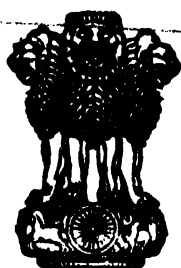


## ESTIMATES COMMITTEE

## SIXTEENTH REPORT

**1954-55**

## ORGANIZATION AND ADMINISTRATION OF NATIONALISED INDUSTRIAL UNDERTAKINGS



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**NEW DELHI**  
*June, 1955*

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Shri M. N. Kaul—*Secretary*.

Shri S. L. Shakhder—*Joint Secretary*.

Shri V. Subramanian—*Deputy Secretary*.

Shri M. Sundar Raj—*Deputy Secretary*.

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\*Shri H. V. Patakar and Dr. Syed Mahmud ceased to be Chairman and Member of the Committee respectively with effect from the 7th December, 1954.

\*\*Elected member with effect from 1st December, 1954 *vice* Shri Nityanand Kanungo resigned.

## I N T R O D U C T I O N

**I** the Chairman of the Estimates Committee, having been authorised by the Committee to submit the report on their behalf, present this Sixteenth Report on the Organisation and Administration of Nationalised Industrial Undertakings.

During the course of their examination of the various nationalised undertakings under the Ministry of Production, the Estimates Committee came across a large number of organisational or administrative defects and problems common to those Undertakings. The Committee studied these problems and came to certain conclusions. These are embodied in the present report.

# **ORGANISATION AND ADMINISTRATION OF NATIONALISED INDUSTRIAL UNDERTAKINGS**

## **I. Introductory**

Government have in recent years undertaken a number of activities which formerly were considered beyond the purview of State action. Various industrial undertakings have been sponsored by Government and more and more industrial activities are being brought within the public sector.

2. The Committee have given thought to the problems arising from such increased activities of Government. They have examined the form of organisation of these undertakings and have considered the problems arising from the constitution of such undertakings, such as the relations between the State Undertakings and the Minister in charge as well as the question of Parliamentary control over them. They have also studied the present administration and organisation of these industries and the problem of trained personnel therefor.

3. Accordingly, the views of the Committee on these matters are stated in the following chapters.

## **II. Pattern of Nationalised Undertakings**

4. With the entry of Government into the business field, the problem of organising these undertakings in a form which will, in the words of Mr. Morrison, "combine public ownership, public accountability and business management for public ends" has arisen.

5. Various forms of organisation have been adopted in other countries for similar undertakings. In our country, however, development has taken place along two lines, viz., the Corporations and the Joint Stock Companies. As far as the organisational set up is concerned, the Committee are glad to note that generally, from the outset, no attempt was made to run such industries on the departmental basis—a form of organisation unsuited to any public or commercial activity except in such limited fields as the Posts and Telegraphs Department and to some extent the Railways etc.

6. The Committee note that most of the undertakings have been set up as public limited companies, a form of organisation which besides giving scope for decentralisation and adoption of business methods, combine the advantages of securing the public interest and co-operation in the management by encouraging the investment of

private funds in such companies. The Committee, however, feel that in such Joint Stock Companies at least 25% of the total capital investment must be available for the public so that this objective may be attained. The Committee also recommend that while inviting private capital, Government should in order to avoid individual or group monopolies and other abuses of the kind, fix a ceiling for individual holding of shares as also on any dividends that might be declared by such undertakings.

7. In an ordinary public limited company ultimately the shareholders have the final control and the Board of Directors who also do have a financial interest in such companies are subject to the control of the shareholders. In a Government undertaking organised as a public limited company, however these safeguards for the efficient running of the organisation, are provided in the shape of Parliamentary Control and the laying down of policy by the Cabinet. The problem of the relations between the Managing Director, the Board of Directors and the Minister as well as the relations between the Directors of the Board and the Managing Director become a difficult and crucial one. The Committee consider that the Boards of Directors who have been appointed to the various public undertakings have not been fulfilling any useful role in as much as they are all nominated by Government, mostly from the Government officials of the various Ministries, their powers being limited. They meet after long intervals and except for being modelled on the pattern of organisation usually adopted in a Private Joint Stock Company, nothing of importance either from the point of Government or from that of the undertaking has been done by them. The Committee, therefore, feel that this system of appointing Boards of Directors should be done away with. The Committee, however, consider that the management of an undertaking should be entrusted to a Managing Director or a Board of Managing Directors depending upon the size and importance of the undertaking. Usually when a Board of Managing Directors is constituted, it should consist of 3 or 4 members one of whom may be the Chairman. The members should be men of wide experience preferably prominent businessmen and some at least of them should be persons of experience in financial matters and in the technical side of the undertaking. The Chairman and members of such boards should work collectively and on a functional basis. The Chairman should have in exceptional circumstances and where conditions demand, sufficient power to exercise his discretion so that there is no delay or waste of expenditure. In whatever matters the Board may be responsible to the Minister, there should be a direct relationship between the two and the procedure as it is sometimes noticed, of treating a Joint Stock Company as a department, subject to the control of the Secretariat of the Minister, should not be encouraged.

The Committee feel that an Advisory Body should be constituted for the purpose of advising the Managing Director on various matters from time to time. The Advisory Body will only render advice and will have no powers to decide matters of policy or to give orders to execute any of their directions. The Advisory Body will invariably send a copy of their report to the Minister concerned for information. The Minister will thus be in a position to know the point of view held by a Body other than the Managing Director or the Board of Managing Directors. The Advisory Body will have the right of asking or calling for information on all matters excepting those which have been specified by the Minister as being of a secret nature. The Advisory Body will have also the right of unlimited criticism and will offer advice on any matters they deem fit. The Advisory Body will be kept informed by the Managing Director or Directors through progress reports, balance sheets, development plans and any other schemes, which the management may have in view.

The Advisory Body will consist of representatives from business, labour or workers, consumers and Parliament or Local Legislatures. The appointments will be made by nomination by Government or by election, wherever there are recognised unions or associations of labour or consumers or other interested groups. Members of Parliament or local legislatures will be appointed to such bodies by election by the Houses concerned. Action may be taken to make the Statutory provisions required therefor.

### **III. Relations between a State Undertaking and the Minister in charge**

8. State Undertakings are at present placed under the control of either the Ministry of Production or some other Ministry depending upon the nature of the undertaking. The Committee have noticed that in the relations between these undertakings and the Ministry, the former are treated in the same manner as Departments and Offices of Government controlled and supervised by the Secretariat. The State undertakings have thus become adjuncts to Ministries and are treated more or less on the same lines as any subordinate organisation or office. The Committee deplore this tendency which has had a harmful effect on the productive activity of the undertakings as these have been subjected to all the usual red-tape and procedural delays common to a Government Department with serious consequential effect on production.

9. A commercial undertaking must be run on business principles, that is, it must have a large measure of autonomy in day to day administration. It should have its own system of procuring raw materials, recruiting labour and personnel and should have a separate organisation. It should of course be regulated on the basis of

Company Law and subjected to commercial audit, cost accounting and commercial principles of business. So far as broad questions of policy are concerned, it may be subject to the general control and supervision by the Government, but it should be given a free hand within the framework of that policy to produce up to the optimum size at economic cost.

10. The Committee have elsewhere recommended the pattern of organisation to be adopted for running State undertakings. The Committee have suggested an effective Board of two to three Directors who should be responsible both for policy as well as day to day administration of the undertaking. The Committee feel that the next step towards the objective that they have in view and which is summarised above is that the Board through the Chairman should be directly responsible to the Minister in the matter of broad questions of policy which are within the sphere of responsibility of Government. This arrangement will mean that whereas the Minister will have direct knowledge of the affairs of a national undertaking and will be in touch with its activities by a weekly or fortnightly report and periodical meetings between the Minister and the Board, the latter will have the means of knowing the Minister's mind directly and through him of the Cabinet and thus be in a position to implement the policy quickly.

11. The Committee visualize the setting up of a large number of national undertakings as and when State activities in the public field expand and consider that it would be necessary to appoint more than one Minister to be in charge of the national undertakings which shall have to be grouped in due course according to broad classification of the commodities and products and other relevant considerations, i.e., the importance of a particular product in the national activity, the size of the industry, etc. The Committee have elsewhere provided sufficient safeguards in the field of recruitment of staff, labour relations and welfare, adoption of commercial principles, etc. and consider, therefore, that the system of direct relationship between the Board of a National Undertaking and the Minister will be a further step in the direction of quick decision, lesser cost of production and more efficiency.

#### **IV. Management Cadre**

12. In their Ninth Report, the Committee had recommended that for the management of State undertakings, recruitment should be made from people experienced in business, commerce, 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 and Industrial Service". As the State Industrial Undertakings are being constituted in large numbers and fairly rapidly, the Committee consider that a decision should be taken by Government in this matter very early and that the recommendation should be implemented without further delay.

13. The experience so far gained in the State Undertakings already constituted confirm the views of the Committee that the Administrative Service do not constitute a satisfactory source of recruitment of staff for the management of commercial enterprises of Government. It has been noticed that the Managing Directors of the State Undertakings at present are mostly senior officers of the Administrative Departments of the Government and that, consequently, managements in these Undertakings find themselves unable to adopt business methods as the officers have been accustomed all along to the procedure of disposal of business in Government departments, quite unsuitable for the running of a commercial enterprise.

14. The Committee consider that the problem of recruitment for the management cadre of State Undertakings could be met in two ways, i.e., either by drafting people with good record of business and commercial experience in the private sector, or by direct recruitment of young men through Special Recruitment Boards, who could subsequently be given specialised training in industrial management. The Committee realise that the marked disparity in salaries between the private and public sectors would constitute a difficulty in adopting the former method of recruitment. But, in their Ninth Report the Committee had already recommended the fixation of a ceiling for salaries in the private sector which, if adopted, would solve this difficulty. The Committee accordingly recommend that both the methods of recruitment be adopted for the present and that initially a start may be made along the lines indicated in the first of the two methods.

15. As regards recruitment of young officers through Special Recruitment Boards, it is essential that they should, after recruitment, be given training both in this country and overseas, wherever necessary, so as to provide the cadre with fully trained and capable officers. There are at present a number of young men already trained or under such training in foreign countries either at their own expense or with Government and other scholarships. Government should consider the possibility of recruiting these people for the service and wherever possible arrange to guide their training accordingly.

16. The Committee consider that it would not be in the national interest to postpone a decision in this matter any longer.

### **V. Dispersal of Industries**

17. While the Committee do not wish to go into the question of which industries should be taken up for nationalisation, they would stress the need for a proper dispersal of the industries. They noticed in this connection that there has been an over-industrialisation of certain areas in the country and a certain amount of neglect of the other parts. Such an uneven distribution, besides creating dissatisfaction in the affected parts, leads to unbalanced economical development, greater unemployment, and less trade etc. in the neglected area.

18. The Committee are not convinced that the neglected parts of the country are not sufficiently rich in natural resources. They desire that a comprehensive survey of all the factors, geological as well as economic, should be undertaken with a view to developing these areas. It is probable that sources of cheap power are lacking in some of these areas and that in the present freight structure and transport conditions the cost of providing power to those areas may be rather heavy, but the Committee feel that it is the duty of Government to see that these handicaps are removed, and that the sources of power are created in these areas either by development of power projects or by facilitating cheap and easy transport of coal to those areas.

### **VI. Miscellaneous Matters**

19. During the course of the examination of the various undertakings the Committee noticed a problem commonly experienced in all these undertakings, namely the difficulty in obtaining spare parts for the machinery. They feel that this problem is likely to develop into greater proportions when the machinery newly installed has been in use for some time and consider that urgent action is necessary for increasing the capacity for the manufacture of machines and spare parts in the country. There is a clear need for the setting up of a Committee to survey the capacity of the country with a view to developing as many industries for the manufacture of machines and spare parts as possible. The private sector should also be given all encouragement for this purpose by the organisation of exhibitions of the machinery required etc. The Committee would recommend to Government the appointment of a Committee similar to the Railway Equipment Enquiry Committee for this purpose.

20. The Committee have noticed that the importance of Cost Accounting is not appreciated in some of these nationalised undertakings. In the absence of cost accounting, control of expenditure

and efficient working are difficult. The Committee would, therefore, urge that even from the outset, cost accounting should be introduced as a matter of course.

21. In certain cases it came to the notice of the Committee that goods produced in the factories are not despatched long after they are manufactured and even where deliveries have been made, payments remained outstanding for a considerable time. It is essential that the national undertakings work on strict commercial principles even where the transactions are with Government Departments. Accordingly there should be no delay in the despatch of material from the factories or in the receipt of payment therefor, which should be strictly in cash.

22. A number of factories have been organised on the basis of agreements with certain foreign firms. These Agreements were worked by different agencies who confined their attention to particular Agreements and had little knowledge of how the others were working. There is no pooling of information with the result that the experience gained in one department has remained within itself. The Committee recommend that there should be a Section in Government which should scrutinise these various Agreements and maintain upto-date detailed information and comparative data on their working. Past experience would then be available at one place and this will help Government in future negotiations. Information should be pooled, indexed and carefully studied in all its aspects by the Section which should be able to give expert advice to Ministries when called upon to do so, and all future agreements may be vetted by this Section. Certain principles should be evolved and Government should be able to know what should be a warning, what should be a sign for caution, what should be the difficulties they should avoid, and in general, what preliminary precautions they should take in order to ensure that the Agreements are satisfactorily worked.

23. The Committee suggest that this Section should be under the Cabinet Secretariat.

24. Besides the constitution of a common management cadre about which mention is made elsewhere, certain problems of staff recruitment, training etc. common to all the undertakings, have been noticed by the Committee, who make the following recommendations in this regard:

- (i) Unskilled labour should be pre-dominantly from amongst the local people of the area in which the Undertaking is situated. First preference for unskilled labour should

be given to the villagers who have been displaced from the place where the factory has been erected.

- (ii) Semi-skilled labour should consist mainly of local people and a representative group of people from all parts of the country in keeping with the national character of the organisation. Advertisements of vacancies in skilled categories and above should be made in the leading newspapers of the country in all the recognised languages and recruitment made on an all-India basis.
- (iii) Officers and staff should be representative of every part of the country. Only this will make the organisation truly national in character. Advertisements for posts should be made in all leading language newspapers in the country. Recruitment should be made by Special Recruitment Boards, the composition of which should be laid down by Government. Independent non-officials must also be associated with such Boards. In the matter of recruitment preference should be given to Scheduled Castes and Tribes and other backward classes.
- (iv) Every year Government should make public a list of vacancies that may arise during the next two or three years in specialised branches so that students may study these special subjects. A list of names of Indian students specialising in particular subjects in foreign countries, should also be maintained by Government. They should receive guidance with regard to their advanced studies and practical training.
- (v) Postings of Officers in the administrative and managerial side of the Undertakings should be done on a tenure basis for a period of four or five years, so that officers do not by continuous stay in any one particular Undertaking become inefficient and lose initiative. Transfers should be made from one factory to another, so that the experience gained by Officers is available to the other industrial Undertakings. This policy should not normally affect the technical staff, including those employed on specialised work, who have trained themselves for a particular industry.
- (vi) Suitable training establishments should be created in the various Undertakings for the training of new recruits. Training facilities should be properly advertised all over the country so that students from all parts of the country could benefit from such training. Officers appointed to the higher grades should before actual ap-

pointment, be given a thorough training, if necessary, by sending them abroad, so that when they are appointed they are fully familiar with the various tasks they have to perform. Effort should also be made to provide training facilities, such as 'Learn As You Work' Schemes to those who are already in employment in the factory.

## **VII. Amenities for Staff**

25. The Committee recommend that as far as possible attempts should be made to standardise the amenities to the staff of the various State Undertakings and to see that certain minimum standards are observed in the provision of those amenities. They would recommend standardisation of the residential accommodation and of the recreational, educational and medical facilities, of the policy in regard to the lay-out of the towns and their administration, and the supply of water and electricity etc.

26. The Committee found that the types of houses meant for the Officers, staff and labour varied from undertaking to undertaking. The Committee recommend that standard types of houses may be prescribed and that all the undertakings should construct houses only of these standard types. There may be variations according to the necessities of climate, availability of local materials etc., but the standard of convenience and comforts may be comparable. In the building of the houses, there appears to be a tendency to demarcate exclusive areas for particular grades of officers and staff. This creates a sense of aloofness and gives rise to complexes which should be avoided. A sense of oneness should be created in the staff. Officers and staff should live side by side.

27. The staff of these State undertakings usually live far from towns and cities and are denied the entertainment that people in cities usually get. It is, therefore, essential that the companies themselves pay particular attention to the provision of suitable amenities for recreation and entertainment of the staff. Social activities should be encouraged amongst that staff and suitable buildings and financial grants provided for clubs. Hobbies such as gardening, if encouraged will, apart from providing suitable recreation, also add to the colour and beauty of the township. The efficiency of the staff is to a great extent dependent on their social well-being and the Committee hope that suitable attention will be paid to this matter.

28. The Committee noticed that most of these undertakings had a township of their own where people, other than employees of the factory, were usually not allowed to live. This, the Committee feel, is not a correct attitude to take. This exclusiveness creates a certain amount of rigidity which the Committee think should be avoided. Secondly, with the establishment of a factory, the area around it also develops and this development will be hampered if the township is

made exclusive, because the people who come to live near the factory will not have the amenities provided in the township. These outsiders may be charged for the amenities provided to them. The Committee feel that Government should reconsider their present policy in this respect.

29. The Committee also feel that when two undertakings are adjacent to each other there should be common provision for amenities. One case is that of the Chittaranjan Locomotive Works and the Hindustan Cables Ltd. In such cases there should only be one township with common water and electric supply, common hospital and recreational facilities, common schools etc. Considerable saving in expenditure could accrue by this.

### **VIII. Annual Reports**

30. The reports on the working of the State undertakings are now included in the annual administrative reports of the Ministries concerned which are presented to Parliament. These reports are very short and general. It is not possible to form any idea about these undertakings from these scanty reports. The Committee recommend that each State undertaking should publish a detailed annual report giving a record of its activity during the past year, the progress made during the year, comparative statistics of previous years relating to expenditure, production etc., the balance sheet and profit and loss accounts, administrative changes and matters relating to the staff and their amenities, outstanding events and any other matters of importance that happened during the year and finally an indication of the work during the following year. The Report should also furnish such information as is usually provided in the form and contents of balance sheets and profit and loss accounts for Joint Stock Companies including a report on the state of affairs of the business etc. These reports should be presented to Parliament every year, before the budget of the Ministry concerned is taken up for consideration.

31. The Committee also feel that proper publicity is not being given to these national undertakings. Attractive coloured picture postcards and small folders should be printed and made available to the public. This may be done in consultation with the Publications Division of the Ministry of Information and Broadcasting. Stalls representing the public sector and showing the contribution of that sector to the economy of the country in general should be opened in all the major exhibitions in the country.

**BALVANTRAY GOPALJEE MEHTA,**

*Chairman,*

*Estimates Committee.*

**NEW DELHI;**

**The 29th June, 1955.**

## APPENDIX I

### Summary of conclusions/recommendations of the Report of the Estimates Committee on the Organisation and Administration of Nationalised Industrial Undertakings.

S. No.	Reference to Para No. 12 of the report	Summary of conclusions/recommendations
1	2	3
1.	6	<p>At least 25% of the share capital of Joint Stock Companies working State undertakings should be available for subscription by the public.</p> <p>Government should also, while inviting private capital fix a ceiling for individual holding of shares, as also on any dividends that might be declared by such undertakings, so that individual or group monopolies and other abuses of the kind may be avoided.</p>
2.	7	<p>The system of appointing Boards of Directors for State undertakings should be done away with. Instead, the management of the undertaking should be entrusted to a Managing Director or a Board of 3 or 4 experienced Managing Directors, depending upon the size and importance of the undertaking. Members should be chosen for their experience in financial matters and in the technical side of the undertaking. The Chairman and members of such Board should work collectively and on a functional basis. The Chairman should have, in exceptional circumstances, and where conditions demand, sufficient power to exercise his discretion, so that there is no delay or waste of expenditure.</p> <p>In whatever matters the Board may be responsible to the Minister, there should be a direct relationship between the two, and the procedure, as it is sometimes noticed, of treating a Joint Stock Company as a Department, subject</p>

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to the control of the Secretariat of the Minister, should not be encouraged.

An Advisory Body should be constituted for the purpose of advising the Managing Director on various matters from time to time.

The Advisory Body will not have powers to decide matters of policy or to give orders to execute any of their directions. The Advisory Body will invariably send a copy of their report to the Minister concerned for information. The Advisory Body will have the right of asking or calling for information on all matters excepting those which have been specified by the Minister as being of a secret nature. The Advisory Body will have also the right of unlimited criticism. The Advisory Body will be kept informed by the Managing Director or Directors through progress reports, balance sheets development plans and any other schemes, which the management may have in view.

The Advisory Body will consist of representatives from business, labour or workers, consumers and Parliament or Local Legislatures. The appointments will be made by nomination by Governments or by election, wherever there are recognised unions or associations of labour or consumers or other interested groups. Members of Parliament or local legislatures will be appointed to such bodies by election by the Houses concerned. Action may be taken to make the necessary, statutory provisions required therefor.

3.

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A Commercial Undertaking should be given a free hand within the frame work of policy to produce up to the optimum size at economic cost.

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The Board of Managing Directors, suggested elsewhere, should be, through its Chairman, directly responsible, to the Minister in the matter of broad questions of policy which are within the sphere of responsibility of Government.

5.

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As the field of state activities expand, and a large number of national undertakings come into being it would be necessary to appoint more than one Minister to be in charge of the national undertakings which shall have to be grouped in due course according to broad classification of the commodities and products and other relevant considerations.



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6.	12	A decision should be taken early on the question of recruiting men experienced in business, commerce, industry and trade, for management of State Undertakings, and on the question of setting up of "The Indian Commercial and Industrial Service".
7.	13	[The experience so far gained in the State undertakings already constituted, confirms the views of the Committee that the Administrative services do not constitute a satisfactory source of recruitment of staff for the management of commercial enterprises of Government.]
8.	14	The problem of recruitment for the management cadre of State undertakings could be met in two ways; either by drafting people with good record of business and commercial experience in the private sector, or by direct recruitment of young men through special Recruitment Boards, who could subsequently be given specialised training in Industrial management.
Fixation of a ceiling for salaries in the private sector as recommended in the Ninth Report of the Estimates Committee if adopted, would solve the difficulty caused by the disparity in the salary in the private sector and public sector, in adopting the former method of recruitment.		
9.	15	Young Officers recruited through Special Recruitment Boards, should be given full training both in the country and overseas. Government should also consider the possibility of recruiting people already trained or under such training abroad and, wherever necessary, see that their training is adapted to this purpose.
10.	17	Industrial undertakings should be dispersed throughout the country and they should not all be concentrated in any particular area or areas.
11.	18	A comprehensive survey of all the factors, geological as well as economic, should be undertaken with a view to developing the neglected parts of the country. Government should see that local difficulties such as lack of sources of power, transport difficulties etc., are removed.
12.	19	Urgent action is necessary for increasing the capacity for the manufacture of machines and spare parts in the country. There is need for the setting up of a Committee to survey the capacity of the country

1	2	3
		in this regard. The private sector should also be given encouragement for this purpose by the organisation of exhibitions of the machinery required etc. Government should appoint a Committee, similar to the Railway Equipment Enquiry Committee, for this purpose.
13.	20	Cost accounting should be introduced as a matter of course in these nationalised undertakings from the outset.
14.	21	National undertakings should work on strict commercial principles, even in their transaction with Government Departments. There should be no delay in the despatch of material from the factories, or in the receipt of payment therefor, which should be strictly in cash.
15.	22	A Section should be set up preferably in the Cabinet Secretariat which should scrutinise the Agreements with Foreign Firms and maintain upto date detailed information and comparative data on their working. Information should be pooled, indexed and carefully studied in all its aspects by the Section, which should be able to give expert advice to Ministries when called upon to do so, and all future agreements may be vetted by this Section. The principles which should govern such agreements should also be evolved in this Section.
16.	24	<p>The following are the further recommendations with regard to problems of staff recruitment, training etc. :—</p> <p>(i) Unskilled labour should be predominantly from amongst the local people of the area in which the undertaking is situated. Preference for such labour should be given to the villagers who have been displaced from the place where the factory has been erected.</p> <p>(ii) Semi-skilled labour may consist of local people as well as a representative group of people from all parts of the country in keeping with the national character of the organisation.</p> <p>(iii) Advertisements of vacancies in skilled categories and above should be made in the leading newspapers of the country in all the recognised languages and recruitment made on an all India basis.</p>

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- (iv) Officers and staff should be representative of every part of the country. Advertisements for post should be made in all leading language newspapers in the country. Recruitment should be made by Special Recruitment Boards, the composition of which should be laid down by Government. Independent non-officials must be associated with such Boards. In the matter of recruitment, preference should be given to Scheduled Castes and Tribes and other backward classes.
- (v) Every year Government should make public a list of vacancies that may arise during the next two or three years in specialised branches. A list of names of Indian Students undergoing specialised training in the various subjects in foreign countries should also be maintained by the Government. They should receive guidance with regard to their advanced studies and practical training.
- (vi) Postings of Officers in the administrative and managerial side of the Undertakings should be done on a tenure basis for a period of four or five years, so that officers do not, by continuous stay in any one particular Undertaking, become inefficient and lose initiative. Transfers should be made from one factory to another, so that the experience gained by Officers is available to other Industrial Undertakings. This policy should not normally affect the technical staff, including those employed on specialised work, who have been trained for a particular industry only.
- (vii) Suitable training establishments should be set up in the various Undertakings for the training of new recruits. Training facilities should be properly advertised all over the country so that students from all parts of the country may avail themselves of it. Officers appointed to the higher grades should, before appointment, be given a thorough training, if necessary, by sending them abroad, so that when they are appointed, they are fully familiar with the various tasks they have to perform. Efforts should also be made to provide training facilities such as 'Learn As You Work' schemes to those who are already in employment in the factory.
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17.	25	As far as possible, amenities of the staff of the various State undertakings should be standardised. It should also be seen that certain minimum standards are observed in the provision of these amenities. Standards of residential accommodation, of and recreational, educational and medical facilities, should be laid down, and there should be a uniformity of policy in the lay out of the towns and in their administration and in the matter of supply of water and electricity.
18.	26	The types of houses should be standardised and all the undertakings should construct houses only of these standard types. There should not be exclusive areas for particular grades of officers and staff. The officers and staff should live side by side.
19.	27	Special attention should be paid to the provisions of amenities for recreation and entertainment of the staff. Buildings and financial grants should be provided for clubs. Hobbies, such as gardening, should be encouraged.
20.	28	Government should reconsider their present policy of not allowing people other than employees of the factory to live in the towns built for the factories.
21.	29	When two or more undertakings are adjacent to each other, the amenities provided to the staff of those undertakings should be common.
22.	30	Each State undertaking should publish a detailed Annual Report giving a record of its activity during the past year, the progress made during the year under review, comparative statistics of previous years relating to expenditure, production etc., a balance-sheet and profit and loss accounts, administrative changes and matters relating to the staff and their amenities, outstanding events and any other matters of importance that happened during the year and, finally, an indication of the work during the following year. The Report should also furnish such information as is usually provided in the form and contents of balance sheets and profit and loss accounts of Joint Stock Companies including a report on the state of affairs of the business etc. These reports should be presented to Parliament every year, before the budget of the Ministry concerned is taken up for consideration.
23.	31	[Proper publicity is not being given at present to the activities of national undertakings. Attractive col-

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oured pictures, postcards and small folders depicting the activities of these undertakings should be printed and made available to the public. This may be done in consultation with the Publications Division of the Ministry of Information and Broadcasting Stalls showing the products of the industries in the public sector and depicting their contribution to the economy of the country in general, should be opened in all the major exhibitions in the country.]