

RAJYA SABHA

Monday, the 5th August, 1968/jj/A

14*A Sravana,, 1890 {Saka}

The House met at eleven of the clock, THE
DEPUTY CHAIRMAN in the Chair.

MEMBER SWORN

Shri Rizak Ram (Haryana)

ORAL ANSWERS TO QUESTIONS**REORGANISATION OF PUBLIC SECTOR
STEEL PLANTS**

*297. SHRI A. G. KULKARNI : f
SHRI N. R. MUNISWAMY :

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

(a) whether the reorganisation plan of the
Public Sector Steel Units is now complete ;

(b) if so, what are the details of the
reorganisation scheme ; and

(c) whether Government have finally
decided upon the selection of the Chairman of
the Hindustan Steel Ltd.?

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL, MINES AND
METALS (SHRI P. C. SETHI) : (a) and (b)
The details of the Management Reorganisation
of Hindustan Steel Limited are contained in
the Statement of the Minister for Steel, Mines
and Metals which was laid on the Table of the
House on the 20th March, 1968. The question
of the re-constitution of the Board in terms of
this Statement is under the active con-
sideration of Government.

(c) The new Chairman of Hindustan Steel
Limited joined on 29th May, 1968.

Shri A. G. KULKARNI : These public
sector units have got a pride of place in our
public sector and their utter failure to show
results has really created a frustration. In view
of this may I know from the Government
whether the Government have thought over
this? And what are the reasons

†The question was actually asked on the
floor of the House by Shri A. G. Kulkarni.

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for the change in policy ? In 1963 Mr. C.
Subramaniam announced a policy and on 20th
March 1968 another policy has been
enunciated. May I know what led them to
change the policy and whether while changing
the policy the Government has taken into
consideration the maladies which are inbuilt
in the steel sector like high inventory,
bureaucratic management of lack of
imagination in product diversification?

SHRI P. C. SETHI : Madam, the Board of
Directors of the Hindustan Steel Ltd. was
reorganised in 1963 and later on this question
was again reviewed once by the Public
Undertakings Committee and its 28th Report
was placed on the Table of the House.
Secondly the Pande Committee also reviewed
this question and their Report is also available.
In 1967 we had the Administrative Reforms
Commission's Report and they also suggested
certain changes. Fourthly the former Steel
Minister visited the U. K. and studied the
structure of their Steel Companies and
Corporations. In view of all these, particularly
in view of the 28th Report of the Public
Undertakings Committee this reorganisation
has been undertaken and on account of this
reorganisation there will be a full-time
Chairman and two full-time Deputy Chairman
and three functional Directors besides other
members of the Board of Directors. This was
necessitated in view of the change in emphasis
from production on tonnage basis, to the
consumer sensitiveness and to effect
economics in the plants. It is, true, Madam,
that the Hindustan Steel Ltd. has not shown
results as desired and these changes are
contemplated with a view to effect economies
and have more effective budgetary control.

SHRI N. R. MUNISWAMY : Madam, the
Minister has mentioned the structural changes.
In view of these structural changes I want to
know how far they have been able to succeed
in infusing efficiency in the management in
order to meet the challenges of the new
conditions that are coming up because of the
heavy losses incurred by these production
units.

SHRI P. C. SETHI : I have already said,
Madam, that the Chairman has