

RAJYA SABHA

*Monday, the 5th August, 1968/†the
14th Shravana, 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 : †
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 Hindu-
stan 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 pub-
lic 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

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 considera-
tion 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 review-
ed once by the Public Undertakings
Committee and its 28th Report was
placed on the Table of the House.
Secondly the Pande Committee also re-
viewed 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 Direc-
tors. This was necessitated in view of
the change in emphasis from produc-
tion on tonnage basis, to the consumer
sensitiveness and to effect economies 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 bud-
getary control.

SHRI N. R. MUNISWAMY : Madam,
the Minister has mentioned the struc-
tural changes. In view of these struc-
tural changes I want to know how far
they have been able to succeed in in-
fusing 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

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