

SHRI NARASINGHA PRASAD NANDA: Sir, since the hon. Minister says there is a *prima facie* case established against this firm and therefore he is disclosing the names, may I know from the hon. Minister whether the quota of this firm for getting iron and steel has been cancelled? Because they have committed a crime against law, I want to know whether the quota allotted to them of iron and steel has been cancelled?

SHRI R. VENKATARAMAN: Sir, cancellation of iron and steel quota is with the Industry Ministry. So far as this Ministry is concerned, it takes action if there is tax evasion.

#### Operational efficiency of public sector undertakings

\*306. SHRI HARI SHANKAR BHABHRA:

SHRI SUNDER SINGH BHANDARI:†

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in September last he had asked the Chief Executives of Public Sector undertakings to submit a package of measures to improve the operational efficiency of the enterprises;

(b) if so, the response and follow up action and results thereof;

(c) whether it is a fact that he had expressed his awareness of public impression of erosion of faith in the public sector specially about its poor performance; and

(d) if so, the reasons therefor and the steps taken for revival of the eroded faith?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) to (d) A statement is laid on the Table of the House.

†The Question was actually asked on the floor of the House by Shri Sunder Singh Bhandari.

#### Statement

(a) Presumably the Hon'ble Members refer to the Inaugural Address delivered by me at the National Workshop on Higher Production & Productivity organised by Bureau of Public Enterprises in collaboration with National Productivity Council, from the 18th to 20th September, 1980. The objectives spelt out for the Workshop *inter alia* were identification of factors limiting production and productivity and also to draw up action plans based on the deliberations. The speech had dealt with, among other things, the need for evolving measures for overcoming the deficiencies in production and productivity which should include a package of programmes for implementation.

(b) The National Workshop deliberated for 3 days and evolved action plans relating to 9 groups of industries viz. Steel, Coal (including lignite), Minerals & Metals, Fertilizer, Petroleum & Petrochemicals, Chemicals, Pharmaceuticals & Consumer Goods, Heavy Engineering, Light & Medium Engineering, and Transportation Equipment, for implementation. These action plans have been referred to the concerned administrative Ministries and Chief Executives of Manufacturing Public Sector Enterprises for their comments and follow up. A Standing Committee has also been constituted to monitor progress of implementation of the recommendations made in the Workshop.

(c) and (d) Presumably the Hon'ble Members refer to the Feroze Gandhi Memorial Lecture delivered by me on the 19th September, 1980 on the topic of "The Role of Public Sector in Economic Development." It is true that I had observed, among other things, that inefficiency of operation of certain public sector units had eroded the credibility of the public sector. This observation was made in the context of some failures at the infrastructural area and also failures in generating surpluses for financing economic deve-

lopment, which contributed to the negative rate of growth in the G.N.P. in 1979-80. This resulted in public criticism of the functioning of the public sector undertakings which had prompted the Government to undertake a number of steps to improve their working. Among the steps taken mention may be made of the following:

(i) Monitoring by the Cabinet Committee on Infrastructure on the performance of infrastructure.

(ii) Periodical and regular monitoring by the Cabinet Committee on Economic Affairs of the financial and physical performance of running public enterprises as well as progress of projects under construction.

(iii) Constitution of an Expert Committee under the Chairmanship of Member (Industry), Planning Commission, to make a plant by plant study of the performance of some selected enterprises.

श्री सुंदर सिंह भंडारी : सभापति जी, इस सवाल के पार्ट 'घ' में सरकार ने कुछ कदम उठाने का सुझाव दिया है। उसमें मानीटरिंग के संबंध में जरूर बात कही गयी है।

श्री रामानंद यादव : सभापति जी, जरा इधर भी ख्याल रखिए।

श्री सभापति : ठहरिये, उनको भी सुनिये।

श्री सुंदर सिंह भंडारी : मैं मंत्री जी से जानना चाहता हूँ कि क्या इस मानीटरिंग प्रोसेस में इस बात को शामिल किया गया है कि जो इंडस्ट्रीज की इन्वैस्टेड कैपेसिटी है वह इन्वैस्टेड कैपेसिटी हर साल एचीव्ड कैपेसिटी के रूप में बदली जाती रही है, उसमें भी टारगेट पूरा नहीं होता है और अगले साल के लिए एचीव्ड कैपेसिटी और धटा दी जाती है। इसके आधार पर उस प्लांट की पूरी इकनामिक्स जिसके आधार पर उसको वायेबुल माना गया था, उस अवेलेबिलिटी

पर एडवर्स असर पड़ता है। क्या कोई बात इसकी भी जांच के लिए हो रही है कि जिस लक्ष्य को लेकर वह प्लांट इन्वैस्ट किया गया उसमें पैसा लगाया गया उसकी जो ओरिजिनल इन्वैस्टेड कैपेसिटी थी उसी के टर्म्स में टारगेट फुलफील करने का प्रयत्न किया जाये और अगर वह पूरा नहीं होता है तो उसको सुधारने का इंतजाम किया जाये।

SHRI R. VENKATARAMAN: Sir, we do not reduce the rated capacity downwards. In fact, it is totally wrong to reduce...

SHRI SUNDER SINGH BHANDARI: It is against the facts.

SHRI R. VENKATARAMAN: I will tell you. Where the capacity has been described in the original estimate and where the capacity has been assessed as capable of achievement, merely because we do not achieve that capacity we do not reduce the capacity or down grade the capacity. The question was whether, if they do not achieve the capacity you reduce the capacity, and their rated capacity is lower. I say, it is not. The second point which the hon. Member asked is, what is being done to improve production? The seminar in which I spoke and to which this question relates, dealt with production and productivity in the public sector. They have formulated an Action Plan, the Action Plan to be performed by the units themselves, the public sector themselves, and the Action Plan to be taken care of by the Government. So far as the public sector themselves are concerned, they have given directions as to what should be done to achieve the rated capacity. One is increasing the efficiency of production. The second is improving the management. The third is to see that absenteeism and rest of the things which go to reduce production are reduced. These are all management functions. So far as the Government is concerned, it is asked to ensure that infrastructural facilities are provided, like

power, coal and other facilities. And if any financial assistance is required for getting balance equipment or for the purpose of getting any additional equipment, then the Government should come forward to supply them. These are the various steps taken.

**श्री सुंदर सिंह भंडारी :** सभापति महोदय, वित्त मंत्री जी ने रेटिड कंपैसिटी को न बदलने की बात कही है। मैं चाहूंगा कि वे डिफरेंट पब्लिक सैक्टर के ईयर टू ईयर टार्गेट और उसके अचीवमेंट कंपैसिटी के बारे में अगर कम्पैरिजन करेंगे, तो मेरे सवाल का महत्व और उसके अंदर किये जाने वाले सुधार की तरफ उनका ध्यान जाएगा।

मैं जो दूसरा सवाल पूछना चाहता हूँ, वह यह है कि फिरोज गांधी मेमोरियल लैक्चर के अवसर पर भी वित्त मंत्री जी ने एक बात कही, मैं जिससे सहमत हूँ, कि डे टू डे फंक्शनल आफ पब्लिक सैक्टर यूनिट्स में इन्टरफियरेंस नहीं होना चाहिए, लेकिन इसके साथ-साथ मंत्री जी भी इस बात से सहमत होंगे कि मैनेजमेंट का जो एक आटोक्रैटिक नेचर हो गया है पब्लिक सैक्टर कन्सर्न्स में और उसमें वे मनमाने तरीके से फंक्शन करते हैं, यहां तक कि चायस आफ पर्सनल, प्रोमोशन पॉलिसीज़ और उसके कारण जो डिमो-रेलाइज़ेशन सारे का सारा आ रहा है, इसको रोकने के लिए उन्होंने क्या कदम सोचें हैं, या किन-किन चीजों पर विचार किया जा रहा है ?

**SHRI R. VENKATARAMAN** Sir, in the Feroze Gandhi Memorial Lectures, I pointed out that a certain measure of autonomy should be ensured to the public sector in the matter of internal administration. In fact, this refers not only to interference by the Government but also interference by my colleagues in Parliament. We do not want that in the day-to-day administration particularly...

**SHRI SUNDER SINGH BHANDARI:** But, should they remain autocratic? That is the point

**SHRI R. VENKATARAMAN:** Now, who is to judge? Can I sit in judgement and say he is autocratic? Can you sit in judgement and say he is autocratic? A certain responsibility..

**MR. CHAIRMAN:** Hon. Members will certainly do it.

**SHRI R. VENKATARAMAN:** They may, but whether they should, is the question. I am making the humble submission that they should ask themselves the question whether they should sit in judgement. After all,...

**MR. CHAIRMAN.** I think you have made your point.

**SHRI SUNDER SINGH BHANDARI:** Sir, I think the Minister is contradicting his own statement which is accepted. And for that I will quote from the Hindustan Times, wherein the says: "Without this, the management of public sector units will either become autocratic or ineffective." Now, having accepted this, it needs some review, some control. Now he says, "Who is to look after this?"

**MR. CHAIRMAN:** Mr. Bhandari, please see the full context in which he says it.

**SHRI SUNDER SINGH BHANDARI:** The question is: Does he deny the fact that he has warned against the autocratic nature of the public sector management?

**SHRI R. VENKATARAMAN:** Sir, I always take the middle path. I have told my own Department that they should not interfere in the day-to-day administration. At the same time, I want the managers not to be autocratic, or something of the kind. But that does not mean that I should interfere. The question which the hon. Member put is related to the aspect that I should interfere. He said, "what is it that you are doing?"

SHRI SUNDER SINGH BHANDARI: I don't want you alone to do it. What is the mechanism for it?

SHRI R. VENKATARAMAN: The mechanism is there. There is a registered trade union. They have a discussion between the management and the labour. There is a well-known channel, what is known as the grievance procedure, in all the public sector undertakings.

SHRI V. GOPALSAMY: Mr. Chairman, Sir, one of the basic reasons of the inefficiency and the poor performance of the public sector enterprises is said to be the inefficiency of the management, bureaucratisation and deputation of IAS cadre officers. The Government introduced the IMP system in 1960, but it did not succeed. I would like to know from the hon. Minister the latest instructions given by the Government to the public sector enterprises for recruitment and training to tone up the efficiency of the public sector enterprises.

SHRI R. VENKATARAMAN: We have a committee called the Public Sector Recruitment Committee. That Committee is headed by Mr. K. R. Puri, former Governor of the Reserve Bank. It is the Selection Board. It selects persons on the basis of their merits. It goes into their technical qualification and their experience and then selects them.

MR. CHAIRMAN: Last question. Mr. Yadav. (Interruptions) This cannot go on.

श्री रामानन्द यादव : सभापति जी, सार्वजनिक क्षेत्र के जितने उद्योग-धंधे हैं इनकी स्थिति अच्छी नहीं है। उसका कारण यह है कि ये मुनाफे के लिए नहीं चलाए जा रहे हैं। इनकी कोई प्राइमिंग पालिसी नहीं है, कोई रेक्यूटमेंट पालिसी नहीं है, कोई फाइनेंशियल पालिसी नहीं है और उसके लिए जो प्रोफेशनल मैनेजर होने चाहिए उनके लिए रेक्यूटमेंट करने की कोई मशीनरी नहीं है। ब्यूरोक्रेटिक मशीनरी से लोग उस में जाते हैं . . . (Interruptions)

SHRI MANUBHAI PATEL: Before that question is entertained regarding the Members of the Public Undertakings Committee, I would like to say that there is a rule that they should not put questions regarding it. That formality should be observed at least.

SHRI RAMANAND YADAV: Look hear. Bhandariji put that question. You should remember that. Were you absent? Why did you not raise objection then? This is a question. I am not going to divulge any secret. I am not going to name any concerns. I am giving a general review.

MR. CHAIRMAN: Put a general question.

श्री रामानन्द यादव : मेरा क्वेश्चन यह है कि मैं सरकार से यह जानना चाहता हूँ कि क्या सरकार प्रोफेशनल्स, मैनेजर . . . (Interruptions) . . . जरा सुनिए तो।

श्री सभापति : आप लोग जरा सुनिए।

श्री रामानन्द यादव : मैं सरकार से जानना चाहता हूँ कि क्या सरकार आयंदा से ये ब्यूरोक्रेट्स—जो सरकारी मुलाजिम हैं विभिन्न मिनिस्ट्रीज के—इन्हें प्रबंधक के रूप में न भेज कर प्रोफेशनली ट्रेन्ड मैनेजर्स को प्रबंधक के रूप में भेजेगी जो सचमुच में उसे एक कामशियल यूनिट के रूप में ट्रीट करके उसके विभिन्न पहलुओं को जैसे कि प्रोडक्शन, वेज स्ट्रक्चर, प्राफिटेबिलिटी, हर चीज पर विचार करके नीति निश्चित करेंगे . . .

श्री सभापति : सब को मालूम है क्या करते हैं मैनेजर। जवाब दे दीजिए, किस्सा खत्म हो।

SHRI R. VENKATARAMAN: Sir, I have answered this question. I said that there was a Committee.

SHRI RAMAKRISHNA HEGDE: Sir I will put a supplementary. Let him answer both the supplementaries to—

gether. May I know from him at the moment how many of our public undertakings are topless, for how long and for what reasons and what is the progress made by the Fazal Committee?

MR. CHAIRMAN: Mr. Hedge, where do you come into the picture? I have not called you. You were not on the paper. You are nowhere. The time is also up.

Mr. Minister, please answer Mr. Yadav's question, and we will finish it.

SHRI R. VENKATARAMAN: Sir, I have answered this question. The Public Sector Selection Board goes into the qualifications of the various applicants and then selects them, and the employment of the bureaucrats or the IAS and other people has very much come down. There is very little employment of these people now.

MR. CHAIRMAN: Question Hour is over now.

SHRI MANUBHAI PATEL: The Members of a particular Committee should not put questions on the subject of the Committee. For future...

MR. CHAIRMAN: I will look into it. Now Papers to be Laid on the Table.

## WRITTEN ANSWERS TO QUESTIONS

### Mica Industry

\*801. SHRI KALYAN ROY:

SHRI LADLI MONAN  
NIGAM:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government's attention has been drawn to the fact that while private sector in mica industry is producing little over 9000 tonnes of

mica per year, they are exporting over 25,000 tonnes whose value is over Rupees 25 crores;

(b) if so, what is Government's reaction to it;

(c) what is the production of mica in the last four years and what is the total export in 1977, 1978, 1979 and 1980 and their value;

(d) whether it is a fact that there is deliberate concealment of production figures of mica by the mine owners who are running a large number of unreported mines surreptitiously;

(e) if not, what is the source of this huge quantity of additional mica which is being exported year after year; and

(f) whether Government propose to appoint a high level inquiry to investigate into this matter and find out the exact production and if not, the reasons therefor?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) to (f) A statement is laid on the Table of the House.

### Statement

The figures of production and export of mica for the years 1976, 1977, 1978 and 1979 are given below. Figures of 1980 are not yet available.

The fact that the quantity of export of mica exceeds the quantity of crude and waste mica produced has come to the notice of the Government and the Government feel concerned about the situation. The official committee appointed by the Government is already looking into this matter. Government will take further action after receiving the report of the Committee which is expected by the end of January, 1981.