rohtak Road, New Delhi and Ujyogamandal, Kerala State.	
19	Hindustan Machine Tools Ltd.	7.2.1953	Steel, Mines & Heavy Engineering	(i) HMT I & II at Bangalore (ii) HMT III at Pinjore (Punjab) (iii) HMT Watch Factory at Bangalore.	Jointly owned by Central Government and Private interests.
20	Hindustan Organic Chemicals Ltd.	12-12-1960	Petroleum & Chemicals	Factory at Bombay	
21	Hindustan Photo Films Manufacturing Company Ltd.	30-11-1960	Industry	Ootacamund	
22	Hindustan Salts Ltd.	12-4-1958	Do.	(i) Three Salt Works at Sambhar Lake, Khargod and (ii) Liaison Office	
23	Hindustan Shipyard Ltd.	21-1-1952	Transport		
24	Hindustan Steel Ltd.	19-1-1954	Steel, Mines and Heavy Engineering	(1) Rourkela Steel Plant (2) Bailai Steel Plant (3) Durgapur Steel Plant (4) Alloy Steels Project (5) Coal Washeries Projects (Dugda Nos. 1 and 2, Bhojudih and Patherdih Washeries)	

25	Hindustan Teleprinters Ltd.	14-12-1960	Department of Posts and Telegraphs	
26	Indian Airlines Corporation	15-6-1953	Transport (Civil Aviation Wing)	
27	Indian Drugs and Pharmaceuticals Ltd.	5-4-1961	Petroleum and Chemicals	(i) Antibiotics Plant at Rishikesh (ii) Synthetic Drugs Plant at Hyderabad (iii) Surgical Instruments Plant at Madras (iv) Phyto Chemicals Plant at Nerja man- galam (Kerala)
28	Indian Oil Company Ltd.	30-6-1959	Do.	
29	Indian Rare Earths Ltd.	18-8-1950	Deptt. of Atomic Energy.	Factory at Alwaye (Kerala)
30	Indian Refineries Ltd.	[22-8-1958	Petroleum and Chemicals	(i) The Gauhati Refinery Project (ii) The Barauni Refinery Project (iii) The Gauhati Siliguri Product Pipeline Project (iv) The Haldia-Barauni Kanpur Pipelines Project (v) Calcination of Petroleum Coke at Bara- uni
31	Indian Telephone Industries Ltd.	[1-2-1950	Department of Posts & Telegraphs	Jointly owned by Central and State Government and Private in- terests.
32	Industrial Finance Corpora- tion of India	1-7-1948	Finance	
33	Khadi and Village Industries Commission	1-4-1957	Industry	

*Since transformed into Export Credit and Guarantee Corporation.

34	Life Insurance Corporation of India	1-9-1956	Finance			
35	Mazagon Dock Ltd.	26-2-1934	Defence	(i) Workshops at Bombay (ii) Branch office and workshops at Goa.		Jointly owned by the Central Government and Private interest.
36	Mogul Line Ltd.	1938	Transport			
37	Nahan Foundry Ltd.	20-10-1952	Industry			
38	National Buildings Construction Corporation Ltd.	15-11-1960	Works, Housing & Rehabilitation.			
39	National Coal Development Corporation Ltd.	5-9-1956	Steel, Mines & Heavy Engineering	(i) 38 Projects (ii) Central Workshop at Barakhana (iii) Sales Deptt. Account Department Purchase Deptt. and Railway Liaison Office Calcutta ; and (iv) Liaison Office, New Delhi.		
40	National Industrial Development Corporation Ltd.	20-10-1954	Industry	(i) Head Office at New Delhi. (ii) Branch Office at Bombay.		
41	National Instruments Ltd.	26-6-1957	Industry	(i) Jadavpur, Calcutta (ii) Durgapur (for the information of optical and optthalmic glass).		
42	National Mineral Development Corporation Ltd.	15-11-1958	Steel, Mines & Heavy Engineering	(i) Purchase Division at Calcutta (ii) Kiriburu Iron Ore Project, District Keonjhar, Orissa. (iii) Khetri Copper Project, Khetri District Jhansi, Rajasthan. (iv) Bailadilla Iron Ore Project, Jagdalpur, District Bastar (M.P.) (v) Diamond Mining Project, Panna (M.P.)		

43	National Newsprint and Paper Mills Ltd.	25-1-1947 (Taken over by Government on 29-12-1958)	Industry	Jointly owned by Central and State Government and Private interests.
44	National Projects Construction Corporation Ltd.	9-1-1957	Irrigation and Power	Jointly owned by the Central and State Government.
45	National Research Development Corporation of India Ltd.	31-12-1953	Education	Six Research Development Projects for specified periods.
46	National Seeds Corporation Ltd.	19-3-1963	Food and Agriculture	Three Units at Kernal, Rudrapur and Hyderabad.
47	National Small Industries Corporation Ltd.	4-2-1955	Industry	(i) Prototype Production and Training Centres at Okhla, New Delhi, Rajkot and Balitkuri (Howrah) (ii) Branch offices at Calcutta, Madras and Bombay (iii) Footwear Cell, Agra (iv) Works Division, Naini (Allahabad)
48	Neyveli Lignite Corporation Ltd.	[14-11-1956	Steel, Mines & Heavy Engineering.	(i) Mining Project (ii) Thermal Power Station (iii) Fertiliser Unit (iv) Briquetting and Carbonisation Unit (v) Clay Washing Scheme.
49	Oil & Natural Gas Commission	15-10-1959	Petroleum & Chemicals	(i) Offices at Delhi, Bombay and Calcutta (ii) Regional Offices at Baroda, Sibsagar & Bardsilly (iii) Projects at Cambay, Ankleshwar, Ahmedabad, Jaisalmer, Padra, Hoshiarpur, Olped, Badaun, Tilhar, Patrukotai, Purnea, Razaul, Karakal and Jwalamukhi.

1 2 3 4 5 6 7

50	Praja Tools Corporation Ltd.	28-5-1943	Defence			Jointly owned by the Central and State Government and Private interests.
51	Pyrites & Chemicals Development Co. Ltd.	March 1960	Petroleum & Chemicals	(i) Mining Project, Amjhara (Bihar) (ii) Sulphuric Acid Plant, Sindri (iii) Production of sulphur (location yet to be decided.)		
52	Rehabilitation Housing Corporation Ltd.*	19-9-1951	Works, Housing & Rehabilitation			Jointly owned by the Central Government and Private interests.
53	Rehabilitation Industries Corporation Ltd.	13-4-1959	Do.	18 units		
54	Reserve Bank of India	1-4-1935	Finance			
55	Shipping Corporation of India Ltd.	21-10-1961	Transport		Branches at Calcutta and Bombay.	
56	State Bank of India	1-7-1955	Finance			
57	State Trading Corporation of India Ltd.	18-5-1956	International Trade		Regional Offices at Calcutta, Bombay, Madras, Visakhapatnam and Goa.	
58	Travancore Minerals Ltd.	30-10-1956	Department of Atomic Energy			Jointly owned by the Central and State Governments.

*Under Liquidation.

APPENDIX II

(Vide Para 19)

*Statement showing the break-up of members of the Boards of
Directors of Public Undertakings on 30-9-1963*

Name of Undertaking	No. of members of the Board of Directors	Represen- tatives of State Govern- ments	Non- officials	Full-time Directors excluding Chair man and Man- aging Director
1	2	3	4	5
1. Air India	9	—	6	—
2. Ashoka Hotels Ltd.	9	—	6	—
3. Bharat Electronics Ltd.	9	—	—	—
4. Damodar Valley Corpn.	3	2	—	—
5. Export Risks Insurance Corporation Ltd.*	7	—	—	—
6. Fertilisers & Chemicals Travancore Ltd.	13	2	9	Nil
7. Fertilizer Corpn. of India Ltd.	10	—	3	—
8. Garden Reach Workshops Ltd.	9	—	—	—
9. Heavy Electricals Ltd.	10	1	1	2
10. Heavy Engg. Corpn. Ltd.	10	1	—	3
11. Hindustan Aircraft Ltd.	9	1	—	—
12. Hindustan Antibiotics Ltd.	12	—	7	—
13. Hindustan Cables Ltd.	10	—	2	—
14. Hindustan Housing Factory	4	—	—	—
15. Hindustan Insecticides Ltd.	14	—	9	—

*Since transformed into Export Credit & Guarantee Corporation.

	1	2	3	4	5
16. Hindustan Machine Tools Ltd.	9	2	2	—	—
17. Hindustan Organic Chemicals Ltd.	9	1	2	—	—
18. Hindustan Photo Films Manufacturing Co., Ltd.	9	1	3	—	—
19. Hindustan Salts Ltd.	7	—	4	—	—
20. Hindustan Shipyard Ltd.	12	—	7	—	—
21. Hindustan Teleprinters Ltd.	4	—	—	—	—
22. Indian Airlines Corpn.	9	—	6	—	—
23. Indian Drugs & Pharmaceuticals Ltd.	13	—	5	—	—
24. Indian Oil Company Ltd.	7	—	—	—	—
25. Indian Rare Earths Ltd.	7	—	1	—	—
26. Indian Refineries Ltd.	8	2	1	—	—
27. Indian Telephone Industries Ltd.	8	1	3	—	—
28. Mazagon Dock Ltd.	10	—	2	1	—
29. Mogul Line Ltd.	11	—	5	—	—
30. Nahan Foundry Ltd.	10	3	2	—	—
31. National Bldg. Const. Corpn.	4	—	—	—	—
32. National Industrial Development Corpn. Ltd.	15	—	9	—	—
33. National Instruments Ltd.	11	1	3	—	—
34. National Newsprint and Paper Mills Ltd.,	10	3	3	—	—
35. National Projects Construction Corpn. Ltd.	14	9	1	—	—
36. National Research Development Corpn. of India, Ltd.	12	—	7	—	—
37. National Seeds Corpn. Ltd.	12	2	3	—	—
38. National Small Industries Corporation Ltd.	7	—	1	2	—

	1	2	3	4	5
39. Praga Tools Corpn. Ltd.		7	2	1	—
40. Pyrites & Chemicals Development Co., Ltd.		11	1	3	—
41. Rehabilitation Housing Corpn. Ltd.		4	—	1	—
42. Rehabilitation Industries Corporation Ltd.		9	3	1	—
43. Shipping Corporation of India Ltd.		10	—	2	—
44. State Trading Corpora- tion of India Ltd.		6	—	—	2
45. Travancore Minerals Ltd.		6	3	—	—

APPENDIX III

(vide Para 42)

Statement showing the names of Chairman and Managing Directors/General Managers of Public Undertakings

Name of the Public Undertaking (1)	Chairman (2)		Managing Director/General Manager (3)			
	Name	From	To	Name	From	To
1	2	3	4	5	6	7
1. Air-India	Sh. J. R. D. Tata	12-6-1953	Date	(i) Sh. B. K. Patel, I.C.S. (ii) Sh. B. R. Patel, I.C.S.	12-6-53 22-9-55	21-9-55 Date
2. Ashoka Hotels Ltd.	(i) Sh. M. R. Sachdeva, I.C.S. (ii) Sh. T. Sivasankar, I.C.S. (iii) Sh. S. Ramam, I.C.S.(Retd.)	8-5-1954 13-6-1957 1-7-1963	13-6-57 1-7-1963 Date	(i) Sh. F. H. Nallaseth (ii) Sh. Raj Sarin	15-7-59	Date
3. Bharat Electronics Ltd.	(i) Sh. M. K. Vellodi, I.C.S. (ii) Shri O. Pulla Reddi, I.C.S. (iii) Dr. S. Bhagwantam	8-5-1954 13-6-1957 1-7-1963	13-6-57 1-7-1963 Date	(i) Sh. A. K. Ghosh, I.C.S. (ii) Sh. B. V. Beliga	8-5-58 9-5-58	5-5-58 Date
4. Central Warehousing Corporation	(i) Sh. P. N. Thapar, I.C.S. . (ii) Sh. K. R. Damle, I.C.S. . (iii) Sh. B. B. Ghosh, I.A. & A.S. (iv) Sh. V. Shanker, I.C.S. .	2-3-57 18-4-58 6-1-59 15-3-62	17-4-58 5-1-59 15-3-62 Date	(i) Sh. L. G. Rajwade, I.C.S. (ii) Sh. S. Vohra, I.C.S. (iii) Sh. D. C. Das, I.C.S.	15-7-57 16-9-60 1-3-61	15-8-60 30-1-61 Date

5. Damodar Valley Corporation	(i) Sh. S. N. Mazumdar, ICS	7-7-1948	6-7-1953	(i) Dr. S. Sen	7-7-1948	12-6-1954
	(ii) Sh. P. P. Verma	7-7-1953	11-4-1954	(ii) Sh. G. D. Khetrapal, I.A.S.	9-12-1954	19-6-1956
	(iii) Sh. P. S. Rau, I.C.S.	12-4-1954	29-3-1956	(iii) Sh. B. N. Sinha, I.A.S.	28-8-1956	5-11-1956
	(iv) Sh. P. P. Verma	29-3-1956	22-12-1956	(iv) Sh. V. K. Ghoshal, I.C.S.	4-2-1958	11-9-1961
	(v) Sh. P. S. Rau, I.C.S.	22-12-1956	12-4-1958	(v) Sh. H. N. Ray, I.C.S.	12-9-1961	20-11-1963
	(vi) Sh. J. P. L. Shenoy	12-4-1958	12-4-1959			
	(vii) Sh. T. Sivshankar, I.C.S.	12-4-1959	12-10-1959			
	(viii) Sh. S. Lall, I.C.S. (Retd.)	12-10-1959	31-3-1962			
	(ix) Sh. M. R. Sachdev, I.C.S.	10-4-1963	1-9-1963	Date		
	(x) Sh. T. Sivasanka, I.C.S. (Retd.)	1-9-1963		Date		
6. Employees' State Insurance Corporation	(i) Dr. C. L. Katial, Director General	15-4-1948	16-7-1953			
	(ii) Sh. K. K. Bhargava	17-7-1953	18-12-1953			
	(iii) Col. V. M. Albuquerque	19-12-1953	25-2-1960			
	(iv) Sh. S. K. Chibber, I.A.S.	25-2-1950	7-6-1960			
	(v) Sh. V. N. Rajan, I.C.S.	8-6-1960		Date		
7. Export Risks Insurance Corporation Ltd.	(i) Sh. Ratilal M. Gandhi	30-7-1957	28-2-1962	(i) Sh. T. C. Kapur	30-7-1957	31-7-1962
	(ii) Sh. Ramnath A. Podar	7-8-1962		(ii) Dr. S. P. Chablani	31-7-1962	Date
8. Fertilizers & Chemicals Travancore Ltd.	Sh. T. A. Joseph	July, 1959		Sh. M. K. K. Nayar IAS		
	Sh. K. R. Damle, I.C.S.	1-1-1961	Feb. 1964	Sh. S. C. Mukherji		
9. Fertilizer Corporation of India Ltd.	Sh. B. C. Mukherji, I.C.S.	Feb. 1964		Sh. B. C. Mukherji, I.C.S.		1-1-1961

1	2	3	4	5	6	7
10. Film Finance Corporation Ltd.	(i) Sh. N. D. Mehrotra (ii) Sh. G. B. Kotak	17-5-1960 3-8-1962	2-8-1962 Date	(i) Sh. V. C. Desai	27-8-1962	Date
11. Garden Reach Workshops Ltd.	(i) Rear Admiral D. Shanker (ii) Sh. B. B. Ghosh	26-5-1960 24-9-1963	12-9-1963 Date	Commodore C. Bhushan, I.N.	7-7-1960	Date
12. Heavy Electricals	(i) Sh. S. S. Khena, I.C.S. (ii) Sh. L. K. Jha, I.C.S. (iii) Sh. K. B. Muthur	7-9-1956 20-5-1957 14-5-1959	20-5-1957 13-5-1959 Date	Bhopal Unit (i) Sh. H. R. Bhatia (ii) Sh. S. Sarangapani (iii) Sh. R. Subbiah Tiruvannamur Unit Sh. R. S. Krishnan Ramchandrapuram Unit Sh. N. D. M. Appa Ramipur Unit Sh. R. S. Gahlotw, Chief Project Engr.	20-11-1956 10-2-1958 9-5-1963 7-8-1963 1-6-1963	24-2-1958 3-8-1963 Date Do.
13. Heavy Engineering Corporation Ltd.	Dr. A. Nagaraja Rao Shri T. R. Gupta	1-5-1959	24-3-1964	Foundry Forge Project Sh. I. N. Dhar, I.M.P. C.M. M.P.	13-10-1959	
14. Hindustan Aircraft Ltd.	(i) Sh. M. K. Vellodi, I.C.S.	3-12-1953	27/31-5-1955	(i) Sh. J. M. Srinagesh, I.C.S.	19-5-1959 9-12-1954	28-5-1958

(ii) Sh. B. B. Ghosh	27/31-5-1955	16-6-1955	(ii) Air Marshal A. M. Engineer	28-5-58	30-11-1962
(iii) Sh. M. K. Velodij ICS,	16-6-1955	13-6-1957	(iii) AVM Ranjan Dutt	19-12-1960	Date
(iv) Sh. O. Pulla Reddi, ICS	24-6-1957	13-6-1962			
(v) Sh. S. Jayasankar (Retd.)	14-6-1962	Date			
(i) Sh. S. Jagannathan, ICS	3-4-1954		(i) Lt. Col. Jaswant Rai Dogra	4-8-1964	31-12-1957
(ii) Sh. A. Zaman	15-12-1956		(ii) Sh. Shantikumar Tribovandas	1-1-1958	1-1-1962
(iii) Dr. A. Nagaraja Rao]	22-5-1957	11-10-1959	(iii) Dr. G. S. Kanbekar	1-3-1962	Date
(iv) Dr. D. P. Sattna	7-11-1959	|	Date		
(i) Sh. S. Karnail Singh			(i) Sh. K. N. R. Pillai		
(ii) Sh. R. V. Raman			(ii) Sh. N. K. Sen Gupta	2-1-1960	Date
(iii) Sh. D. Sandilya, IRAS	25-7-1960	Date			
(i) Sh. S. Ranganathan I.C.S	16-8-1955	1-6-1956	(i) Sh. R. P. Mhatre	16-8-1955	15-9-1959
(ii) Sh. S. Ratnam	1-6-1956	1-8-1956	(ii) Sh. S. D. Pathak	15-9-1959	26-11-1962
(iii) Sh. S. Ranganathan	1-8-1956	28-12-1956	(iii) Sh. M. M. Patel.	26-11-62	Date
(iv) Sh. K. S. Krishnaswamy, IDAS	28-12-1956	12-12-1959			
(v) Sh. A. S. Nair, I.C.S.	12-12-1959	15-9-1-962			
(vi) Sh. C. P. Gupta, ICS	15-9-1962	Date			

18. Hindustan Insecticides Ltd.	(i) Sh. S. Jagannathan, ICS	12-3-1954	15-12-1956	(i) Sh. S. S. Jaggia	29-4-1954	2-6-1960
	(ii) Sh. B. S. Grewal, ICS	27-12-1956	21-5-1957	(ii) Sh. B. B. Mathu		5-12-1960
	(iii) Sh. N. Subrahmanyam, ICS	21-5-1957	3-9-1957			
	(iv) Sh. U. L. Goswami, ICS	5-9-1957	1-3-1958			
	(v) Dr. A. Nagaraja Rao	1-3-1958	28-12-1959			
	(vi) Dr. G. P. Kane	29-12-1959	29-12-1960			
	(vii) Maj. Gen. M. S. Himat Singh	14-1-1961	Date			
19. Hindustan Machine Tools Ltd.	(i) Sh. A.K. Chanda ICS	16-2-1953	20-5-1954	(i) Sh. Afrab Rai	1-3-1953	28-2-1956
	(ii) Sh. S. S. Khera, ICS	20-5-1954	16-4-1956	(ii) Sh. M. K. Mathulla	29-2-1956	9-6-1961
	(iii) Sh. P. C. Mukherjee, ICS	16-4-1956	25-1-1957			
	(iv) Sh. N. R. Pillai, ICS	25-1-1957	10-6-1961			
	(v) Sh. M. K. Marthulla	10-6-1961	Date			
20. Hindustan Organic Chemicals Ltd.	(i) Sh. K. B. Lal, ICS	3-12-1960	22-2-1962	Sh. C. A. Subrahmanyam	7-6-1962	Date
	(ii) Sh. C. A. Subrahmanyam,	23-2-1962	Date			
21. Hindustan Photo Films Mfg. Co. Ltd.	(i) Sh. K. B. Lal, ICS	1961	12-3-1962	(i) Sh. S. Gopalan	13-3-1962	20-6-1962
	(ii) Sh. S. Gopalan	13-3-1962		(ii) Sh. N. D. J. Rao, IAS	20-9-1962	Date
22. Hindustan Salts Ltd.	(i) Dr. G. P. Kane	25-4-1958	21-12-1959	(i) Sh. R. N. Vasudeva, IAS	25-4-1958	1-6-1959
	(ii) Sh. S. Ratnam	22-12-1959	1-10-1961	(ii) Sh. H. J. Everden	1-6-1959	3-2-1961

(iii) Sh. D. Sandilya	1-10-1961	3-2-1962	(iii) Sh. B. S. Lamba	3-2-1961	16-5-1961
(iv) Maj. Gen. Maharaj Himatsinghji	7-3-1962	Date	(iv) Sh. K. L. Gambhir	16-5-1961	10-9-1961
			(v) Sh. D. D. Suri, IAS	11-9-1961	Date

23. Hindustan Shipyard Ltd.	(i) Sh. N. R. Pillai, ICS	21-1-1952	27-9-1958	(i) Sh. R. L. Gupta, ICS	1-3-1952	24-6-1957
	(ii) Sh. G. L. Mehta	27-9-1958	5-6-1962	(ii) Sh. C. R. Reddy, IAS	25-6-1957	4-8-1958
	(iii) Dr. Nagendra Singh ICS	28-6-1962	Date	(iii) Commodore B. N. Lelc	4-8-1958	21-4-1963
				(iv) Sh. H. C. Raut	22-7-1963	Date

Rourkela Steel Plant

24. Hindustan Steel, Ltd.	(i) Sh. A. K. Chanda, IA&AS	4-3-1954	21-9-1954	(i) Sh. S. N. Mazumdar, ICS	4-3-1954	12-9-1956
	(ii) Sh. S. S. Khara, ICS	22-9-1954	9-8-1955	(ii) Sh. P. G. Bhagat	13-9-1956	26-7-1958
	(iii) Sh. S. Bhoothalingam, ICS	10-8-1955	13-4-1958	(iii) Sh. M. Ganapati, IRSE	1-6-1958	13-11-1960
	(iv) Sh. G. Pande, IRSE	14-4-1958	14-10-1960	(iv) Sh. S. Sambasivan	15-10-1960	17-8-1961
	(v) Sh. J. M. Srinagesh, ICS	15-10-1960	14-1-1963	(v) Sh. K. N. Subbaraman, IRSE	18-8-1961	3-1-1962
	(vi) Sh. M. S. Rao, ICS	15-1-1963	Date	(vi) Sh. S. T. Raja, IMP	3-1-1962	

(vii) Sh. A. N. Banerjee, IAS

Durgapur Steel Plant

(i) Sh. K. Sen, I.C.S.	1-8-1957	7-11-1960
(ii) Sh. P. C. Neogi, IRSE	8-11-1960	1-9-1963
(iii) Sh. D. J. Bell	2-9-1963	Date

1	2	3	4	5	6	7
<i>Bhilai Steel Plant</i>						
				(i) Sh. S. N. Mehra ICS	17-5-1955	31-5-1957
				(ii) Sh. N. C. Srivastava	12-8-1957	9-4-1961
				(iii) Sh. Suku Sen	10-4-1961	10-4-1963
				(iv) Sh. Inderjit Singh	11-4-1963	Date
25. Hindustan Teleprintrs Ltd.	Sh. M. M. Phillip, ICS	17-12-1960	Date	Shri B. S. Rau	17-12-1960	Date
26. Indian Airlines Corporation	(i) Sh. B. C. Mukherji, ICS	23-6-1953	10-3-1954	(i) AVMP. C. Lal	21-11-1957	30-9-1962
	(ii) Sh. Shankar Prasad, ICS	10-3-1954	10-1-1959	(ii) Sh. S. Mullick, ICS	1-10-1962	16-11-1963
	(iii) Sh. V. Shankar, ICS	10-1-1959	16-1-1963	(iii) Sh. J. S. Parakh	17-11-1963	Date
	(iv) Sh. Satish Chandra, ICS	16-1-1963	Date	<i>Rishabh Project</i>		
27. Indian Drugs & Pharmaceuticals Ltd.;	Sh. Nukul Sen, ICS, Chairman and Mng. Director.	5-4-1961	Date	Sh. K. N. Srivastava, IAS	9-6-1961	Date
				<i>Hyderabad Project</i>		
				Sh. K. V. Srinivasan	12-5-1961	Date
				<i>Nerisamangalam</i>		
				Dr. P. K. Narayanaswamy	29-6-1961	Date
				<i>Madras Project</i>		
				Sh. H. G. V. Reddy	1-3-63	Date
28. Indian Oil Company Ltd.	Sh. S. Nijalingappa			Sh. B. Arora	8-1-1960	1-6-1962
	Sh. P. A. Gopalakrishnan, ICS, Chairman-cum-Mng. Director.	24-12-1962	Date	Sh. P. A. Gopalakrishnan, ICS	2-6-1962	23-12-1962

29. Indian Rare Earths Ltd.	Sh. J. D. Choksi	18-8-1950	Date	Sh. G. Rajagopal Menon	1-1-62	Date
30. Indian Refineries Ltd	(i) Late Sh. Feroze Gandhi	27-8-1958	8-9-1960	(i) Sh. J. M. Srinagesh, ICS	27-8-1958	4-10-1960
	(ii) Sh. Dev Kant Barooah	20-2-1961	26-9-1962	(ii) Sh. P. R. Nayak ICS	16-12-1960	
	(iii) S. Jogendra Singh	26-9-62				
	(iv) Sh. P. R. Nayak ICS					
31. Indian Telephone Industries Ltd.*	(i) Sh. V. K. R. Menon, ICS	Aug. 1948	Feb. 1950	(i) Sh. R. Natarajan	30-6-1948	1-1-1954
	(ii) Sh. A. V. Pai, ICS	March 1950	Feb. 1953	(ii) Sh. Jagdish Prasad	1-1-1954	27-1-1961
	(iii) Sh. B. N. Jha, ICS	June, 1953	Aug. 1955	(iii) Sh. S. K. Kanjilal	27-1-1961	26-5-1963
	(iv) Sh. M. M. Philip, ICS	Aug. 1955	Dec. 1955	(iv) Sh. U. Shankar	7-6-1963	Date
	(v) Sh. B. N. Jha, ICS	Dec. 1955	Sept. 1957			
	(vi) Sh. M. M. Philip, ICS	Sept. 1957	Date			
32. Industrial Finance Corp. of India	(i) Late Sh. Shri Ram			(i) Sh. Ram Nath	1-7-1948	7-6-1951
	(ii) Sh. P. C. Bhattacharyya			(ii) Sh. V. R. Somalkar	8-6-1951	7-6-1955
	(iii) Sh. K. R. Ken Menon, IDAS			(iii) Sh. H. V. Venkatasubbiah M. D.	8-6-1955	16-9-1961
	(iv) Sh. K. P. Mathrani, ICS	17-9-1955	17-9-1961			
				General Manager		
33. Khadi & Village Industries Commission	(i) Sh. V. L. Mehta	1-7-1961	Date	(iv) Sh. D. R. Madhok	1-1-1961	Date
	(ii) Sh. U. N. Dhebar					

*Prior to 1-2-1950 there was only a Board of Management as ITI was being run as a departmental undertaking.

1	2	3	4	5	6	7
34. Life Insurance Corporation of India	(i) H. M. Patel, ICS	1-9-1956	5-6-1957	(i) S. L. Vaidyanathan	1-9-1956	30-6-1959
	(ii) G. R. Kamat, ICS	6-6-1957	10-4-1958	(ii) A. Rajagopalan	1-9-1956	9-6-1961
	(iii) P. A. Gopalakrishnan, ICS	10-4-1958	28-2-1962	(iii) S. D. Srinivasan	6-4-1959	
	(iv) B. K. Kaul, ICS	1-3-1962	Date			
35. Mazagon Dock Ltd.	(i) Sh. R. P. Sarathy, IA&AS	13-5-1960	12-12-1962	(i) Captain C. L. Bhandari, IN	1-7-1960	8-1-1962
	(ii) Sh. A. L. Dias, ICS	13-3-1963		(ii) Commodore H. S. Baswar, IN	9-1-1962	Date
36. Mogul Line Ltd.	Sh. R. R. Saksena	16-8-1960	11-2-1961	(i) Sh. P. M. Nayak	20-11-1961	28-3-1962
	Dr. Nagendra Singh, I.C.S.	21-2-1961	19-11-1961	(ii) Sh. S. K. Venkatachalam	1-6-1963	Date
	Sh. P. M. Nayak, ICS	21-11-1961	28-3-1963			
	Dr. Nagendra Singh, ICS	28-3-1963				
37. Nahan Foundry Ltd.	(i) Sh. U. L. Goswami, ICS	Nov. 1952	Dec. 1955	(i) Sh. Shiv Charan Das	15-7-1944	2-6-1956
	(ii) Sh. M. M. Shah	June, 1956	May, 1957	(ii) Sh. S. D. Joshi	24-12-1956	31-1-1957
	(iii) Sh. B. S. Grewal, ICS	June, 1957	Sept. 1957	(iii) Sh. C. S. Shukla	1-2-1958	Date
	(iv) Sh. N. Subrahmanyam, ICS	Sept. 1957	May, 1959			
	(v) Sh. R. V. Raman, IAS	June, 1959	26-7-1960			
	(vi) Sh. D. Sandilya, IRAS	26-7-1960	July, 1962			
	(vii) Dr. B. D. Kalekar	Aug. 1962	Date			
38. National Buildings Construction Corporation Ltd.	(i) Sh. T. Sivasankar, ICS	7-12-1960	16-11-1962	(i) Sh. K. S. Krishnaswamy, IDAS	7-12-1960	25-8-1962

		16-11-1962 13-8-63	1-7-1963 Date	(ii) Shri C. P. Malik	25-8-62	Date
39 National Coal Development Corporation Ltd.	(i) Sh. Dharma Vira, ICS	21-9-56	17-4-57	Shri R. C. Dutt, ICS	23-3-56	20-5-57
	(ii) S. Swaran Singh	17-4-57	14-8-57		20-5-57	1-11-59
	(iii) Sh. S. S. Kherra, ICS	14-8-57	17-9-59		1-11-59	15-6-60
	(iv) S. Ujjal Singh	17-9-59	7-3-63		15-6-60	Date
	(v) Sh. R. C. Dutt, ICS	7-3-63				
40 National Industrial Development Corporation Ltd.	(i) Sh. T. T. Krishnamachari	20-10-54	14-11-56	(i) Shri L. K. Jha, ICS	23-3-56	20-5-57
	(ii) Sh. Moharji Desai	14-11-56	28-3-58	(ii) Dr. A. Nagaratna Rao	20-5-57	1-11-59
	(iii) Lal Bahadur Shastri	28-3-58	19-4-61	(iii) Shri S. N. Bilgrami IAS	1-11-59	15-6-60
	(iv) Sh. K. C. Reddy	19-4-61	29-9-61	(iv) Shri K. B. Rao IMP	15-6-60	Date
	(v) Sh. K. P. Mathram ICS	29-9-61				
41 National Instruments Ltd.	(i) Sh. G. B. Kotak	26-6-57	30-10-57	(i) Shri S. D. Joshi	7-7-58	31-5-60
	(ii) Sh. N. Subrahmaniam, ICS	30-10-57	19-5-59	(ii) Shri N. Majumdar	31-5-50	
	(iii) Sh. R. V. Raman IAS	19-5-59	20-7-60			
	(iv) Sh. D. Sandilya, IRAS	28-7-60	Date			
42 National Mineral Development Corporation Ltd.	(i) Sh. K. N. Kaul, IRS	15-10-59	16-3-61	Shri Bhagwan Singh IAS	14-9-59	11-9-61
	(ii) Sh. N. S. Mani, ICS	16-3-61	1-12-62			
	(iii) Sh. S. N. Bilgiami, IAS	Jan., 63	Date			
43 National Newsprint & Paper Mills Ltd	(i) Sh. R. K. Shammugam Shetty	29-7-47	16-8-47	(i) Shri J. D. Keravala, IAS	Oct., 49	Jan., 50
	(ii) Sir A. Ramaswami Mudaliar	24-12-48	20-10-51	(ii) Shri K. P. Sagaraya, IES	Jan., 50	Aug. 58
44 National Projects Construction Corporation Ltd.	(i) Sh. T. Sivasankar, ICS	5-2-57	4-5-60	(iii) Shri Ragho Raj Singh, IAS	Sept. 55	July, 58
	(ii) Sh. M. R. Sachdeva, ICS	4-5-60	1-5-62	(iv) Shri S. L. Visvanadhan	Oct., 58	Dec., 62
	(iii) Sh. L. N. Mishra	1-5-62	10-2-64(Fn)	(v) Shri P. S. Kothari	Dec., 62	Date
45 National Research Development Corporation of India Ltd.	(i) Sh. Kasturbhai Lal Bhai	31-12-53	31-12-59	(i) Sh. R. K. Gupta	9-1-57	9-3-61
	(ii) Prof. M. S. Thacker	1-1-60	26-6-60	(ii) Sh. A. L. Das, ISE, Reid	10-3-61	9-3-63
	(iii) Sh. Manubhai Shah	27-6-60	31-12-62	(iii) Sh. C. L. Handa, ISI	9-3-63	12-12-63
	(iv) Prof. M. S. Thacker	1-1-63	12-8-63	(iv) Sh. J. S. Jain	12-12-63	Date
	(v) Dr. S. Hussain Zahar	13-8-63	Date			

46 National Seeds Corporation Ltd. Shri A. D. Pandit, ICS

Dr. G. V. Chalam

47 National Small Industries Corporation Ltd.

- (i) Sh. Jangbir Singh
- (ii) Sh. P. Govindan Nair
- (iii) Sh. U. L. Goswamy
- (iv) Sh. Satish Chander
- (v) Sh. Asfaq Hussain
- (vi) Sh. A. S. E. Iyer
- (vii) Mrs. M. Chandrasekhar
- (viii) Sh. C. B. Sundaram

14-2-55
31-5-56
10-11-56
27-12-56
13-11-57
27-5-59
28-3-59
2-9-59
1-11-61

31-5-56
10-11-56
27-12-56
13-11-57
27-5-59
1-9-59
31-10-61
Date.

(i) Sh. A. S. E. Iyer
(ii) Sh. P. C. Basu

30-6-56
28-3-59

27-3-59
12-9-60

48 Neyveli Lignite Corporation Ltd.

- (i) Sh. T. M. S. Mani, ICS
- (ii) Sh. K. N. Subbaraman

22-9-62
27-5-63

13-11-62
Date

Sh. T.M.S. Mani, ICS

3-12-56

21-9-62

49 Oil & Natural Gas Commission

- (i) Sh. K. D. Malaviya
- (ii) Sh. S. S. Khera, ICS
- (iii) Sh. P. R. Nayak, ICS

14-8-56
25-6-63

25-6-63

50 Praga Tools Corporation Ltd.

- (i) Sh. S. Ranganathan, ICS
- (ii) Sh. P. S. Rau, ICS (Retd)
- (iii) Sh. R. L. Gupta, ICS (Retd.)

31-7-57
29-9-61
27-9-62

28-9-61
24-8-62
Date

(i) Sh. A. N. Lahari
(ii) Sh. B. Venkataraman
(iii) Sh. A. M. Kelkar, IMP

17-6-57
1-7-58
19-10-61

30-6-58
18-10-61
Date

51 Pyrites & Chemicals Development Co. Ltd.

52 Rehabilitation Housing Corporation Ltd.* Sh. N. G. Dewan

* Under Liquidation.

53 Rehabilitation Industries Corporation Ltd.	(i) Sh. G. D. Birla (ii) Sh. B. P. Sinha Roy (iii) Sh. S. Sen, ICS (Retd)	13-4-59 7-10-60 1-12-60	31-8-60 30-11-60 13-5-63	(i) Sh. J. C. De. (ii) Sh. M. C. Mukherji, IAS	13-4-59 1-4-63	31-3-62 Date
54 Reserve Bank of India	(i) Sir Osborne A. Smith, Governor (ii) Sir James Taylor, Governor (iii) Sh. C. D. Deshmukh, Governor (iv) Sh. B. Rama Rau (v) Sh. K. G. Ambegadkar (vi) Sh. H. V. R. Jengar (vii) Sh. P. C. Bhattacharyya	1-4-35 1-7-37 11-8-43 1-7-49 14-1-57 (A.N.) 1-3-57 1-3-62	30-6-37 17-2-43 30-6-49 14-1-57 28-2-57 28-2-62 Date			
55 Shipping Corporation of India Ltd.	(i) Dr. Nagendra Singh, ICS (ii) Sh. R. L. Gupta, ICS (Retd)	2-10-61 1-7-62	1-7-62	Sh. C. P. Srivastava	2-10-61	
56 State Bank of India	(i) Dr. John Mathai (ii) Shri H. V. R. Jengar (iii) Shri P. C. Bhattacharyya (iv) Shri B. Venkatappiah	1-7-55 1-10-56 1-3-57 1-3-62	30-9-56 28-2-57 28-2-62 Date	(i) Sh. Mukerji (ii) Sh. N. A. Krishnan	24-5-61 1-2-62	101
57 State Trading Corporation of India Ltd.	(i) Sh. K. B. Lall, ICS (ii) Sh. C. M. Poonacha (iii) Sh. Govind Narain, ICS (iv) Sh. B. P. Patel, ICS Chairman-cum-Managing Director	18-5-56 20-8-59 1-5-63 1-10-63	19-8-59 30-4-63 30-9-63 Date	(i) Sh. Satish Chandra, ICS (ii) Sh. D. Sandilya, IRAS (iii) Sh. S. N. Bilgrami, IAS IMP (iv) Sh. Govind Narain, ICS	18-5-56 3-10-56 2-5-60 [6-12-61	2-10-56 1-5-60 5-12-61 30-9-63
58 Travancore Minerals Ltd.	Dr. John Mathai	30-10-56	30-7-59			

APPENDIX IV

(Vide Para 72)

Extracts from reports of the Estimates Committee re: overstaffing in Public Undertakings.

1. *Ashoka Hotels Ltd., New Delhi*

Even allowing for some extra staff for maintenance, repair, laundry, etc., the Committee feel that the hotel is over-staffed and there is scope for effecting reduction therein.

Obviously the ideas expressed by the Minister of Works, Housing and Supply on the question of desirable staff strength in the Hotel when replying to the discussion on Demands for Grants of the Ministry of Works, Housing and Supply on 31-3-58 have not been put into effect by the management of the hotel. The Committee trust that the Government will take immediate steps to bring down the staff strength to the desired level.

(Paras 31—33 of 119th Report, 2nd Lok Sabha)

2. *Fertiliser Corporation of India (Sindri Unit)*

It will be seen that total staff strength of the Company increased from 7,872 in 1956-57 to 8,924 in 1958-59 i.e., an increase of over 13 per cent during the three years. While the increase in technical staff might be due to the expansion schemes of the Company, the increase of over 100 per cent in non-technical supervisory personnel does not appear to be justified specially when the production of the Company is falling. The Committee trust that vigorous attempts would be made to rationalise staff strength. They feel that the test of efficiency of an organisation is that it should be able to cope with the increase in production without an equivalent increase in its staff strength.

(Para 40 of 120th Report, 2nd Lok Sabha)

3. *Heavy Electricals (India) Ltd.*

It is (further) seen that in the following departments, the staff

actually employed even now exceeds the number of staff recommended by A.E.I. for the output of Rs. 12.5 crores:—

	Staff recommended in the Project Report	Staff in position in Jan. 1963	Excess
Transformers, Capacitors, Rectifiers	910	1154	244
Fabrication ..	673	1012	339
Maintenance & other services ..	634	969	335
Transport ..	87	159	72
Secretariat & Accounts ..	443	748	305
Purchase & Factory Stores ..	132	302	170
Management ..	36	71	35
Personnel & Catering ..	—	285	285
	2915	4700	1785

The Committee are in agreement with the views of the Consultants that the Project is overstaffed for its present level of output. They recommend that a thorough review of the staff strength at Bhopal may be carried out immediately with a view to its reduction.

(Paras. 231 and 322 of 35th Report, 3rd Lok Sabha)

4. Life Insurance Corporation of India

The overall increase in staff during the 3 years period 1957-59 has been over 21% and the increase in expenditure about 29%..... It will be seen that there is no fixed ratio between the number of policies or the business in force to the staff employed in different zones.....The Committee find it difficult to appreciate the justification for such a large increase in the number of employees within a period of 2 years, particularly in view of the statement of the Minister of Finance quoted in para 125 above. They consider that the real test of economy and efficiency of the Corporation would be to increase the business without a corresponding increase in its operational cost. In any case, the Committee feel that once the Corporation has established its network of organisation it should be possible to exercise more economy in the number of staff employed and the existing organisation should be able to take care of additional business to a large extent. They recommend that the staff position of the different zones in the various categories may be constantly reviewed with reference to the workloads which should be uniform for all zones and efforts made henceforth to secure additional business without a corresponding increase in staff. The immediate attempt should be to approximate the ratio of the strength in the other zones to that of the Western Zone at least and see to the elimination of the wide disparities between the zones.

(Paras. 124-31 of 134th Report, 2nd Lok Sabha)

5. *National Coal Development Corporation*

It will be seen that the total staff of the Corporation which rose from 43,804 in 1959-60 to 51,354 in 1960-61, further increased to 56,324 in 1961-62..... though the total production in all collieries during 1961-62 has fallen to 6.05 million tons from 8.05 million in 1960-61, the total staff had increased from 51,354 to 56,324 during the same period, the increase under officers being as much as 34%..... They would, therefore, recommend that a review of the present staff strength of the Corporation may be undertaken immediately with a view to reducing the same. It is also necessary that the present methods of determination of staff strength are rationalised.

(Paras. 195-99 of 32nd Report, 3rd Lok Sabha)

6. *National Newsprint and Paper Mills*

From the details of the existing staff furnished to the Committee it is seen that the operating staff of the Mill is 943 against the estimate of 741, given by the Consultants. Thus even in this category there is an excess of 202 men. The Committee regret that the estimates of the Consultants should have proved wrong in these important matters which vitally affect the working and efficiency of the concern. They feel that local standards should be specifically brought to the notice of Consultants at the time of framing of estimates. The Committee have already suggested an expert enquiry into the working of the Mill with a view to achieving efficiency and economy. They suggest that the manpower requirements of the Company should also be reviewed by those experts. Further, there should be a periodical review of the staff position and their out-turn according to well defined standards so as to ensure that there is no surplus or idle man-power.

(Para 61 of 157th Report, 2nd Lok Sabha)

7. *Neyveli Lignite Corporation*

While the Committee note the reasons given by the Corporation that the larger complement of non-technical staff is due to the project being under construction, they trust that all efforts would be made by the Corporation to keep its ministerial and other staff to the minimum. Once the Project comes into production they trust there would be no difficulty in following the pattern of German Lignite Mining Corporation in keeping its non-technical staff to the minimum.

(Para. 37 of 125th Report, 2nd Lok Sabha)

APPENDIX V

(Vide Para 94)

Statement showing the number of Stenographers, Stenotypists and Peons employed by each Undertaking.

Name of Undertaking	Steno- graphers/ Steno- typists	Peons	Total Staff 1-4-1963	Remarks.
1	2	3	4	5
(1) Air India	126	148	5,970	
(2) Ashoka Hotels Ltd.	4	14	1,377	
(3) Bharat Electronics Ltd	48	50	3,343	
(4) Central Warehousing Corpn.	8	14*	493	*Managing Director is allowed two Peons.
(5) Damodar Valley Corpora- tion	158	396*	7,324	*Heads of Deptts. are allowed two Peons.
(6) Employees' State Insurance Corporation.	35	529*	4,689	*One Peon and One Jainadar for Director General.
(7) Export Risks Insurance Corporation Ltd**	4	10	66	
(8) Fertilizers & Chemicals Travancore Ltd.	43	44	2,722	
(9) Fertiliser Corpn. of India Ltd. (Nangal & Sindri)	96	224	15,822	
(10) Film Finance Corpn. Ltd.	1	2	8	
(11) Garden Reach Workshops Ltd.	N.A.	N.A.	4,727	
(12) Heavy Electricals Ltd.	221	356	16,763	
(13) Heavy Engg. Corpn. Ltd.	127	369	7,344	
(14) Hindustan Aircraft Ltd.	79	107	21,199	
(15) Hindustan Antibiotics Ltd.	13	24	1,818	
(16) Hindustan Cables Ltd.	11	43*	1,697	*Managing Director is allowed two Peons.
(17) Hindustan Housing Factory Ltd.	12	22	1,533	
(18) Hindustan Insecticides Ltd.	4	21	589	
(19) Hindustan Machine Tools Ltd. (I and II)	37	38	5,795	
(20) Hindustan Organic Chemi- cals Ltd.	8	12	155	
(21) Hindustan Photo Films Manufacturing Co., Ltd.	17	18	217	
(22) Hindustan Salts Ltd.	6	308†	989	Including those em- ployed on Watch &

**Under liquidation.

1	2	3	4	5
(23) Hindustan Shipyard Ltd. .	14	43	15,319	Ward duties General Manager allowed two Peons.
(24) Hindustan Steel Ltd. .	523	1,772*	84,017	*Strength based on orders of the Ministry of Finance.
(25) Hindustan Teleprinters Ltd.	8	3	172	
(26) Indian Airlines Corporation	148	392	13,075	
(27) Indian Drugs & Pharmaceuticals Ltd.	35	93	778	
(28) Indian Oil Company Ltd.	71	71	1,332	
(29) Indian Rare Earths Ltd. .	2(at	21	623	
	Bombay)			
(30) Indian Refineries Ltd. . .	44	111	2,487	
(31) Indian Telephone Industries	60	122	9,265	
(32) Industrial Finance Corporation of India	24	46*]	275	Two each to Chairman & General Manager.
(33) Khadi & Village Industries Commission.	93	354	4,294	
(34) Life Insurance Corpn. of India	649	4,684*	48,080	Two each to Zonal Managers & Ex-Directors. Chairman is allowed 3 Peons
(35) Mazagon Dock Ltd.	11	41	4,100	
(36) Mogul Line Ltd.	4	19	760	
(37) Nahar Foundry Ltd.	3	15	804	
(38) National Buildings Construction Corpn. Ltd.	9	13	928	
(39) National Coal Development Corpn. Ltd.	94 (for 136 officers)	110	64,526	
(40) National Industrial Development Corpn. Ltd.	17	17	144	
(41) National Instruments Ltd.	4	10	1,217	
(42) National Mineral Development Corpn. Ltd.	55*	120†	1,143	*Fixed on the scales prescribed by the Govt. of India. †Two Peons to each head of Office.
(43) National Newsprint & Paper Mills Ltd.	6	24	1,209	
(44) National Projects Construction Corporation Ltd.	17	49*	631	*Chairman 2, Managing Director 2 & Chief Engineer 2.
(45) National Research Development Corpn. of Indian Ltd.	2	5	32	

1	2	3	4	5
(45) National Seeds Corpn. Ltd.	2	5	47	
(47) National Small Industries Corpn. Ltd.	73	178	1,659	
(48) Neyveli Lignite Corpn. Ltd.	54	306	6,192	
(49) Oil & Natural Gas Commission	136	705	11,614	
50) Praga Tools Corpn. Ltd.	5	20	1,563	
(51) Pyrites & Chemicals Development Co. Ltd.	5*	12	147	*Strength fixed on the basis of criteria followed by Govt.
(52) Rehabilitation Housing Corporation Ltd.**	N.A.	N.A.	5	
(53) Rehabilitation Industries Corporation Ltd.	5	36	384	
(54) Reserve Bank of India	125 (in 18 offices)	870 (in 18 offices/ departments)	12,070	
55) Shipping Corpn. of India Ltd.	41	75	2,534	
(56) State Bank of India	N.A.	N.A.	26,000	
(57) State Trading Corpn. of India Ltd.	141	259*	2,053	*Directors 2, Divl. Managers 2 & Regional Managers 2.
(58) Travancore Minerals Ltd.	2	7	383	
	3,535	13,357	4,11,502	

**Under liquidation.

APPENDIX VI
(Vide Para 125)

Comparative statement of pay scales adopted by various Public Undertakings at Bombay.

Category of Post	Air India	I.A.C.	Central Govt.	State Transport	State Govt.	L.I.C.	Indian Oil Co.	B.E.S.T.	Rupees	
1. Peons/Chowkidars										
Minimum	123.00	120.00	102.50	97.50	97.00	103.00	102.50	147.00		
Maximum	179.00	172.50	123.50	140.00	107.00	199.00	123.50	197.00		
2. Drivers										
Minimum	179.00	158.50	156.00	140.00	135.00	161.00	156.00	187.00		
Maximum	256.00	247.60	251.00	216.50	210.00	224.00	251.00	262.00		
3. Clerks/Typists										
Minimum	179.00	158.50	156.00	146.00	130.00	141.50	156.00	172.00		
Maximum	371.00	472.50	251.00	364.00	300.00	312.50	251.00	372.00		
4. Jr./Sr. Storekeeper										
Minimum	193.00	158.50	156.00	217.00	194.50	..	177.50	172.00		
Maximum	540.00	472.50	399.00	463.00	271.00	..	399.00	372.00		
5. Office Assistants										
Minimum	293.00	158.50	288.50	217.00	230.00	165.00	288.50	272.00		
Maximum	581.00	472.50	467.00	463.00	480.00	458.00	467.00	455.00		
6. Accountants										
Minimum	443.00	476.50	386.50	327.50	194.50	..	386.50	355.00		
Maximum	837.00	736.50	711.00	622.50	271.00	..	711.00	555.00		

APPENDIX VII
(Vide Para 125)

Comparative Statement showing the Scales of Pay adopted by various PUs.

	Indian Rare Earths Ltd., Udyogamandal P.O. Always.	The Fertilisers and Chemicals, (Travancore) Ltd. Udyogamandal P.O. Always	The Travancore Cochin Chemicals Ltd. Udyogamandal P.O. Always	The Hindustan Insecticides Ltd., Udyogamandal P.O. Always.	
	I.R.E.	F.A.C.T.	T.C.C.	H.I.L.	
1. Section Superintendent/Foreman an.	Rs. 350-25-500-E.B.-30-680	Rs. 300-20-460-30-580	Rs. 260-25-310-30-400-40-600	Rs. 315-15-360-20-400-EB-20-500 (Designation—Supervisor)	199
2. Assistant and Equivalents (office)	Rs. 210-10-290-15-320-EB-15-425	No such grade	Rs. 200-16-360	Rs. 240-10-320-15-350-EB-15-425	
3. Senior Operator/Chargeman .	Do.	Rs. 215-12½-340	No such grade.	Rs. 250-10-350-EB-15-425	
4. Operators, Mechanics, Fitters, Welders, Turners, Masons, Blacksmiths, Carpenters.	Rs. 130-5-175-6-205-EB-7-240.	{ (a) Rs. 130-8-210 (b) Rs. 100-6-160 (c) Rs. 90-5-140	{ (a) Rs. 135-8-215 (b) Rs. 110-7-180	Rs. 160-5-190-EB-8-230-EB-8-270-EB-10-320	
5. Skilled Helpers and Equivalents.	Rs. 110-3-131-4-143-EB-4-155.	Rs. 80-5-130	Rs. 80-5-150	Rs. 140-3-161-EB-4-185-EB-5-200	

6. Upper Division Clerks	Rs. 130-5-160-8-200- EB-8-256-EB-8- 280-10-300	Rs. 120-8-200	Rs. 110-7-180	Rs. 140-5-160-EB- 170-5-180-8-260- EB-10-320
7. Lower Division Clerks	Rs. 110-3-131-4-155- EB-4-175-5-180	Rs. 80-5-130	Rs. 80-5-130	Rs. 120-3-141-4-165 EB-175-5-200.
8. Helpers, Watch and Ward, Guards etc.	Rs. 85-2-95-3-110- EB-3-128	Rs. 40-2-50-4-90	Rs. 40-3-55-4-95	Rs. 85-1-95-EB-1-100
9. Peons, Gardeners etc.	Rs. 80-1-85-2-95 EB-3-110	Rs. 40-2-50-4-90	Rs. 40-3-70	Do.
10. Unskilled Helpers	Do.	Rs. 40-2-50-4-90	No such grade	Do.
11. Sweepers	Do.	Rs. 40-2-60	Rs. 40-2-60	Do.

1. Salary scales of Indian Rare Earths Ltd., Fertilisers and Chemicals (Travancore) Ltd. and Travancore Cochin Chemicals Ltd., are exclusive of Dearness Allowance. F.A.C.T. and T.C.C. pay D.A. according to cost of living index—at present Rs. 74/- per month. I.R.E. pays D.A. according to Central Government rates. H.I.L. pays only the additional D.A. sanctioned with effect from 1-11-1961.

2. Salary scales of senior officers are not included in the statement as information on the scales of pay of such officers in other organisations is not available with us. The organisations are reluctant to disclose the same.

3. All industries are in the Public Sector.

APPENDIX VIII

(vide Para 143)

Statement showing details of retirement benefits offered by various Public Undertakings to their employees

	Under-taking's contribution to Provident Fund	Gratuity	Remarks
(1) Air-India	8½%		The question of introducing a gratuity scheme is under consideration.
(2) Ashoka Hotels Ltd.	Yes	Yes	
(3) Bharat Electronics Ltd.	8%	Yes	
(4) Central Warehousing Corporation.	8½%	Nil	
(5) Damodar Valley Corporation	C.P.F.	..	Pension scheme for permanent employees is under consideration.
(6) Employee's State Insurance Corpn.	As admissible to Government Servants		Gratuity-cum-Pension
(7) Export Risks Insurance Corpn. Ltd.*	8½%		At half a month's salary for every completed year of service, the maximum being 15 month's salary or Rs. 25,000 which-ever is less.

*Since transformed into Export Credit and Guarantee Corporation.

	Under- aking's con tribu- tion to Provident Fund	Gratuity	Remarks:
(8) Fertilisers & Chemicals Travancore Ltd.	Yes	Yes	
(9) Fertiliser Corporation of India Ltd.	8½%		Earned. leave is encashed.
(10) Film Finance Corporation Ltd.	C.P.F.	As per Government rules.	
(11) Garden Reach shops Ltd.	Work - N.A.	N.A.	
(12) Heavy Electricals Ltd.	8½%	..	
(13) Heavy Engineering Corporation Ltd.	C.P.F.	..	
(14) Hindustan Aircraft Ltd.	8%	As per company's rules.	
(15) Hindustan Antiliotics Ltd.	8½%	..	
(16) Hindustan Cables Ltd.	8½%	The question of introducing a Gratuity Scheme is under consideration.	
(17) Hindustan Housing Factory Ltd.	6½%	..	
(18) Hindustan Insecticides Ltd.	8½%	..	
(19) Hindustan Machine Tools Ltd.	8½%	As per Government rules.	
(20) Hindustan Organic Chemicals Ltd.	8½%	Nil	
(21) Hindustan Photo Films Manufacturing Company Ltd.	Nil. Rules will soon be framed.	..	

	Under-taking's contribution to Provident Fund	Gratuity	Remarks
(22) Hindustan Salts Ltd. .	Rules are under finalisation.	..	
(23) Hindustan Shipyard Ltd.	6½ and 8½%	Yes	
(24) Hindustan Steel Ltd. .	8½%	..	
(25) Hindustan Teleprinters Ltd.	8%	..	
(26) Indian Airlines Corporation	8½%		The question of introducing a gratuity scheme and reducing the rate of contribution to C.P.F. from 8.33 to 6.25% has been under consideration.
(27) Indian Drugs & Pharmaceuticals Ltd.	..	..
(28) Indian Oil Company Ltd.	8½%	..	
(29) Indian Rare Earths Ltd.	8½%		Gratuity at 1/4th of the basic salary for each completed six monthly period subject to a maximum of 15 month's salary of Rs. 24,000 whichever is less.
(30) Indian Refineries Ltd. .	8½%	..	
(31) Indian Telephone Industries Ltd.	As per employees' Provident Fund Act.	Yes.	
(32) Industrial Finance Corp. of India.	CPF.	Under consideration	

	Under-taking's contribution to Provident Fund	Gratuity	Remarks
(33) Khadi & Village Industries Commission.	CPF	..	
(34) Life Insurance Corporation of India.	CPF	Yes.	
(35) Mazagon Dock Ltd.	(i) Operatives	..	Provident Fund and Gratuity.
	(ii) Clerical & subordinate staff.	-	(a) Provident Fund & Gratuity (b) Pension & Gratuity.
	(iii) Supervisory staff		(a) Staff who were in the Co. before it was taken over by Govt. and who were in the Foreman's Grade and above are eligible to P. F. and pension but those below the grade to P. F. only. (b) All who join after the take over are eligible to P.F. only.
(36) Mogul Line Ltd.	F.P.		Also pension and gratuity.
(37) Nahan Foundry Ltd.	C.P.F.		Gratuity at month's salary for every completed year of service.
(38) National Buildings Construction Corporation Ltd.	Rules approved by the Board will be brought into force from 1-4-64	..	
(39) National Coal Development Corpn. Ltd.	8½%	..	

	Under- taking's contribution to Provident Fund	Gratuity	Remarks
(40) National Industrial Development Corpn. Ltd.	8½%	Nil.	
(41) National Instruments Ltd.	CPF	Gratuity at rules.	Govt.
(42) National Mineral Development Corpn. Ltd.	8½%	..	
(43) National Newsprint & Paper Mills Ltd.	CPF	..	
(44) National Projects Construction Corpn. Ltd.	CPF	..	
(45) National Research Development Corpn. of India Ltd.	CPF	..	
(46) National Seeds Corporation Ltd.	It is proposed to adopt the C.P.F. Scheme	..	
(47) National Small Industries Corpn. Ltd.	CPF	..	
(48) Neyveli Lignite Corpn. Ltd.	8½%	..	
(49) Oil & Natural Gas Commission.	8½%	Yes.	
(50) Praga Tools Corpn. Ltd.	..	Yes.	
(51) Pyrites & Chemicals Development Co. Ltd.	Proposed to be introduced.		
(52) Rehabilitation Housing Corpn. Ltd.*	NA	NA.	
5 3) Rehabilitation Industries Corpn. Ltd.	CPF	..	
(54) Reserve Bank of India	5 to 10%	Yes.	
(55) Shipping Corporation of India Ltd.	..	Gratuity to officers on Vessels.	
(56) State Bank of India	CPF	Yes.	
(57) State Trading Corporation of India Ltd.	8½%	..	
(58) Travancore Minerals Ltd.	8½%	Subject to a maximum of Rs. 4,000.	

APPENDIX IX

(Vide Para 152)

Note on Recruitment Policy in the Public Sector Projects

There is technically no restriction in the matter of recruitment to those units based on the areas from which the employees come. It will be of advantage to the units in various directions, if persons who come from areas near about the place of location of the project secure appointment to posts in the lower scales. In the case of all unskilled workers, even without any special effort they are generally drawn from the locality where the project is situated. Every effort should be made in such recruitments to give preference to persons displaced from the areas acquired for the project especially of Scheduled Castes and Scheduled Tribes (e.g., Adivasis). Next should be preferred those who, even if they come from some distance, have been or are about to be retrenched from other Government undertakings.

2. In the case of skilled workers, clerks and other non-technical staff whose scales are comparatively low, so long as the basic qualifications and experience are forthcoming, preference should be given in the order of priority mentioned in the previous paragraph.

3. In the case of the middle level technical and non-technical posts, having higher starting salaries equivalent to the Class I junior scale of the Government of India (Rs. 350—850), recruitment should be made on an All-India basis, merit and qualifications being the principal criteria. Complaints have sometimes been made in the past that local candidates do not receive a fair deal. Special care should be taken to ensure that there is no reasonable ground for any such complaint.

4. In the case of higher non-technical posts, e.g., top general management, finance and accounts, sales, purchase, stores, transport personnel management and welfare and town administration, carrying a salary of Rs. 600 and above, candidates available in the Industrial Management Pool should first be considered. Failing such candidates, there should be advertisements on all-India basis. This does not, however, preclude considering candidates who may have applied on their own or may have been retrenched from other Government projects etc.

5. For the higher technical posts, the best qualified persons will have to be recruited, either by advertisement on an all-India basis or by personal contact.

6. All vacancies of the kind referred to in paras 1, and 2 should be communicated to the Employment Exchanges close to the project. Advertisements, which are made in the papers should be in local languages and in the local newspapers. Such advertisements should specially mention that preference would be given to persons who are registered in Employment Exchanges. All the applications received along with the list sent by the Employment Exchange should be screened and appointments made by Selection Committees specially set up for the purpose by each unit. These Selection Committees should include representatives from the State Government or their nominees.

7. The Selection Committees set up for recruitment to all other medium level or higher technical or non-technical posts should include at least one representative of the State Government, preferably a State Government official who is on the Board of Directors.

8. Representation for local interests in the shape of a State Government nominees etc., as detailed above should also be provided for in any standing committees that may exist for the purpose and not confined to only special *ad hoc* committees.

9. Where the exigencies of work require the making of urgent *ad hoc* appointments, it will be open to the Managing Director to make such appointments and then inform the Selection or Standing Committees.

10. The above principles may be kept in view by Boards of Directors and Managing Directors/Chairmen of Public Sector Projects while making recruitments to posts within their projects.

APPENDIX X

(Vide para 163)

Statement showing the powers of Chairman/Managing Directors and General Managers of Public Undertakings

Sl. No.	Names	Chairman	Managing Director/ Director	Ex-Director	General Manager/ Manager
1	2	3	4	5	5
1	Ashoka Hotels . . . . .	..	Upto Basic pay of Rs. 500/-	..	..
2	Bharat Electronics Ltd . . . . .	..	Posts carrying pay scales of Rs. 500—860 and Rs. 700—1250	Upto and including the pay scale of Rs. 350—600	..
3	Central Warehousing Corporation	..	Class II, III and IV posts	..	..
4	Damodar Valley Corporation	..	..	..	Below Superintendent Engineer's rank
5	Export Risks Insurance Corporation Ltd.	..	Class III, IV and V	..	..
6	Fertilisers and Chemicals Travancore Ltd.	..	..	..	Not exceeding Rs. 350

	Upto Rs. 1,150	Upto Rs. 850 per month
7 Fertiliser Corporation, Ltd.
8 Film Finance Corporation Ltd.	..	Class III and IV whose maximum Salary is Rs. 250 or below.
9 Heavy Electricals (India) Ltd.	..	Posts whose pay scale does not exceed Rs. 950
10 Heavy Engineering Corporation Ltd.	..	Posts whose pay scale does not exceed Rs. 950
11 Hindustan Aircraft Ltd.	Posts carrying pay scale of Rs. 700—1250 and Rs. 1100—1400	Posts carrying a pay scale of Rs. 160-310 and Rs. 195—375
12 Hindustan Antibiotics Ltd.	..	Upto Rs. 1,150
13 Hindustan Cables Ltd.	..	Posts carrying pay not exceeding Rs. 600
14 Hindustan Housing Factory Ltd
15 Hindustan Insecticides Ltd.	..	The maximum of which does not exceed Rs. 350
16 Hindustan Machine Tools Ltd.	..	Rs. 1000 maximum salary
17 Hindustan Photo Films Manufacturing Company Ltd.	..	Upto Rs. 1250 Maximum pay not exceeding Rs. 600 p.m.
	..	In the scale of Rs. 400—950 and below

1	2	3	4	5
18	Hindustan Salts Ltd.	..	..	Carrying pay upto Rs. 200
19	Hindustan Shipyard Ltd.	..	Upto Rs. 500	..
20	Hindustan Teleprinters Ltd.	..	Full powers	..
21	Indian Airlines Corporation	All appointments excepting those which require the approval of Govt.	..	Upto grade 16 excepting those of Departmental heads
22	Indian Oil Company Ltd.	Recruitment and appointment to posts in the grades higher than Rs. 700—1,150 require the approval of the Board of Directors	Upto the grade of Rs. 700—1,150	
23	Indian Rare Earths Ltd.	..	Can recruit within the authorised strength for the project as approved by the Board	..
24	Indian Refineries Ltd.	..	..	In the scale of Rs. 300—525 and below
25	Mazagon Dock Ltd.	Approval of Board is required for supervisory posts	Full power as regards operative and clerical staff	

25	Mogul Line Ltd.	..	Full powers except of foreign nationals to non-technical posts	..	Posts carrying a maximum salary of Rs. 300 p. m.
27	Nahan Foundry Ltd	..	..	..	..
28	National Buildings Construction Corporation Ltd.	..	Categories I & II	..	..
29	National Coal Development Corporation Ltd.	..	To posts the maximum of the pay scale of which does not exceed Rs. 1,400 p. m.	..	The maximum of which does not exceed Rs. 575 p. m.
30	National Mineral Development Corporation Ltd	..	..	..	The maximum of which does not exceed Rs. 900 p. m
31	National Newsprint and Paper Mills Ltd.	..	For higher grades prior approval of Board of Directors is obtained.	Upto the grade of Rs. 250-600	..
32	National Projects Construction Corporation Ltd.	..	..	Posts carrying pay scales the minimum of which is Rs. 700 or above.	Post carrying pay scales the minimum of which ranges between Rs. 110 and Rs. 699.
33	National Research Development Corporation of India Ltd.	..	..	Upto Rs. 575 p.m.	..
34	National Small Industries Corporation Ltd.	..	The Maximum of which does not exceed Rs. 950 p. m.	The Maximum of which does not exceed of Rs. 575 p. m.	The Maximum of which does not exceed Rs. 300 p. m.
35	Neyveli Lignite Corporation Ltd.	..	Posts the maximum of which does not exceed Rs. 1,400	..	..

1	2	3	4	5
36	Praga Tools Corporation Ltd.	..	Maximum not exceeding Rs. 600	..
37	Pyrites and Chemicals Development Co. Ltd.	Upto Rs. 850 p.m.	..	..
38	Rehabilitation Housing Corporation Ltd.	Class II, III & IV	..	..
39	Shipping Corporation of India Ltd.	For Senior appointments the sanction of the Board is obtained	All cases of recruitment training are approved by the M.D.	..
40	State Trading Corporation of India Ltd.	..	Posts in categories III & IV and for temporary posts carrying pay scales the maximum of which does not exceed Rs. 950 p.m.	The maximum of which does not exceed Rs. 575
41	Travancore Minerals Ltd.	..	..	Upto a maximum of Rs. 250
42	National Instruments Ltd.	..	Posts the scale of which is Rs. 650 or below.	..
43	Rehabilitation Industries Corporation	..	Class II, III and IV	..
44	National Industrial Development Corporation.	..	Classes II, III & IV	..
45	Hindustan Organic Chemicals Ltd.	..	Posts upto Rs. 900	..

APPENDIX XI

(Vide Para 171)

Utilisation of Employment Exchanges by Industrial Undertakings in the Public Sector during the half-year ended 31st July, 1963.

Statistics showing the extent of utilisation of the Employment Exchanges by selected industrial undertakings in the public sector under the Ministries of Industry and Steel and Heavy Industries are being collected on a half-yearly basis so as to relate to half years ending January and July of each year. The relevant information for the half-year ended 31st July, 1963 has been summarised in the statement given as Annexure. This statement is based on 25 out of the 27 industrial undertakings under the administrative control of the above-mentioned Ministries. It would be observed that the industrial undertakings notified to the Employment Exchanges 69·5 per cent of the vacancies that occurred during the half-year ended July, 1963. The corresponding proportion for the previous half-year (ended January, 1963) was 76·8 per cent. The extent of notification of vacancies, it will be seen, was not satisfactory in respect of National Instruments Ltd., Fertiliser Corporation of India, Ltd., Naya Nangal, Punjab, and Praga Tools Corporation, Hyderabad. There is also a considerable scope for improvement in the matter of notification of vacancies by the State Trading Corporation and Hindustan Salts Ltd., Jaipur in respect of which the proportion of vacancies notified to the number occurred was less than 40 per cent as against a corresponding proportion of 69·5 per cent in regard to all undertakings. In this connection it may be relevant to mention that of the five undertakings referred to above all except the last one (i.e., Hindustan Salt Ltd., Jaipur) did not notify adequate number of vacancies to the Employment Exchanges during the previous half-year also and the Ministries concerned were requested to ask these undertakings to notify all their vacancies to the Employment Exchanges.

With regard to filling up of vacancies through the Employment Exchanges it would, *prima facie*, appear as if the position had improved—the proportion of vacancies filled by registered applicants submitted by the Exchanges to the total number of vacancies filled being 43·7 per cent during the half-year ended July, 1963 as against 34·4 per cent during the preceding half-year. But a study of this proportion in respect of individual undertakings would reveal that this increased co-operation was almost wholly accounted for by a single undertaking i.e., Fertilizer Corporation of India Ltd., Sindri (Bihar) who filled as many as 2,342 vacancies out of the total number of 2,822 vacancies filled by all the undertakings through the Exchanges during the half-year ended July, 1963. In fact, the extent of co-operation extended by all undertakings except i.e., National Industrial Development Corporation, Nahan Foundry Ltd., Hindustan Organic Chemicals Ltd., Hindustan Salts, Fertilizer Corporation of India, Sindri cannot be regarded as satisfactory.

ANNEXURE

Statement showing statistics of recruitment by the Industrial Undertakings in the Public Sector under the Ministries of Industry and Steel and Heavy Industries, through the Employment Exchanges and through other sources during the half year ended 31st July 1963

(Based on returns rendered by the Industrial Undertakings)

Category of post (other than senior or superior post)	Number of vacancies occurred										Number of vacancies filled									
	2	3	4	5	6	7	8	9	10		2	3	4	5	6	7	8	9	10	
1. Clerical and Mimis- terial	622 (49.3)	10 (0.7)	630 (50.0)	1,262 (100.0)	129 (13.4)	180 (18.6)	298 (30.8)	359 (37.2)	966 (100.0)											
2. Skilled and Semi- skilled	1,051 (61.9)	74 (4.4)	573 (33.7)	1,698 (100.0)	171 (12.4)	236 (17.1)	541 (39.3)	429 (31.2)	1,377 (100.0)											
3. Unskilled	2,635 (84.5)	23 (0.7)	460 (14.8)	3,118 (100.0)	2,382 (79.6)	58 (1.9)	356 (11.9)	197 (6.6)	2,993 (100.0)											
4. Others	909 (63.7)	38 (2.7)	480 (33.6)	1,427 (100.0)	140 (12.4)	279 (24.7)	457 (40.4)	255 (22.5)	1,131 (100.0)											
TOTAL	5,217 (69.5)	145 (1.9)	2,143 (28.6)	7,505 (100.0)	2,822 (43.7)	753 (11.6)	1,652 (25.5)	1,240 (19.2)	6,467 (100.0)											

Note: 1. Figures in Brackets indicate percentage to totals.

2. The above statement is based on returns rendered by 25 Undertakings.

APPENDIX XII

(Vide Para 177)

Statement showing the number of applicants on the Live Register of the employment exchanges as on 30th June 1963 in respect of selected occupations.*

Serial No.	Occupation	No. on the Live Register as on 30-6-1963
1.	Accountant	589
2.	Cost Accountants	43
3.	Civil Engineer	1704
4.	Mechanical Engineer	2816
5.	Electrical Engineer	2005
6.	Chemical Engineer	93
7.	Designer, Electrical Engineering	35
8.	Tool Designer, Machines	33
9.	Overseer, Civil Engineering	6933
10.	Tool Maker	346
11.	Tool Room Marker	173
12.	Surface, Grinder	15
13.	Miller	406
14.	Tool Room Inspector	
	(a) Foreman Mechanical Engineering	149
	(b) Works Inspector, Engineering	90
15.	Welder (Gas & Electric)	
	(a) Welder, Gas	2826
	(b) Welder, Electric	5813
16.	Mechanic, Precision Instrument	
	(a) General	290
	(b) Mechanical	59
	(c) Electrical	86
	(d) Optical Instrument	31

Serial No.	Occupation	No. on the Live Register as on 30-6-1963
17.	Fitter, General	20036
18.	Boiler Maker/Plater	
	(a) Plater	77
	(b) Boiler Maker	116
19.	Wireman	7192
20.	Plumber, General	961
21.	Rivetter	256
22.	Tin Smith	1210
23.	Estimator Engineering	3
24.	Motor Vehicle Drivers	
	(a) Car	17201
	(b) Bus	5869
	(c) Trucks	9153
	(d) Auto Delivery-Van	5
25.	Physician, General	286
26.	Surgeon General	16
27.	General Nurse	393
28.	Stenographer	2781

*This information is collected half-yearly

APPENDIX XIII

(Vide Para 180)

Statement showing the No. of Scheduled Castes/Scheduled Tribes employed in the Public Undertakings

		No. of Scheduled Castes	No. of Scheduled Tribes	Total	Total Staff employed on 1-4-63
1	2	3	4	5	
1	Air India . . . . .	..	..	415	5,970
2	Ashoka Hotels Ltd.	206	3	209	1,377
3	Bharat Electronics Ltd.	663	..	663	3,343
4	Central Warehousing Corporation	31	..	31	493
5	Damodar Valley Corporation . . . . .	..	..	211	7,324
6	Employees' State Insurance Corporation (30-12-62)	275	6	281	4,030 on 31-12-62
7	Export Risks Insurance Corporation Ltd.* . . . . .	..	..	8	66
8	Fertilisers and Chemicals, Travancore Ltd. . . . .	..	..	NA	2,722
9	Fertiliser Corporation of India Ltd. (Sindri & Nangal) . . . . .	..	..	1,634	15,822
10	Film Finance Corporation Ltd. . . . .	..	..	Nil	8

*Since transformed into Export Credit and Guarantee Corporation.

	1	2	3	4	5
11 Garden Reach Work-shops Ltd. . . . .	..	..		NA	4,727
12 Heavy Electricals Ltd.					
(i) Bhopal . . . . .	..	..		969	
(ii) Ramachandrapuram . . . . .	..	..		18	
(iii) Ranipur . . . . .	..	..		14	
(iv) Tiruverambur . . . . .	..	..		171	
				1172	16,763
13 Heavy Engineering Corporation Ltd.	233	516	749		7,344
14 Hindustan Aircraft Ltd.	1701	56	1757		21,199
15 Hindustan Antibiotics Ltd.			99		1,818
16 Hindustan Cables Ltd.	228	86	314		1,697
17 Hindustan Housing Factory Ltd.			260		1,533
18 Hindustan Insecticides Ltd. (Delhi & Alwaye).			88		589
19 Hindustan Machine Tools Ltd.	615	2	617		5,795
20 Hindustan Organic Chemicals Ltd.	7	1	8		155
21 Hindustan Photo Films Manufacturing Company Ltd.			14		217
22 Hindustan Salts Ltd.	62	14	76		989
23 Hindustan Shipyard Ltd.	581	16	597		5,319
24 Hindustan Steel Ltd.	5144	1206	6350		84,017
25 Hindustan Teleprinters Ltd.	12	1	13		172

	1	2	3	4	5
26	Indian Airlines Corporation . . .	690	26	716	10,075
27	Indian Drugs & Pharmaceuticals Ltd. . .	..	..	NA	778
28	Indian Oil Company Ltd. . . .	..	..	52	1,332
29	Indian Rare Earths Ltd. . . . .	..	..	16	623
30	Indian Refineries Ltd.	86	7	93	2,487
31	Indian Telephone Industries Ltd. (30-6-1963) . . .	..	..	1074	9,265
32	Industrial Finance Corporation of India . . . .	..	..	10	275
33	Khadi and Village Industries Commission . . . .	..	..	NA	4,294
34	Life Insurance Corporation of India . . .	690	65	755	48,080
35	Mazagon Dock Ltd.	70	..	70	4,100
36	Mogul Line Ltd.	5	..	5	760
37	Nahan Foundry Ltd. . . . .	..	..	183	804
38	National Buildings Construction Corporation Ltd. . . .	5	1	6	928
39	National Coal Development Corporation Ltd. (1-1-63) . . .	704	170	874	64,526
40	National Industrial Development Corporation Ltd. . . .	13	1	14	144
41	National Instruments Ltd.	101	5	106	1,217
42	National Mineral Development Corporation Ltd. . . .	..	..	85	1,143

	1	2	3	4	5
43 National Newsprint and Paper Mills Ltd.		73	11	84	1,209
44 National Projects Construction Corporation Ltd.	17	631
45 National Research Development Corporation of India Ltd.	2	32
46 National Seeds Corporation Ltd.	47
47 National Small Industries Corporation Ltd.	152	1,659
48 Neyveli Lignite Corporation Ltd.		200	6	206	6,192
49 Oil and Natural Gas Commission		534	35	569	11,614
50 Praga Tools Corporation Ltd. (1-1-60)'	250	1,563
51 Pyrites and Chemicals Development Company Ltd.	8	147
52 Rehabilitation Housing Corporation Ltd.*	NA	5
53 Rehabilitation Industries Corporation Ltd.'	17	384
54 Reserve Bank of India		424	12	436	12,070
55 Shipping Corporation of India	NA	2,534
56 State Bank of India		627	54	681	26,000
57 [State Trading Corporation of India Ltd.	29	2,053
58 Travancore Minerals Ltd.		41	..	41	383
				22,115	410,843

*Under liquidation.

APPENDIX XIV

(Vide Para 199)

Merit—rating form introduced in an undertaking

PERSONNEL RATING FORM

NAME

TICKET No.

NAME OF RATER	DESIGNATION/GRADE OF EMPLOYEE					DATE	AVERAGE	WEIGHTED
	1	2	3	4	5				SECOND RATER'S SCORE	AVERAGE
FACTOR								
Job Knowledge	Needs detailed instructions at each step	Needs instructions occasionally	Knowledge sufficient for ordinary job requirements	Fully aware of all phases of his assigned works	Wide knowledge covering more jobs than his own			
Mental Ability	Needs close supervision	Judgment not entirely adequate for the job	Average ability sufficient to keep routine jobs moving	Judgment usually sound and reliable	Can accomplish results independently under non-standard conditions			
Attitude	Quarrelsome	Not-co-operative difficult to handle at times	Gets along well with associates and supervisors	Well liked by all	Very popular and helpful to others			
General Disposition	Clumsy work habits	Work-habits could be improved	Generally neat and orderly in work	Good work-habits	Exemplary in work habits			
Efficiency	Very low output	Low output of acceptable quality	Nominal expected output of acceptable quality	High output of acceptable quality	Quality and consistency high			
Leadership (For Supervisory Staff only)	Has little leadership abilities	Needs to develop leadership abilities	Has adequate leadership qualities	Good organiser and leader	Exceptionally good organiser			

TOTAL SCORE

SIGNATURE OF RATER .

Raters Please

1. Consider one factor at a time and rate all employees against that factor before passing on to the next factor.
2. Never let either isolated instances or "Well, of course, he is a good boy" feeling ever influence your rating. Try to assess each person against each factor quite objectively.
3. Do all your rating at one sitting, otherwise it will be difficult to get a comparative picture.
4. It is you who is doing the rating. No one else's opinion should count. Do not discuss it with anyone. If your subordinate is to do the rating do not encourage him to discuss it with you.
5. Wherever quantitative assessment is possible, please make the best of it, Tool Breakage Record, Attendance Record, Quality of work are a few instances.

Watch out For These

1. Personal likes and dislikes can influence people's rating of others. May be you are a person who is very fond of punctuality and naturally fond of one who is punctual. He may get a high rating on practically every factor, though many factors have little to do with punctuality. Here you are being influenced by the "Halo Effect". It is with a view to minimise this error that two raters are asked to rate the same man.

2. Tests have shown that the correlation between ratings of an individual on different factors is higher than the actual relationship between the job functions. In effect, it means that it is quite possible for an individual to rate very high in one factor and very low in another. This is one of the reasons why you are asked to rate all on one factor before moving on to the next factor. This will also help in fighting against that "Halo Effect" we were talking of.

The success of the scheme will depend on you. Whether it will be just another paper procedure, or whether it will be a really effective tool in helping the employees to help themselves, is entirely dependent on the rater's respect for the scheme. This is a Pilot Scheme. A psychological tool such as this needs to be constantly modified in the light of experience. At every stage, wherever an improvement suggests itself please make a note of it.

APPENDIX XV

[Vide Para 217]

Statement showing details of schemes for training of skilled and technical personnel in public sector undertakings.

Name of Un- dertaking.	Category of personnel	Duration of training	Requirements for admission		Stipend/Fee	Present intake Capacity (per yr.)	Post and salary on completion of trainin g.	Remarks
			Age (in yrs.)	Educational Qualifica- tions.				
1	2	3	4	5	6	7	8	9
1. National Instruments Ltd., Cal- cutta.	Engineering Graduate Apprentices	3 yrs.	..	B. M. E./ B. E./M. Sc. (tech).	Stipend of Rs. 200/- p.m. in the first year and Rs. 250/- p.m. in the second.	4	Foreman (Rs. 450— 25—650).	..
	Graduate Apprentices	3 years	..	B. Sc.	Stipend of Rs. 75/- p.m. in the 1st year Rs. 100/- p.m. in the 2nd and Rs. 125/- p.m. in the 3rd year.	6	Supervisor (‘A’) (Rs. 205—280).	..
	Technical Apprentices;	5 yrs for NCC and 4 yrs. for, Diploma Course.	..	S. F./ I. Sc.	Stipend of Rs. 25/- p.m.	30	Not absorbed in N. I. Ltd. at present.	..

1	2	3	4	5	6	7	8	9
	Inplant trainees.	2 years.	..	VIII/SF	Stipend of Rs. 50/-p.m. in the 1st yr. and Rs. 75/- p.m. in the 2nd.	60	Semi-skilled Industrial employees. Rs. 85-128	
	Senior Stipendiary.	10 months	..	B.E./B.M.E./ M.Sc.(Tech).	Stipend of Rs. 150/-p.m.	8	Not absorbed in N.I. Ltd.	Sponsored by the Ministry of S.R. & C. A.
	Junior Stipendiary.	10 months	..	L.M.E.	Stipend of Rs. 100/-p.m.	8	Not absorbed in N.I. Ltd.	Sponsored by the Ministry of SR & C. A.
	Short Term Course for Engg. Degree or Diploma holders.	3-6 months	..	M. Tech/B.Sc. (Tech).	..	6	..	Sponsored by various Institutions in India.
	Grade I Apprentice.	one yr.	Below 27	Degree in Chemical Engg. or Masters Degree in Technology	Stipend of Rs. 200/-p.m.	20	Operators Grade I Rs. 200/-p.m.	Scheme intended to provide trained men to man the expansion and to serve the needs of replacement in the Delhi & Alwaye plants.
	Grade II Apprentice	one yr.	Below 27	Degree in Science or Diploma in Chemical or Mech. Engineering.	Stipend of Rs. 140/-p.m.	20	Operators/ Fitters Grade II Rs. 140/-p.m.	

2. Hindustan Insecticides Private Ltd. New Delhi.

Class: III Apprentice	0 to 1 yr.	Below 27	Matric.	Stipend of Rs. 100/-p.m.	20	Operators/ Fitters Grade III Rs. 100/-p.m.
3. Hindustan Cables, Ltd., Rupnarain- pur, W. Bengal	Workers 6 months. Supervisors 2 yrs.	.. ..	.. ..	.. ..	.. ..	Absorbed as workers. Absorbed as supervisors.
Trainees in designated trade like fitting, carpentry etc.	.. ..	.. ..	Students from Industrial training Centres.	.. ..	.. ..	The Company also runs a Technical School conducting courses for its employees in Mechanical and Electrical Engg. Fitting trade and Draughts- manship.
Trainees in maintenance, installation, production etc.	.. ..	.. ..	Engg. gra- duates and Diploma holders.	.. ..	.. ..	.. ..
4. Rehabilita- tion Indus- tries Corpo- ration Ltd., Calcutta.	Motor Driving 10 weeks.] Trainees.	.. ..	Open only to displaced persons. qualifications not prescribed.	Stipend of Rs. 25/-p.m.	112	....
Industrial trainees trained at I.T. 18.	6 months to one yr.	Between 18 and 30 yrs.	Displaced persons who have com- pleted class VIII stan- dard.	Stipend of Rs. 40/- p.m.	1000	Will be ab- sorbed suit- ably in In- dustrial es- tablishments.

1	2	3	4	5	6	7	8	9
	Industrial training for freshers without technical training.	According to National Apprenticeship scheme for approved trades.	Between 18 & 30 yrs.	Displaced persons who complete class VIII standard	Stipend of Rs. 40/- p.m.	1000	Will be absorbed suitably in industrial establishments.	
3. Hindustan Antibiotics Ltd. Pimpri.	Pre-employment trainees.	6 to 9 months.	..	Engg. degree or diploma.	Stipends of Rs. 60-200/- p.m.	30	Operators	Intended to give basic training to Operatives selected for appointment.
	In-Plant trainees in various trades.	6 months.	..	Candidates trained in vocational training institutes.	Stipend of Rs. 25/- p.m.	30	..	No commitment on the part of the company for employment.
	University Apprenticeship trainees.	..	..	B. Sc. (Tech)/ B. Ch. E. degree students.	Nil	6-10 students.	..	Practical training as part of the course for degree classes.
	Government of India Secondary Apprenticeship trainees.	2 yrs.	..	Graduates in Engineering and Technology	Stipend of Rs. 150/- p.m. for graduates and Rs. 100/- p.m. for diploma holders.	8	Some are absorbed as technicians in the Company	Scheme sponsored by the Min. of S. R. and C.A.
6. National Small Industries Corporation. Ltd., New Delhi.	Workmen, Supervisors, Draughtsmen and graduate	Ranging from 2 to 36 months	17-30 yrs.	Ranging from matriculation to a degree in engg.	Stipend ranging from Rs. 50-300/- p.m.	470	..	..

(1) Proto-type production and training Centre Okhla.

and under-graduate engineering apprentices.	..	..	Stipend ranging from Rs. 50—70/- pm.	120	..	..
(ii) Proto-type Workers from 6 months to 3 yrs. industrial Training institutes, raw hands and supervisory staff of S.I.S.I.	..	..	..	..	..	..
7. <i>Mazagon Dock Ltd., Bombay.</i>	Engineering Apprentices.	4 years.	..	17	..	The training enables apprentices to reach the standard required for the M.O.T. Part 'A' Examination.
	Trade Apprentices (26 trades)	5 years (From 1963 will be progressively shortened to 3 years).	..	60—70	..	..
	Unskilled and Semiskilled Workmen.	..	..	50	..	The training course is intended to bring them to the standard of skilled craftsmen.
8. <i>Garden Reach Workshops Ltd. Calcutta.</i>	Post-Graduate Apprentices]	2—3—yrs.	..	4	..	..
	Engineering Apprentices.	5 years	..	108	..	On successful completion of training diploma is awarded.

1	2	3	4	5	6	7	8	9
				<p>ession test of Board of Apprenticeship Training, West Bengal.</p>				
	Trade Apprentices.	4 years	..	..	..	159	..	Boys are trained up for skilled tradesmen of different categories. Stipends are paid to trainees.
9. Hindustan Aircraft Ltd., Bangalore.	Trade Apprentices	3 years	16-19 years	S.S.L.C. or equivalent.	Stipend of Rs. 70/-p.m.	80	..	Absorbed in the factory on successful completion of training.
	Trainees for Graduate-ship of the Aeronautical society of India.	3½ years.	..	Intermediate in Science with Physics, Chemistry & Mathematics.	Fee of Rs. 100/- charged.	100	..	Trains candidates for Graduateship examination of the Aeronautical Society of India.
	Post-graduate trainees in gas turbine technology.	2 yrs.	..	Degree in engg.	Stipend of Rs. 225/- p.m. in the first yr. and Rs. 245/- p.m. in the 2nd yr.	30	..	..
10. Bharat Electronics Ltd. Bangalore.	Engineering Probationers	1 yr.	..	Degree in engg. or 1½ class degree in Science with specialised training in Electronics.	Rs. 350/-p.m.	..	Rs. 350—25—600.	..

Technical Assistant Trainees.	9-12 months	..	Diploma in Mechanical) Radio Engg.	Ra. 60/- p.m.	..	Ra. 195-15-375.	..
Draughtsmen Trainees (Mechanical)]	3-6 months	..	Certificate of National Council of Vocational Training in Draughtsman (Mechanical)] or equivalent.	Ra. 60/- p.m.	..	Ra. 130-8-210	..
Mechanic and Radio Mechanical Trainees (Turners, Fitters, Millers, Grinders and Sheet Metal workers Electricians-Plumbers and painters).	3-6 months	..	S.S.L.C. and certificate in the trade or High School standard with 3 years practical experience in the trade.	Ra. 60/- p.m.	..	Ra. 95-5-115-6-1.	..
Women operator and expert Trainees (for ladies unmarried or widowed).	3-6 months	..	S.S.L.C./Metric.	Ra. 60/- p.m.	..	Ra. 95-5-115-6-145	Operator Trainees should have good eyesight without glasses.
Radio Wires.	4-6 months.	..	S.S.L.C. or equivalent with basis knowledge in electricity.	Ra. 60/- p.m.	..	Ra. 95-5-115-6-145.]	..
Trade Apprentices.	2 years.	..	S.S.L.C. or equivalent.	Ra. 40-60 p.m.	..	Ra. 95-5-115-6-145.]	..

1 2 3 4 5 6 7 8 9

11. <i>Central Warehousing Corporation</i>	Newly recruited Inspection and stores officers, Warehouse-men, Technical Assistants, cum-Garden and cancanes from Co-operative Societies and the trade.	6 weeks	..	..	Graduates in Agriculture, Zoology, Chemistry, Economics or Commerce..	..	..	..	679 candidates have been trained so far in 9 courses.
12. <i>Damodar Valley Corporation.</i>	Engineering Apprentices.	..	..	Degree in Engineering.	..	..	..	..	Practical training is imparted as unpaid apprentices.
..	Diploma holders (In plant training).	..	..	Engineering/ diploma/ certificate.	..	..	..	..	..
..	Engg. students and engineers in service of State Government. (Vocational training).	..	..	..	..	..	..	..	..
13. <i>Navvahi Lignite Corporation.</i>	Apprentices under Apprenticeship Training Scheme.	1 yr.	..	Polytechnic Diploma or Industrial School Certificate	..	115	..	..	Intake related to requirements of personnel in the Projects.

Special Grade Apprentices.	6 months	..	Selected from promising students of final year Engg. degree courses.	Rs. 200/- plus allowances.	..	Section Officers on Rs. 230/- in the scale of Rs. 100—8—140—10—300 plus allowances.	Intake related to number of vacancies.
Driller Trainees.	1 yr.	..	Diploma in Mechanical or Automobile Engg.	..	..	Section Officer (Drills) on Rs. 170/- p.m. in the scale of Rs. 100—8—140—10—300 plus allowances.	Candidates taken as and when required for deep water well drilling operations.
14. National Mineral Development Corporation Ltd., New Delhi. (Kiriburu Iron Ore Project).	minimum of 4 months.	..	..	Minimum salary of prescribed scales for post plus allowances.	59	..	The Kiriburu Iron ore Project has a Training Institute at Kiriburu. On the-job training is given to the technical personnel.
15. Indian Oil Company.	..	..	..	..	92	..	Training is imparted in the marketing of petroleum products. The first phase of the programme viz. 'Job Orientation' conducted at the Head Office in Bombay concluded in March, 1963.

16. <i>Indian Refineries Ltd.</i>	Trade Apprentices (Fitter, Machinist and Electrician).	1-1/2 yrs.	..	Completion of 18 months course in Industrial training Institute.	Stipend of Rs. 85 - p.m. for 6 months and Rs. 100/- p.m. for the next one year	10 Technician Grade III in the scale of Rs. 75-145 plus allowances.	The lower and middle management technical personnel are trained by the foreign Collaborators. A training Centre has been organised at Gauhati, under the charge of a full time Training Officer.	1-2
17. <i>Oil and Natural Gas Commission.</i>	Post-graduate students of Petroleum Technology at the Indian Institute of Technology, Kharagpur.	2 months	..	..	..	8	The students are given practical training.	1-2
17. <i>Oil and Natural Gas Commission.</i>	Trade Trainees (Mechanics, Fitters, Welders, Riggers, Machanists etc.)	18-24 months.	17-23	..	Stipend of Rs. 30 -p.m. in the 1st yr. and Rs. 35 - p.m. in the 2nd yr. in addition to lodging and boarding allowance of Rs. 50/- p.m.	100 each at the Bareilly (UP) and Cambay (Gujarat) Institutes.	Two Training Institutes have already started functioning at Bareilly (UP) and Cambay (Gujarat) and a third at Sibsagar (Assam) is expected to start soon.	1-2

Drilling Apprentices.	4-5 months.	..	B. Sc. with Chemistry, physics and Mathematics or Diploma in Mechanical Engg.	..	Drilling Assistant.	The Training School under the Dte. of the Commission at Dehra Dun imparts theoretical training to Drilling Apprentices.
18. National Coal Development Corporation Ltd. Darrhanga House, Ranchi.	Fitter (Electrical/Mechanical) Ordinary and condensed.	52 weeks for trainees with craft certificate and 2-1/2 yrs. for others.	17-22	Matriculation For Electrical Fitter, candidates should have Science & Mathematics.	52 (Ordinary) 208 (Condensed).	The Corporation runs 5 Mining Training Schools. These are located at Giridih, Kargali and Bhurkunda in Bihar, Talcher in Orissa and Kurasia in Madhya Pradesh.
Supervisory Personnel (Electrical/Mechanical)	1-1/2 yrs.	20-33	Diploma in Elec. Mech. Engineering	Stipend of Rs. 100/- p.m. for six months and Rs. 150/- p.m. for next one yr.	110	..
Overman/Mine Surveyor.	3-1/2 yrs.	18-22	Matric with Science and Mathematics.	Stipend of Rs. 95/- p.m. for first 2 yrs., and 60/- p.m. afterwards.	135	..
Assistant Surveyor.	2 yrs.	16-18	Matric with Science and Mathematics including Trigonometry.	Stipend of Rs. 45/-	37	..

19. Hindustan Steel Ltd.	Artisan Trainees (Matric).	3 yrs.	16-19	Matric	Stipend of Rs. 70/- p.m. during 1st yr. 75/- p.m. during 2nd and Rs. 80/- p.m. during 3rd.	..	Rs. 130-170	..
	Artisan Trainees (Matric with ITI certificate).	3 yrs.	16-21	Matric with ITI certificate in the trade.	Stipend of Rs. 75/- p.m. in the 1st yr. and Rs. 80/- p.m. during 2nd.	..	Rs. 130-170	..
	Junior Operative.	18 months	16-21	Matric or ITI Certificate.	Stipend of Rs. 70/- p.m. in the 1st yr. and Rs. 75/- p.m. in the second.	..	Rs. 110-143	..
	Senior Operative.	18 months	18-23	B. Sc. or diploma in Engineering.	Stipend of Rs. 120/- p.m. in the 1st yr. and 140/- p.m. for the remaining period.	..	Rs. 200-400	..
	Graduate Engineer.	2 yrs.	Not above 27 years.	Degree in engineering	Rs. 400/- p.m. with usual allowances.	..	Rs. 400-950	..

No. Hindustan Machine Tools Ltd., Bangalore.	Technical Trainee.	2-3	Degree in Engineering	Stipend of Rs. 300/-p.m.	Supervisor in the scale of Rs. 350-25-600. The 'Hindustan Machine Tools' Training Centre trains on an average 400 Candidates per yr.
	Artisan Trainee.	2-3 yrs.	Diploma in Engineering.	Stipend of Rs. 150/-p.m.	Technicians in the scale of Rs. 195-15-375.4
	Craftsman Trainee.	1 yr.	Certificate from vocational Training Institute.	Stipend of Rs. 90/-p.m.	Skilled workers in the scale of Rs. 115-7-185
31. Ferruzzi Corporation of India.	Graduate Trainee.	3 years	Degree in Engg. or Technology or Master's Degree in Applied Physics.	Stipend of Rs. 300/-p.m. in the 1st year and Rs. 350/-p.m. in the 2nd year.	There is well equipped Training Centre a Sindhri. A similar Training Centre has also been set up at Nangal. In addition to the regular training Course, part-time training classes for factory employees to enable
	Supervisor Trainee.	3 years	Diploma in Engg. or a degree in Science.	Stipend of Rs. 400/- p.m. in the 1st year and Rs. 250/- p.m. in the 2nd year.	55 Junior Engineer (Rs. 350-850)
					60 Chargeman (Rs. 250-355)

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	Trade Apprentices.	3 years	15-18 Relaxable up to 20 in case of candidates with additional technical or qualifications.	50% marks in Higher Secondary with Science and Mathematics as subjects.	Stipend of Ra. 75/-, 85/- & 100/- p.m. in the 1st, 2nd and 3rd years respectively.	120	Technicians (Operators, Fitters) Ra. 100-155	them to improve their knowledge and better their prospects in the concern are also conducted. These classes are divided into Pre-basic, Basic and Advanced courses, each of one year's duration.
23. Heavy Engineering Corporation Ltd., Ranchi.								
1. Foundry Forge Project.	Supervisory Workers]	..	..	Degree or diploma in Mech/Metallurgical Engineering.	..	..	..
2. Coal Mining Machinery Project	Senior Supervisory (C.E., Supdt. Sr. Design. Engineer, Chief Technologist etc.)	..	..	Engineering Degree with 3-16 years experience.	..	..	..	A Central Institute complete with workshop facilities capable of training 300 engineers/technicians

Jr. Operational Staff (Electricians, Machine Operators, Welders etc.)	..	School final standard with 5 years experience.	..	..	and 1000 workers per year has started functioning. Senior Technical Personnel and workers are also trained in the factories of Technical collaborators in USSR and Czechoslovakia. Arrangements have also been made for giving in plant training to 650 Jr. Staff and workers per year in Chittaranjan Locomotive, Mysore Iron & Steel, TISCO, HISCO etc.
Supervisory and Operational.	..	..	..	..
<i>Heavy Machine Building Project.</i>	..	..	..	..

23. <i>Heavy Electricals Ltd., Bhopal.</i>	Graduate Apprentices. 2 yrs.	21-23	Degree in Electrical/Mechanical Engg.	Stipend of Rs. 250/-p.m. and Rs. 300/-p.m. in the 1st and 2nd years.	Posts in the Engg. manufacturing & commercial depts. (Rs. 420-950)	A training work" shop capable of training 2000 trainees on a three shift basis, has been set up at Bhopal and has started functioning. Graduate engineers are also sent for training in U.K. Training
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	Technical Apprentices	2 years	18—22	Diploma in Electrical/Mechanical Engg.	Stipend of Rs. 100/- p.m. and Rs. 185 p.m. in the 1st and 2nd yrs.	..	Junior Supervisory posts (Rs. 330—15—425)	schemes are als proposed to be started at Tiruchirappalli, Hardwar and Hyderabad Centra.
	Junior Draftsman Apprentices	2 years	18—22	Matric with Maths & English and completed ITI course.	Stipends of Rs. 80/- and 90/- p.m. in the 1st & 2nd years.	..	Junior Draftsman (Rs. 138-280)	
	Trade Apprentices 'B' Grade.	2 years	18—22	Matric and completed ITI course in the trade.	Stipends of Rs. 70/- and 80/- p.m. in the 1st and 2nd years.	..	'B' Grade Artisans (Rs. 155—220)	
	'C' Grade	9—12 months	..	Matric with Maths and English or pass from Industrial Trg. Institute.	Stipend of Rs. 60/-p.m.	..	'C' Grade Artisans (Rs. 130—165).	
24. Indian Telephones Industries, Ltd., Bangalore.	Probationary Assistant Engineers.	6 months	..	I Class degree in Mech/Elec/Tele-communications Engg.	Pay of Rs. 350/- p.m.	..	Rs. 350—25—525.	

Apprentices (Grade B)	2 years	..	Diploma in Civil/Mech/Elec/Telecommunications Engg.	Stipend of Rs. 115/- + D.A. p.m. during 1st year and Rs. 140/- + D.A. p.m. during 2nd year.	..	Technical Assistant 'B' Rs. 195-15-375
Apprentices (Grade C)	3 years	..	S.S.L.C. passed with 6 months experience in ITI.	Stipends 1st yr. Rs. 85 + D.A. 2nd yr. Rs. 95/- + DA, 3rd yr. Rs. 110/- + D.A.	..	Rs. 120-185
Learners (Mech. & Elec.)	1 year	18-21	Lower Secondary pass.	Stipend of Rs. 70/- + DA p.m.	..	Rs. 85-5-135
In-plant Trainees.	6 months	..	Certificate holder from ITI	Unpaid	..	..
Students from Engg. Colleges.	1-4 months	..	..	..	..	Training given in the respective trades.
Staff of IAC	The Central Training Establishment at Hyderabad conducts several regular and special courses for training newly recruited staff like

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								mechanics, ground engineers, aviation engineers and other technical personnel or various aspects of aircraft maintenance control etc. Newly joined pilots are trained in flying, meteorology, aviation, medicine etc. Refresher courses are also held for pilots.
	Students from Engg. Insti.	3-6 months	..	..	Free	..	..	The students are given practical training in the workshops. 4
	Apprentices under Apprenticeship Act.	..	..	..	..	15	..	A start has been made at the workshops of the Corporation at Delhi in Apprenticeship training. Similar training schemes at Calcutta, Bombay & Hyderabad will also be organised shortly.
26. Air India	Maintenance Engineers and Mocha	4-10 weeks	..	New recruits with 'A'/'C' Licence	..	..	..	The Air-India has an Engineering School for

training its own personnel in the special techniques required for handling the type of aircraft/engines operated by them.

The theoretical instructions given in the Engineering school and practical training on the jobs in the workshops.

The corporation have also a Technical Training School for imparting instructions and refresher courses to their air crew such as pilots, Navigators and Flight engineer :

Practical training is arranged in the workshops and theoretical training at the training classes arranged by the Director of Technical Education, Bombay.

Director of the Corporation

Engineers and Mechanics of the overhaul Division 10-15 weeks

General aircraft training for staff 42 hours

Apprentices (Electrician and Fitter) 3 years

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17. Hindustan Shipyard Ltd., Vishakhapatnam.	Apprentices under apprenticeship Training Scheme.	(a) 2½ yrs.	..	Completion of 18 months course in ITI	Stipend of Rs. 55/- to Rs. 65/- p.m.	70	..	These boys belonging to various trades are trained in the yard Departments.
		(b) 4 years	..	Matric with Mathematics and Science.	Stipend of Rs. 50/- to Rs. 65/- p.m.	30	..	These boys are Shipwright (Steel) apprentices who specialise in Hull Construction jobs.
	Workers (Evening Classes)	1-2 years	..	Able to read and write: English.	..	60	..	Scheme sponsored jointly by the Government of India and the Government of Andhra Pradesh.
	Workers (Refresher Course).	1-2 weeks	..	..	..	40	..	This course is mostly for welders who require some correction in their technique or addl. knowledge to carry out certain jobs.
	Workers (Conversion Course).	6 months- one year	..	..	..	20	..	Course meant for workers found surplus in a particular trade for training in some other trade.

Officers and Staff of Shipyard.	50 weeks for engineering graduates and diploma holders and 70 weeks for Naval architecture graduates.	..	..	6	..	Scheme sponsored by Ministry of SR & C.A. Some of the trainees are absorbed in the Shipyard.
Government of India stipendiaries.	One year	..	Degree or diploma in Mechanical Engg.	Stipend of Rs. 150/-p.m. for graduate and Rs. 100/-p.m. for diploma holder, paid by Government of India.	6 for Graduates and 8 for Diploma Holders.	..
Mechanical Engineering Trainees (Sandwich Course).	4 years	..	Matric with Mathematics and Science.	Stipend of Rs. 50/-p.m. paid by Andhra Pradesh Government.	20	Scheme sponsored by Government of India and administered by Andhra Pradesh Government. Trainees undergo practical training at shipyard and theoretical training at Polytechnic alternately.
Undergraduate apprentices.	2-12 months	35	Meant for students of Technical schools requiring practical training to get degree or diploma.

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	In-Plant trainees.	6 months	Stipend of Re. 1/- per working day.	15-20	..	Meant for giving practical training to boys passing out of ITI's to enable them to get their craftsmen certificates.
	Senior and middle management officers.	15-25 hrs. spread over 7 to 10 days.	..	..	..	Not fixed	..	Consists of training in latest practices in industrial management and industrial engineering. Conducted by expert from National Productivity Council.
	Student trainees.	6 months	..	..	Free	..	..	Practical training in building construction is imparted and certificate issued on satisfactory completion of training. However, kept for appointment to vacancies.
	28. National Building Construction Corporation Ltd.							

19. *Ashoka*
Hotels Ltd. Unskilled and
semi-skilled
workers.]

Practical and the
rectical training
conducted under
the supervision
of a full-time
Assistant Mana-
g. r., with effect
from 1st April,
1963.

APPENDIX XVI

Summary of Conclusions/Recommendations

Sl. No.	Reference to para No. in the Report	Summary of Conclusions/Recommendations
(1)	(2)	(3)
1	4	The Committee consider that public undertakings have a special responsibility and should pursue personnel policies which can help, attract and maintain competent personnel at a reasonable cost and "which will encourage added effort and initiative and give the employees satisfaction, a sense of participation and feeling of loyalty to the enterprise and pride for its achievements".
2	5	The Committee regret to place it on record that, despite repeated reminders, the information called for in their written Questionnaire dated 7th September, 1963 has not yet been received from Garden Reach' Workshops Ltd., nor have they intimated any reasons for their inability to furnish the requisite information. The present study does not, therefore, cover that undertaking. The Committee expect the Government to ensure that the Ministries, their subordinate offices and public undertakings promptly comply with the request from Parliamentary Committees for furnishing of information.
3	9	The Committee feel that Public Undertakings should organise a regular scheme of executive development from the beginning. This would enable them to provide trained and seasoned executives ready to step into positions of responsibility as the need arises, as also reduce their dependence on Central Services. In the Committee's view there is little indication that this is being done at present by the undertakings or the Government have paid any attention to this matter. They feel that positive steps are necessary on the part of Government and public undertakings in this direc-

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tion and trust that the matter would receive due attention.

- 4 10 The Committee consider it imperative that top management for a new enterprise (Chairman, Financial Adviser and Personnel Manager) should be placed in position well in advance of the launching of a project and given intensive training and orientation in a comparable undertaking, where they should also acquaint themselves with the difficulties and problems likely to be encountered at the project stage.
- 5 12 The Committee have from time to time suggested that the posts of Chairman and Managing Director should be combined and they are happy to note that their suggestions have met with approval and have been implemented in some public undertakings e.g. National Coal Development Corporation and Indian Refineries Ltd. The Committee are convinced that the pattern of appointing only one chief executive (Chairman-cum-Managing Director) should be increasingly followed. They recommend that Government may review the position and examine the feasibility of combining these posts in all public undertakings as far as possible.
- 6 13 The Committee note that in certain undertakings (e.g., Hindustan Aircraft Ltd.), Government have appointed a full-time Chairman as also a full-time Managing Director. They gathered the impression that the functions of the Chairman and Managing Director of HAL had not been clearly demarcated. This could lead to difficulties of co-ordination and control. The Committee suggest that this anomaly may be avoided and, wherever it is found absolutely necessary to appoint both full-time Chairman and Managing Director their functions may be clearly demarcated.
- 7 17 The Committee do not understand why the Secretaries or Additional Secretaries have been appointed as Chairmen in six undertakings mentioned in para 14, some of which were set up as far back as 1950. It is unfortunate that this arrangement is being continued despite Government's decision against it. Once a decision is arrived at and communicated to the Parliament, the Parliament expects that it would be acted upon.
- 8 18 The Committee would like to point out that the reasons advanced against the appointment of Sec-

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		retaries as Members or Chairman of the Boards of Public Undertakings equally hold good in the case of Additional Secretaries as their functions and privileges are more or less the same as those of the Secretaries. Hence, the Committee do not approve of the practice of appointing them as members, much less as Chairmen of the Boards of Public Undertakings. They trust that early action would be taken to change the composition of the Boards of Directors accordingly. In this connection, reference is invited to para 180 of the 35th Report of the Estimates Committee, 1962-63.
9	22	In order to ensure that the strength of a Board has some relation to the nature and scope of its activities and does not become unwieldy, the Committee consider it necessary that some broad principles should be laid down by Government for the guidance of the various Ministries, taking into account the interests that might have to be represented thereon. In this connection they would also refer to the views of the Krishna Menon Committee that a Board may be usually small, between 5 and 9 according to the size and nature of the concern.
10	26	The Committee are inclined to the view that it would be better to have a mixed Board, consisting of some full-time and some part-time Directors. They have no doubt that Government would keep these considerations in view while deciding the composition of the Boards of Directors of Public Undertakings in future.
11	28	The Committee consider that it may be useful to appoints, on the Boards of multi-unit undertakings, full-time directors to discharge technical, personnel, and other functions depending upon the size and requirement of each undertaking.
12	29	The Committee recommend that the desirability of appointing a full-time Director of Finance in all undertakings, except of course the smaller ones, may be examined by Government. In their opinion, an arrangement under which the Financial Adviser is a part of the organisation would facilitate better co-ordination.
13	30-31	In their 33rd Report (1958-59), the Committee had recommended that the qualifications of mem-

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| | | bers of the Boards of industrial undertakings in the public sector may be defined in broad terms. This was reiterated in their 35th Report (1962-63). The Committee hope that an early decision would now be taken. |
| 14 | 32-33 | The Committee consider it necessary that the appointment of Directors, particularly the non-officials, should be made in consultation with the Chairman who is ultimately responsible for the success of an enterprise. They feel that the convention established by the Ministry of Finance, that the proposals would be put up to the Minister in consultation with the Chairmen/Governors of the undertakings concerned and the Cabinet Secretary, is a healthy one and may be followed by all the administrative Ministries. |
| 15 | 34-35 | The Committee regret to observe that the decision taken by Government as far back as November, 1961 that "no officer who is assigned ordinary Secretariat duties should be appointed in more than 3 or 4 companies at the maximum" has not been fully implemented. They suggest that a periodical review of the composition of the Boards of Directors of public undertakings might be made by Government to ensure that the decisions and principles laid down in this behalf are strictly complied with. |
| 16 | 38 | The Committee feel that Government should consider the matter from all angles and clearly define its policy about giving representation to State Governments concerned on the Boards of Directors of Public Undertakings. They are doubtful if their association even during the construction stage of a project would be beneficial. But, if the Government so decide, it should normally be followed in respect of all public undertakings. The Committee hope that the matter will receive due consideration. |
| 17 | 41 | The Committee suggest that, based on their experience, Government may examine the merits and demerits of appointing Project Administrators/General Managers on the Boards of Public Undertakings and lay down a definite policy in this regard which may be uniformly followed by all the administrative Ministries. |
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18	45	<p>It is generally recognised that the success of an undertaking depends, to a large extent, on the direction and guidance provided by the Chief Executive <i>viz.</i>, the Chairman/Managing Director, and it takes him some time to acquire an intimate knowledge of the problems and programmes of the enterprise. Frequent changes of the incumbents of these posts are therefore not desirable. It is a waste of experience and intimate knowledge acquired by the individual. On these considerations, continuity in top posts is very necessary. The Committee recommend that till such time as each undertaking is able to provide managerial talent from within the organisation, the incumbents of these posts should be selected carefully and appointed for a minimum term, say 5 years, so as to enable them to fully implement the plans and programmes entrusted to them and to contribute to the efficient and economic working of the enterprise concerned.</p>
19	46	<p>The Committee feel that the tenure of posts of Chairman/Managing Director should be linked up with the performance of the individuals concerned. It should always be possible for Government to remove unsuccessful and inefficient persons before the expiry of their term. In making this suggestion, the Committee have in mind quite a few instances where the incumbents of these posts were not found to be quite suitable to be allowed to continue but Government found that their contracts were not terminable. To avoid a situation where it might become necessary to continue unsuccessful persons to the detriment of the undertaking, it would be desirable to stipulate a 3 months' notice to terminate their services in the event of being found unsuitable. The Secretary of the Ministry of Industry agreed to this suggestion. The Committee trust that Government would review all such cases and examine the desirability of making such a provision in the terms of appointment for such top posts.</p>
20	47	<p>The Committee feel that interlocking of Directors is a useful device, which could be followed with advantage. They hope that this matter would be kept in view while laying down the procedure for appointment of Directors.</p>
21	48	<p>With a view to ensuring that uniform criteria and principles are followed by all the admin-</p>

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		<p>istrative Ministries concerned in the formation of the Boards of Directors, the Committee suggest that comprehensive rules might be framed for the guidance of the Ministries concerned.</p>
22	49	<p>The Committee find that after Dr. John Mathai vacated the office of the Chairman of Travancore Minerals Ltd. on 30th July 1959, it has not been possible to get a suitable person as Chairman. The Chief Administrative Officer is acting as the Chief Executive of the Company. This state of affairs should not have been allowed to continue. The Committee trust that early action would be taken to appoint a suitable Chairman for the Company.</p>
23	57	<p>Taking all the factors mentioned in para 57 into consideration, the Committee are inclined to the view that neither was the scheme to set up the Industrial Management Pool conceived nor implemented properly.</p>
24	58	<p>The Committee do not fully appreciate the difficulty of Government referred to in para 56 in posting Pool Officers to public undertakings, particularly when appointments to top posts (Managing Director, General Manager, Financial Adviser) are made by Government and appointments to higher posts require their approval. It is pertinent to mention in this context that even now over 190 top managerial posts in public undertakings are held by serving or retired officers of the Central Government.</p> <p>Had the scope of the Pool been initially restricted to such higher posts, the recruitment made with reference to the existing requirements, and the officer selected put through a suitable training course, the working of the Pool might not have created any problem. On the other hand, the country would have by now a cadre of trained executives to man the top posts in public undertakings, thus reducing their dependence on all-India services.</p>
25	59	<p>The importance of ensuring a regular supply of managerial and technical personnel for the public undertakings need hardly be emphasised. The Committee, therefore, urge that before taking any decision to abolish or discontinue the Pool, Government might examine the matter in all its aspects, in consultation with competent</p>

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persons both from private and public sectors, and see if the difficulties experienced in the working of the Pool can be avoided. In this connection they reiterate their earlier recommendation for the constitution of an "Indian Commercial and Industrial Service."

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(i) The need for building up competent personnel to man the top posts in public undertakings cannot be over-emphasised. With the rapid expansion of the public sector undertakings, this problem will assume greater and greater importance. In this context, the Committee are surprised to find that even an assessment of the requirements has not yet been made. It would appear that sufficient attention has not been paid either by Government or the Public Undertakings to develop suitable personnel for these posts. They consider that time has come when a planned programme should be prepared to ensure regular supply of suitable personnel with requisite capacity and experience, for on them depends the efficient functioning of the enterprises. Apart from the executive development programme suggested earlier, the Committee feel that some *ad hoc* measures are called for to meet the immediate requirements. One way of doing so would be to start a scheme of imparting orientation and training to selected officers. The Committee suggest that an estimate of the likely requirement of top men for the next five years should be prepared and action taken to select suitable persons from all possible sources—public undertakings, government service or private sector—who should be given specialised training for a period of about 2 years. Such of the selected persons as have aptitude for industrial management and are temperamentally suited for such jobs would form a nucleus for filling such posts in the public undertakings.

(ii) The Committee would like to add that those of the officers, who successfully complete the probation period, should be seconded for employment in the public undertakings for the rest of their service. If necessary, the terms of their appointment should be so devised as to attract suitable persons.

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| 27 | 67 | <p>The right choice of a General Manager for a Project is of basic importance. The Committee have earlier suggested the introduction of an executive development programme by each undertaking and trust that in course of time, suitable personnel would be available to man these posts from within the organisation. They suggest that where technically qualified officers have to be borrowed from other Government Departments like Railways, Posts and Telegraphs Department, etc., and are found suitable, efforts should be made to second them to the undertaking concerned for the rest of their service.</p> |
| 28 | 69 | <p>While the Committee welcome any attempts that Government might make to train up financial advisers in the techniques of financial management of public enterprises, they do not appreciate continued dependence of public undertakings on the Central Services for manning these posts. It is desirable that public undertakings train their own officers as early as possible. In fact, some of the undertakings have already done so. With that end in view, the Committee recommend that training facilities available in the Ministry of Finance should be extended to the officers of public undertakings, including those selected to the IMP, so that in course of time they could replace the service officials.</p> |
| 29 | 70 | <p>The Committee suggest that Government should issue specific instructions to public undercers for the post of Financial Adviser within a specified period, say 5 years. At the same time, the proposals for deputation of service officials should be discouraged. They hope that necessary action would be taken in the matter. These remarks would also apply to the accounts personnel employed in the lower hierarchy.</p> |
| 30 | 71 | <p>The Committee consider it desirable that a 'Financial and Accounts Service' may be organised for the public undertakings to which officers may be recruited centrally at an early stage, who could, in due course, man the higher posts in the Finance and Accounts Divisions of the public undertakings. They trust that the feasibility of introducing such a Service will be examined by Government.</p> |

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31	83	<p>The Committee feel that the practice of providing helpers does not fully account for over-staffing in public undertakings, referred to in paras 72—78. It would appear that recruitment of staff is not strictly related by Public Undertakings to the requirements at different stages and there is a tendency to employ the staff required for full-rated production in the initial stages itself. Having committed the initial mistake, they find it difficult to subsequently increase the workload of employees or to lay them off, with the result that they are obliged to carry the extra strength. Besides other ills, that usually accompany excessive employment, it leads to low productivity and higher cost of production. It also leads to greater expenditure for providing residential accommodation and makes labour problems more difficult.</p>
32	84	<p>The Committee consider that if the public sector undertakings have to achieve efficient and economic production and secure adequate return on the capital employed, it is very necessary that detailed and realistic estimates of staff requirements are prepared by them and their establishment expenses, which account for a major portion of the cost of production, are kept to the minimum. The Committee therefore feel that:—</p> <ol style="list-style-type: none"><li data-bbox="395 978 941 1106">(i) it would be desirable for public undertakings to keep their staff strength at a level slightly below the number recommended by the Consultants for a particular stage;<li data-bbox="395 1129 941 1206">(ii) no extra staff over and above the estimates of Consultants should be employed without the approval of Government;<li data-bbox="376 1225 941 1302">(iii) norms should be laid down to determine the staff strength in various industries; and<li data-bbox="387 1321 941 1495">(iv) Government should keep a close watch and periodically examine the staff employed by public undertakings with reference to the estimates of Consultants and the norms laid down with a view to controlling excessive employment of manpower.

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33	85	As regards the existing overstaffing, the Committee suggest that a thorough study of the position may be made with a view to determine the extent of overstaffing and steps taken to utilise the surplus staff in the expansion of Projects concerned or in manning of new projects.
34	86-89	It is seen that public undertakings are generally functioning on Government pattern and some of them have introduced four to five layers of officers in each Department. It is needless to point out that the hierarchical system of administration, which has been devised for Government Departments to provide checks and balances, is neither desirable nor necessary for industrial and commercial enterprises. This was also agreed to by the representative of the Ministry of Industry. Besides being costly, it also leads to delays. The Committee appreciate that determination of basic organisation structure and major changes therein predominantly reside in the Boards of public undertakings. But, it is unfortunate that the Boards are not paying sufficient attention to this matter. What is more surprising is that the representatives of Government on the Boards should not have been vigilant in this matter and allowed the undertakings to develop on Government pattern. The Committee recommend that Government should impress upon public undertakings the need to review and remodel their organisation structure on business principles.
35	90-93	(i) It is noted that in 33 public undertakings helpers are provided to skilled workers including production operatives, carpenters, turners, fitters, plumbers, linemen, wiremen, drivers etc. to assist them in handling and moving materials and components, cleaning and oiling of machines, etc. The Committee feel that the practice of providing helpers to skilled workers has developed purely for historical and traditional reasons and not all jobs require such assistance. While there might be some justification for providing helpers to certain categories of operators, electricians working on overhead transmission lines, etc. the practice should be discouraged and gradually done away with. The Committee consider that, as a first step towards the abolition of the category of helpers, it may be desirable to provide such assistance on a

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		unit or shop basis depending upon the requirements instead of on individual basis.
		(ii) The Committee would also recommend that efforts should be made to train the existing unskilled workers for holding skilled jobs.
36	96	(i) The Committee recommend that the strength of stenographers may be reviewed by all public undertakings with a view to economy.
		(ii) They further recommend that instead of allowing stenographers to individual officers, a pool of stenographers may be created in each Department so as to make the maximum use of them.
37	99	The Committee are inclined to think that as senior executive posts in public undertakings are generally held by Government officials, they tend to follow Government scale in regard to allotment of Peons which is not correct. They note that even Government feel that the existing scale of peons does not fit in with the present needs, and are considering the matter. The Prime Minister has also on several occasions referred to the malady of people being employed on such jobs with little or no work. The Committee consider it necessary to make a more purposeful use of the existing peons. With this end in view, Government should impress upon public undertakings to keep the number of peons to the minimum.
38	100	The Committee would suggest that efforts may be made to gradually train the existing peons so as to develop them into technical hands.
39	101-102	(i) The Committee have been informed that pressures are brought to bear on public undertakings to retain unskilled and skilled construction personnel who become surplus on the completion of the Projects. This results in over-staffing. The Committee do not understand why it should not be possible for public undertakings to dispose of such surplus labour when the private contractors are able to do so. They have no doubt that political and labour organisations would not insist on surplus personnel being employed in public undertakings, after the construction work for which they are temporarily employed is over.

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(ii) The Committee feel that from the point of view of overcoming this problem the setting up of a separate company for the construction and erection of Bokaro Steel Plant appears to be a step in the right direction, and should be increasingly followed for the erection and construction of future projects.

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The fact that a well-staffed industrial engineering department has a vital contribution to make towards the efficient and economic working of an industrial enterprise needs no emphasis. Indeed it is a must for every industrial enterprise of adequate size and importance. The Secretary of the Ministry of Industry agreed to impress upon the public undertakings the desirability of organising such departments. The Committee trust that this will be done.

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(i) Bigger undertakings have, no doubt, organised industrial engineering departments which might be able to make studies of the organisational set up periodically, to enable necessary changes being made. The Committee, however, consider that it might be useful to organise a central man-power consultancy bureau to periodically examine the organisational set-up, man-power requirements, etc. of all public undertakings from an objective and detached point of view. The Secretary of the Ministry of Industry agreed with this suggestion and felt that it might be advantageous to set up an Inspectorate at the Centre for this purpose as also for periodical evaluation and appraisal of the public undertakings. The Committee trust that a well-staffed Bureau or agency would be set up at an early date. It should, however, be ensured that any such agency does not become unwieldy and a further cog in the wheel or a mere critic of the undertakings. In this connection attention is also invited to paragraph 258.

(ii) In addition to the agency mentioned above, it would be worthwhile for each undertaking to set up an Organisation and Methods Cell for a continuous study of the undertaking and submit reports to the management concerned periodically. They have little doubt that a built-in agency of this nature will go a long way in increasing the efficiency of the undertaking and will be given due importance.

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42 107-110

The Acts relating to the setting up of statutory corporations provide that rules regulating the terms and conditions of their employees will be drawn up with the approval of the Central Government. In the case of the Public Undertakings registered under the Companies Act, the terms and conditions of their employees are not invariably subject to approval by Government. The Committee are not aware of the considerations which led Government to follow a practice different from that of statutory corporations in the matter of approval of terms and conditions of service of employees of Government Companies. In the absence of a Governmental agency to co-ordinate and direct in such matters, there is always a risk of diverse practices being followed by undertakings with a consequent risk of abuse of powers. It would appear that this aspect has not been given sufficient attention. The Committee recommend that Government may examine whether the terms and conditions of service of employees of Government Companies should not be subject to their approval, as in the case of statutory corporations.

43 113-114

It will be seen that as many as 23 undertakings, including those set up about 12 years back, have not yet framed or codified the terms and conditions of service of their employees. Obviously the present position in this regard is neither satisfactory nor desirable. In the absence of regular conditions of service rules, it is difficult to ensure that the public undertakings follow well established principles in this regard. The Committee hope that Government would at least now pursue this matter vigorously and ensure that the conditions of service rules are framed by all public undertakings within a period of six months, as agreed to by the Ministry of Industry.

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The Committee would recommend that Government should issue suitable instructions, when a public undertaking is set up, that it should frame the service rules of employees within a period of six months.

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The Committee would refer to the recommendation contained in their 156th Report (1961-62) that Model Conditions of Service Rules should be laid down. They regret to observe that this has

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not been done so far. The Secretary of the Ministry of Home Affairs agreed that model conditions of service rules for public undertakings would be useful. These, of course, could be varied by undertakings to suit their individual requirements. It is, therefore, suggested that a Committee consisting of the representatives of the Ministries of Industry, Home Affairs, Finance, Labour, heads of major public undertakings etc., should be set up to lay down Model Conditions of Service Rules for public undertakings.

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| 46 | 120 | The Committee feel that the employment on contracts may be suitable for higher managerial posts, and in the case of employment of foreigners. Such contracts do not appear to be suitable for production staff as high productivity is usually the result of continuous practice and stable service. The Committee understand that HSL is currently examining the question whether appointments to executive posts should continue to be made on contract basis or should be made on a permanent basis. They hope that early action would be taken to do away with the existing practice. |
| 47 | 122 | The Committee regret to observe that Government have not taken any action to implement the decision to indicate to the Boards the basic scales of pay for different categories of posts so far beyond issuing a letter on the 28th February, 1962 that all Government Companies may "exercise powers within the broad framework of scales of pay as obtaining in Government service from time to time (and that) Boards of Directors will be free to fix specific scales and allowances for specific jobs for which there may not be strict parallel in Government departments". This general direction has not been of sufficient guidance to the undertakings which under the circumstances have prescribed scales of pay obtaining in Government for similar posts. |
| 48 | 124 | The need for ensuring that public undertakings follow a rational and sound policy in regard to pay scales cannot be over-emphasised. This cannot be ensured without proper guidance from Government. The Committee apprehend that if this important matter is not attended to immediately and individual undertakings are allowed to fix pay-scales on <i>ad hoc</i> basis, it might be difficult to |
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		remedy the position later on. They appreciate that it might not be practicable to lay down a rigid common pattern of basic scales of pay for different categories of posts for all undertakings, as the duties and responsibilities of posts even having the same designation, may vary from unit to unit, industry to industry and region to region. At the same time, they consider it urgent that scales of pay are based on some scientific method so that men doing the same or equivalent work receive approximately similar pay, at least within one locality or region. With this end in view, the Committee consider it desirable that a Committee consisting of representatives of the Ministries of Finance, Industry and Home Affairs, O. & M. Division, heads of major public undertakings etc., should be constituted to go into the matter immediately. They hope that the matter would receive earnest consideration.
49	126	It is hoped that the pay committee, suggested in paragraph 124, would examine the desirability of introducing uniformity in the scales of pay for posts of an allied nature and responsibility taking into consideration the locality also.
50	128	The Committee consider that, for a rational pay structure and administrative convenience, classification of posts, with more or less equal responsibilities, is very necessary. They trust that the suggested pay committee will look into this matter as well, with a view to reducing the number of pay scales to the minimum.
51	129	It would also be desirable if the designations of posts for similar duties and responsibilities in all Public Undertakings are standardised, as far as possible, so that there is broad uniformity in this matter.
52	130-131	It has been stated that for lower categories of posts the salary scales in the public sector undertakings are higher as compared to the private sector, but are less attractive for higher jobs. It has therefore, been suggested that they should be brought on par with the private sector. The Committee consider that the conditions of service and responsibilities of the officials in the public sector are not comparable with those obtaining in the

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private sector. The risks and uncertainties which management face in regard to capital, production, cost, demand, pricing, profit etc. in the private sector are not comparable to those in the public sector. The criteria of judging performance in the two sectors are also not the same. Moreover, the public sector which is emerging as the biggest employer should set the pace for other employers by pegging the salaries rather than compete with the private sector in this regard. A socialistic pattern of society should aim at narrowing the gap between the highest and the lowest paid rather than attempt to widen it. The Committee hope that these considerations would be kept in view while considering any change in the present pay structure of public undertakings, particularly in the higher posts, consistent with the demands of efficiency and production.

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132-142

During the course of their examination the Committee noticed certain disparities in regard to the payment of allowances and other benefits by various undertakings which are indicated in paras 133 to 140. These facts are a further pointer that these are not matters which could be left to the public undertakings themselves and that some direction and guidance from Government are necessary to put them on proper lines. The Committee feel that varying practices in these matters are likely to lead to repercussions in other public undertakings and it may be difficult to resist a similar demand made by their employees. It is therefore desirable that public undertakings follow a common pattern in this regard as far as possible. The Committee trust that the pay committee suggested in para 124 would study all such varying practices followed by public undertakings and lay down broad principles to determine the scale of such allowances.

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143-145

It is noted that the public undertakings are not following a uniform policy in regard to the retirement benefits available to their employees. The Committee recommend that Government may undertake a comprehensive review of the position in various public undertakings with a view to ensuring uniformity in this regard.

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While it is necessary that Government, as owners, should exercise control over the appoint-

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- ment of chief executives and principal officers of public undertakings, the Committee are unhappy to note that varying practices have been allowed to develop in this regard which have been referred in paras 146-148. They feel that Government control in this important matter should follow some definite principles and rationale. If the analogy of the Air Corporations that appointments of heads of departments should receive Government approval is to be followed, it may be desirable to extend this principle to all undertakings.
- 56 150-151 In the opinion of the Committee it is not correct to allow Government companies, irrespective of their size, to appoint officers upto Rs. 2,250 p.m. without reference to Government. They are also not quite sure that there was no case of the abuse of this power. In fact, the limit of Rs. 500 in the case of ESIC and Khadi and Village Industries Commission appears to have been determined on these considerations. The Committee feel that a review of the powers delegated to the undertakings in regard to creation of and appointment to posts is called for.
- 57 152-154 A note containing the principles of recruitment to be followed by public undertakings was laid on the Table of the Lok Sabha by the Minister of Industry on the 14th April, 1961. The Committee were, however, surprised to be informed by the representatives of Hindustan Steel that some of the principles contained in the Note e.g., association of a representative of the State Government with Selection Committees were not being followed by them as, in their view, the direction on the subject had not been issued by their administrative Ministry. This case would appear to indicate that unless such principles are issued in the form of a directive, public undertakings are prone to treat them as not binding. The Committee feel that the principles contained in the Note are healthy and should have been issued as a directive. They recommend that the desirability of incorporating them in the model recruitment rules suggested in para 157 may now be considered.
- 58 156 That every enterprise should have proper written recruitment rules understood by all from the very beginning needs no emphasis. It is noticed that even undertakings set up as far back as 1948 and 1950 have not framed their recruitment rules nor have the administrative Ministries

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| | | concerned ensured their formulation. It is not surprising that in the absence of these rules there have been allegations of favouritism and nepotism. Recruitment of manpower for new industries is no doubt the responsibility of the undertakings concerned but Government, as owners and employers, have to ensure that it is carried out with fairness and integrity. The Committee suggest that Government should examine the desirability of issuing suitable instructions to undertakings, specifying the period within which these rules should be laid down. |
| 59 | 157 | The Committee feel that if model recruitment rules are laid down by Government, it might help the undertakings to frame them as they cannot be expected to have the necessary organisation or experience in the initial stages. They trust that model recruitment rules will be laid down by Government for the guidance of the undertakings. |
| 60 | 160 | It is very necessary that detailed descriptions and specifications for each job are clearly laid down. It is regretted that this has not been properly done by most of the public undertakings. The representative of the Ministry of Industry agreed that it was necessary. The Committee recommend that, as this is a matter of great importance, Government might issue suitable instructions to the public undertakings to lay down job specifications for each category of post as early as possible. |
| 61 | 162 | The advantages of associating an outside expert with the selection committees of public undertakings are obvious. Besides enabling the recruitment of the most suitable persons, such a procedure will inspire confidence in the public mind that recruitment is being done in a fair and unbiased manner. The Committee do not appreciate the view held in certain quarters that the association of an outside expert with the selection committees will impinge upon the autonomy of public undertakings. In fact, such an association is stipulated in the Note on Recruitment Policy circulated by Government. The Committee trust that Model Recruitment Rules suggested in para 157 will include suitable provisions in this regard. |
| 62 | 163-164 | The Boards of public undertakings have been generally empowered to create and fill posts on scales of pay upto the maximum of Rs. 2,250/- p.m. |

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and below. This limit has been raised to Rs. 2,500] in the case of HSL. The Boards have in turn delegated their powers to the Chairmen and/or Managing Directors and General Managers. It will be seen that redelegation of powers by the Boards to the principal officers does not follow a uniform pattern even in undertakings of the same size and magnitude.

The Committee appreciate that delegation of powers by the Boards to principal officers would depend upon the needs of each undertaking but it should follow some definite principles. One would have expected the representatives of the Ministry of Finance on the Boards of public undertakings to have given necessary guidance in this matter. The Committee recommend that Government should review the position and indicate to the Boards the broad principles, which may be followed by them in this matter.

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The Committee gather that staffing and recruitment in public undertakings is not planned in good time. They feel that, when recruitment is not so planned, in their anxiety to meet urgent requirements, the public undertakings will find it difficult to adhere to the basic principles of sound recruitment policy. They, therefore, consider that it would be helpful if annual job inventory is prepared by each undertaking in the light of its needs and expansion programmes and action to effect recruitment is initiated in good time. The Committee trust that public undertakings would pay due attention to this matter.

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The Committee appreciate that in the initial stages the public undertakings require experienced persons and it might not be possible for them to make a classified selection or to pay attention to the age composition of the candidates. But such a step will pose a major problem later on. The promotions of the employees to higher posts, which are few in number, will be blocked leading to dissatisfaction and frustration. Moreover, when they reach the age of superannuation the replacement of all of them at the same time is likely to create serious organisational problems and difficulties. Urgent attention is, therefore, needed to this important aspect from now itself, if the above difficulties are to be avoided.

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65	167-169	<p>It is noted that above 1,740 degree-holders are employed by public undertakings on subordinate supervisory jobs like that of Assistant Foreman, Charge-hand, draughtsman, etc. This has been attributed to the shortage of diploma-holders. In the Committee's view a shortage of diploma-holders in the country is no justification for the employment in subordinate supervisory jobs of degree-holders whose number also is not so abundant. Such an arrangement is not desirable from many points of view. Firstly, there is also a shortage of graduate engineers in the country. Secondly, it is costlier to appoint graduate engineers than diploma-holders. Thirdly, graduate engineers when entrusted with subordinate jobs, tend to be dissatisfied and always look for better jobs. At the same time the diploma-holders in their organisation feel disgruntled at being denied subordinate supervisory posts to which they could aspire. In paras 210-212 the Committee have dealt with the question of shortage of diploma-holders and have elsewhere suggested that job specifications should be laid down for each post. They trust that after the Manpower Directorate have studied the problem, Government would issue suitable instructions to the public undertakings to examine their staffing with a view to remedy the existing state of affairs which the representative of the Ministry of Home Affairs aptly termed as "wasteful".</p>
66	170-173	<p>Under Section 4 of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, every establishment in the public sector is required, before filling up any vacancy, to notify that vacancy to the prescribed Employment Exchange. Further, when the Bill was under discussion in Parliament, the Labour Minister had assured both Houses of Parliament that, so far as public sector undertakings are concerned, these establishments would not only notify all vacancies, but they would also fill the vacancies through the Employment Exchanges.</p> <p>The remarks of the Directorate General of Employment and Training reproduced in paras 170-172 would indicate that the position is not satisfactory. The agreement arrived at by the Ministry of Labour with the Ministry of Industry refers to the steps taken after the Minister of Industry had laid on the Table of the House on 14th April, 1961 a note on Recruitment Policy in the public under-</p>

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takings which *inter alia* stipulated that all vacancies in the lower scales and skilled workers and other non-technical staff should be communicated to the Employment Exchanges close to the Project. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 had, however, come into force from 1st May, 1960 i.e., about 12 months earlier. It was expected of the Ministry of Labour to ensure that statutory provisions of the Act are complied with by the public undertakings. It would, however, appear that even the undertakings falling under the purview of the Ministries of Industry and Steel and Heavy Engineering are not all complying with the provisions of the Act. From the fact that the Ministry of Labour and Employment is collecting statistics from selected industrial undertakings, it would appear that that Ministry has also not paid sufficient attention to secure compliance with the provisions of the Act. The Committee recommend that vigorous and effective steps should now be taken by the Ministry of Labour in consultation with the administrative Ministries concerned, to ensure that full use is made of the agency of Employment Exchanges, as was envisaged by the Minister of Labour at the time of discussion of the Bill in Parliament.

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The Committee note that though the Ministry of Labour have been affording the necessary facilities by way of establishing Project Employment Exchanges, they have not tried to enlist and ensure the co-operation of the Project authorities. They hope that this would now be done and public undertakings would also extend their full co-operation in the matter.

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175-178

It has been stated by the public undertakings that they are experiencing great difficulty in finding recruits for certain categories of staff referred to in para 175.

But, as pointed out elsewhere, large number of public undertakings are over-staffed. Besides, all undertakings are not making full use of the agency of Employment Exchanges. In this context it is also noteworthy that graduate engineers are employed for jobs which could as well be performed by diploma-holders. In the circumstances

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		<p>the Committee do not feel that there is any real shortage in the categories referred to above. They have no doubt that if the public undertakings make a realistic assessment of their staff requirements and release their surpluses, lay down proper job specifications and make full use of the assistance offered by the Employment Exchanges, it would be possible for them to overcome the shortages. The Committee trust that the Manpower Directorate would keep these aspects in view while studying this problem.</p>
169	180-182	<p>It will be seen that the number of candidates belonging to scheduled castes|tribes employed by a majority of the public undertakings is lower than that laid down by Government.</p> <p>The Committee do not appreciate why it should not be possible for the public undertakings to fully implement the general policy of Government in the matter of reservation of posts for candidates belonging to scheduled castes|tribes. They feel that in the coming years public undertakings are likely to offer greater employment opportunities than other public services. Therefore, unless persons belonging to scheduled castes|tribes are given a fair share of employment in the public undertakings, they would lag behind. The Committee would urge the Government to ensure that the policy of reservation of posts for scheduled castes|tribes is strictly followed by all public undertakings.</p>
170	183-185	<p>In para 75 of their 39th Report (1956-57) the Committee had recommended the setting up of a separate Public Service Commission for recruitment of officers in public undertakings. This was pursued in the 38th Report of the Estimates Committee (1958-59). Last year the Committee reiterated the earlier recommendation.</p> <p>The Committee do not visualise any difficulty in the arrangement suggested by them which has been successfully followed in the case of Railways, Posts and Telegraphs Department, Ordnance Factories, etc. On the other hand, they feel that such a centralised recruitment for higher posts would enable uniform standards of selection, eliminate competitive bidding for scarce personnel and ensure fairness, besides saving the time and work of the public undertakings. The Committee have no</p>

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		doubt that the representatives of the undertakings concerned and suitable outside experts will be associated with recruitment of personnel through such a Commission. If, however, the setting up of a single Central Commission may not be considered feasible, the Committee would suggest the setting up of such Commissions on regional or industry basis. They trust that the matter would be carefully examined before taking a final decision in the matter.
71	186	It is noted that despite the decision announced in Parliament in November, 1961 that "Government should give broad indication of the principles to be followed by public undertakings in the employment of retired persons" no principles have as yet been laid down. The Committee are unhappy at the inability of Government to implement a decision which they announced over two years ago. It is expected that once a decision is placed before Parliament, it would be acted upon. They hope that this would be done now.
72	188	The Committee agree that there might be cases where it is inevitable to re-employ retired technical personnel, in the national interest, to isolated specialised posts for a specific period, if persons of requisite knowledge and experience are not otherwise available. But they do not approve of this practice being followed indiscriminately and retired personnel being employed even for non-technical secretarial jobs. The Committee hope that Government would keep this aspect in view while laying down broad principles to be followed by public undertakings in the employment of retired personnel.
73	189-191	The Committee find that public undertakings employ about 3,450 deputationists from Government services. These include non-technical secretariat officers like Section Officers, Stenographers, Assistants, Junior Assistants, U.D.C.s., Typists, Despatch Supervisors, Record Keepers and even peons. The Committee feel that, besides being costly the practice of depending upon Government for manning posts in public undertakings, particularly non-technical ones, is not conducive to efficiency. Such officers as have no stake in the undertaking can hardly be expected to put in their best. They fail to develop a feeling of attachment to the undertaking and do not identify themselves with

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its problems. Besides, this arrangement of drafting staff on tenure basis, creates uncertainty and perpetuates inexperience. What is more, such an arrangement affects the promotion prospects of the regular employees of the undertakings. Earnest efforts should, therefore, be made by public undertakings to recruit, train and develop their own men and do away with their dependence on deputationists within a period of say, five years, after they are set up. Government, on their part, should also, discourage the undertakings from appointing deputationists unless it is very necessary to do so, as it has the effect of diluting its own services. The Committee trust that Government would issue suitable instructions in the matter and undertake a periodical review of the progress made by public undertakings in this respect.

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192-194

The Committee find that as many as 4,857 technical/managerial personnel have left the public undertakings during the last three years to join other public or private undertakings. The drift in lower categories might perhaps be still larger. It has been stated that as far as possible, care is taken to see that candidates are not interviewed by an undertaking unless they have applied with the permission of the existing employer. The Committee are not, however, sure whether this practice is being followed by all public undertakings. They have elsewhere suggested that the desirability of devising somewhat uniform scales of pay for similar posts in all public undertakings may be considered. They have also suggested the introduction of cadre and career development schemes by all undertakings. If the tendency of drift of personnel has to be checked, the Committee feel that, in addition to the above measures, the public undertakings should try to create a good public 'image' of themselves. The Committee hope that Government would consider the matter in all its aspects and take suitable measures to arrest the horizontal movement of personnel to the extent it is considered undesirable.

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The Committee regret to observe that even undertakings set up as far back as 1948 or 1950 have not laid down any promotion rules. The absence of proper rules on the subject may provide opportunities for favouritism and thus expose the undertaking to criticism and allegations.

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		That promotions should be based on well defined principles, which inspire confidence in the employees, needs no emphasis. The Committee consider it necessary for such rules to be laid down from the beginning, when the bulk of the recruitment and promotions takes place. The Secretaries of the Ministries of Home Affairs and Labour agreed that Promotion Rules should be laid down. The Committee trust that suitable instructions will be issued to the undertakings listed in para 195 to frame promotion rules within a specified period.
76	197	The Committee note that the Ministry of Labour have taken up for study the experience of different undertakings in the matter of promotion policies and to draw up a Model Promotion Procedure for the guidance of public sector undertakings. They trust that the Model Procedure would be finalised early and the undertakings persuaded to adopt the same.
77	199	The Committee find that while certain undertakings have devised a system of merit-rating, others have not introduced it, and are generally maintaining annual confidential records which, as aptly stated by one of the undertakings, are more indicative of the general performance rather than "merit-rating". The Committee trust that Government would take suitable action in the matter and ensure that a proper system of merit-rating is introduced in all undertakings as early as possible.
78	203-205	<p>(i) To avoid premature promotions, the Committee consider it necessary that a minimum service of say 3 years in a grade should be insisted upon so that the candidates concerned acquire the necessary experience for shouldering higher responsibilities.</p> <p>(ii) Another way to avoid premature promotions would be to advertise all higher specialised posts in an undertaking and to consider the suitable employees along with outside candidates.</p> <p>(iii) The Committee trust that, in their study of promotion policies of public undertakings, the Ministry of Labour would keep this aspect in view and suggest suitable measures with a view to placing promotion procedure in public undertakings on a sound footing.</p>

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79	206-7	<p>The Committee find that in order to attract the best candidates available for a post, the National Coal Development Corporation has constituted a Cadre Scheme for each group of allied jobs requiring the same basic qualifications, e.g. for mining engineers, for electrical and mechanical engineers, for civil engineers, for geologists etc. The Committee appreciate that it may not be possible to introduce such Cadre Schemes in smaller undertakings. They, however, recommend that all public sector undertakings of adequate size, particularly the multi-unit undertakings, should constitute similar cadre schemes. The Committee trust that Government would issue suitable instructions in the matter.</p>
80	209—212	<p>Recently, after the present emergency, the Directorate of Manpower reviewed the manpower requirements of public undertakings. It was expected that the requirements of Graduate Engineers would be fully met by the estimated out-turn in the country, but there might be a shortfall in the supply of diploma-holders. The Committee are glad to note that efforts are being made to increase training facilities and accelerate training courses in order to meet the growing needs of the country. They have no doubt that suitable measures will also be taken to overcome the shortage of teachers and to provide as early as possible the necessary equipments to the diploma institutions which at present are lacking in proper equipment.</p>
81	213	<p>The requirement of any public undertaking for technical personnel is likely to differ from time to time, depending on the stage of its development (<i>viz.</i>, construction, production, expansion and introduction of new processes). Since trained manpower is one of the basic needs of any industry, the Committee consider it necessary that the estimates of personnel requirements should be reviewed by Government, from time to time, and steps taken to train the necessary manpower.</p>
82	214	<p>A number of undertakings have represented to the Committee that engineers coming out from Universities have theoretical background but they are deficient in practical outlook. The Committee recognise that there has to be emphasis</p>

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		not only on out-turn of engineers but also on their quality and practical experience. They trust that the matter will receive due attention at the hands of the Manpower Directorate, the All India Council of Technical Education and the Universities.
83	216	Proper induction of newly recruited employees and workers is an indispensable item in the programme of effective utilisation of manpower in an enterprise. It is only through such induction into the duties of his job, that a worker can be made to give of his best. The Committee recommend that Government might impress upon all public undertakings the need for introducing a regular induction course for their employees.
84	218	It is true that, in relation to the long term economic development of a country, the extent of trained manpower available and the training facilities established, constitute a major determinant of the measure of advance which can be achieved in different directions. Therefore, it is urgent to plan for training the required manpower to meet the increasing demands of public undertakings. But, if public undertakings are not to be saddled with unnecessary additional expenditure, it is equally important that full use is made of such facilities. During their examination of public undertakings, it has been noticed by the Committee that there exists unutilised capacity in the training schools of the public undertakings. To some extent the tendency of each undertaking to start its own training schemes might be responsible for it. A fully co-ordinated and integrated training programme for the undertakings, functioning broadly in the same field of technology, is therefore called for. The Committee consider that it is high time that a study should be made of the utilization of training facilities available in different public undertakings, which have been organised at considerable cost, and steps taken to utilise the surplus capacity, if any.
85	219	The Committee suggest that Government might consider the desirability of setting up an advisory committee under the Directorate of Employment and Training to ensure that new training institutions are not set up by public undertakings if their needs could be met by the existing institutions.

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86	220	The Committee suggest that the question of awarding suitable diplomas/certificates by the various training institutions run by public undertakings, which would be recognised all over the country, should be examined as was agreed to by the representative of the Ministry of Industry.
87	223	The Committee appreciate that in the case of new industries it might be difficult for public undertakings to arrange for necessary preliminary training of initial recruits for technical posts. Nevertheless, the Committee trust that Government would keep this aspect in view while approving programmes of public undertakings for training of their personnel in the factories of consultants, and ensure that such persons are put through a preliminary practical course in the public or private sector undertakings in the same field of technology before being sent abroad.
88	224	Now that public undertakings have been set up in almost all engineering fields, the Committee feel that it should be possible for them to train up the personnel required for expansion of existing plants or for manning new plants in same or allied fields. Foreign training should, therefore, be restricted to specialised subjects only for which requisite know-how is not available in the country. The Committee hope that this matter would receive due attention.
89	225	It has also been suggested to the Committee that instead of sending trainees abroad, adequate number of supervisors should be recruited from overseas for training Indian Personnel in new undertakings. The Committee trust that this aspect would be kept in view while deciding deputation of trainees abroad.
90	226--228	It is noticed that except Hindustan Steel and ITI, the Public Undertakings have not generally introduced regular schemes for training their supervisory and middle grade management personnel. Supervisors constitute the backbone in any industrial undertaking. With the expansion of the public sector the workload and responsibilities placed on supervisors will continue to

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increase. Regular programmes for supervisory training are, therefore, needed to increase the competence of personnel employed in this capacity. The Committee consider that unless serious efforts are made from now onwards, the difficulty would be almost insurmountable in later years. They trust that early steps would be taken by the public undertakings to introduce regular schemes for training their supervisory and middle grade management personnel.

91 229 The Committee find that not all industrial undertakings have introduced the scheme of training known as "Training within Industry." They suggest that such schemes may be introduced in all public undertakings on a wider scale.

92 230—31 It has been represented to the Committee that the post of Personnel Manager/Administrative Manager in a majority of the undertakings is held by officers of All-India Service, Central Secretariat Service or of State Governments. The Committee trust that the Ministry of Labour would impress upon public undertakings the need for training their personnel managers in one of the All India Management Institutes set up at Ahmedabad and Calcutta and the Administrative Staff College at Hyderabad.

93 232 It is noted that as many as 18 public undertakings do not depute their serving engineers or management personnel for refresher courses. The Committee feel that the training of technical personnel does not end with their having learnt the rudiments of their job during the period of initial training. It is very desirable that after a few years of experience, they should be sent back to the training school to refresh their theoretical knowledge and also to gather new ideas and learn new techniques. The training of these personnel should, therefore, be a continuous process. In the opinion of the Committee any expenditure on such refresher courses will not only be compensated by increased productivity but will also result in economies in the long run. They hope that Government will impress upon public undertakings the need for deputing periodically their

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technical and managerial personnel for refresher courses offered by various institutions in the country.

- 94 233--34 With a view to offering an employee a satisfying career for the whole of his working life, the progressive companies in India and abroad have devised a regular career development scheme. The Committee feel that besides creating a sense of loyalty and of belonging to the undertaking, the introduction of a career development scheme will go a long way in arresting the tendency of job shifting on the part of employees. They suggest that the desirability of introducing a similar scheme in all public undertakings might be considered. The Committee trust that Government will issue suitable instructions to the public undertakings in this matter.
- 95 237 It is needless to say that a well-equipped and properly staffed Personnel Department is a must in any modern undertaking, be it in the private or the public sector. In fact, the efficient and smooth working of an undertaking depends not a little on proper staffing and functioning of its Personnel Department. In the opinion of the Committee the absence of an efficient and effective Personnel Department in the undertakings has to some extent been responsible, as has been pointed out later, for the lack of proper attention to even elementary things like the adoption of Standing Orders, drawing up of a Grievance Procedure, etc. The Committee trust that the Ministry of Labour and employment after studying the information collected by it would render the necessary advice to the Public Undertakings and ensure that such departments are properly organised by them as early as possible.
- 96 238 The Committee hope that Personnel Officers of Public undertakings would be accorded proper status which the Labour Secretary stated, had not been given to them.
- 97 241 It will be seen that in respect of 17 Public Undertakings, including those set up as far back as 1948, Standing Orders have not been framed, or certified. Obviously, the position is not satisfactory. It would appear that the Ministry of Labour has also not exercised proper vigilance to

(1)	(2)	(3)
		secure compliance with the provisions of the Industrial Employment (Standing Orders) Act, 1946, which stipulate the formulation of Standing Orders within 6 months of the setting up of an undertaking. Nor have the administrative Ministries paid any attention to this matter. The Committee would urge that vigorous efforts should now be made by the administrative Ministries and the Ministry of Labour to ensure that these Standing Orders are framed by all public undertakings within a stipulated time and these are certified as early as possible.
98	242—243	28 public undertakings have not laid down proper procedure for redressal of grievances of their employees. To ensure good labour relations, the Committee consider it necessary for all public undertakings to establish a regular grievance procedure from the very beginning. They trust that Government would now issue instructions and ensure that proper grievance procedure is introduced in all undertakings within a specified time.
99	244	The Committee recommend that Government should issue suitable instructions to the undertakings mentioned in para 244 and ensure that disciplinary rules are framed as early as possible.
100	246	All public undertakings have not fully implemented the labour laws. According to the Ministry of Labour, these lapses have often been traced to lack of fuller understanding on the part of managements, of the obligations which the Labour laws and Government's labour policy impose on them. The Committee hope that, with the organisation of well staffed personnel departments in all public undertakings and constant guidance from the Ministry of Labour, the position will improve. They consider that a periodical review by the Administrative Ministries and the Ministry of Labour and Employment is also necessary to ensure that the undertakings comply with the labour laws. The Committee trust that the administrative Ministries would take necessary action in consultation with the Ministry of Labour and Employment and device suitable procedure for the purpose.

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| 101 | 247-248 | <p>(i) The Committee note that labour-management relations are not very cordial in a number of public undertakings. It may be a matter of study for the Government why for undertakings located in the same town or region, labour relations in one are comparatively far better than in others.</p> <p>(ii) That maintenance of good labour relations is necessary for sustaining and developing high levels of production needs no emphasis. This has become all the more necessary in the present emergency. The Committee would urge both the employees and the employers to recognise their mutual rights and duties. They feel that the workers' education scheme started by the Ministry of Labour would also contribute to good labour-management relations.</p> |
| 102 | 249 | <p>It has been suggested to the Committee that the unions of workers should be managed by the workers themselves and outsiders should not be allowed to act as office-bearers. The Committee hope that this matter would receive due consideration.</p> |
| 103 | 250—52 | <p>It is seen that except Air-India, Export Risks Insurance Corporation, Fertilizers and Chemicals Travancore Ltd., Heavy Electricals (India) Ltd., Life Insurance Corporation of India, National Small Industries Corporation, Oil & Natural Gas Commission and Reserve Bank of India, the Public Undertakings have not prepared organisational manuals.</p> <p>The Committee recommend that Government might consider the desirability of issuing suitable instructions to all public undertakings emphasising the need for preparing comprehensive organisational manuals within a specified period, as was agreed to by the representative of the Ministry of Industry.</p> |
| 104 | 253—255 | <p>The Committee note that Heavy Engineering Corporation has entered into a contract with its Russian and Czechoslovakian collaborators for a complete organisational manual and a sum of over Rs. 27 lakhs is payable to them on this account.</p> |

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(2)

(3)

In this connection the Committee are happy to note that efforts are being made by Heavy Electricals whose production pattern is equally complicated, to make the maximum use of the data available in the Project Report and the experience gained by its engineers, for the preparation of its organisational manuals. It is unfortunate that the same procedure was not adopted by Heavy Engineering Corporation which is making a payment of Rs. 27 lakhs to its foreign collaborators for an organisational manual. The Committee feel that Government should have at least suggested to HEC the course adopted by the HEL, which would have resulted in considerable economy. That this was not done is regrettable, particularly because both the undertakings are under the administrative control of the same Ministry. In this connection, it is significant that Hindustan Steel is also preparing the organisational manuals by itself.

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The Committee trust that Government would in future insist on public undertakings preparing the organisational manuals through their own agencies as far as possible. In this connection the Committee would like to mention that an organisational manual received from foreign consultants cannot be made fully applicable to Indian conditions and has to be adopted with suitable changes and modifications.

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The Committee has been informed that the Ministry of Industry has been co-ordinating in matters of common policy in consultation with the individual Ministries. The Projects Co-ordination Committee could not meet regularly and is moribund for the reasons stated in para 257. The Ministry of Finance has organised a co-ordination cell in regard to financial matters. It has been agreed by representatives of Ministries that for all other matters, it is desirable to set up a centralised co-ordinating Unit which could also make a continuous appraisal of the performance of various public undertakings. Such a unit could be organised, according to administrative convenience, either in the Ministry of Industry which is in charge of industrial policy or the Ministry of Finance. The Committee trust that

(1)	(2)	(3)
		<p>suitable machinery staffed with qualified personnel, possessing knowledge in industrial management, will be organised for the purpose at an early date. They recommend that besides other matters, this agency should ensure that a comprehensive policy in personnel matters is established in all public undertakings and it is reviewed from time to time to meet changing needs and circumstances. In this connection paragraph 106 may also be seen.</p>
107	259	<p>The Committee feel that it would be worthwhile for Government as soon as a new undertaking is set up, to issue a comprehensive Memorandum of Instructions indicating the broad policy and procedure to be followed by it in various personnel matters so that these are attended to in time and in proper manner and sequence.</p>
108	260	<p>The Committee suggest that the Managing Directors, General Managers, Financial Advisers and Personnel Managers of public sector undertakings should meet at regular intervals to exchange views and discuss common problems, including those relating to personnel management. The Ministry of Industry which is the co-ordinating agency should see that these meetings take place regularly.</p>
109	261	<p>The Committee also consider it desirable that Government should prepare a comprehensive handbook on personnel matters for the guidance of public undertakings. The proposed handbook might contain, among other matters, Model Staff Regulations, Recruitment and Promotion Rules, Directions, instructions and decisions of Government on personnel matters, etc.</p>
110	262	<p>It should be the purpose of the Government to see that the personnel policies of public undertakings are oriented to ensure efficient and economic management of the undertakings and to ensure good labour relations. This would help to keep the undertakings free from public criticism.</p>

APPENDIX XVII

Analysis of Recommendations contained in the Report.

I. Classification of recommendations:

- A. Recommendations for improving the organisation and working :
(S. Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 40, 41, 60, 61, 63, 83, 87, 90, 91, 92, 93, 94, 95, 101, 102 & 103),
- B. Recommendations for effecting economy :
(S. Nos. 31, 32, 33, 34, 35, 36, 37, 65, 73, 84, 85, 104 & 105).
- C. Miscellaneous :
(S. Nos. 1, 2, 38, 39, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 62, 64, 66, 67, 68, 69, 70, 71, 72, 74, 75, 76, 77, 78, 79, 80, 81, 82, 86, 88, 89, 96, 97, 98, 99, 100, 106, 107, 108, 109 and 110).

II. Analysis of the recommendations directed towards economy :

S. No.	No. as per summary of recommendations	Particulars
(1)	(2)	(3)
1.	31—33	Avoiding overstaffing in public undertakings.
2.	34	Avoiding of hierarchical system and need to review and remodel organisation on business principles.
3.	35	Doing away with the system of providing helpers to skilled workers.
4.	36	Reviewing the strength of stenographers.
5.	37	Keeping the no. of peons to the minimum.
6.	65	Employing of diploma-holders for subordinate supervisory jobs, instead of degree-holders.
7.	73	Doing away with the practice of appointing deputationists.

