

ANNUAL REPORT AND ACCOUNTS (1970-71)
OF THE INDIAN PETROCHEMICALS CORPORATION LIMITED AND RELATED PAPERS

THE DEPUTY MINISTER IN THE
MINISTRY OF PETROLEUM AND
CHEMICALS (SHRI DALBIR SINGH):
Sir, I beg to lay on the Table under
sub-section (1) of section 619A of the
Companies Act, 1956, a copy (in English and
Hindi) each of the following papers :—

(i) *Second Annual Report and Accounts*
of the Indian Petrochemicals Cor-
poration Limited, for the year
1970-71, together with the Auditors'
Report on the Accounts and the
comments of the Comptroller and
Auditor General of India thereon.

(ii) Review by Government on the
working of the Corporation.

[Placed in Library. For (i) to (ii)
See. No.LT-3419/72.]

**CALLING ATTENTION TO A MATTER
OF URGENT PUBLIC IMPORTANCE**

REPORTED WORKING OF A NUMBER OF
CENTRAL PUBLIC SECTOR UNDERTAKINGS
FOR QUITE SOME TIME WITHOUT THEIR
TOP EXECUTIVES

SHRI LOKANATH MISRA (Orissa) :
Sir, I beg to call the attention of the Minis-
ter of Finance to the reported working of
a number of Central Public Sector Under-
takings for quite some time without their
top executives as a result of which the
functioning of these undertakings have suff-
ered considerably and the step Government
propose to take to remedy this situation.

[(MR. DEPUTY CHAIRMAN in the Chair)]

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
K. R. GANESH) : Sir, there are
at present 103 Public Enterprises,

and the number of top posts in these en-
terprises *ie.* full-time Chairman, Managing
Director, Functional Directors and General
Managers of constituent units, works out
to over 200. Such posts are filled in by
the administrative Ministries concerned,
after obtaining the approval of the requisite
authority in the Government. According
to extant instructions, persons who are
selected by the respective administrative
Ministries for such top posts should have
normally been empanelled by the Empanel-
ment Selection Board set up for this purpose
in filling up such posts priority of consi-
deration also has to be given to talent within
the respective enterprises, as this alone will
help developing self-sufficiency in managerial
resources in the public sector. Govern-
ment is also keen that the selection for top
posts in these enterprises is effected with
utmost care, in view of the obvious stakes
involved. *It is a fact that difficulty is some*
time experienced in finding persons with
some special experience and background
needed for certain assignments, in view of
the dearth of such experience available
in the country itself, as compared to the
requirement therefor. There are about 30
top posts, which are at present awaiting to
be filled up by regular incumbents, keeping
in view the foregoing policy decisions.
While respective administrative Ministries
are taking suitable action in filling up the
posts, work in the enterprises is being mana-
ged, as necessary arrangements have been
made to carry on with the operation of
the enterprises. Government fully ag-
rees that the functioning of Public Enter-
prises should not suffer in any way, not
merely on account of managerial gap
at senior levels, but also on account of
putting the wrong person in charge of
an enterprise. Indeed it is the Govern-
ment's endeavour to see that all such manage-
ment gaps are foreseen and right persons
selected in time, but it has not always been
possible to complete such selections,

[Shri K. R. Ganesh]

particularly when new enterprises have been set up or when such gaps have been unforeseen. Government at present are considering certain fresh proposals dealing with managerial personnel policy in Public Enterprises, and it is hoped that after Government have taken a final decision on these and such decisions have been implemented, the position will become smoother.

SHRI LOKANATH MISRA : Sir, while I wish to make some queries regarding the vacancies in the top positions in some of the very big public sector undertakings in the country, I would not in the least give the impression to the House that I am happy about some of the top positions held now by the present incumbents including our ex-colleague who is heading the Food Corporation of India, against whom a lot of complaints are being publicly ventilated. Anyway, I would take that up on a separate occasion and I do not want to dilute the importance of this, that is, today's discussion, by bringing in the issue of Mr. Iqbal Singh. Now, Sir,
(Interruptions)

MR. DEPUTY CHAIRMAN : Do not listen to others. You proceed with your speech.

SHRI LOKANATH MISRA : Sir, I am now told by Shri Mahavir Tyagi that the CBI inquiry is complete so far as Shri Iqbal Singh is concerned.

Sir, the honourable Minister gave a preamble of about a full page while the reply to my question is in about three lines only. The preamble stated: It is very difficult to find out persons. It has become very difficult for the hon. Minister of State for Finance to select just 20, 30 or 35 persons out of 530 million people in this country! Maybe, he is facing difficulties because he does not know who is now going into

the Treasury Benches and who is being left out. so if he is frustrated or she is frustrated, then there is some justification because then there is some consolation prize to those who may create difficulties subsequently in the Party because of not getting any berth in the Cabinet. If that is so, then there is some justification.

But the hon. Minister of State for Finance has tried to evade the fact that there are already 5 posts of Chairmen vacant in very important public undertakings in the country. The first is the O.N.G.C., which is of basic importance. Then there is the Export Credit & Guarantee Corporation also of basic importance. The third is Indian Consortium in Power Projects—equally of basic importance. Fourth is the State Trading Corporation, which deals with all exports and imports of this country

SHRI MAHAVIR TYAGI : They have also no Chairman?

SHRI LOKANATH MISRA : Yes. There is the Indian Dairy Corporation. There are many others, including the National Textile Corporation, Indian Drugs and Pharmaceuticals, and so on. All these have no Chairmen. And for the chairmanship, the criteria that has been enumerated by the Minister of State for Finance do not hold good. It would be a politician to satisfy him. In order that he does not create any difficulties in the ruling party, he would be sent into this berth. Therefore, whatever have been the difficulty at least there would have been somebody who would have been held responsible to Parliament as Chairman. Why has that not been done, Sir? This is a very important issue.

MR. DEPUTY CHAIRMAN : Please conclude.

SHRI LOKANATH MISRA : This is a very important issue.

MR. DEPUTY CHAIRMAN :
There are many Members who want to speak on this.

SHRI LOKANATH MISRA : I will take another five minutes.....

MR. DEPUTY CHAIRMAN : Not five minutes. Put your question.

SHRI LOKANATH MISRA : As I was pointing out, there are five public undertakings where there are no Managing Directors. And it is not that all this came as a surprise to the Government. The Government knew about all these because, in some cases, the Government knew when they are going to retire; in some cases they were IAS men or some other Government servants. In spite of that, no precaution was taken so that as soon as the present Managing Director retires the new Managing Director should take over. In the case of STC Chairman also, I am told, Mr. Tandon had intimated about his option to go out of the STC chairmanship, and so Mr. Bhalal and Mr. Sarin. Now there is only one Director left in the STC; it is without any other top executive. How could this happen when the Government believes so much in Socialism and in public sector? How could they go on neglecting these things for so long? Why didn't they take timely action? All the Public undertakings are incurring colossal loss and it is all because either a wrong man has been put in the wrong place or there is absolutely nobody who takes the responsibility. I hope the hon. Minister would be in a position to explain to the House why all these lapses have occurred. One of the very vital industries of the country, the Hindustan Steel, I am told, is going to have a subsidiary holding company. I do not know the name of the company; I think the hon. minister would give us the name. And one of Tatas' men who is supposed to be an expert in lubrication is now coming as the Chairman of the steel project.

SHRI MAHAVIR TYAGI (Uttar Pradesh) : So that he can lubricate

SHRI K. R. GANESH : Sir, I would like to know in which subject he is the expert.

SHRI LOKANATH MISRA : Lubrication; greasing.

DR. BHAI MAHAVIR (Delhi) : He knows how to grease.

MR. DEPUTY CHAIRMAN : You will have to conclude because this is not a discussion.

SHRI LOKANATH MISRA : If you do not consider this to be important then I will sit down immediately.

MR. DEPUTY CHAIRMAN : You should also consider the procedure.

DR. BHAI MAHAVIR : A few minutes more should be allowed.

SHRI LOKANATH MISRA : Some of the other companies which also occupy a top place are the State Farms Corporation, the Indian Motion Pictures Export Corporation, the Rural Electrification Corporation and the Hindustan Paper Corporation, and they want us to believe that they are going to fulfil the targets so far as electricity is concerned and so far as production in this country is concerned when these vital sectors are neglected because Mr. Ganesh does not find suitable persons from amongst 550 million people.

SHRI N. G. GORAY (Maharashtra) : What has poor Ganesh to do with that?

SHRI LOKANATH MISRA : I do not know who is indirectly responsible but he is directly responsible (Interruptions).

MR. DEPUTY CHAIRMAN : I would request the Members not to interrupt Mr. Misra. Let him conclude.

SHRI LOKANATH MISRA : Initially I was resisting the coming in of the public sector undertakings because I knew that there would be colossal loss. I knew that there would be failure because nobody would take direct responsibility for all these projects. Now that it has come to be a fact, I would like, just as, probably, any of the hon. Members from the opposite side likes, these to function properly and I would like that they should contribute to the national economy and be projects of great credit to this country. Therefore, I would like to know from Mr. Ganesh as to what he is really going to do about it.

SHRI K. R. GANESH : Sir, as I have already stated in the statement which I have placed before the House, the Government is conscious of this fact (*Interruptions*) If you allow me to proceed (*Interruptions*) I have great respect for this House and for the last two hours I sat to find out as much information as I could give you honestly. I am, Sir, partially prepared to reply to many of the points that the hon. Members have made—they will have to bear with me.

The first thing is, as I have said in my statement, the Government is aware that these posts are vacant. There are certain facts which have got to be viewed from the background in which this problem could be properly understood and assessed. There are over 200 top posts in the enterprises. We have 103 public enterprises in which there are 200 top posts and these top posts have been categorised into various categories. As the press report says and as the hon. Members have mentioned, there are about 30 posts which are vacant. I am in a position to deal with each one of these 30 posts in each of the undertakings, of which the hon. Member has mentioned, and express the actual position as far as these are concerned. Before I proceed I would like to mention

that the question is not of selecting 30 top managers of 30 large industrial enterprises from among 500 million people. This is the first fallacy which I would like to clear. It is a question of selection from a very small number of persons.

DR. BHAI MAHAVIR : So much easier.

SHRI K. R. GANESH : Let me complete.

Firstly, it is not a question of selecting from 500 million people. The Government has adopted a procedure of selection for these top managerial posts. If the Government had not adopted these procedures, had not adopted these criteria then Parliament would have the right to question Government and ask what are the criteria governing the selection for these top managerial posts in important undertakings.

SHRI LOKANATH MISRA : What was the criterion for selecting Mr. Iqbal Singh ?

SHRI K. R. GANESH : I will come to Mr. Iqbal Singh.

SHRI LOKANATH MISRA : His capability for corruption ?

SHRI K. R. GANESH : I will come to Mr. Iqbal Singh, I will come to Mr. Wadud Khan, I will come to all of them. You will have to bear with me. Immediately I can only say that Mr. Iqbal Singh was a Minister. He is a Chairman of the Corporation; he was a Minister in this Government for a very long time. He was a former hon. Member of the other House, he had been elected by the people for a very long time.

SHRI M. KAMALANATHAN (Tamil Nadu) : Why was he defeated?

SHRI MAHAVIR TYAGI : Are these the criteria?

SHRI K. R. GANESH : I am coming to that also after I give some facts.

AN HON. MEMBER : He comes from a minority community.

SHRI K.R. GANESH : I can take up two attitudes. I can say that the problem is very serious. I am not concerned; I am in the finance Ministry. We are going to look into it; now that the hon. Member has drawn the attention of the Ministry we are going to see that the appointments are made. This is one attitude. I can take up a very convenient attitude.

SHRI BABUBHAI M. CHINAI (MAHARASHTRA) : In that case we will ask for a discussion; you cannot escape like that.

SHRI K.R. GANESH : But I am trying to give as much facts as are available. Government have laid down certain criteria. There is an Empanelment Selection Board and all persons who are qualified to be in the top managerial posts are empanelled. The Empanelment Selection Board processes the applications which then go to the Appointments Committee of the Cabinet which is presided over by the Prime Minister and in which the Finance Minister is there and the Minister concerned is also there and then the top executives are selected. In 1965 this Committee was constituted by some Secretaries of the Government. In August 1970 after certain experience was gained Government revised the decision and now there are four Secretaries of the government and four Chief Executives of public enterprises and they constitute the Committee for the selection of people for these managerial posts. There is a process laid down like the UPSC process and categories have been laid down from A to D depending on the scale in which a particular post is to be filled.

Now let us come down to certain facts. With regard to these posts which have to be filled I am in a position to say that out of these three posts are newly created posts,

that is, in June, 1972, April 1972 or something like that.

SHRI BABUBHAI M. CHINAI : Why have you not planned before creating the posts?

SHRI K.R. GANESH : Then there are eight posts for which potential persons have been located in the enterprises themselves and who are awaiting screening. Out of these eight posts seven are in the Fertiliser Corporation and one I think in the Indian Oil Corporation. Now this House has asked the Government to change its personnel policy. Government has been asked to see that managerial cadres which have acquired some maturity, which have acquired some expertise, which have acquired certain knowledge, are promoted as fast as possible. The necessity of building up managerial cadres is known to the House. Now, Sir, these 8 posts remain to be filled up. The position is this that for the 7 posts in the Fertilizer Corporation of India, the Ministry of Petroleum and Chemicals and the Fertilizer Corporation of India, the Ministry of Petroleum and Chemicals and the Fertilizer Corporation of India have located persons within the enterprise itself who can take up these top executive posts. Now they are only awaiting empanelment in the particular category, in the particular schedule, in which these particular top posts have been categorised. Therefore,

SHRI MAHAVIR TYAGI : For how long have they been waiting?

SHRI K.R. GANESH : That fact I will give you. I have got all the facts. We are discussing a large question. I have got the facts. I will give you the dates also. Now, Sir, 7 posts in the Fertilizer Corporation of India, and 1 post in the Indian Oil Corporation are not, in point of fact, vacant, because these persons are already working in the jobs

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persons who have been found suitable by the Fertilizer Corporation of India and by the Ministry to take up these top executive posts. Now Sir, for another 2 posts the selections have been finalised one in the Indian Dairy Corporation and the other in the Indian Petrochemicals Corporation. Now, 3 posts have fallen vacant during the last few days in the State Trading Corporation about which press reports have made a mention. Now these 3 posts have fallen vacant in the State Trading Corporation, one on the 9th of August, one on the 10th of August and one on the 12th of August, or some such dates in August, 1972, these three posts have fallen vacant.

SHRI BABUBHAI M. CHINAI : Now, if you knew that these posts will be lying vacant on the 9th, 10th and 12th if that was so, then you should have planned ahead to fill them up.

SHRI K. R. GANESH : I will answer that also to your satisfaction.

MR. DEPUTY CHAIRMAN : You may ask for clarifications later, not now.

SHRI K. R. GANESH : Sir, Government cannot appoint persons as they can be appointed in the private sector. When posts fall vacant, a certain procedure has got to be gone through, and I have tried to explain it, but I do not want to take the time of the House to explain the very detailed procedure that has been laid down. The applications will have to be processed. The applicants will have to be assessed. The Empanelment Board will have to make the recommendation. It will go to the Cabinet Secretary. It will go to the Committee of the Cabinet. This is how, for good or bad, our Indian democracy works, and one has to put up with it.

SHRI N. G. GORAY : What has democracy to do with this ?

SHRI K. R. GANESH : I do not expect this particular interjection from a very senior and a very respected Member. This is the procedure you have laid down and this is the exact procedure under which we are working.

SHRI N. G. GORAY : I would ask you very respectfully what has Indian parliamentary system to do with this.

DR. Z. A. AHMAD (Uttar Pradesh) : This comes under bureaucracy ; nothing to do with parliamentary democracy.

SHRI K. R. GANESH : This House has discussed about appointment of officers from the.....

SHRI N. G. GORAY : May I ask him just to give me a minute? Will you please yield for a minute? I would like to point out that even in the topmost ranks of our Army you must have come across this that one day before the man was due to retire, his extension was declared. Now do you mean to say that this has something to do with parliamentary democracy?

SHRI K. R. GANESH : I did not mean that. What I meant is that in our parliamentary democracy we have fixed certain guide-lines, certain criteria, certain institutions, certain mechanism, to fill up top posts.

SHRI MAHAVIR TYAGI : It must all be done before the post is allowed to remain vacant.

SHRI K. R. GANESH : Sir, then there are.....

SHRI LOKANATH MISRA : Then in a democracy how long, do you think, should the Prime Minister take to select the Ministers?

SHRI K. R. GANESH : I am only trying to give as many facts as possible. In my Statement I have already said that this

is something for which the Government is very happy. But it is something for which certain facts have got to be given to the hon. Members and I am only doing the duty of placing before hon. Members the facts. I do not want this discussion to just become a discussion where one has to raise a question and then one has to answer it. I take it to be a very inconvenient position. That is not my position, Sir.

There are vacancies which have occurred in the last few days. The posts presenting special difficulties for which persons have got to be found are four. What do I mean by posts for which persons have got to be found for which special difficulties are there? These are posts which require technical knowledge or specialised knowledge. For instance, take the Paper Corporation. As regards the Paper Corporation for the last two or three years the Government has been advertising and readvertising it to get a suitable person. He should possess the know-how as far as this particular technology is concerned. There are certain posts like that. If you go into this and if you have a discussion with the administrative Ministry concerned, you will find that it has not been found possible to fill four posts. There are some posts which have been kept in abeyance like the post of Deputy Chairman, BHEL. Why? The Chairman retired and the Government decided to appoint one of the General Managers to that post. He is now in 'B' category according to the schedule the Government has laid down. He is only waiting to be empanelled into 'A' category, so that he takes full charge of the chief executive's post. He is now looking after this office. Out of thirty posts, for 21 posts reasonable and rational explanations have been offered by me to hon. Members. Sir, it is for you to accept it or for you to say that the Government has been absolutely careless about it. The remaining 12 posts are there for which cer-

tain processes have got to be gone through. If the hon. Member wants, I have here all these undertakings, in which the posts are vacant, viz.—STC, the National Textile Corporation, HHEC, IMPEC, the Rural Electrification Corporation, ONGC, Engineer India Limited, IDPL, the State Farm Corporation, the Indian Dairy Corporation, the Indian Consortium in Power Projects, the Heavy Engineering Corporation and the Indian Oil Corporation. The reasons are, if you permit me, I will place this on the Table of the House, so that hon. Members can see for themselves the facts and the reasons why these posts are remaining vacant, I have offered it myself without any provocation.

SHRI GANESHI LAL CHAUDHARY (Uttar Pradesh) : We welcome it.

SHRI K. R. GANESH : The other point that the hon. Member has raised is about certain appointments. He has mentioned the name of Mr. Iqbal Singh. I do not think it is necessary for me to go into the details of this question. If there is anything in respect of the STC it is the administrative machinery which answers it.

MR. DEPUTY CHAIRMAN : Mr. Kulkarni. Please be brief.

SHRI A. G. KULKARNI (Maharashtra) : May I know from the Minister the criteria for selecting persons to these posts? If the criteria are given one can understand whether the selection has been made accordingly. My difficulty is this. May I know whether the Minister is aware that the delay created due to various formalities being finalised affects production or the working of the Corporation? The Government is in the habit of quietly acquiescing in raising the managing director to the position of chairman. Thereby the IAS or ICS officer is immediately raised from the position of managing director or deputy chairman to the position of chairman. If the

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IAS or ICS officer is technically qualified, I have no quarrel with it. Take the example of the National Textile Corporation. The Managing Director is raised to the position of Chairman. Take the Cotton Corporation of India. The Managing Director is raised to the position of Chairman. The Cotton Corporation of India's Managing Director was Chairman for so many times. (*Interruption*). For a few months the point is Government should take at least into consideration that the raising of a Government officer to the position of Chairman, if there is no qualification other than that he is an I.A.S. or ICS officer, should not be made. You say that the qualification must be there, the merit must be there. We feel that apart from these qualifications qualities also play a great part in selection. I want to draw the attention of the Minister that the failure of the public sector is because of the introduction of political appointments in this sector. That has to be condemned, and the Government has to be very careful in the selection of persons to head the public sector organisations.

Then he has mentioned the Indian Motion Picture Export Promotion Corporation. It has got no Managing Director since its inception. In Bombay we have seen it has become a den of corruption and scandal and every type of loan and advance is made to the various producers where many important persons are involved. No recovery is made. Have you made any enquiry as to why a Managing Director has not been appointed? This is a valid case which requires Government intervention. We are to look into the working of the various Corporations and in fact the Corporations are created for the better administration of the public finance. That is why I am bringing to the notice of the Government the

question of the Indian Motion Picture Export Promotion Corporation. Take any Corporation like that. Do not take a political aspect of the whole matter. It is only on merit that you can solve the problem and you can create confidence in the working of the public sector. Otherwise the whole thing will be taken for granted that it is for political intrigue of every sort.

SHRI MAHAVIR TYAGI : I entirely agree.

SHRI K. R. GANESH : As far as the Indian Motion Picture Export Promotion Corporation is concerned the post of General Manager fell vacant on 12-5-1972.

SHRI A. G. KULKARNI : Managing Director.

SHRI K. R. GANESH : All right, Managing Director. The Chairman of the Corporation now functions as the chief executive. Because it fell vacant about two or three months back it is quite obvious that efforts are already afoot to see...

SHRI A. G. KULKARNI : Export promotion is there.

SHRI K. R. GANESH : That will be a different discussion. This discussion is limited to this particular question. He has said about production or work suffering. It is true that when the chief executive of a public sector undertaking is not there, the public sector undertaking does suffer, but as I have indicated, and I have given facts, the record I am going to place on the Table of the House, which I have already placed, shows that as far as filling up these posts is concerned alternative arrangements to see that production does not suffer has been made. If you analyse the public sector undertakings, that is, wherever permanent Chairman and Managing Directors have been there, their record, and where they have not been there, their record, probably you will not come to this particular conclusion.

SHRI A. G. KULKARNI : There is no achievement in the public sector. (*Interruption*)

SHRI K. R. GANESH : The only point that I am trying to make is that having given the facts that most of these posts which are there are already.....

SHRI DAHYABHAI V. PATEL (Gujarat) : Redundant.

SHRI K. R. GANESH : That is for you. That India will not come. That India has gone. That is for you.

SHRI LOKANATH MISRA : If you have any sense of logic you will see that it is all redundant.

SHRI K. R. GANESH : Instead of theatre, I did science, anatomy, physiology, dissection and biology.

SHRI LOKANATH MISRA : I wish he had a little sense of theatre also.

SHRI K. R. GANESH : I have a sense of art but I do not want to have a sense of theatrical thing inside this House. That is outside.

MR. DEPUTY CHAIRMAN : In any case, you cannot beat Mr. Lokanath Misra.

SHRI K. R. GANESH : What I was trying to say was that efforts have to be made to see that production is kept going and if he goes into the whole details.....

SHRI A. G. KULKARNI : Why do you go on appointing Government officers for these?

SHRI K. R. GANESH : As far as Government officers are concerned, we have had a thorough discussion in this House. Government have taken certain decisions to give them options. Those decisions are in the process of implementation.

SHRI A. G. KULKARNI : Sir, on a point of order. The Minister was stating

that they were given options, etc. That does not relate to my question. My question has got nothing to do with option. I asked him whether the Government officers are appointed. The point is that General Managers or Managing Directors are immediately created as Chairmen and that affects it adversely.

MR. DEPUTY CHAIRMAN : You are not on a point of order.

SHRI A. G. KULKARNI : No, no. I do not want anything else.

SHRI K. R. GANESH : What I understood from what he said was...

SHRI A. G. KULKARNI : I did not say that.

SHRI K. R. GANESH : If you did not say, then it is all right. It is now the policy of the Government to see that internal managerial cadre is built up in these public enterprises. It is the policy of the Government to see that as far as possible promotions are given to competent people within the framework of the very strict criteria for these very high posts, which are being applied by the Empanelment Selection Board about which I have said. One point I would like to say—the hon. Member has referred to politicisation. It is not this form in which it is possible to discuss this particular question. But there is one point.

SHRI LOKANATH MISRA : At the Regal Theatre?

SHRI K. R. GANESH : At this point of time.

Sir, as far as the enquiries that have to be made and that have been made about the public sector undertakings are concerned, there are major defects in their working. The defects are managerial, the defects are mechanical, the defects are technical.....(*Interruptions*). All that is here. There is no question about it. Sir, as far as managerial defects are concerned

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you know that the Pathak Committee has been set up and it is trying to go into it. It has already submitted its report on seven plants on which the Government has simultaneously taken decisions. What I am trying to submit is that one of the major problems of the public sector undertakings, apart from managerial problem apart from technical problem apart from the problem of technology, apart from the problem of sophistication, apart from the problem of building-up a cadre, is the involvement of the working class. Now, in order to involve the working class—I believe the hon. Members will agree—it is necessary to have at the head of these undertakings, persons who have direct links and contracts with people, who know, who are committed to the philosophy and strategy of the public sector. We know that this machine has got to be maintained, and to maintain this machine it is not necessary to have big experts, this machine can be maintained by the workers, by the involvement of the working class.

SHRI A. G. KULKARNI : What is the criterion?

SHRI K. R. GANESH : That is, involvement of the working class.

SHRI LOKANATH MISRA : Defeated candidates.

SHRI K. R. GANESH : I am not saying which is irrelevant. Involvement of the working class, putting on the sector undertakings persons with commitment has got to be done. We have reached in this country the stage of national reconstruction and national reconstruction cannot only be done either by bureaucracy or cannot only be done by politicians. On these public sector undertakings you have got to put in persons who have the necessary commitment, who have the necessary skill to understand others and who will be able to solve the day-to-day problems that come up

Sir, these public undertakings are temples. In these temples machines have got

to be attended to ; men have got to be attended and their problems have got to be attended.

श्री बनारसी दास (उत्तर प्रदेश) : उपसभापति महोदय, पब्लिक ग्रंथरेकिंग्स में लगभग 6,000 करोड़ रुपया का इन्वेस्टमेंट है और सदन इससे पूरी तरह से सहमत है कि पब्लिक ग्रंथरेकिंग, पब्लिक सेक्टर का एक डामिनेंटिंग स्थान होना चाहिए। लेकिन जैसा कि अभी मंत्री महोदय ने कहा कि 30 स्थान रिक्त हैं, प्रोसीजर की वजह से, दूसरी बात उन्होंने यह कही कि एपाइन्टमेंट्स सही होने चाहिए, उमका पहला कमिडरेशन होना चाहिए कि वहां इफिशिएन्सी बढ़े, उत्पादन बढ़े। इस दृष्टि से ऐसे कन्सर्न्स हैं जहां पर पूरा कैपिटल खतम हो गया है, 50 करोड़ से ज्यादा का भी नुकसान हो गया है। अभी आइरन एंड स्टील का जिक्र किया, उममें नियुक्तियों के अन्दर जैसे एडवर्टाइजमेंट्स निकलते हैं—10 माल का एक्सपीरियेन्स 6 साल का एक्सपीरियेन्स मामूली मैनेजीरियल पोस्ट के लिए—लेकिन जिस इन्डस्ट्री में 20 परसेन्ट पैसा लगता है, उसमें ऐसे व्यक्ति को रखा गया जिनको स्टील मिनिस्टर ने स्वीकार किया, स्टील का कोई तजुर्बा नहीं है, उमकी एकमात्र क्वालिफिकेशन यह थी की सन् 1942 में स्टुडेंट्स मूवमेंट का इन्चार्ज था और क्विंट इन्डिया मूवमेंट को डिसरप्ट करने में मदद की और उसके पहले डा० चंडी को रखा गया था उनकी भी मेन क्वालिफिकेशनन्स इसी तरह की थीं, जिसका नतीजा यह है कि इस स्टील प्लान्ट में न तो पूरी कैपेसिटी में वर्क हो रहा है और उसमें लासेज बढ़ते जा रहे हैं। ऐसी ही भारत हेव्वी इलेक्ट्रिकल्स की हालत है, भारत इन्जीनियरिंग कन्सर्न्स की हालत है। अभी मेरे मित्र लोकनाथ मिश्र ने फूड कारपोरेशन का जिक्र किया। क्या मिनिस्टर महोदय बतलायेंगे कि कितने ऐसे डिफिटेड पार्लियामेंट के मेम्बर्स या मिनिस्टर्स हैं जिनको कि रोजगार देने की दृष्टि से पब्लिक सेक्टर के अन्दर रखा गया है? क्या उनकी क्वालिफिकेशन थी? क्या इसमें भी बड़ी क्वालिफिकेशन की या ज्यादा नालेज की जरूरत है कि कानपुर से

गोहाटी को गेहूँ भेजने के लिए रेलगाड़ी का ट्रान्सपोर्ट नहीं मिल सकता है, टूकस जा सकते हैं और 40 रुपया फी बैग के हिसाब से गोहाटी तक का किराया दिया जाता है। फिर भी वहाँ गोदाम में जगह नहीं तो कलकत्ता के मिलर्स को दिया जाता है गेहूँ पीसने 126 रु० फी बोरी का खर्चा उठा कर। क्या यह क्वालिफिकेशन है? क्या वहाँ पर, जैसे मस्टर्ड आइल खरीदा गया, टेन्डर फर्जी दिए गए, जिसमें 11-12 रु० फी टन का मुनाफा मिडलमैन को दिया गया, डाई-सौ, तीन-सौ टन तेल खरीदा गया। इसी तरह से इसके अन्दर भी फिडल किया गया। अगर यही सब काइटेरिया है तो मिनिस्टर साहब बताएंगे कि कितने उनके डिफीटेड मिनिस्टर्स, मेम्बर्स आफ पार्लियामेंट राजनीतिक दृष्टिकोण से रखे गए, इस दृष्टि से नहीं कि उनका कमिटेन्ट पब्लिक सेक्टर से है, उनकी योग्यता है, उनका पूरा तजुर्बा है बिजनेस मैनेजमेन्ट का, उनको चलाने का या सिर्फ इसलिए रखे गए कि पब्लिक अंडरटेकिंग को राजनैतिक अनायास बनाया जा रहा है, एक शरणगाह बनाया जा रहा है तो क्या मिनिस्टर साहब बताएंगे कि कितने-कितने लोगों को रखा है और उनकी क्वालिफिकेशन क्या है?

SHRI K. R. GANESH : Sir, the calling attention referred to top executive posts who, according to the hon'ble Member, are topless. The hon'ble Member has gone into the working of the public sector undertakings. My only answer is 'his. Mr. Chandy was not suitable. Mr. Iqba Singh was not suitable. Mr. Wadood Khan, who's brought, is not suitable. Sir this House has impressed on the Government that the I. A. S. and officer of the other administrative services are not suitable. Then from where are we going to get men?

SHRI BANARSI DAS : It means there is bankruptcy of personnel in this country or is it their inability to select capable persons?

SHRI KALYAN ROY (West Bengal) : Sir, the problem remains very serious and 9RRS/72=6.

there are two dangers which have developed. On the one hand, we find men from the monopolists who have no commitment to the public sector, infiltrating into the top posts like Mr. Dhawan in the Khatri Copper Corporation, from Bird and Company; and from the Tatas we find that a managing director has gone to the Bharat Coking Coal Company. There are people who are deliberately infiltrating. Mr. Ganesh may shake his head, but we who have experience in the trade union movement know it. That is number one. The second is, in the Hindustan Cables, for instance, where the production is not even 40 per cent—I am connected with the trade union movement there; I was Vice-President there—no officer remains as managing director for more than two or three years. They are sent on deputation. Similarly, in the Jute Corporation there is no one at the top. In the Bharat Aluminium Company you have a person who has no experience of aluminium at all. These are the two dangers which have developed. How does the Minister or the Government of India propose to combat this problem? What is the criterion for selecting the top people who are also the eyes and ears of both the workers and the management? Unless the Government has a policy of filling these posts with the proper people, people who are not tied up with the private sector, people who have the interests of the working class in their hearts and are also equally interested in defeating the private sector in their various manoeuvres, the Government's public sector concerns will continue to lose and will give opportunities to the right reactionary people sitting to my right here to sabotage and malign the public sector.

SHRI K. R. GANESH : Sir, I have already indicated the criteria that the Government has fixed, and they are very strict criteria of selection for the top managerial posts. Some of the delays that might be there are because of these strict criteria

[Shri K. R. Ganesh.]
about which I spoke. Sir, I quite agree with the hon. Member that persons with no commitment should not be there in the public sector. That is why the Government has appointed the Pathak Committee. It is going into it. The Government itself has now given the power that if persons in the empanelled list are not available, they can even get persons from the private sector or by advertisement. Some persons from the private sector may not be able to have the necessary commitment and once that is found, the Government will take the necessary action. The hon. Member is connected with the trade union movement. He knows the problems. I congratulate on the floor of this House the Minister of Steel and Heavy Engineering for having appointed a person who has qualified himself to rise to the height of the Tata managerial empire, a person who has left Rs. 10,000 a month there and has come to Rs. 4,000 a month. I need not convince Comrade Kalyan Roy that here is an experiment that is going on with this man who has left Rs. 10,000 to come to a public sector undertaking on Rs. 4,000?.....

SHRI KALYAN ROY : On a point of order, Sir. I mentioned only Bhara Coking Coal and Khetri Copper Corporation. I did not mention about Mr. Wadud-Khan.

SHRI K. R. GANESH : So, this experiment is going on. And the Secretaries Committee has already placed before the Cabinet a new managerial policy which has been sent to a group of Members for further examination (*Interruptions*).

बहुत सीरियस प्राब्लम है तो इसको
सीरियसली डिस्कस करिये ।

Sir, all these steps, the new criteria that have been laid down, the Pathak Committee recommendations that are there, the actions oriented committee which is there, the new policy which is being evolved by the Cabinet

and the new boldness the Minister of Steel has exhibited, all these will create the necessary climate, the necessary temper and the necessary expertise for managerial capacity. I agree that those who are not committed should be removed from there.

DR. BHAI MAHAVIR : Sir, a question was asked from this side—I am afraid it has not been answered as specifically as it had been asked—as to how many defeated former Ministers or former MPs have been appointed to top posts in Government undertakings.

SHRI JOACHIM ALVA (Nominated) : It happens in British Parliament also.

DR. BHAI MAHAVIR : Sir, is it a relevant answer? Mr. Alva thinks that what he has said has some relevance to what I was asking.

Sir, I want to have this information. If Mr. Ganesh is in a position to give it today, we will be glad. If he is not in a position to give it today, I would request him to let us have this information as soon as he is able to collect it : the number of persons along with that, the technical qualifications which those gentlemen had for sitting in the posts which have been given to them. His idea of criteria seems to be the procedure of how the selections are made—some Minister sitting on the selection board or the Prime Minister's view being taken or Cabinet Ministers sitting and deciding, and all that. These criteria may be very good from the subjective point of view. What we are interested to know is whether there are any objective criteria about which there can be satisfaction on the part of anybody who sees those criteria, whether they are accurate, whether they are proper for fulfilling those jobs or not. Along with this I would like to know if this Government is interested in making an estimate of the losses which are suffered by public sector undertaking because of the delay in these

ppointments. Now the honourable Minister made a very interesting remark that if we make a study of projects in which the top men are there and compare it with the performance of projects which are without the top men, perhaps there is not much of a difference. I would like him to verify his facts and then tell us if this is a fact, because if it is a fact, then it is a very interesting commentary on the efficiency of the people who are managing our concerns. So, lastly I would like to know whether all this delay in making top appointments to important public sector undertakings...

MR. DEPUTY CHAIRMAN : Please finish now.

DR. BHAI MAHAVIR : Yes, I am finishing.

We may have our differences regarding the policy of nationalisation. But then, once a thing is taken over by the Government, no countryman, no responsible citizen, would like that it should run inefficiently or that it should suffer losses because the losses have to be made up by the taxpayers, by the poor people, of the country. So it is as much our concern as that of the Members sitting across the floor that these concerns, these projects, are run well. I would like to know whether the Government has any idea or any proposal in hand to study the amount of losses which are directly caused because of these delays, because of these procrastinations, red-tapism, official procedures, forms, etc. Now, in all this does the Minister not infer—any third person would like to infer—from the affairs as he has stated them that the Government has built up an empire or has acquired an empire which today it is finding itself impossible to handle? I would like to know if this conclusion would be wrong because this is what anybody would be driven to conclude after listening to the honourable Minister's reply.

SHRI K. R. GANESH : Sir, the honourable Member has asked two specific questions. He has asked for facts about certain honourable Members who, he says, were defeated and so were appointed. I do not have the facts ready here. But no person is appointed as chairman of any of these undertakings because he is defeated in an election. If defeat in elections should debar an Indian citizen with the requisite qualifications from becoming anything it would be a very sad commentary on the state of affairs. It is not because a person has been defeated that he has been provided with an appointment. The fact is the merit of the person, the philosophy of having a chairman who is not supposed to be an expert, who is not supposed to be knowing the sophisticated technology, but who is supposed to bring to the public sector undertakings the philosophy of commitment, that is, I think. . . (*Interruptions*)

Sir, I think this is the answer. This is one of the basic problems of our undertakings and Indian itself. All of us come here. We are all talented people. Most of us want to be here. But have we gone to these undertakings and worked there? I offer this to hon. Members here. In the interests of the country, why not they go and sit and work in an engineering concern? That is the problem of India. Therefore, this harmony between technology and commitment has got to be there. I would also like hon. Members to understand how reconstruction is taking place in other countries. In our country we produce a Doctor in seven years. Our Doctors refuse to go to rural areas. But in Soviet Union they produce a Doctor in two years and they are sent out so that basic medicines are available to the people. . .

SHRI BANARSI DAS : He is making unnecessary comments. . .

DR. BHAI MAHAVIR : I asked certain specific questions. I am interested

[Dr. Bhai Mahavir.]

only in specific answers to those questions. If he does not have the figures now, he can collect them and furnish them to us later on.

SHRI K. R. GANESH : I said that in the beginning. I will give you the facts, about appointment of public men. But I reject your assumption. I have already said about the criteria. He asked another question about delay in making appointments and the resulting losses to public sector units. We will go into it and make a statement. I have already said that alternative arrangements have been made in some of these undertakings.

SHRI BABUBHAI M. CHINAI : I was all along under the impression that it is only the western countries like America and England which are wedded to "topless". I never knew that in the Government of India, the hon. Minister for Finance, who has switched over from science to finance, is also wedded to "topless". He has himself conceded that about 30 concerns have no top men or Chairman.

He has given the explanation that this has happened only recently. We always know in advance that such and such person is going to retire from such and such date. Government should take cognizance of this and start thinking right from that moment. This has not been done. I quite concede that Government has got certain criteria for selection and appointment to these top posts. But this is not being used at the proper time, with the result that we have not got top management people to run the show continuously. It is no use now giving all sorts of explanation and saying that we should be committed. It is all right. We should be committed. We have no objection to that. How many people are committed, except Shri Kotwal. I am 1 P.M. one with the Hon. Minister that we must all go and work in public sector organisations. Sir, we are prepared. But has

he got the authority to appoint us?

DR. BHAI MAHAVIR : He is prepared to resign. Are you also prepared to resign?

SHRI BABUBHAI M. CHINAI : Has he got the authority to appoint anyone as the Chairman of any concern at all? It is not known whether he himself can be appointed as Chairman of any undertaking. So, Sir, this is not the way in which questions in this House should be answered. I want to submit only one or two things. My humble suggestion to the Government is that they must appoint some man, before the incumbent retires, as Chairman or Managing Director in time adopting the same process that have adopted. Take, for example, the case of the Indian Airlines. Mr. Sen is the Chairman. He attends only one hour once a week. Now, are we going to have this type of Chairman and are we going to pass on to other concerns also like this? This is the question now. I can mention other names also. But I mentioned his name because it occurred to me just now. The honourable Minister may say 'Yes' or 'No.' But, Sir, it is a matter of fact that, whether they are the defeated candidates or they are the people who have not got the party tickets, they have been appointed as Chairman and their knowledge of the subject is a big zero. I am prepared to name them and discuss their knowledge on the floor of the House if he wants. But. . .

MR. DEPUTY CHAIRMAN : No, please.

SHRI BABUBHAI M. CHINAI : But, Sir, it is not my desire to discuss about any person here by name. It is not my desire and, therefore, Sir, it is better not to go on replying in this way. We are not in the Ramlila Grounds, but we are in the Rajya Sabha and we expect the honourable Minister to tell us pointedly as to what exactly their policy is and what has been done and what has not been done. I will give you

one more example. I mean from the cosmetics industry or oil, I think, has been appointed in the iron and steels sector. Now, what knowledge has he got? He says simply that he is committed. What is the commitment? He must know how to administer an iron and steel plant. It is not enough to say that he was getting Rs. 10 thousands previously and he has now accepted a Rs. 4,000-job. That is not the criterion. The criterion is whether he knows job, the whether he is in a position to be deliver the goods. I am not against anybody. But, Sir, I am against keeping in abeyance for a long time which, in turn, leads to loss of production, Loss of national wealth and bringing a bad name to the public sector. The private sector man is saying that we are getting a bad name in the public sector. For God's sake, don't give Public Sector a bad name. Even though we are having a mixed economy, we are more and more going in for public sector and if this is the way in which we are going or we are to go for the management of these public sector undertakings, we will naturally get a bad name. It is not only a bad name. The dog will get a bad name and the dog will one day be hanged and I say that the public sector would be hanged oneday. Therefore, I am telling the Minister, "With all the formalities that you have shown so far, kindly expedite this and take action in advance and appoint in time the Chairmen for those undertakings."

SHRI K. R. GANESH : Sir, I will now revert from the Ramlila Grounds to the facts as he has mentioned.

Sir, in the beginning itself, I gave the facts. I said that there are 21 posts which are lying vacant, which are of recent origin, or which are in the process of being filled or which have been filled or for which the incumbents inside the public sector undertakings are existing and have to be promoted and they are only waiting for empanelment.

SHRI BABUBHAI M. CHINAI : One mintue, Sir . . . (Interruptions).

श्री के० आर० गणेश : यह रामलीला ग्राउन्ड तो नहीं है। बैठ जाइए आप।

श्री बाबुभाई एम० चिनाई . एक घंटे से आप जवाब दे रहे हैं, जवाब ही नहीं आया अभी तक।

SHRI K. R. GANESH : The very basis of yours and my basis are so parallel that we cannot agree.

SHRI BABUBHAI M. CHINAI : This is not the way to reply.

SHRI K. R. GANESH : Sir, I told him that there are 21 posts now . . . (Interruption).

DR. BHAI MAHAVIR : Sir, can't you advise the Minister to be a little calm? He always gets excited. Sometimes he tells us to resign and sometimes he wants to go and be the Chairman of some undertakings.

MR. DEPUTY CHAIRMAN : If you are quiet, he will also be calm.

DR. BHAI MAHAVIR : I am suggesting this, Sir, because if questions are asked, he should answer them in a calm way.

MR. DEPUTY CHAIRMAN : If all of you shout like this, he is bound to get excited.

SHRI K. R. GANESH : Sir, there is one difficulty with me and that difficulty is that when I am asked to speak, I speak from my heart . . . (Interruptions).

जरा सुनिये, जरा सुनिये।

I cannot tell in this House that the hoarders are being hanged and my party cannot go outside and issue a statement that a few grain dealers have been arrested in Delhi. I have to speak in this manner so long as the hon. Prime Minister puts me in this position. I am giving facts. I have been

[Shri K.R. Ganesh.]

giving facts—not indulging in speeches. I have stated that these posts are in the process of being filled. I have already said that.

Now, Sir, there are 259 persons who are already empanelled—between August 1970 till today. These 259 persons are waiting to be taken over by these public sector undertakings. Now the Ministries know that these 259 persons in each category from Schedule 'A' to Schedule 'D' have been empanelled. They know that they have to select out of them. But somehow or other some have not been found suitable for certain categories of posts. So some other empanelments have to be made. That fact is there. This fact I have already placed before you.

Sir, there are three reasons which have brought about this delay. One reason is that the Ministries themselves locate their talents inside the undertakings so that there would develop a public undertakings managerial cadre, and as a result of the criteria laid down they are only waiting to be empanelled for higher posts. Secondly, there are difficulties in finding some incumbents like in the case of the paper technology and certain other difficult technologies, for which advertisements are been put. So a certain amount of care has to be there, and a certain amount of processing has to be there, in getting the chief executives of the public sector undertakings.

Sir, I have given facts. I have given reasons and all that was available with me. I may not have been able to convince them, Sir, but I have tried to do my best.

MR. DEPUTY CHAIRMAN : Now the Minister of Tourism and Civil Aviation will make a statement . . . (*Interruptions*).

SHRI LOKANATH MISRA : But he cannot go away like this. Let it be understood that the Minister would be here after two or 2.30 for further clarifications . . .

श्री जगदम्बो प्रसाद यादव (बिहार) : श्रीमान, हम एक विचार देना चाहेंगे।

श्री उपसभापति: पहले सुन लीजिये स्टेटमेंट था।

STATEMENTS BY MINISTERS

I. RE CRASH OF INDIAN AIRLINES FOKKER FRIENDSHIP AIR CRAFT VT-DME ON AUGUST, 11 1972

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH):

Sir, it is with shock that the hon. Members will have learnt of the tragic crash of Indian Airlines Fokker VT-DME on the night of the 11th. The aircraft was on a scheduled flight from Bombay to Delhi via Indore, Bhopal and Gwalior and took off from Gwalior at 9.10 P. M. The aircraft had 14 passengers and 4 crew members on board. After leaving Gwalior it was in normal contact with the Delhi air traffic control. The weather situation over Delhi was communicated to the aircraft in flight. It approached the runway in order to effect an instrument landing but was unable to land on its first attempt and carried out a missed approach. It then made a circuit for a second approach to land and reported to the control tower that its position was then over the outer marker. The pilot was directed by the Control tower to report "visual". There was, however, no response from the plane and in spite of repeated calls to it contact could not be re-established.

At 10.44 P. M. two minutes after the last contact had been made with the aircraft, rescue and fire fighting services were alerted. At 10.53 P. M. an Indian Airlines Caravelle which was then coming in to Delhi was also directed to look out for the missing aircraft. Two minutes later a report was received from the Caravelle that a fire had been observed towards its left side, short of the middle marker. The rescue and