

**ESTIMATES COMMITTEE
1959-60**

SIXTY-EIGHTH REPORT

(SECOND LOK SABHA)

MINISTRY OF DEFENCE

Action taken by Government on the Recommendations contained
in the Thirty-ninth Report of the Estimates Committee
(1st Lok Sabha) on the Ministry of Defence—Bharat
Electronics (P) Ltd., Bangalore



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 1959/Agrahayana, 1881 (S)

Price : Rs. 1'30 nP.

C O R R I G E N D A

Sixty-eighth Report of the Estimates
Committee (2nd Lok Sabha) on the
Ministry of Defence - Action taken
by Government on the 39th Report
(1st Lok Sabha) relating to B.E.L.

Page 1, last line: For 'no' read 'not'

Page 3, line 4 from bottom: For 'Committee' read
'Committees'

Page 9, col.4, line 4: For 'lincence' read 'licence'

Page 53, col.4 line 1: For 'suggestions' read
'suggestion'

Page 58, S.No.59, column 5 line 5: insert 'taken
in' before 'that'

Page 62, Col.4, line 5: For 'marked ' read 'market'

Page 79, column 5, line 1: For 'Polytehnics' read
'Polytechnics'

CONTENTS

	PAGES
Composition of the Committee	(iii)
Introduction	(v)
I. Report	1—3
II. Recommendations that have been accepted by Government	4—7
III. Replies of the Government that have been accepted by the Committee	8—29
IV. Replies of the Government that have not been accepted by the Committee	30—76
V. Recommendations in respect of which final replies of the Government have not been received	77—83
APPENDICES—	
I. Statement showing the number of foreigners employed in the B.E.L. and their terms of service	84—85
II. List of Organisations whom copies of the advertisements for technical posts and posts in Class IV are furnished by the B.E.L.	86—87
III. Copy of the Resolution dated the 26th May, 1955 containing details of the composition and membership of the panel for the Electronics and Wireless Industry and its terms of reference	88—89
IV. Copy of the Report of the Chief Cost Accounts Officer	90—98
V. Copy of the Ministry of Defence O. M. No. 4/42/56/CG (Projects) dated 21st January, 1957	99—100
VI. Analysis of the action taken by Government on the recommendations contained in the 39th Report of the Estimates Committee (1st Lok Sabha)	101

ESTIMATES COMMITTEE

1959-60

CHAIRMAN

Shri H. C. Dasappa

MEMBERS

2. Dr. Sushila Nayar
3. Shri T. N. Viswanatha Reddy
4. Shri N. R. Ghose
5. Shri Mathuradas Mathur
6. Shrimati Mafida Ahmed
7. Shri S. A. Matin
8. Shri Narendrabhai Nathwani
9. Shri Rajeshwar Patel
10. Shri Surendranath Dwivedy
11. Shrimati Renu Chakravartty
12. Shri M. Sankarapandian
13. Shri Jhulan Sinha
14. Shri Hem Barua
15. Shri C. R. Basappa
16. H. H. Maharaja Pratap Keshari Deo
17. Shri D. A. Katti
18. Shri Bhausaheb Raosaheb Mahagaonkar
19. Shri M. Muthukrishnan
20. Shri K. P. Kuttikrishnan Nair
21. Shri T. Nagi Reddy
22. Shri Vutukuru Rami Reddy
23. Sardar Amar Singh Saigal
24. Shri Dinesh Singh
25. Sardar Iqbal Singh
26. Shri Raghunath Singh
27. Shri Tayappa Hari Sonavane
28. Shri Sunder Lal
29. Shri A. M. Tariq
30. Shri M. G. Uikey.

SECRETARIAT

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

Shri A. K. Ray—*Deputy Secretary.*

Shri R. K. A. Subrahmanya—*Under Secretary.*

INTRODUCTION

I, the Chairman of the Estimates Committee having been authorised by the Committee, present this Sixty-eighth Report of the Estimates Committee of the Second Lok Sabha on the Action Taken by Government on the recommendations contained in the Thirty-Ninth Report of the Estimates Committee of the First Lok Sabha on the Ministry of Defence—Bharat Electronics (P) Ltd., Bangalore.

2. The Thirty-Ninth Report of the Estimates Committee was presented to the Lok Sabha on the 5th December, 1956. The Government furnished their replies to the recommendations contained in this Report between June, 1957 and May, 1959. The Sub-Committee 'A' (Defence) of the Estimates Committee 1957-58 examined the replies received upto April, 1958 on the 14th April, 1958. Further particulars required by the Sub-Committee on certain points were received between March and September, 1959. The Study Group 'E' of the Estimates Committee (1959-60) then examined the replies on the 4th, 11th and 12th September, 1959.

3. The Report has been divided into five Chapters :

I. Report.

II. Recommendations that have been accepted by Government.

III. Replies of the Government that have been accepted by the Committee.

IV. Replies of the Government that have not been accepted by the Committee.

V. Recommendations in respect of which final replies of the Government have not been received.

4. An analysis of the action taken by Government on the recommendations contained in the Thirty-Ninth Report is given at Appendix VI.

H. C. DASAPPA,
Chairman,
Estimates Committee.

NEW DELHI;

The 15th December, 1959.

Agrahayana 24, 1881(S)

CHAPTER I

REPORT

Agreement with the C.S.F.

In para 14 of their 39th Report, the Committee had noted that the collaboration with the C.S.F. for the project to establish an electronics industry in the country had been recommended by the Technical Sub-Committee on the following assumptions :—

- (a) the programme of production was flexible;
- (b) self-sufficiency was reached earlier and to a greater degree because of the flexibility in the manufacture of equipment and inclusion of manufacture of larger number of components and receiving valves as well as glass required for the valves;
- (c) quicker expansion and higher production was aimed at;
- (d) Indianisation of the factory was obtained earlier;
- (e) export of equipment manufactured by the Indian factory to neighbouring countries would be favourably considered ; and
- (f) a smaller number of personnel was required for equal production.

2. The Committee had, therefore, emphasised the necessity of watching that the assumptions made did not go wrong and were constantly kept in sight. Judging, however, from the performance of the B.E.L., which has been dealt with at length in their 59th Report (Second Lok Sabha), the Committee feel that the assumptions have been belied to a large extent as indicated below.

3. In para 28 of their 39th Report, the Committee had expressed the hope that the provisions contained in clauses 11 and 12(iii) of the Agreement regarding the utilization of the good offices of the C.S.F. to obtain from the French Government authorisation for supplying to the Government of India, the manufacturing data relating to equipment on the secret list of the French Government and also to obtain licenses, blue prints etc. from other companies producing equipment mentioned in Schedule I of the Agreement for production in B.E.L. would be fully availed of. From the replies furnished by Government they find that so far only one item of equipment had been obtained from the French Government through the C.S.F. with the intention of undertaking its manufacture in B.E.L. and that too did not satisfy the technical requirements of the users.

4. Similarly, in para 29 of the same report, the Committee had expressed the hope that since the Agreement with the C.S.F. provided good opportunities for attaining self-sufficiency in the electronics field earlier as well as for developing a sound indigenous electronics industry, every effort would be made to ensure the maximum utilization and exploitation of the opportunities provided in the Agreement. The Committee, however, observe that the production programme envisaged in the agreement has no

been adhered to and that the volume of actual production in the B.E.L. during the last three years was about Rs. 98 lakhs against the original programme of Rs. 550 lakhs. Further from the figures of stores and raw materials procured indigenously and from abroad, supplied by the Government, it would be observed that the position regarding indigenous procurement had not improved to any extent and dependence on imported material had not decreased.

5. Again in paras 26 and 105 of the 39th Report, the Committee had emphasised the desirability of utilizing to the maximum the French assistance offered under the Agreement for getting as many artisans and higher technicians trained as possible. Although in reply it was stated that full advantage was being taken under the Agreement to train men in the special skills required, but from the figures of artisans and higher technicians trained in India and abroad during the five years ending with 1958-59, furnished in March 1959, the Committee find that, while 434 persons were trained in India, only 18 were trained abroad and that too during 1954-55 and 1955-56 only. Even the 14 men who were expected to go for training in France during 1957 had not been deputed.

6. In para 64, the Committee suggested that the possibility of recruiting Officers and getting them trained in the factory organisation, manufacture and production of valves and components might be examined so that after training they could assist in the setting up of the factory and hold responsible positions when it started production. The Government in reply (received in June 1957) stated that arrangements were being made to depute suitable Indians for training in the manufacture of valves, with the Consultant firm. From their reply dated 18th March, 1959, which was furnished in reply to the Committee's query, the Committee, however, observe that no action was taken in the matter for about two years. Thus while the Consultants would have been paid for the services enumerated in Part III of the Agreement, which include training of technical personnel, it is felt that little advantage has been taken of the services of the Consultants in this respect.

7. It is thus clear that the assumptions on the basis of which the agreement was entered into with the C.S.F. have been materially belied. The Committee, therefore, reiterate the recommendation contained in para 41 of their 59th Report that there is need for a scrutiny and a review of the working of the Agreement with particular reference to the assumptions that were made while entering into the agreement and the assistance so far rendered by the C.S.F. They hope that it would be done and necessary steps taken to derive maximum advantage of the facilities available under the Agreement.

Annual Accounts and Reports

8. In para 40 of the 39th Report, the Committee emphasised the necessity of bringing out the annual accounts expeditiously. For this purpose they suggested that the feasibility of closing the annual accounts without waiting for outstanding Bills beyond a certain date should also be examined. In reply it was stated that action had already been taken by B.E.L. to close the accounts within two months of the end of the financial year. The Committee, however, observe that there is still a considerable time-lag between the presentation of a Report to Parliament and the close of the year to which it relates and even between its approval by the General Body

and presentation to Parliament. Thus, while the Annual Report relating to the year 1957-58 was considered and adopted by the General Body of the B.E.L. at their sitting held on 29th December, 1958, *i.e.*, 9 months after the close of the year, it was laid on the Table of the Lok Sabha on 14th May, 1959, *i.e.*, about 14 months after the close of the year, to which it related. The Committee hope that effective steps would be taken to finalise the accounts and to prepare the Annual Reports of the Public Undertakings as soon as possible after the close of a year and to present them to Parliament expeditiously.

Recruitment

9. In para 74, the Committee recommended the association of a member of the U.P.S.C. or at least of the local State Public Service Commission with the selection committees of the B.E.L. especially at the interview stage, so as to minimise, to some extent, the effect of the exclusion of posts in nationalized and other undertakings in the public sector from the purview of the U.P.S.C. In reply Government stated that it would be impracticable to include a member of the U.P.S.C. in the Selection Boards because of the distance between Delhi and Bangalore and that the suggestion of appointing a member of Mysore State Public Service Commission was under examination. It was, however, added that the above suggestion would appear to be *prima facie* opposed to the Committee's general view that Public Undertakings should be given the maximum freedom and not be hampered by rules and restrictions applicable to Government departments. While the Committee have not been informed of the final decision taken in the matter, they wish to state that there is no conflict between their recommendation for the co-option of a member of the U.P.S.C./State P.S.C. with the Selection Committees of Public Undertakings and the view that the Public Undertakings should not be hampered by rules and restrictions applicable to Government Departments. They feel that the association of members of the S.P.S.C. does not by itself impose any restrictions but on the other hand strengthens the position of the Selection Committee since the general public would have greater confidence in the objectivity of the selections. The Committee recommend that the matter might be reconsidered in the light of the above remarks.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Serial No. of recommendations	Summary of Recommendations	Reply of the Government
-------------------------------	----------------------------	-------------------------

1 2 3 4

7 25

The Committee suggest that in future, officers of the C.S.F. visiting the B.E.L. to supervise the progress of the project may be invited to submit reports on the progress of the work for the information of the Government of India as also of the Board of Directors of the B.E.L.

C.S.F. Officers visiting B.E.L. are now submitting reports on the conclusion of their visits.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.]

Further information required by Sub-Committee (Defence) 1957-58:

Copies of the reports, if any, submitted by the C.S.F. Officers who visited B.E.L. in the past and during the last six months.

(Lok Sabha Secretariat O. M. No. 81-E.C. 1/57 dated the 3rd September, 1957.)

The Committee consider it necessary that the B.E.L. along with similar other State Under-

This matter has already been examined by Government and it has been decided that the report

15 42

takings should implement the recommendations made in paragraph 30 of Estimates Committee's Sixteenth Report and publish an Annual Report showing all its activities, along with the annual accounts and Balance Sheet, for the information of the Parliament as well as of the general public and that a beginning in this respect should be made in 1957.

Further information required by Sub-Committee (Defence) 1957-58:

The specific decision reached in regard to the submission of Annual Report by the B.E.L. to Parliament and action taken thereon.

(L.S.S. O.M. No. 81-E.C.I.57 dated the 24th August, 1957.)

28 61 The Committee are glad to note that under-studies have been provided for all the foreign technical personnel except one. They would, however, like to emphasise the necessity of drawing up a precise long-term plan, phased suitably so as to gradually secure the replacement of the foreign personnel by some given date in the not too distant future.

34 70 The Committee are surprised that ordinarily an interval of only 15 days is allowed between the advertisement and the receipt of applications. The Committee consider that the interval allowed is too short and suggest that the time-limit should be increased to at least 30 days.

of a State Undertaking should give as much information as is possible depending on the nature of undertaking; in particular the undertakings of Ministry of Defence should give such information consistent with the security of the country and safeguarding of secrets of vital nature.

[Ministry of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957.]

An Annual Report on the affairs and working of B.E.L. for the year 1956-57 was placed before the two Houses of Parliament on the 24th June, 1958. The Annual Report for the year 1957-58 will be placed before the Parliament shortly.

[Ministry of Defence O.M. No. 4(10)/57/D(BEL) dated 18th March, 1959.]

Noted.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated 1st/3rd June, 1957.]

As recommended by the Committee, the time-limit has been increased to 30 days.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.]

45 The Committee suggest that, until the re-examination of the system of appointing skilled workers is made, the advertisements which are issued for the purposes of inviting applications for the course of training in the BEL, should clearly indicate, to the extent possible, the advantages which go with the pay-scales as well as the absence of disadvantages which a layman ordinarily associates with a daily-rated system.

48 88 & 89 The Committee are surprised to learn that work-loads and norms of work had not been prescribed for the various types of work both industrial and non-industrial. The Committee consider that it is important to fix, without any delay, the work-loads and norms of work in the BEL on the basis of those fixed by the CSF for their own labour and to spare no efforts to improve the efficiency of labour, with reference to the norms so fixed.

Further information required by Sub-Committee (Defence) 1957-58:

The date from which work-loads and norms have been fixed.

(L.S.S. O.M. No. 81-B.C. 1/5 dated the 24th August, 1957.)

The suggestion has been noted and will be implemented in future.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.]

Work-loads and norms have been fixed in BEL based on CSF norms. Standard man-hours have been fixed with reference to French time for different operations; actual time taken for these jobs are being constantly compared with the norms so fixed.

[Ministry of Defence O.M. No. 4/10/57/CG(BEL) dt. the 1st/3rd June, 1957.]

Standard man-hours for production jobs based on CSF norms have been fixed from the very commencement of production in the factory.

[Ministry of Defence O.M. No. F.4(10)/57/D(BEL) dt. 18-3-59.]

51 92 The Committee regret to observe that the BEL have not so far set up any Works Committees. They, therefore, recommend that such Committees should be set up immediately.

The Works Committees are being set up] as suggested.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dt. the 1st/3rd June, 1957.]

67 118 It has been suggested to the Committee that as the production in the B.E.L. progresses and as and when the manufacture of more advanced types of equipment is undertaken, the manufacture of simpler items and components may be gradually transferred to other subsidiary industries to the extent permissible under the Agreement with CSF so that BEL could obtain as much technical know-how and manufacturing technique as possible from the CSF and at the same time concentrate on the production of advanced types of equipment. The Committee do not consider it their province to offer remarks on this suggestion but suggest that it may be given due consideration at the proper time by the B.E.L.

Noted.
[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dt. the 1st/3rd June, 1957.]

CHAPTER III

REPLIES OF THE GOVERNMENT THAT HAVE BEEN ACCEPTED BY THE COMMITTEE

S. No. of recommendations of the Report	Ref. to Para No. of the Report	Summary of Recommendations	Reply of the Government
---	--------------------------------	----------------------------	-------------------------

1

2

3

4

The Committee are surprised to find that the case for collaboration with the C.S.F. was put up to the Cabinet for approval, even before ascertaining the commission, licence fee etc., which the two firms in question would charge and consequently without giving a comparative evaluation of this aspect.

The case for collaboration with the CSF was put up to the Cabinet in July, 1952 after a comparative evaluation of the project reports submitted by M/s. Marconis & CSF had been made and we had satisfied ourselves that the various factors contributing to the production cost such as number of personnel employed, the labour costs, the material costs, royalty charges were less in the case of the CSF. Once the question of collaboration with the CSF was accepted in principle by the Cabinet, negotiations were carried on with a view to work out the details of the terms and conditions of the agreement including the payments to be made to the CSF. Approval of the Cabinet was again obtained before the agreement was signed with the CSF in December, 1952.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL)
dt. 1st/3rd June, 1957.]

Further information required by Sub-Committee (Defence) 1957-58 :

Did the comparative evaluation reports placed before the Cabinet take into consideration the commission, licence fee etc. which the two firms would have charged? What was the estimate of cost to Govt. according to the comparative evaluation at that time in respect of the C.S.F. Project?

(*Lok Sabha Sectt. O.M. No. 81/EC.-I/57 dt. 24th August, 1957.*)

4 18 The Committee realise that negotiations with a foreign firm for the establishment of an industry, of which neither the Government nor the country had any previous experience, would involve protracted discussions in the matter of settlement of production programme, terms for assistance and collaboration, etc. However, they consider that the 4½ years period which elapsed after the initiation of action for the establishment of the industry until the final signing of the Agreement and during which imports of electronics equipment continued to be made at the rate of Rs. 2 crores a year, was more than was strictly justified. The Committee are of the opinion that in such matters more business-like methods should be adopted and no efforts should be spared to expedite the progress of the negotiations and discussions with the firm whose collaboration and assistance is to be obtained.

The comparative evaluation of the Project Reports of the two firms submitted to the Defence Committee of the Cabinet took into consideration all the relevant factors including licence fee, royalties etc., asked for by the two firms. At that time it was estimated that the cost of the factory according to the CSF Scheme would be roughly Rs. 7 crores or Rs. 8 crores.
(*Min. of Defence O.M. No. 4(10)/57/D (BEL) dt. 14-9-59.*)

Noted.
[*Ministry of Defence O.M. No.4 (10)57/CG (BEL) dated 1st/3rd June, 1957.*]

23 The Committee agree that there were special reasons on account of which the assistance of the French concern had to be obtained even in the preparation of plans and designs of factory but they would recommend that in future, in similar cases, Indians might be associated even from the start in the designing, etc., of the factory buildings so as to enable them to get the necessary experience which would undoubtedly prove valuable.

Further information required by Sub-Committee (Defence) 1957-58:

The action contemplated for the future.'

(L.S.S.O.M. No. 81-EG- 1/57 dt. 3rd September, 1957.)

31 The Committee have no remarks to offer on the location of the site of the factory as they are aware that Bangalore offers several advantages both from strategic and climatic points of view for the situation of an important industry.

Noted.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dt. the 1st/3rd June 1957.]

The recommendation of the Committee has been brought to the notice of the Ministries concerned with the undertakings in the Public Sector for necessary action.'

[Ministry of Defence O.M. No. F. 4(10)/57/D (BEL) dt. 31-3-59.]

Noted.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.]

They would, however, like to invite the attention of the Government to the recommendation contained in para 17 of the Estimates Committee's Sixteenth Report on the "Organisation and Administration of Nationalised Undertakings" that Govt. undertakings should be dispersed throughout the country and that they should not be concentrated in any particular area or areas, particularly as there are now at Bangalore four major industries of the Government of India *viz.*, the Hindustan Aircraft Ltd., the Hindustan Machine Tools Ltd., the Indian Telephone Industries and the BEL besides those of the State Government.

Further information required by Sub-Committee (Defence) 1957-58:

The action contemplated for the future.

(L.S.S. O.M. No. 81-EC-1/57, dt. 3rd September, 1957.)

In this connection, please refer to the reply of Govt. to recommendation No. 10 (para 17) of the 16th Report of the Estimates Committee. According to the Resolution on Industrial Policy of the 30th April, 1956, Govt. are already following a policy under which Govt. undertakings are, as far as practicable, being dispersed throughout the country and are not being concentrated in any particular area or areas.

[Ministry of Defence O.M. No. F. 4(10)/57/D (BEL) dated 5-5-59.]

17

The Committee would suggest that the composition of the Board of Directors should be rationalised and made broad-based at an early date.

49

This matter has already been examined by the Government who came to the conclusion that it would not be desirable to have a member from each of the User Ministries on the Board of Directors as that would make the Board too unwieldy. The interests of the Civil Departments are represented through the Chairman, Radio and Cable Board, who is a member of the Board of Directors. It is felt that there is at present no necessity to reconstitute the Board of Directors, although provision is being made in the Articles of Association of the Company for the periodic turnover of the members to introduce fresh blood on the Board.

12

BEL has a programme for the manufacture of equipment for the Railways and as a matter of fact their first sales have been to the Railway Board.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL)
dt. the 1st/3rd June, 1957.]

:0

54

The Committee observe a tendency on the part of Government to select a few non-officials to function on the Boards of Directors of several nationalised and other industries in the public sector with the result that very often

Noted.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL)
dt. the 1st/3rd June, 1957.]

.. find suffi-

icials as Directors of Public effort is made to see that are suitable and that, as same non-officials are not mber of Undertakings. It ven that in some cases the nominated on more than one but this is generally due to qualifications of persons mmdation of the E.C. of the same non-official tors of a number of public avoided, as far as possible ight to the notice of the or their guidance.

No. 4(10)/57/D/BEL dt.

it has been enlarged to echnical and commercial nior French Adviser when considered neces- Management.

specific powers be delegated, we consider that the Management should continue to be in the hands of the Managing Director and not be transferred to the Board of Directors. This system of management is satisfactory.

17. 4/10/57/CG(BEL) dt.

J

The revised Articles of Association of HAL were revised in 1956 after the coming into force of the Companies Act of 1956. Under the revised Articles of Association it is provided that

that make the adoption of a uniform practice in respect of both impracticable.

[L.S.S. O.M. No. 81-EC.I/57 dated the 24th August, 1957.]

the HAL Board of Management will advise and assist the Managing Director in the Management of the current business and affairs of the Company to its best advantage, subject to the direction and control of the Board of Directors. No specific powers have been delegated to the Board of Management. Thus a uniform practice is being followed in both HAL and BEL in regard to the delegation of powers to the Board of Management inasmuch as in both the Companies the Boards are advisory bodies.

[Min. of Defence O.M. No. 4(10)/57/D(BEL) dated 24-7-1959.]

The Committee suggest that foreign technicians may be brought keeping in view the long-term plan and for predetermined periods to the minimum extent necessary so as to avoid, as far as possible, the grant of piecemeal extensions and also to facilitate their coming on more favourable terms to the country in view of the assurance of a longer stay with the BEL.

Further information required by Sub-Committee (Defence) 1957-58

A statement showing the no. of foreigners employed and their terms of service, indicating the period for which their services have been extended or are proposed to be extended.

[L.S.S. O. M. No. 81-EC.I/57 dt. the 24th August, 1957.]

The terms of foreign technicians are extended only where it is absolutely essential to do so.

[Min. of Defence O.M. No. 4/10/57/CG(BEL) dt. the 1st/3rd June, 1957.]

A statement showing the number of foreigners employed in the BEL and their terms of service etc., is given in Appendix I.

[Min. of Defence O.M. No. F.4 (10)/57/D(BEL) dated 18-3-1959.]

32 The Committee suggest that the necessity of posting a non-technical army officer in London to maintain liaison with the D.G.I.S.D. in London and with the C.S.F. in the purchase of machinery abroad may be re-examined in the light of the future purchase programme and the feasibility of merging his functions with the I.S.D., London or the Military Adviser to the High Commissioner in U. K. also considered. The Committee deplore the necessity of having to post a liaison officer in New Delhi to chase references made to the Ministries and User Departments and regard it as a sad reflection on the state of affairs in Government Departments. The Committee would, however, like to suggest that in case appointments of liaison officers in this manner by various nationalised undertakings are inevitable in the present circumstances, the feasibility of two or three or more nationalised undertakings, having joint liaison officers, not merely in New Delhi but in other places also, may be examined by them.

As desired by the Estimates Committee the necessity for having a liaison officer in London has been examined by the BEL. It is essential that this officer be retained in London to handle the numerous enquiries which are made in Europe regarding the procurement of components and material required by the BEL. If this responsibility is completely handed over to the ISD, that organisation would require additional staff for this purpose. The post of a liaison officer in London, therefore, does not involve Government in any additional expenditure. When the volume of work abroad is reduced, the possibility of the abolition of this post would be examined. Our experience so far has shown that the posting of this officer to London has facilitated quick procurement and supply of plant, machinery and material required by the BEL.

In so far as the Liaison Officer in Delhi is concerned his work consists primarily of ensuring close technical co-ordination with different users, and to ascertain their future requirements well ahead to plan the production programme of the

**Further information required by Sub-Committee
(Defence) 1957-58:—**

BEL. It will be extremely difficult for BEL to plan their production programme unless such an officer is kept in Delhi. The suggestion of the Committee on having a joint liaison officer for various Government undertakings is under examination.

[*Min. of Defence O.M. No. 4/10/57/CG/BEL, dated the 1st/3rd June, 1957.*]

(i) Whether the question of utilising the services of the Military Attaches/Advisers attached to the High Commissions etc. for doing the work of the Liaison Officers abroad has been examined ?

(ii) Latest decision regarding appointment of a joint liaison officer for the various Government Undertakings.

[*L.S.S. O.M. No. 81-EC.I/57 dated the 26th/27th November, 1957.*]

66

The Committee suggest that the question of finding successor consultants to the B.E.L. may be examined sufficiently in advance and action taken to associate them with the B.E.L. even before the expiry of the contract with the C.S.F. Besides the appointment of the Director of the Indian Institute of Science and/or of the

33

The post of Liaison Officer in London has since been abolished.

In regard to the suggestion to have a joint Liaison Officer at Delhi for representing the interests of two or three or more nationalised undertakings, the proposal is under consideration.

[*Min. of Defence O.M. No. 4(10)/57/D(BEL) dated the 4th February, 1959.*]

It is considered that the B.E.L. will gain sufficient experience in the production of electronics equipment during the current period of the agreement with the C.S.F. and consequently the question of "overall consultancy" at the expiry of this agreement would not arise. Technical collaboration may be necessary for the production

Pilani Institute on the Board of Directors of the B.E.L. suggested at Serial No. 19, the Committee would suggest for the consideration of Government the appointment of some University staff and Professors as consultants or advisers for this purpose. They also understand that informal contacts of this type already exist with the Indian Institute of Science, Bangalore in which case the feasibility of putting the relationship on a *de jure* basis might be examined.

of specific items of equipment for which licensing arrangements will be made with individual firms specialising in the field.

University professors can certainly help in the research work, but for production it will be essential to obtain the assistance of industrial experts through licensing agreements as explained above.

[Ministry of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957.]

Whilst an over-all consultancy with a single firm for production of electronic equipment may not be necessary at the end of the period of the contract, arrangements for consultancy for specific projects or group of projects allied to one another will be considered from time to time in addition to technical collaboration with foreign firms.

[Min. of Defence O.M. No. 4(10)/57D(BEL) dated the 5th February, 1959.]

36 72 The Committee suggest that recruitment in the case of Class III posts may be made on a re-

The recommendation is under examination.

gional basis rather than on a local basis as at present and that for this purpose advertisements may be made in the entire Southern region, i.e., Andhra, Bombay and Kerala besides Madras and Mysore.

[*Min. of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

As in the case of posts in Classes I and II, technical posts falling in Class III are also now advertised in the newspapers listed above (against Serial No. 35). Non-technical posts of Class III are advertised in the local English paper (*Deccan Herald*) as also in the 'Hindu', Madras, the latter having a very wide circulation in Mysore, Madras, Andhra and Kerala States. It is felt that this would serve a major portion of the Southern region. B.E.L. also intend to advertise in the *Times of India* to cover the remaining area.

[*Min. of Defence O.M. No. 4(10)/57/D (BEL) dated the 5th February, 1959.*]

16

40 76 The Committee do not consider the present system obtaining in the B.E.L. of advertising and recruiting as and when the necessity and occasion arises, as satisfactory. They would like to commend in this connection the recommendation made by the Engineering Personnel Committee of the Planning Commission that there should be one or two bulk selections every year for technical men of a particular category. They would further recommend that the recommendation of that Committee should be implemented without further delay in collaboration with similar

Recruitment to various posts in B.E.L. is being done twice a year as a rule. After the immediate vacancies have been filled, a list is prepared from amongst the best candidates and the vacancies occurring within the next six months are filled by taking men from the approved list.

The Estimates Committee's recommendation has been communicated to other Ministries concerned for taking necessary action thereon.

[*Min. of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

other undertakings and Government Departments requiring technical men.

Further information required by Sub-Committee (Defence) 1957-58 :

Does the system of recruitment to various posts in the B.E.L. twice a year apply to technical personnel also ?

[L.S.S. O.M. No. 81-EC. 1/57 dated the 24th August, 1957].

In an expanding organisation where new lines of production have to be taken in hand in accordance with the needs of the users, it is not possible to forecast the requirements of technical personnel long in advance, particularly as the type of candidates to be recruited will depend upon the kind of equipment to be produced. In view of the shortage of technical personnel in India it has so far been B.E.L.'s practice to advertise and fill up vacancies in technical posts as and when these occur. It will be possible to forecast long term requirements once the factory is fully established, and the needs of technical personnel have been established.

[Ministry of Defence O.M. No. F.4 (10)/57/D (BEL) dated 18th March, 1959].

The question of pay-scales is under examination.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated 1st/3rd June, 1957].

The Committee suggest that the question of the pay scales in the B.E.L. may be examined *de novo* by the Board of Directors of the B.E.L. as well as by the Defence Ministry in consul-

tation with those concerned with the management of H.A.L., I.T.I. and H.M.T. and also, if necessary with the Mysore Government.

The pay scales in force in B.E.L. are based on (though not exactly identical to) those in H.A.L. and in the other Union Industries in Bangalore. The matter has been under examination in consultation with other Union Industries in Bangalore. Recently in view of the decision of the Industrial Tribunal in the I.T.I. case, the Board of Directors of B.E.L. have approved of the following recommendations with effect from 1st October, 1958 :

Daily rated employees

- (a) To fix a minimum daily wage of a daily rated worker at Rs. 1-3-0 per day.
- (b) To raise by As. 3 per day the basic wage of all daily rated employees.
- (c) To raise by As. 3 per day the minima and the maxima of the scales of wages of all daily rated employees.

Monthly rated employees

- (a) To fix the minimum monthly basic pay of monthly rated employees at Rs. 30 per month.
 - (b) To raise by Rs. 5 per month the basic pay of all monthly rated employees the minima of whose scales of pay are Rs. 250 per month or less.
-

(c) To raise by Rs. 5 per month both the minima and the maxima of the scales of pay of all monthly rated employees, the minima of whose scales of pay are now Rs. 250 per month.

[*Ministry of Defence O.M. No. 4(10)/57/D(BEL) dated the 5th February, 1959.*]

43 **79** The Committee commend the suggestion made by the Engineering Personnel Committee of the Planning Commission that the shortages in the supply of tele-communication engineers in the country be made good by drawing on electrical engineering graduates and by giving them departmental training. At the same time, they feel that unless bold and effective measures are taken by the Government to overcome the shortage by opening more technical and engineering colleges, by upgrading some of the existing institutions as well as by increasing their capacity, the above suggestion will at best be only a temporary palliative which will not meet the shortage effectively.

44 **84** The Committee suggest that the present system of appointing skilled workers, especially those who are well qualified, having obtained diploma in craftsmanship and received special training

Electrical engineering graduates are already being trained in the B.E.L. to specialise in the electronic field. This question is, however, being examined by the Government as a matter of general policy.

[*O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957.*]

The matter is being re-examined.

[*Ministry of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957.*]

like that in the B.E.L. on a daily rate of pay should be re-examined.

It is felt that it would be desirable to await the report of the Pay Commission before any further changes are introduced in the wage structure in B.E.L. The necessity for gradual abolition of the daily-rated scales will, however, be kept in view.

[*Ministry of Defence O.M. No. 4(10)/57/D(BEL) dated the 5th February, 1959*].

49 90 The Committee consider that when new industries are being established a start should be made with the modern practice of piece work and bonus system rather than carry on with an old fashioned system. They hope, therefore, that this system will be introduced at an early date.

The possibility of introducing piece-rates and bonus system is being examined by the B.E.L.

[*Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957*].

It is felt that, at the present stage of development of the factory, it is somewhat early to introduce a system of payment by results. The matter will no doubt have to be considered when the production in the factory gets stabilised.

[*Ministry of Defence O.M. No. 4(10)/57/D(BEL) dated the 5th February, 1959*].

53 94 The Committee suggest that the B.E.L. may explore the possibilities of constructing buildings for providing separate educational facilities in the factory area for the children of the staff in collaboration with H.M.T. and other neighbouring concerns.

Temporary buildings are already available for starting schools. The schools and other common facilities are being planned by B.E.L. in consultation with the only neighbouring factory, Hindustan Machine Tools (P) Ltd.

[*Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957*].

55 The Committee suggest that the training imparted in the Training School may be re-examined with a view to seeing whether it could be improved upon so as to facilitate better efficiency and output on the part of the workers.

The low output of the Indian workers as compared with the French workers in France is not due to poor training but due to lack of experience. It will not be fair to compare the Indian worker who has worked for less than a year at a job with the French worker who might have put in perhaps 20 years. Nevertheless, the course of training is constantly under review and is being altered whenever the changing needs of the factory require it.

[Ministry of Defence O.M. No. 4/10/57/CG/(BEL) dated the 1st/3rd June, 1957].

58 The Committee feel that there should be some co-ordination between requirements of Draftsmen in the various industries, on a regional basis, if not on a central basis, and that Draftsmen Training Scheme, at least for the purpose of imparting initial training, should be formulated on a collective basis, to meet the demand, leaving, if necessary, the advanced training and specialization to the respective industries. The Committee suggest that as a beginning the various Government undertakings in Bangalore may initiate a joint Draftsmen Training Scheme, and thereafter gradually such schemes may be extended to other regions also.

103 The initial training is not given in the B.E.L. training school. The special training required for the electronics industry is given only to those draughtsmen who already have the basic knowledge. Since the requirements for draughtsmen in electronics trade differ considerably from other trades, a common school for training draughtsmen is not feasible.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957].

Further information required by Sub-Committee (Defence) 1957-58 :

- (1) Have B.E.L. experienced any difficulties in getting candidates with basic knowledge of draughtsmanship for being trained at the B.E.L. Training School ?
- (2) The source from which the B.E.L. recruit the candidates with basic knowledge of draughtsmanship for training in their School may please be indicated.

[L.S.S. O.M. No. 81-EC-I/57 dated the 24th August and 3rd September, 1957].

63 108

The Committee consider that the success and progress of research would depend to a great extent on close co-ordination with other institutions offering facilities for research and development in electronic; such as the National Physical Laboratory, the Indian Institute of Science, the Electronics Research Institute, Pilani, etc. To facilitate close co-ordination in research of this type, the B.E.L. should take concrete steps to encourage the conduct of research in various Institutes and Laboratories particularly in the matter of developing indigenous sources of raw materials required in the electronics industry, including those required in valves manufacture, while it could itself concentrate on the industrial aspect of research. The Committee suggest that for the purpose of facilitating

B.E.L. has not so far experienced any great difficulty in getting candidates with basic knowledge of draughtsmanship. Candidates trained under Government Craftsmanship Scheme have been recruited. Another potential source is the Engineering College. These men are then put through a specialised course of draughtsmanship in the technical training school, or given training 'on the job' in the factory.

[Ministry of Defence O.M. No. F. 4(10)/57/D (BEL) dated the 18th March, 1959].

Close liaison is being maintained with the institutions concerned. The question of concrete steps to be taken by B.E.L. is under examination.

[Ministry of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957].

B.E.L. has been keeping in close touch with the Indian Institute of Science, Bangalore and the National Physical Laboratory, New Delhi, in regard to research and development of raw materials and components required for the electronics industry. Similar contacts with the Electronics Research Institute, Pilani, will be established shortly. The recommendations of the Estimates Committee regarding the need for establishing close co-ordination with other institutions for the development of raw materials required for

research on selected lines, pilot plants be got opened in the Electronics Institutes and Laboratories either directly by the B.E.L. or preferably through the agency of the Council of Scientific and Industrial Research.

the electronics industry will be kept constantly in view.

[*Ministry of Defence O.M. No. 4(10)/57/D(BEL) dated the 5th February, 1959*].

68 121

The Committee would suggest that, in addition to the existing audit arrangements, it would be desirable to have another centralised authority charged with the responsibility of laying down the system of costing for each industrial unit and of ensuring by periodical inspections that the system is being faithfully followed by each Unit and also that action is being taken to control costs etc. on the basis of the data brought out.

The matter is under examination.

[*Ministry of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957*].

Government have already accepted the recommendation of the E.C. contained in their 16th Report that cost accounting should be introduced as a matter of course in nationalised undertakings from the outset. State industrial and commercial undertakings are already being run on commercial principles and cost accounting systems have either already been introduced or are in the process of being introduced in such undertakings. As the company form of management has been adopted generally in the public sector undertakings, the responsibility for their efficient administration including the maintenance of an efficient system of cost accounting, devolves upon the Boards of Directors primarily. The laying down of a system of cost accounting is an expert matter requiring

The Committee would also suggest that the Cost Accounts Branch of the Ministry of Finance be entrusted with the specific duties of laying down the system of costing to be followed in each undertaking in the public sector, of conducting systematic concurrent or periodic reviews in regard to the adequacy or otherwise of the cost accounts system and of submitting reports thereon, direct to the Finance Ministry

as well as the administrative Ministry concerned of Government of India.

the knowledge of the various processes adopted in the undertaking. As the Cost Accounts Branch of the Finance Ministry is not at present equipped with fully trained personnel conversant with the systems suitable to all types of undertakings it may become necessary, in special cases, to obtain for the purpose the advice and/or the services of expert Cost Consultants or of firms collaborating with the establishment of the undertakings. The Government of India have, therefore, come to the conclusion that, considering the present stage of development of the Cost Accounts Branch of the Finance Ministry and the degree of autonomy given to the Boards of Directors of Government companies, it is not feasible immediately to centralise in the Cost Accounts Branch of the Finance Ministry the responsibility of laying down system of costing for all State undertakings and of ensuring by periodical inspections that the systems are being faithfully followed.

In view, however, of the importance of the subject matter of the recommendation of the Estimates Committee, the Ministry of Finance propose to develop the Cost Accounts Branch of the Ministry by the addition of qualified personnel from time to time and also by deputing selected officers to the various projects for receiving training. In addition, in consultation with the Boards of Directors of selected undertakings, the Cost Accounts Branch will take up the examination of their existing systems of cost accounting

and submit reports for the consideration of the Boards of Directors and the administrative Ministries concerned. In regard to the other organisations it is proposed that in the course of the proposed inspections of undertakings, which the administrative Ministries have been requested to arrange in consultation with the Finance Ministry, the cost accounting arrangements should also be revised. For this purpose, the Finance Ministry will endeavour to see that the terms of inspection include persons with competence in the field of cost accounting.

8

It is hoped that the measures indicated above will gradually lead to the achievement of the objectives which the recommendations of the Estimates Committee have in view.

[Ministry of Finance O.M. No. F. 15(25)-E.II(A)
56 dated 1st April 1959].

73 The Committee suggest that the feasibility of manufacturing ferrous items of special specifications required by the B.E.L. might be explored in consultation with the various Ordnance Factories in the country where large capacity to undertake such work exists.

The feasibility is being investigated.

[Ministry of Defence O.M. No. 4/10/57/CG
(BEL) dated the 1st/3rd June, 1957].

B.E.L.'s requirements of ferrous materials are generally cold-rolled and cold-drawn and have

to be supplied in metric sizes. The specifications are also relatively more rigid than those laid down for industries other than the electronics industry. However, the possibility of obtaining ferrous raw materials from the Ordnance Factories is being explored in consultation with the D.G.O.F.

[Ministry of Defence O.M. No. 4/10/57/D (BEL)
dated the 5th February, 1959].

CHAPTER IV

REPLIES OF THE GOVERNMENT THAT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Sl. No. of recommendations	Ref. to Para No. of Report	Summary of Recommendations	Reply of the Government	Comments of the Committee
1	2	3	4	5
2	14	<p>The Committee find that the recommendation of the Technical Sub-Committee in favour of collaboration with the CSF was based on a number of assumptions and also took cognisance of a few defects. While the Committee consider it too early to judge the extent to which the assumptions made while recommending the acceptance of the CSF project will prove correct, they cannot over-emphasise the necessity of watching that the assumptions made do not</p>	<p>The working of the agreement is constantly kept under review and every effort is being made to ensure that the objectives envisaged by the Technical Sub-Committee in recommending collaboration with the CSF are attained.</p>	<p>Please see paragraphs 1 to 7 of Chapter I.</p>

[Ministry of Defence O.M. No. 4/10/57CG(BEL) dated the 1st/3rd June, 1957].

go wrong and are constantly kept in sight and also that the defects are made good as far as possible.

6

While the Committee are glad to observe that the agency of the India Stores Department, London was and is being utilised by the B.E.L. for the purchase of their plant and machinery abroad, they feel that the Agreement when drafted should have taken note of the existence of this agency for effecting purchases and that some of the clauses relating to the assistance of the CSF in the purchase of machinery need not have found place in the Agreement.

Further information required by Sub-Committee (Defence) 1957-58 :

A list of other cases providing for purchase of plant and machinery through the Consultants.

(L.S.S. O.M. No. 34-PU/58, dt. 30-5-58.)

The agreement entered into with CSF stipulates certain normal services to be rendered by the technical associates. This is the usual practice when entering into similar agreements. The orders were placed through ISD because the prices of machinery and equipment recommended by CSF were rather high, and it was possible to get similar equipment cheaper through India Stores Department
[Min. of Defence O.M. No. 4/10/57/CG(hEL) dt. the 1st/3rd June, 1957].

It is doubtful whether it is the usual practice to utilise the agency of technical associates in the purchase of plant and machinery. The Committee feel that had the possibility of purchasing the plant and machinery through the ISD been kept in view, while entering into agreement with the CSF, it might have been possible to obtain a reduction in the fees payable to the Consultants. In this connection, the Committee would also refer to para 38 of their 59th Report (Second Lok Sabha).

8 26 The Committee are glad to observe that recognition has been given in the Agreement to the very important question of training of technical personnel both in India and abroad in the factory of the CSF, France "to the extent as may be necessary" and of research though they would have liked to see subjoined to the Agreement a comprehensive scheme for training and research. The Committee hope that the opportunities provided under the Agreement will be fully utilised to train artisans and higher technicians to meet the requirements of the BEL.

Further information required by Sub-Committee (Defence) 1957-58 :

A note stating the No. of artisans and higher technicians trained so far in India and abroad (separately), the nature

Full advantage is being taken under the agreement to train men in the special skills required.

[*Min. of Defence O.M. No. 4/10/57/CG (BEL) dt. the 1st/3rd June, 1957.*]

Even the 14 men who were expected to be sent for training to France during 1957 (para 105 of the 39th Report) have not been deputed for training. While the Committee might not be able to express an opinion whether the persons trained abroad so far are adequate for the requirements of the BEL or not, a review of the requirements in this regard with a view to making the maximum use of the facilities available under the agreement is suggested specially in view of the fact that the fees payable to the CSF seem to include the charges for providing training facilities also.

Number of artisans and higher technicians trained in India and abroad so far, year-wise is as follows :

	<i>In India</i>	<i>Abroad</i>
1954-55	12	6
1955-56	69	6

of the training, the No. of persons still under training and how their services are being utilised.

1956-57 88

1957-58 180

1958-59 (Complete-97

ted on 25th Nov. 1958.)

(L.S.S. O.M. No. 81-EC.I., dt. 24-8-57 and O.M. No. 34-PU/58, dt. 30-5-58.)

[Min. of Defence O.M. No. F. 4 (10)/57/D(BEL), dated 18-3-59].

9 The CSF has undertaken in clauses 11 and 12 (iii) of the Agreement to use its good offices to obtain from the French Government authorisation for supplying to the Government of India the manufacturing data relating to equipment on the secret list of the French Government and also to obtain licenses, blue prints, etc., from other companies producing equipment mentioned in Scheduled I of the Agreement for the purpose of production in the BEL. The Committee have some doubts as to what extent manufacturing data relating to the equipment on the secret list of the French Government can be acquired for production in India. All the same they hope that

So far our experience has shown that there is no difficulty in obtaining details of any specific equipment which may be on the Secret List of French Government. We had recently obtained on loan from the French Government through the CSF a radar set to conduct suitability trials for the Air Force with the intention of undertaking its manufacture in the BEL, if the trials proved successful. This equipment was on their secret list.

[Ministry of Defence O.M. No. 4/10/57/CG(BEL), dated the 1st/3rd June, 1957].

The Committee regret to note that even in the solitary instance where the manufacturing details were obtained by the BEL on loan from the French Government, through the CSF the equipment did not fully satisfy the technical requirements of the Users which confirms the doubt expressed by them in para 28. They feel that the provision made in the agreement in this respect has not been of much advantage.

the offer contained in those clauses will be fully availed of.

Further information required by Sub-Committee (Defence) 1957-58.

The result of the trials on the radar set obtained on loan from the French Government.

The equipment did not satisfy some of the technical requirements indicated by the Air Force.

(*Lok Sabha Secretariat O. M. No. 81-EC/57 dated 24-8-57.)

[Ministry of Defence O.M. No. F. 4 (10)/57/D (BEL), dated 16-4-59].

10 29 The Committee note that provision exists in the Agreement for altering the schedules which lay down the programme of production and that in fact the programme has already undergone two or three changes in the last two years. They would have, however, liked to see in the Agreement and in the schedules thereto

Complete self-sufficiency in the electronics field is difficult to achieve, even in the technically advanced countries. Certain components and raw materials have to be imported. The schedules of production attached to the Agreement entered into with the CSF indicate only the types of equipment in the production

Considering that one of the advantages of the CSF Project, on the basis of which they were selected in preference to others, was stated to be that self-sufficiency was reached earlier to a greater degree... the Committee do not consider the reply as satisfactory. In this connection, they would also refer to paras 25 and 29 of

greater evidence of the promise of reaching self-sufficiency at some given date.

of which we are particularly interested. Every effort is being made to achieve self-sufficiency within the scope of the Agreement, although as explained above certain raw materials and components will continue to be imported. Necessary steps are being taken to establish a Research and Development Department in BEL to develop new equipment to meet our specific requirements in the course of time. Efforts are also being made to develop the manufacture of ancillary components in the country.

[*Min. of Defence O. M. No. 4/10/57/CG (BEL), dated the 1st/3rd June, 1957.*]

Further information required by Sub-Committee (Defence) 1957-58:

The value of the components and raw materials imported for the BEL during the last one year and of those procured indigenously.

The value of stores and raw materials procured indigenously or from abroad year-wise is as follows :

1956-1957-1958-
57 58 59

		Upto
		Dec.
		1958
		Rs. in
		lakhs
Indigenous	1.86 4.86	2.42
Foreign	13.08 45.11	21.62

(L. S. S. O. M. No. 81-EC I/57 dated the 24th August, 1957.)

[Min. of Defence O. M. No. 4(10)/57/D(BEL), dated 18-3-59].

11 39

The Committee consider that the Agreement with the CSF, provides very good opportunities for developing a sound indigenous electronics industry which could make the country self-sufficient and that it is entirely upto those incharge of the B. E. L. to ensure the maximum utilisation and exploitation of the opportunities so provided and to make a complete success of the Agreement.

Noted. Every effort is being made in the direction indicated. j

[Ministry of Defence O. M. No. 4(10)/57/D (BEL), dated 12-5-59].

38

Considering the volume of production in the B.E.L. during the last three years, it is evident that the opportunities available under the agreement with the C.S.F. have not been fully availed of. The Committee would, therefore, reiterate the recommendation contained in para 41 of their 59th Report that there is need for a scrutiny and a review of the

working of the agreement with particular reference to the assumptions that were made while entering into the agreement and the assistance so far rendered by the C.S.F.

The Committee regret to note that the principal aims of the Agreement have not been fulfilled. They are, therefore, not confident that the agreement with C.S.F. has been working as satisfactorily as was hoped. They, therefore, suggest an urgent review of the agreement. In this connection, they would also refer to Chapter II of the Committee's 59th Report (2nd Lok Sabha) and hope that necessary steps would be taken to derive maximum advantage of the facilities available under the agreement with the CSF.

Since the submission of evidence before the Estimates Committee, an overall appraisal of the fulfilment of the agreement with the CSF has been carried out. Due to delays in the achievement of production targets the Government has accepted one year setback in the production schedule.

[*Min. of Defence O.M. No. 4/10/57/CG (BEL), dt. the 1st/3rd June, 1957.*]

The main reasons for the delay in the achievement of production targets were :

- (i) Delay in the development of two sets required by the Army which accounted for the bulk of the production programme of the first two years. The

The Committee are glad to learn that the Agreement with the C.S.F. is working satisfactorily and there have been very few minor differences so far between the C.S.F. and the B.E.L. They consider, however, that a true opinion on the working of the Agreement can be expressed only in terms of the fulfilment of its principal aims.

Further information required by Sub-Committee (Defence)

1957-58:
The reasons for delays in the achievement of production targets and for the setback for one year and whether the responsibility for the setback has been apportioned.

[*L. S. S. No. O. M. No. 81-EC 1/57 dated the 24th August, 1957.*]

development of these sets has not been finalised yet, the delay being mainly due to the longer time taken to meet the stringent requirements of the role for which they are required.

(ii) Certain developmental work and modifications had to be carried out on two other sets (General Purpose Receiver and 400 W Transmitter) proposed for production in the first two years to satisfy the operational needs of the users.

(iii) The user departments which had no experience of French equipment, desired demonstrations, technical tests and trials before they could accept the equipment.

(iv) Foreign exchange difficulties which are being experienced by the users & BEL have also in some measure come in the way of increasing production.

[*Min. of Defence O. M. No. B 4 (10)/57/D (BELF dated, 18-3-59)*]

14 40 The Committee would emphasise the necessity of bringing out the annual accounts more expeditiously and suggest that for this purpose the I. S. D., London be approached to ensure expeditious rendering of bills etc. At the same time they suggest that the feasibility of closing the annual accounts, without awaiting outstanding bills beyond a certain date, by showing them suitably in the Balance Sheet, as is done in most commercial concerns, should also be examined.

16 47 The Committee are of the view that Secretariat functions of laying down policies

Please see para 8 of Chapter I.

Action has already been taken by BEL to close the accounts within two months of the end of the financial year.
[*Min. of Defence O.M. No. 4 10/57/CG(BEL) dt. the 1st/3rd June, 1957.*]

The electronics factory has been established primarily to meet the requirements of the

Attention is invited to paras 5 and 6 of the 19th Report of the Estimates Committee

and the executive functions of implementing them should be clearly demarcated and that as far as possible Secretariat Officials should not be associated with the actual execution of policies laid down by them so as to enable them to retain an objective outlook. They do not, therefore, consider the arrangement under which the Secretary to the Government of India is the Chairman of the Board of Directors of a Company set up by the Government to carry out a project on business principles to be very satisfactory.

Defence Services. It was, therefore, considered that the Secretary of the Ministry of Defence in his capacity as the Chairman of the Board of Directors of BEL would be in the best position to secure the greatest possible measure of support and cooperation from the three Services during the initial, difficult and formative stages of the factory. The Government have already informed the Estimates Committee, on the general aspect of this question raised by the Committee in its Sixteenth Report, that as sufficient experience has not been gained with the working of the present system they propose to continue the system for some time more before reviewing it.

(2nd Lok Sabha) which contain the views of the Committee on the reply of Government to the recommendation contained in para 7 of their Sixteenth Report (1st Lok Sabha).

[Ministry of Defence O.M. No.
4/10/57/CG (BEL) dt. the
1st/3rd June, 1957].

The Committee suggest that a representative of the Radio Manufacturers in India may also be associated with the Board of Directors, if possible, in view of the fact that the question of country's becoming self-sufficient in all respects in the equipment to be manufactured by the BEL, is inter-linked with the growth and development of the radio industry in the country, particularly in the matter of manufacture of components.

BEL is represented on the Radio Manufacturers' Association thereby providing some liaison between the Radio Manufacturers and the BEL in respect of items of common interest. However, the question of having a representative of Radio Manufacturers' Association on the Board of Directors of the BEL is under examination.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dt. the 1st/3rd June, 1957].

It will be of no advantage to BEL to have a representative of the Radio Manufacturers' Association on its Board of Directors because BEL is not going in for the production of domestic radio receivers and most of the components used in these receivers are not suitable for the type of equipment we are going to produce. Moreover, adequate liaison with the RMAI is ensured because BEL is a member of this association and also because one of

The Committee do not agree with the view of Government that it would be of no advantage to have a representative of the Radio Manufacturers' Association on the Board of Directors of the B.E.L.

BEL's directors is a director of two of the leading companies manufacturing radio receivers in India, companies which are also members of the RMAI.

[Ministry of Defence O.M. No. 4/10/57/D (BEL) dt. 5-2-59].

19 & 20

The Committee would suggest the gradual replacement, to the extent possible, of officials on the Board of Directors by non-officials such as industrialists, scientists, a Chartered Accountant, the Director of Indian Institute of Science and/or of the Pilani Institute etc., so as to enable a fresh, business-like and scientific outlook to be brought to bear on the affairs of the BEL.

51 & 52

Rationalisation of specifications and coordination of the different user requirements for electronics equipment constitute two of the important functions of the Radio and Cable Board and forms the basis for planning the production programme of BEL. The presence of some officials on the Board of Directors is necessary as the majority of the matters which come up before the Board have financial implications and an impact on government policies regarding equipment. The association of Secretariat officials, there-

The Committee feel that even if the production in the BEL were to be confined to the requirements of Government

Please see remarks against S. No. 16.

Departments only the Board of Directors should not have an overwhelming majority of officials as the presence of a large number of officials invariably tends to bring to the organisation and its functioning, an official approach of a type which is generally found in most Government Departments and to that extent defeats the very object of setting up a private limited company to work on business principles. They consider that even in the matter of safeguarding the special interests of the User Departments while formulating the production programme and of facilitating coordination between them and the BEL in matters of common interest, the purpose now intended to be served by having their representatives on the Board of Directors can be achieved by laying specific duties and responsibilities on the Radio and Cable Board—a body composed of representatives of the various User Departments.

fore, helps in taking quick decisions and in accelerating matters, particularly in the case of a new company.

[*Ministry of Defence O.M. No. 4/10/57/CG(BEL) dt. the 1st/3rd June, 1957.*]

21

The Committee would like to reiterate the recommendation made by the Estimates Committee in paragraph 6 of their Sixteenth Report that at least 25% of the share capital of such State Undertakings should be available for subscription by the public as it would secure public interest and cooperation in the management of such concerns. They feel that this step would also incidentally help in finding suitable non-officials for the Board of Directors.

The Government have considered this matter but feel that public participation in the share capital of the State Undertakings relating to the defence of the country such as Hindustan Aircraft Ltd. and Bharat Electronics Ltd. ought to be ruled out for various security reasons.

[*Min. of Defence O.M. No. 4/10/57/CG (BEL) dt. the 1st/3rd June, 1957.*]

Attention is invited to para 4 (Chapter I) of the 19th Report of the Estimates Committee (2nd Lok Sabha).

23

The Committee feel that in the absence of a senior technical adviser on the spot to assist the Managing Director, the objectives aimed at are not likely to be achieved expeditiously. They were informed that the BEL did have an adviser of this type till about February, 1956 and that as it was felt that the post did not

The Committee's recommendation regarding the immediate appointment of a senior technical adviser and giving him a seat in the Board of Directors and Board of Management is under examination.

[*Min. of Defence O.M. No. 4/10/57/CG (BEL) dt. 1st/3rd June, 1957.*]

The Committee find that the former Managing Director was replaced by a technical man in May, 1958 but regret to note that this was done about 1 1/2 years after their Report.

carry sufficient work and responsibility, it was abolished. The Committee consider that the abolition of the post was not a step in the right direction and recommend that at the earliest opportunity a senior technical adviser should be appointed and also given a place on the Board of Directors.

24

The Committee realise that there might be some difficulty in finding a senior officer to hold the post of Technical Director of the B.E.L., in view of the dearth of such men in the country as well as of the fact that those who are so qualified are probably engaged fully in their present responsibilities from which it might be difficult to spare them. Should this be the case, the Committee would recommend the formation of an Advisory Board consisting of technical experts, who might visit the B.E.L. once in six months or even a year and as-

56

The present Managing Director himself being a technical expert, it is not considered necessary to appoint a technical adviser at this stage. So long as the Managing Director's post is held by a technical expert, it may not be necessary to give place to the Technical Adviser on the Board of Directors.

[*Min. of Defence O.M. No. 4/10/57/D (BEL) dt. the 5th Feb., 1959.*]

The question of setting up an Advisory Board is under examination by the Government.

[*Min. of Defence O.M. No. 4/10/57/CG (BEL) dt. 1/3rd June, 1957.*]

The responsibility for assessing the progress of BEL is mainly that of the Board of Directors on which there are Technical experts and eminent scientists and industrialists. It would be more appropriate if a Committee of the Board of Directors could be appointed for this purpose.

[*Min. of Defence O.M. No. 4/10/57/D (BEL) dated the 5th Feb., 1959.*]

The Committee feel that for proper assessment of the working of the BEL and the progress made towards the achievement of the programme of production an Advisory Board, independent of the Board of Directors, is essential. They, therefore, reiterate the earlier recommendation

45

assess the working of and the progress made by the B.E.L. towards the achievement of the programme of production laid down and the ultimate goal of self-sufficiency. An Advisory Board of this type when appointed may be required to submit reports direct to the Government of India on the assessment made by them so as to enable the Government of India to obtain independent advice on the working of the B.E.L. from a body different from the Board of Directors.

25 58

The Committee observe that different limits in regard to the pay have been fixed by Government in the matter of obtaining the prior approval of the President while making appointments to certain posts in the various nationalised undertakings in the public sector. For instance, they find that in the Hindustan Aircraft Ltd.,

The question of further delegation of powers and of securing uniformity is under examination.

[*Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

The different limits imposed by the Govt. in different com-

Please see remarks against S. No. 26.

no such limit has been fixed, that in the I. A. C. and A.I.I. Corporation, a minimum salary limit of Rs. 1,000 has been fixed while in the BEL the criterion is that Rs. 2000/- should be the maximum pay of the post. The Committee recommend that certain uniformity in this matter should be observed by the Government.

26

The Committee observe that at present different limits have been fixed in the various nationalised undertakings in the matter of obtaining prior approval of the Central Government for incurring capital expenditure. The Committee recommend that the monetary limit for incurring capital expenditure without reference to the Government of India should be fixed in all such public undertakings on some uniform principle or principles.

59

panies in connection with obtaining Govt. sanction for fixing the pay of employees were due to the differences in the size and character of the undertakings, or companies. In the circumstances, it is considered that they do not require any change.

[*Ministry of Defence O.M. No. 4/10/57/D (BEL) dated 12-5-59.*]

The question of further delegation of powers and of securing uniformity is under examination.

[*Ministry of Defence O.M. No. 4/10/57/GG(BEL) dated the 1st/3rd June, 1957.*]

The monetary limits for obtaining prior approval of the Central Govt. for incurring capital expenditure, have been fixed in the various industrialized undertakings after taking into consideration the authorised share capital, the manner of their financing, the type of

The Committee suggest that the Government might lay down the broad principles regulating the delegation of powers and prescribe a standard pattern for adoption by the Government Companies.

capital expenditure involved and the nature of work performed by the Undertakings. The limits vary because the nature of Undertakings vary.

[*Ministry of Defence O.M. No. 4/10/57/D (BEL) dated 12-5-59.*]

30 The Committee are surprised that there should be no one available in this country for under-studying the Works Manager. They suggest that concerted efforts should be made to find a suitable Indian Officer for this purpose either in this country or abroad.

The pay scale of this post has been suitably increased and steps have now been taken to recruit a suitable Indian engineer for under-studying the Works Manager.

[*Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

31 The Committee consider that the Government and the BEL should have made arrangements to train Indians in the work relating to the production of valves and components so that after training they could

Arrangements are being made to depute suitable Indians for training with the consultant firm, negotiations with whom are being finalised for the Valve project.

[*Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

The Committee hope that a suitable Indian has since been recruited for the post.

The Committee regret to observe that the original reply of Government sent in June, 1957 was somewhat misleading as it gave an impression that arrangements were being made to depute Indians for train-

assist in the setting up of the factory and also hold responsible positions when it started production. The Committee regret to observe that this was not done and that it is proposed to obtain foreign technicians only when the valve manufacture is taken up so that the training of Indians and their taking up executive positions will also correspondingly be delayed to that extent. They suggest that even at this stage, the BEL might examine whether it would be possible to recruit officers and get them trained in the factory organisation, manufacture and production of valves and components.

*Further information required by
Sub-Committee (Defence)
1957-58:*

The latest position may be intimated. Negotiations for a licence contract with a foreign firm for the manufacture of valves have reached an advanced stage. It is proposed to in-

(L.S.S. O. M. No. 81-E.C.I/57
dated 24-8-57).

ing in the manufacture of valves with the Consultant firm viz. the C.S.F. It is, however, noticed from the reply sent in March, 1959t hat no action was taken in the matter for about two years. Thus while the Consultants would have been paid for the services enumerated in Part III of the Agreement, which include training of technical personnel, little advantage thereof has been taken.

clude in the licence terms a provision for the training of BEL technicians at the Works of the foreign firm.

[*Ministry of Defence O. M. No. F. 4(10)/57/D (BEL) dated 18-3-59*].

35 The Committee do not appreciate the basis on which the advertisements are confined to five newspapers in the case of posts in Classes I and II, recruitment to which is made on an all-India basis. They consider that the selection of newspapers should be more broad based than at present. For this purpose they suggest that the BEL may keep in touch with the Ministry of Home Affairs of the Government of India and the U.P.S.C.

The recommendation is under examination.

[*Ministry of Defence O. M. No. 4/10/57/CG (BEL), dated the 1st/3rd June, 1957*].

Advertisements for posts in Classes I and II are now being published in the following six newspapers :

- (1) Deccan Herald, Bangalore,
- (2) The Hindu, Madras,
- (3) Indian Express, Madras,
- (4) Times of India, Bombay,
- (5) Hindustan Times, Delhi and
- (6) Amrit Bazar Patrika, Calcutta.

The Committee feel that the selection of newspapers for advertising the vacant posts is not rational. They, therefore, suggest that the matter be reviewed so as to include at least one of the main newspapers published in each State for putting in advertisements for the Company.

that advertisements in these leading newspapers will be enough to produce the necessary publicity.

[*Ministry of Defence O. M. No. 4(10)/57/D (BEL) dated the 5th February, 1959*].

The Committee suggest that in all cases the advertisements may also be inserted in some Indian language newspapers which have a wide circulation.

The recommendation is under consideration.

[*Ministry of Defence O. M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957*].

Since candidates for posts in Classes I to III are required to have a reasonable standard of English language, it is felt that, for all practical purposes, advertisements in language newspapers will be superfluous.

In the case of posts in Class IV, however, advertisements are made in the local language papers. Our experience has been that candidates for Class IV posts do not offer themselves for employment

The Committee are not inclined to agree with the view that it would be superfluous to advertise in language papers. They feel that in order to give wider publicity to the vacant posts in Public Undertakings it would be desirable to insert advertisements in the Indian language newspapers as far as possible. They therefore suggest that the matter be reconsidered.

5

4

3

2

1

from outside the Mysore State in sufficient numbers. It is, therefore, not considered necessary to advertise for these posts in other language papers also.

It may be mentioned, in this connection that besides advertisements in the press, copies of the advertisements for technical posts and posts in Class IV are furnished to the concerned organisations listed in Appendix II. BEL have thus already arranged for sufficient publicity from a practical point of view.

[*Ministry of Defence O.M. No. 4/10/57/D (BEL) dated 5th February, 1959*].

Please see para 9 of Chapter I.

74 The Committee are glad to note that an independent Technical Officer is being associated in Selection Committees for recruitment of personnel. They

It would be impracticable to include a member of the UPSC in the Selection Board because of the distance between Delhi and Bangalore. The

38

consider, however, that besides an independent Technical Officer, the Selection Committee should also consist of a member of the UPSC or at least of the local State Public Service Commission, especially at the interview stage, so as to minimise to some extent the effect of the exclusion of posts in nationalised and other undertakings in the public sector from the purview of the UPSC.

Committee's suggestions of appointing a member of the Mysore State Public Service Commission on the Selection Board of BEL for selecting senior officers is under examination. This suggestion would, however, appear to be *prima facie* opposed to the Committee's general view that public undertakings should be given the maximum freedom and not be hampered by rules and restrictions applicable to Government Departments.

[Ministry of Defence O. M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957].

Further information required by Sub-Committee (Defence), 1957-58 :

The decision taken in the matter.

(L.S.S O.M. No. 81-EC./1/57 dated the 24th August, 1957.)

39

The Committee do not consider it proper that the recruitment of all the officers in industries

75

The matter is under examination
[Ministry of Defence O.M. No. The Committee would refer to para 162 of their 38th Report on Shipping Corporations and

in the public sector should be made by a system different from that adopted for recruitment to services directly under the Government. The advantages of an independent body like the Public Service Commission being associated with recruitment cannot be minimised. The Committee realise that it would not be desirable to over-burden the UPSC with the task of recruitment to posts in the undertakings in the public sector also, and, therefore, recommend that a separate Public Service Commission should be set up for this purpose as early as possible. They further suggest that, if necessary, this Public Service Commission might have slightly different and more flexible rules and procedures to suit the peculiar circumstances and requirements of industrial undertakings in the public sector.

4/10/57/CG (BEL)
the 1st, 3rd June, 1957].

dated

reiterate the recommendation.

Industrial undertakings of the company type managed or owned by Government should be run as far as possible on business lines. The Board of Directors of a company should be given maximum possible freedom in the selection of personnel for employment in the company. When such a Board has been vested with the power and authority to direct the working of the company, to take broad policy decisions and to authorise expenditure of large sums of moneys, it could also be trusted to exercise its authority wisely and impartially in connection with the recruitment of persons for employment in the company.

Apart from the fact that the procedure suggested by

the Committee would restrict the discretion of the Board of Directors, recruitment through Public Service Commission usually involves considerable delay and is for this reason, if for no other, unsuitable for the recruitment of personnel for employment in these companies.

Government however, agree that it is desirable to evolve a standard procedure for recruitment with sufficient elasticity and flexibility to avoid unnecessary and impracticable restrictions on the efficient functioning of these companies.

Now that an Industrial Management Pool has been constituted Government undertakings would no doubt seek its aid for suitable placements.

[*Ministry of Defence O.M. No. 4(10)/57/D (BEL) dated 12th May, 1959*].

42 ... 78 The Committee would recommend that in view of the difficulty experienced by the

The Committee are not aware of the procedure followed by the Indian Embassies in bring-

BEL in recruiting Officers for posts in Classes I and II, the BEL in consultation with similar other public undertakings should evolve an effective machinery for bringing to the notice of Indians, receiving technical training abroad, as well as of those studying in final year in colleges particularly those in Electrical Engineering vacancies which they propose to advertise in newspapers.

cally informed through our Embassies of BEL's need for trained and experienced men. Students in Engineering Colleges in India will be, in future, kept informed of the opportunities of employment in BEL.

[*Ministry of Defence O. M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

ing to the notice of Indians receiving technical training in foreign countries the vacancies arising in the Public Undertakings. They, however, feel that the vacancies might also be notified in the Bulletins issued by them.

The Committee recommend the setting up of Joint Production Committees of management and workers for the purpose of facilitating discussions and consultations on all production matters between the two. They also recommend that the system of inviting suggestions freely from workers should be introduced and that deserving suggestions should be suitably rewarded.

The suggestion is under examination by the BEL.

[*Ministry of Defence O. M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

The Committee reiterate the need for setting up Joint Production Committees of management and workers as distinct from Works Committees.

and implemented when suitable opportunities arise.

[*Ministry of Defence O.M. No. 4(10)/57/D (BEL) dated the 5th February, 1959.*]

56

100

The Committee suggest that the Training School in the BEL may be worked in shifts, if possible and also expanded further to the extent necessary after taking into account the available facilities for training such skilled workers in the country as they stand in relation to the demand.

The training school will be worked in two shifts, by BEL, when the need arises. The difficulty will, however, be to find enough suitable instructors.

[*Ministry of Defence O.M. No. 4/10/57-CG (BEL) dated the 1st/3rd June, 1957.*]

57

101

The Committee consider that in the national interest the training facilities in the BEL should be available, not merely for its own requirements but also for the need of skilled workers in other industries in the country and that the question of finance necessary for the purpose, should be taken up with the appropriate Ministries of the Government of India, *viz.*, Education and Labour.

As suggested by the Committee, the matter will be taken up with the Ministries of Education and Labour.

[*Ministry of Defence O.M.No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

The Committee feel that unless the school is made open to outsiders the need for a second shift might not be felt. They, therefore, reiterate the earlier recommendation.

The Committee note that there has been much delay in taking a decision in the matter and hope that action in this regard would be expedited.

Further information required by Sub-Committee (Defence) 1957-58:

The outcome of the action taken. [L.S. S.O.M. No. 81-1/57 dated the 24th August, 1957.]

The Ministry of Labour & Employment have approached the BEL for providing facilities for the apprenticeship training of a certain number of educated and unemployed persons under the National Apprenticeship Training Scheme. The matter is being considered by BEL in all its aspects.

[Ministry of Defence O.M. No. F.4(10)/57/D(BEL) dated 5th May, 1959.]

59

104

The Committee recommend that all those trained under the Training Schemes conducted by the BEL should be awarded suitable diplomas or certificates which would be recognised by other institutions also.

[Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st, 3rd June, 1957.]

The Committee would like to emphasize the need to enlarge the training facilities and suggest that active steps may be taken in that direction early.

The Committee would like to emphasise the desirability of utilising to the maximum the French assistance offered under the Agreement for the purpose of getting as many Indians trained as possible and they hope that it would be possible to draw up a longer programme than has now been done so as to facilitate recruitment even at this stage.

The BEL is making and will make maximum use of the training facilities available in France under agreement with the CSF.

[*Min. of Defence O. M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

In view of the shortage of engineers, the Committee suggest that the method of recruitment and training of apprentice engineers which has been initiated may be exploited fully and that expenditure should not be grudged on this account.

The BEL is already taking as many apprentice engineers as can be trained satisfactorily in the BEL, within its present resources.

[*Min. of Defence O. M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

While the Committee agree that research, design and prototype development branch will have a greater role to play as the factory expands, they consider that even now these branches should receive greater impetus than at present and that, for

Attention is invited to para 22 of the Committee's 59th Report. (2nd Lok Sabha).

Considering the fact that the number of trainees was reduced from 180 in 1957-58 to 97 during 1958-59, the Committee doubt whether maximum use is being made of the facilities available under the agreement in this behalf. They, therefore, suggest that the position might be reviewed.

1

2

3

4

5

this purpose, recruitment and training of selected personnel, procurement of equipment, etc., should be initiated even at this stage.

found acceptable by the Meteorological Department. This is one of the items on the production programme of the BEL. An agreement has also been reached with C.S.I. whereby they have agreed to depute one senior French Research and Development Engineer to India to further assist in this matter.

[*Min. of Defence O.M. No. 410/57 CG(BEL) dated the 1st/3rd June, 1957.*]

64

113

The Committee consider that the BEL should cater not merely to the needs of Government Departments in the limited sphere of wireless transmission equipment and to the requirements of valves in the country but should also take cognisance of all the electronic equipment needed in this country as well as in the neighbouring countries sub-

Coordination of the requirements of all types of professional equipment is already being done by the Radio and Cable Board. The production programme of the BEL is based on the requirements as assessed by the Radio and Cable Board. Moreover, a panel for the Electronics and Wireless Equipment Industry, consisting of experts in different

Please refer to para 25 of the Committee's 59th Report (2nd Lok Sabha).

ject, of course, to the assurance given to the private sector in regard to the manufacture of commercial radio receiver sets. They, therefore, suggest the appointment of a Committee of Experts to assess the demand of the country now and in the immediate future in respect of various types of electronic equipment so as to enable the BEL to keep these items and targets of production in view in framing its plans for future expansion and at the same time to plan for the entire production during the currency of the Agreement with the CSF, so as to ensure its maximum exploitation. The Committee feel that only then would the establishment and existence of a private limited concern in the public sector, solely for this purpose, be considered as fully justified.

fields of electronics, has already been constituted by the Ministry of Commerce & Industry. The terms of reference of the panel generally cover the recommendations made by the Committee.

Further, investigations are also carried out by the Commercial Department of the BEL to make an accurate assessment of the likely user requirements before embarking on a new project or establishing a new line of production. For example, full investigations were carried out to find out the exact requirements of valves, by types, in the country. This was necessary to ensure that only those types of valves were planned for production, for which there were regular demands in the country. The production of radio receivers does not fall within the scope of the BEL in terms of the Industrial Policy Resolution of March, 1956.

As far as the requirements of the neighbouring countries are

concerned it is considered more appropriate that the Commercial Department of the BEL should carry out the marked research in these countries to get an exact indication of their requirements of electronics equipment.

[Min. of Defence O.M. No. 4/10/57/CG (BEL) dt. the 1st/3rd June, 1957].

Further information required by Sub-Committee (Defence) 1957-58:

Details regarding the constitution and membership of the panel for the Electronics and Wireless Equipment Industry, its terms of reference etc.

(L. S. S. O.M. No. 34-PU/58 dated the 30th May, 1958).

A copy of the Ministry of Commerce and Industry Resolution dated the 26th May, 1955 containing details of the composition and membership of the Panel and the terms of reference thereof is enclosed (Appendix III).

[Min. of Defence O.M. No. 4(10)/57'D (BEL) dated 15-5-1959].

While the Committee realise that, in view of the possibilities of development of new techniques, it might not be possible to avoid changes altogether, they consider that frequent changes are likely to have a very upsetting and unbusiness-like influence on the production in the BEL. They, therefore, suggest that some arrangements should be arrived at with the Radio and Cable Board, which is charged with the responsibility of co-ordinating the requirements of the user department, to lay down a firm production programme for three or four years at a time, without making changes in it every now and then.

Further information required by Sub-Committee (Defence) 1957-58:

A note on the difference between the BEL and the user departments in regard to the production programme, types and quality of production etc.
(L. S. S. O.M. No. 81-EC. 1/57 dated the 24th August, 1957).

The suggestion made by the Committee is already being implemented by the Radio and Cable Board to the extent possible. The R.C.B. forwarded to BEL in 1954 the co-ordinated requirements of the user departments in respect of the Wireless Equipment for the years 1956 and 1957. Subsequently, tentative requirements of the user departments for the years 1958 to 1961 were also forwarded by R. C. B. to BEL. In actual fact, the production programme of the BEL for 1957-58 and 1958-59 is generally based on the information supplied by the Radio and Cable Board.

[*Min. of Defence O.M. No. 4/10' 57/CG (BEL) dated the 1st/3rd June, 1957.*]

In the initial stages the two items taken up for production were General Purpose Receiver and a 400 WHF Transmitter. These equipments were selected as they came nearest to the users' requirements. How-

ever, users wanted certain additional facilities and modifications like remote control unit and 600 ohms output which were later incorporated in the sets.

Besides, two army sets were also included in the production programme of BEL for the first two years. These were entirely new sets which had to be developed by the consultants of BEL. Due to the stringent requirements of the role for which these sets were required it has not been possible to develop them yet to the entire satisfaction of the Army. The development work is however, in advanced stage.

[*Min. of Defence O.M. No. F. 4 (10) 57/D(BEL) dated 18-3-59*].

The matter is under examination, in consultation with Joint Communication-Electronics Committee.

[*Min. of Defence O. M. No. 4 10 57 CG (BEL) dated the 1st 3rd June, 1957*].

66 117 The Committee find from the report submitted by the Technical Sub-Committee which had examined the Project

Please refer to para 9 of the Committee's 59th Report (2nd Lok Sabha).

Reports in 1950 that they had recommended that the manufacture of wireless test equipment particularly of the type required to meet Defence Services needs should form part of the production in the B. E. L. at a later stage, and that the C.S.F. should be called upon to submit separately a report for this purpose. They observe, however, that while Schedule I of the Agreement mentions a few items of test equipment, Schedule II which lays down the production programme till 1962 does not envisage the production during these years of some of them. They suggest that the question of implementing the recommendations of the Technical Sub-Committee be examined in consultation with the Defence Services without any further delay.

69 122 & 123 The Committee regret to observe that the prices charged by the BEL should be so exorbitant as compared to the prices of similar imported equipment

The equipment of the type and quality manufactured by the BEL is not available in India at a third or even half the price fixed for the equipment pro-

The question of producing the equipment required by the Defence Services in B.E.L. has been examined by the Defence Production Board. The requirements of the Services for the next 3 years are now available to B.E.L. On the basis of these requirements the Board of Directors of B. E. L., in their meeting held on the 21st/22nd July, 1958, approved of a general production programme of the company upto 1961-62.

[*Min. of Defence O. M. No. 4(10) 57 D(BEL) dated 5-2-59*].

in spite of the fact that the customs duty for wireless apparatus, components, etc. imported by the BEL for the purpose of production is charged at a concessional rate of 2-5/8% *ad valorem* on a certificate issued by the Ministry of Communications whereas the normal duty for these items is about 31½%.

The Committee recommend that a careful scrutiny into the reasons for the disparity between the prices of equipment manufactured by the BEL and that imported should be made by the administration, with the help, wherever necessary, of an experienced Chartered or Cost Accountant and a representative of the Comptroller and Auditor-General, with reference to each one of the contributory causes mentioned and that steps be initiated without any further delay to bring the costs down to a

duced by the BEL. While it is true that the material imported for BEL for purposes of production is charged at a concessional rate at 2-5/8% and 3-1/8% *ad valorem*, the different departments who import the completed equipment pay also the same concessional duty of 2-5/8% to 3-1/8% *ad valorem*. It will, therefore, be seen that no special preference is being given to BEL in this respect. As an example, the General Purpose Receiver now being produced in BEL is being sold at Rs. 3350. Recently, the D.G.S. & D. in Delhi called for tenders for the supply of similar receiver and the quotations varied from Rs. 2400 to Rs. 6000. The price fixed for the equipment produced in BEL is, therefore, competitive.

However, the whole question of costs is constantly under re-

reasonable level.

view and the services of the Chief Costs Accounts Officer of the Government of India have already been utilised by BEL for this purpose.

[*Min. of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957.*]

Further information required by Sub-Committee (Defence) 1957-58 :

The report of the C.A.O. together with a note about action taken thereon.

(*L. S. S. O. M. No. 81-EC.1/57 dated the 24-8-57.*)

A copy of the report of the Chief Cost Accounts Officer is given in Appendix IV. The report of the Chief Cost Accounts Officer was placed before the Directors at their meeting held on 20-9-1956. The suggestion made by the Chief Cost Accounts Officer that the selling prices of ET 402 and RU 536 might be fixed on the basis of cost of direct labour and materials plus 575 per cent towards overhead plus 10% towards profit was approved. Accordingly the selling price for ET 402 was fixed at Rs. 35,000/- and for RU 536 at Rs. 3,350/-.

[*Min. of Defence O.M. No. F. 4(10)/57/D(BEL) dated 18-3-59.*]

The Committee find it difficult to accept the reply of Government in the absence of comparative figures of the cost of similar equipment that might be imported from abroad.

70 To prevent indiscriminate imports by user departments, the Committee suggest careful screening of indents for such equipment placed by user departments and restriction of imports to the extent of the production in the B.E.L. from time to time.

To prevent indiscriminate import of electronics equipment by the User Departments, detailed procedure for the clearance of indents has been laid down *vide* Government of India letter No. 4/42/56/CG(Proj), dated the 21st January, 1957 (Appendix V). It is only when the equipment cannot be manufactured by B.E. L. or cannot be supplied by them by due date, especially when it is required urgently by the user department, that the D.G.S. & D. arranges for its procurement from foreign sources.

[*Min. of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957.*]

72 The Committee feel that the establishment and development of subsidiary industries to feed the requirements of the BEL in the matter of raw materials and components are of great importance. The BEL has a very responsible role to play in the development

We fully endorse the views expressed by the Committee on the vital necessity of setting up of ancillary industries for supply of components to BEL. As stated earlier, there already exists a panel for the Electronics and Wireless Industry consisting of experts in different

Please refer to para 23 of the Committee's 59th Report (Second Lok Sabha).

Please refer to para 29 of the Committee's 59th Report (2nd Lok Sabha).

of various subsidiary industries. First, the types of subsidiary industries necessary for this purpose have to be determined. Secondly, a survey of existing industries and their present as well as the potential capacity will have to be made. The Committee feel that all these could be accomplished only by the appointment of a Committee of Experts of the BEL and the representatives of the Development Wing of the Ministry of Heavy Industries who should undertake an immediate survey of the indigenous capacity for the manufacture of components, etc. and for drawing up a long-term plan allocating amongst various producers the responsibility for manufacturing specified items.

fields of electronics. The question of development of ancillary industries falls within the purview of this panel on which BEL is also represented. The recommendations of the Committee will, however, be brought to the notice of this panel.

[*Min. of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

74

The Committee recommend that the negotiations for the manufacture of valves in India be expedited and production undertaken at an early date.

133

The negotiations are being expedited as suggested by the Estimates Committee.

There was a proposal to undertake the manufacture of valves in 1958, which in the initial stages was to be of the order of Rs. 50 lakhs annually. The Committee, however, regret to observe that despite the

[*Min. of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

Further information required by Sub-Committee (Defence) 1957-58 :

The progress in the matter.

(L.S.S. O.M. No. 81-EC, 1/57 dated the 24th August, 1957).

The question of production of valves in BEL has been under active consideration for some time. Project Reports for the manufacture of valves in BEL were received from 5 firms in U. K., U.S.A., Holland and Japan. The Project Reports were scrutinised in detail by a Technical Committee of the Board of Directors and it was decided after study to enter into negotiations with a firm of Holland.

The negotiations with this firm are now in an advanced stage.

[*Min. of Defence O.M. No. F. 4/10/57/D (BEL) dated 18-3-59*].

75 134 The Committee cannot appreciate machinery being bought in advance merely because it took two years to get it and then being kept idle to such a

recommendation made in December 1956 and Government's reply sent in June 1957 that the negotiations were being expedited, as suggested by the Committee, a decision was not taken till May, 1959.

The reply of Government is not satisfactory. The Committee regret to note that there has not only been low utilisation of the machinery installed but

large extent. They would like careful advance planning of purchases to be made so as to avoid machinery lying idle for long periods due to production lagging far behind the installed capacity.

the CSF was carefully scrutinised and only those machines which were required immediately to commence production in the factory were purchased. The low over-all utilisation of these machines is due to the fact that some of them are required to be used only occasionally.

machinery worth Rs. 3.15 lakhs remained uninstalled (*cf.* para 34 of the 59th Report). In this connection, they would also invite a reference to para 38 of their 59th Report (2nd Lok Sabha).

[*Min. of Defence O.M. No. 4/10/57/CG (BEL) dt. the 1st/3rd June, 1957.*]

Further information required by Sub-Committee (Defence) 1957-58 :

The extent of machinery used during the last six months.

(*L.S.S. O.M. No. 81-EC. 1/57 dated the 24th August, 1957.*)

The utilisation of machinery in 1958-59 is estimated at 40 to 45%.

[*Min. of Defence O.M. No. F. 4(10)/57/D (BEL) dated 18-3-59 & 6-4-59.*]

76 135

The Committee observe that most of the tenders in the initial purchase of machinery were issued from London and opened there because of the advice of the Technical Consultants that very little

Before importing machines from abroad every effort was made by BEL to obtain them in India. Only those machines which are not being manufactured in India were obtained from abroad. It would not

The Committee are not satisfied with the explanation offered by Government. In this connection, they would refer to para 38 of their 59th Report (Second Lok Sabha).

1

2

3

4

5

machinery required for the Electronics Factory would be available in India and that it would be advisable in order to save time, to obtain it direct from Europe. The Committee feel that with a phased programme it should have been possible to obtain indigenously at least a part of the machinery which was purchased abroad. They hope that in future it would be possible for the B.E.L. to work out a long term plan for the purchase of their machinery in consultation with the Indian manufacturers and the Development Wing of the Ministry of Heavy Industries so as to secure indigenous manufacture and procurement of the required machinery.

have been possible for the B.E.L. to wait for the machines to be developed in India and try them out before placing orders as it takes a long time to develop a new machine tool. Although the loading factor of the machines is not high, the operations for the manufacture of the various parts required for electronics equipment can only be done with these machines, in the absence of which the whole sequence of manufacture would be completely upset. In a batch manufacturing industry with a variety of equipment to be produced, it is not possible to cut down on the number of machines, because of the higher ratio of setting time to production time. Subsequent orders for import of machine tools have only been placed after consulting the Ministry of Heavy Industries with a view to screening out any

equipment which can be indigenously manufactured.

[*Min. of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

Further information required by Sub-Committee (Defence) 1957-58 :

(i) Did any Indian manufacturer offer to make the very machinery if given 1½—2 years for the purpose and, if so, what action was taken thereon ?

(ii) What is the extent of machinery imported by the B.E.L. during the last one year and that procured indigenously ? The result of the trial order for the lathes placed with Kirloskars may be stated.

(*L.S.S. O.M. No. 81-EC. I/57 dated 24-8-57 and 30-8-57.*)

The value of plant, machinery and equipment procured indigenously or from abroad year-wise is as follows :—

1956-	1957-	1958-
57	58	59
		(Upto
		Dec. 58).
		(In lakhs of rupees)

Indigenous	0.93	4.90	0.54
Foreign	12.39	3.37	5.05

The lathe purchased from M/s Kirloskars is being used for general purposes. It has not been found suitable yet for manufacturing

precision tools, jigs and fixtures, though it has been overhauled twice by the supplier, once in 1956 and second time in 1958.

[*Min. of Defence O.M. No. 4/10/57/D (BEL) dated 25-5-59*].

77 The Committee are of the view that the B.E.L. should draw up in consultation with the various interests concerned, well-integrated plans for attaining the goal of self-sufficiency in all respects in the matter of the electronics industry in India in the minimum period possible.

Further information required by Sub-Committee (Defence) 1957-58.

The steps taken for the purpose. (L.S.S. O.M. No. 81-EC. I/57 dated the 24th August, 1957).

The materials and components required by BEL will depend entirely on the types of equipment to be produced ; and

136 The need for making India self-sufficient in electronics industry is constantly kept in view.

[*Min. of Defence O.M. No. 4/10/57 CG (BEL) dated the 1st/3rd June, 1957*].

Please refer to paras 25 & 29 of the Committee's 59th Report (2nd Lok Sabha).

these types of equipment will depend on the needs of the various users in the country. As these needs for the next 5 or 10 years are not known, it is impossible to forecast with any accuracy the materials and components BEL will require in the next few years.

As a new equipment is taken in hand for production, the components will initially have to be imported from abroad ; and these will gradually be replaced by indigenous components. It will to some extent be possible to use standard raw materials from the very beginning.

BEL is constantly reviewing the possibility of establishing manufacture in India of raw materials and components which are likely to be required by it.

Already a considerable part of BEL's raw materials requirements are obtained in India ;

and the percentage will increase as the country swings over to the metric system.

As regards components, BEL has a market research organisation which is always attempting to obtain Indian substitutes for imported components. BEL has also undertaken the production of components which will be required for its equipment, where such components are not produced in India. For example, manufacture of chokes and transformers has been taken in hand, the manufacture of crystals will begin shortly. BEL is also encouraging the setting up of indigenous manufacture of components. It is obtaining plastic moulded components from manufacturers in Bombay and Hyderabad, rubber moulded components from Indian manufacturers and non-ferrous metal moulded components are being made by indigenous manufacturers to BEL's designs and specifications. Special type wires and cables are being obtained from Mysore Government Factory in Bangalore. Some relays and jacks are being obtained from Indian Telephone Industries, another Central Government factory in Bangalore. The possibility of obtaining composite resistors from manufacturers in India is being examined.

[Ministry of Defence O.M. No. F. 4(10)/57/D
(BEL) dated 18-3-59.]

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT HAVE NOT BEEN RECEIVED

S. No. of recommendation	Ref. to para no. of the Report	Summary of recommendations	Reply of the Government	Comments of the Committee
1	2	The Committee hope that the formation of a limited company to execute the project would give considerable scope for decentralisation of authority and for adoption of business-like methods with a view to expeditious conduct of work and production and that it would not merely become an adjunct or a subordinate Organisation of the Ministry of Defence.	3	5
1	10	The Bharat Electronics Limited is running as a Private Limited Company and the day-to-day affairs of the Company including general policy matters are decided by the Board of Directors. However, the Ministry of Defence keeps a general watch on the progress made by the Company and advises them on important matters of policy particularly as the Company is still in its initial stages and has not yet gone into full production. This amount of control by the Ministry is necessary as the Minister of Defence	4	The outstanding information may be expedited.

is responsible to the Parliament for all matters pertaining to the BEL. Subject to the above, maximum powers have been delegated to the Board of Directors.

[Ministry of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957.]

Further information required by Sub-Committee (Defence) 1957-58 :

The Statement made against this item "that maximum powers have been delegated to the Board of Directors" may be reconciled with that against S. Nos. 25-26 that the question of further delegation of powers is under examination.

[L.S.S.O.M.No. 81-E.C. 1/57 dated the 24th August, 1957].

46 86 The Committee suggest that the feasibility of maintaining contacts with schools giving training in craftsmanship etc. by recruiting teams may be examined.

As far as is possible, BEL keep in touch with the schools giving technical training. Recruiting teams have been sent in the past by the BEL to every part of India to test and

The Committee would like to know the procedure followed in contacting the Schools and also whether the posts of trainees are notified to all the recognised Schools imparting tech-

nical training and Polytechnics. Further they would like to know the areas visited by the Recruiting Teams and the number of trainees recruited by them category-wise and area-wise.

select men for special training in their school.
[Ministry of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957].

The Committee do not appreciate the basis on which the artisans are fitted into the three grades merely on the basis of the results of the examination, involving such wide disparities in the scales of pay. They recommend that this system should be re-examined and a more scientific system which would avoid such disparities at initial appointment should be evolved.

The scales of pay given to daily rated men in the BEL are the same as those given by other Union factories in Bangalore. These scales, however, are being re-examined.

[Ministry of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957].

The matter is under examination and a further report will follow.

[Ministry of Defence O.M. No. 4/10/57/D(BEL) dated the 5th February, 1959].

47 87

The Committee suggest that the management of the BEL should keep in touch with the various Harijan Hostels and Ashrams in the country as well as the Commissioner for Scheduled Castes and Scheduled Tribes so as to reach

50 91

The Committee would like to know the procedure followed in contacting the Harijan Hostels and Ashrams and also whether the posts are notified to them.

[Ministry of Defence O.M. No. 4/10/57/CG(BEL) dated the 1st/3rd June, 1957].

the prescribed percentage of 12½% in the near future.

- 54 95 The Committee consider that it is not enough if a year-to-year programme for training is drawn up but that the BEL should have before them a concrete plan for a longer period for at least 4 or 5 years.
- 95 The Committee would like to be informed of the programme of training drawn up by the B.E.L.
- [*Ministry of Defence O.M. No. 4/10/57/CG (BEL) dated the 1st/3rd June, 1957.*]

- 71 127 The Committee feel that with a little long-term planning, it should have been possible for the B.E.L. to obtain all components and raw materials indigenously (except proto type and sub-assemblies which are more or less intended as patented models for starting production) and save Rs. 2½—3 lakhs from the orders produced in the first year of production aggregating to Rs. 9 lakhs.
- There are two aspects of the question that need consideration, namely:—

- (i) Could BEL have anticipated the comparatively higher cost of components as supplied to them by the French firm? and
- (ii) How quickly should BEL start assembly and utilise its idle man hours of trained people?

(i) It is the usual practice, in contracts such as the one between the CSF and BEL that the consultants supply all the components necessary to start production in a knock down condition. The prices of the components are expected to correspond to their bulk price as entered in their book, plus any small incidental handling charges. The agreement calls for the prices being charged at the same rate as for their sister organizations in France. It appears it is the practice to charge substantially higher prices to the sister concerns by the present firm. However, this point was taken up at the highest level and it is now learnt the prices have been reduced substantially.

(ii) If BEL had waited to obtain specifications and quotations on an open tender basis, and then chosen the suppliers, even the

1

2

3

4

5

present limited production could not have started. A proper Inspection Department should have been set up and trained before goods could be tested and suppliers chosen. All this time was saved by placing orders on CSF for the initial production. If the time factor, idle capacity of the factory and the psychological factors of delay are taken into account the extra amount paid to CSF cannot be considered a loss.

[Ministry of Defence O.M. No. 4/10/57/GC(BEL) dated the 1st/3rd June, 1957].

*Further information required by
Sub-Committee (Defence)
1957-58 :*

(1) Whether it was known to the B.E.L. at the time of

entering into the contract with the C.S.F. that the latter were charging higher prices from their sister concerns ?

(2) Details of the action taken at the 'highest level' to get the prices reduced, the date from which the prices have been reduced and the extent of benefit to the B.E.L. on this account ?

(3) Extent of purchases from C.S.F after the initial stage.

(L.S.S. O. M. No. 81-EC. I/57 dated the 24th August, 1957.)

NEW DELHI ;
The 15th December, 1959

Agrahayana, 24th, 1881 (S)

H. C. DASAPPA,
Chairman,
Estimates Committee.

APPENDIX I

(S. No. 29—Para 62)

Statement showing the number of foreigners employed in the B.E.L. and their terms of service

Sl. No.	Name and designation of the Officers	Date of embarkation	Period as per original contract (Years)	Extension of contract if any already approved	Remarks
1	2	3	4	5	6
	Mons.				
1.	H. Buret, Works Inspector	3-12-55	2	Nil	Service terminated.
2.	R. Courtois, Chief Testing Service	2-1-55	1	Extended upto 31-3-58	Do.
3.	A. Jussot, Foreman, Drawing & Tool Studies.	14-1-56	2	Nil.	Do.
4.	C.L. Albaret, Quality Control Engineer.	30-12-55	2	Extended upto 31-3-58	Do.
5.	L. Bellateau, Engg in charge, Production Control and Industrial Engg.	22-9-55	2		Original contract expired on 21-9-57. On fresh contract since 22-9-57 for 2 years Further renewal under consideration.
6.	A. Dolgopoloff, Chief Inspector.	15-8-55	2	Nil.	Expired on 9-11-57.
7.	J. Maurer, Production Control & Planning Engr.	7-1-56	2	Nil.	Service terminated.
8.	N. Malinoswky, Assembly Engineer.	4-10-54	2	1 year	Do.
9.	E Malcailloz, Chief Adviser Production.	1-6-55	3	Nil.	
10.	F. Hinderer, Head of Maintenance Deptt.	30-4-55	2	Extended upto 30-6-57	Service terminated.
11.	R. Blondy, Electrical & Mech. Engineer.	14-2-55	2	Extended upto 31-5-57	Do.
12.	G. Mauge, Head Instructor, Mechanics.	1-12-54	2	Nil.	Do.
13.	G. Mace, Principal TTC.	5-10-54	3	Nil.	Do.
14.	J. Heuillard, D' man	19-9-56	1	Nil	Do.
15.	R. G. Weber, D'man	12-11-56	1	Nil.	Do.

1	2	3	4	5	6
16.	S.V. Kazandin, Test Engineer	3-12-56	1	Nil.	Service terminated.
17.	R. Mollord	10-4-57	2	Nil.	Service terminated w.e.f. 14-8-58 on medical grounds.
18.	R. Gresset	3-4-57	2	1 year	
19.	G.M. Gibert	10-7-57	2	Nil.	Further extension ⁿ under consideration.
20.	R.A. Ansel	7-11-57	2	Nil.	
21.	C.C. Germain, Chief Inspector	19-6-58	2	Nil.	
22.	G. Mace	24-3-58	2	Nil.	His services have been obtained under the section de Co-operation Technique of Government of France.

APPENDIX II

(S. No. 37--Para 73)

List of Organisations whom copies of the advertisements for technical posts and posts in Class IV are furnished by the BEL

1. The Director General of Ordnance Factories, No. 6, Explanade East, Calcutta.
2. The E.M.E. Regimental Association, Bolarum Post, Secunderabad (Deccan).
3. The Director General of Settlement & Employment, Ministry of Labour Government of India, Gurdwara Road, New Delhi.
4. The Regional Employment Officer, Regional Employment Exchange, G.T. Road, Kanpur.
5. Regional Employment Officer, Regional Employment Exchange, MADRAS—2.
6. The Regional Employment Officer, Regional Employment Exchange, Hassan Chambers, Parsi Bazar Street, BOMBAY.
7. Regional Employment Officer, Regional Employment Exchange, No. 5, Council House Street, CALCUTTA.
8. Regional Employment Officer. Regional Employment Exchange, NAGPUR—M.P.
9. Regional Employment Officer. Regional Employment Exchange, HYDERABAD (DECCAN).
10. Regional Employment Officer, Regional Employment Exchange, No. 14, Daryaganj, NEW DELHI.
11. Assistant Director of Resettlement & Employment No. 3, Lady Curzon Road, BANGALORE—1.
12. The Employment Officer, Employment Exchange, MYSORE.
13. The Principal, Central Training Institute, Government of India, Ministry of Labour, Koni Bilaspur. —M.P.
14. The Principal, Industrial Training Institute, ANANTAPUR.
15. The Principal, Industrial Training Institute, Kakinada.
16. Gandhiji Destitute Welfare Society, Sampangi Tank Valley, BANGALORE CITY.
17. The Principal, Industrial Training Institute, High Grounds, BANGALORE.
18. The Principal, Tagore Engineering Institute, 1—A Wheeler Road, BANGALORE.

19. The Director, Indian Institute of Science BANGALORE.
 20. Major General K. Bhadur Singh, Defence Services, Liaison Officer, Adjutant General's Branch, Army Headquarters, New Delhi.
 21. Ex-Domestic Servants Association, 286, Hains Road Cross, Civil Station, BANGALORE.
 22. Diploma Classes, Old Boys' Association, c/o College of Engineering POONA.
 23. Officer Commanding, Lt. Reservists Training Battery, Artillery Centre, Nasik Road Camp.
-

APPENDIX III

(S.No. 64—Para 113)

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE & INDUSTRY

New Delhi, the 26th May, 1955.

RESOLUTION

No. (IPA)—1(6)/55. In order to secure positive planning with a view to achieving the desired expansion in the case of Electronics and Wireless Equipment Industry during the Second Five Year Plan, the Government of India have constituted a Panel for the Electronics and Wireless Equipment Industry, consisting of the following:—

1. Dr. D.S. Kothari, Scientific Adviser, Ministry of Defence, New Delhi.
 2. Brigadier A.C. Iyappa, Director of Signals, Army Headquarters.
 3. Group Captain K. A. Joseph, Director of Signals, Air Headquarters.
 4. Shri A.C. Ramchandani, Chief Engineer, All India Radio.
 5. Dr. M.B. Surwite, Adviser, Wireless Planning and Co-ordination Ministry of Communications.
 6. Shri T.V. Rameshwarthi, National Physical Laboratory.
 7. Shri S.C. Israni of Messrs. Western Agencies Co., 421, Lamington Road, Bombay—4.
 8. Shri T.T. Joseph, Bharat Electronics Ltd., Bangalore.
 9. Shri K.D. Vaidya of M/s. Indian Telephone Industries Ltd., Bangalore.
 10. Mr. P.F.A. Wulff (or in his absence Dr. P.K. Kapre) of Messrs. Philips Electrical Co., (India) Ltd., Calcutta.
 11. Mr. H.V. Mitor, General Manager or Shri G.R.S. Rao, Technical Manager, The National Ekco Radio and Engineering Co., Ltd. Bombay.
 12. Shri N.N. Dutta of I.R.P. (Radio) Ltd., Calcutta.
2. Dr. M.B. Surwite will be the Chairman of the Panel, Shri P.N. Debshakta, Deputy Development Officer (Electrical Engineering) Will act as Secretary of the Panel.

3. The functions for the Panel will be—

- (i) To review the working of the industry and to suggest measures to secure:

- (a) full and efficient utilisation of the installed capacity including the fixation of targets, if necessary; and
 - (b) reduction of costs of production to a reasonable level while providing conditions in which workers can put in their best efforts.
 - (ii) To suggest measures for improving or increasing the productive capacity of the industry.
 - (iii) To advise on special problems such as the treatment of the un-economic units, if any.
 - (iv) To advise generally on the future development of industry including planning and rationalisation.
-

Ordered that a copy of the above resolution be communicated to all State Governments, all Ministries of the Government of India, Cabinet Secretariat, Prime Minister's Secretariat.

Sd/- B. B. SAKSENA,
Joint Secretary to the Government of India.

APPENDIX IV

(S.No. 69—Paras 122 and 123)

Copy of the Report of the Chief Cost Accounts Officer

MINISTRY OF FINANCE (C.I. & S. DIVN).

Cost Accounts Branch

Shahjehan Road, New Delhi.

Report No. *dated, Bangalore, the 13th September, 1956.*

Name of the firm : **BHARAT ELECTRONICS (PRIVATE) LIMITED,
BANGALORE.**

A reference is invited to D.O. No. 3/C.F. dated the 6th August, 1956 from K.N. Nair, Controller of Finance, M/s Bharat Electronics (Private) Limited to the undersigned, and the enclosure thereto, which is a letter No. 2/5/38/55/CG(Projects) dated the 28th June, 1956 from Brig. B.D. Kapur to the Managing Director of Messrs. Bharat Electronics. In paragraph 4 of Brig. Kapur's letter, it was stated that the Secretaries Committee for Heavy Industries took a decision on the 16th May, 1956 that the sale of equipment manufactured by M/s Bharat Electronics should not be subsidised, but the basis of calculating the overheads should be revised and the cost of production recalculated by taking into account only that part of the overhead cost that could be allocated to the present production, assuming that the factory were in full production as planned. The Committee also felt that, although an attempt had been made to exclude some of the overhead cost of the development stage, that element had not altogether been eliminated. The Committee, therefore, suggested that the portion of overhead cost, which should not be charged to the present production, should be capitalised. After a period of about five years, the cost of production was expected to go down to the competitive level.

2. As it stands now, it is not possible to envisage in detail, that the final production programme of the company would be to utilise 100 per cent of the capacity of the plant and equipment that would be installed, and assess the overhead rates on such programme. The only possibility is to base the calculations on the rough estimates which have been given in the Project Report of the Technical Consultants. The quantitative data regarding the personnel to be employed when the factory is in full production, have been taken from the Project Report. The data regarding the capital expenditure have been assessed with reference to known factors and the possible changes that are contemplated. With these two important items of data as the starting point, the yearly revenue expenditure that would be incurred while the factory is in full production—exclusive of the direct materials has been assessed.

3. For officers, establishment and labour, the average of the present rates of salaries and wages have been adopted. Care has been taken also to assess

the numbers that would be employed in the different grades of skilled workmen, as far as it could be assessed with reasonable accuracy at this stage.

4. In regard to other items of expenditure, such as travelling expenses, consumable and maintenance stores, electricity, other incidental miscellaneous expenses etc., rough estimates have been prepared with all possible care that could be exercised. The direct labour charges on full load have also been estimated on the above basis. Details of these assessments can be seen in Annexure I to this note. It will be seen therefrom that the overhead rate at full load for the factory as a whole works to 571%. This has, in actual calculation of the estimate of price to be quoted, for individual items of products been rounded to 575 %.

5. Besides the item of overhead referred to above, the following charges will also have to be provided for :—

- (1) Royalty at 3% of the total production cost, and
- (2) Cost of "Know-How" at 1% of the total production cost, exclusive of Royalty.

6. It should be emphasised here that the rate of 575% for overhead referred to above is an all round rate for the factory as a whole and it does not take into account the departmental peculiarities of the several departments as, at this stage, without the details of the several departments that may be established and the nature of work that will go through these departments and the organisations in each, etc., it will not be possible to assess any departmental overheads. The costs estimated on the basis of such an all-round overhead for the factory as a whole would carry with them the natural deficiencies involved in such assessments. But, that is the only thing possible to do now, if effect is to be given to the conclusions reached by the Secretaries Committee referred to above.

7. If the method is adopted at a time when the factory is in full production, and the production also finds full sale, any excess charged to one item of manufacture, may be compensated by the reduced charge against other item/ items. But, in the immediate future, when the question of production of ET 402 and RU 536 are only being considered and resorted to, there would be, in my opinion, no question of balancing any such excess charges against undercharges or *vice versa*.

8. Statements of final costs applying the above rate of overhead could be seen at Annexures II and III, for ET-402 and RU-536 respectively. The costs of components, tubes, crystals, etc., included therein, are with reference to the actuals, known at the time these estimates are prepared. Direct labour has been assessed on the basis of the estimated man-hours that would be required with reference to the latest available information.

9. If the principle announced by the Secretaries Committee is to be followed, and the only possible methods of calculating the rate of overhead therefore as described above is accepted, the prices for ET-402 and RU-536 would be of the order of Rs. 32,000/- and Rs. 3,000/ respectively. There

is no element of profit provided in this assessment. These represent the costs only. It is for the authorities concerned to decide whether any element of profit should be added to this price. In my opinion it is necessary that a profit element should be added, because, in the assessment of these costs, no interest element, either on capital block or on working capital, has been allowed for. It was the intention that these interest charges will be covered by the profit element that would be included while fixing the price.

13th September, 1956.
Camp: BANGALORE.

Sd./ S. V. AIYAR,
Chief Cost Accounts Officer.

Annexure I

Calculation of overhead for BEL Factory under normal production

Serial No.	Item of expenditure	Rs.	Rs. in lakhs	Rs. in lakhs
I Salaries and Wages.				
(A) General Management				
	(i) Manager and Deputies 6 @ Rs. 2000/- p.m	12,000		
	(ii) Departmental Heads 8 @ Rs. 900/- p.m. .	7,200		
	(iii) Engineers 16 @ Rs. 550/- p.m. . .	8,800		
	(iv) Technical Assistants 33 @ Rs. 260/- p.m.	8,580		
	(v) Clerks 122 @ Rs. 130/- p.m. . . .	15,860		
	(vi) Skilled labour 80 @ Rs. 125/- p.m. .	10,000		
	(vii) Unskilled labour 175 @ Rs. 70/- p.m. .	12,250		
	Per month	74,690		
	Per year		9.96	
	P.F. Contribution 1/12 of total wages .		0.75	
	Gratuity contribution 1/24 of total wages .		0.37	
	Employees State Insurance contribution		0.26	
			<hr/>	
				10.34
(B) Factory Management and Labour				
	(i) Manager and Deputies 6 @ Rs. 2000/- p.m.	12,000		
	(ii) Departmental Heads 73 @ Rs. 900 p.m. .	64,800		
	(iii) Engineers 322 @ Rs. 550/- p.m. . .	1,77,100		
	(iv) Technical Asstts. 737 @ Rs. 260/- p.m.	191,620		
	(v) Clerks 548 @ Rs. 130/- p.m. . . .	71,240		
	(vi) Skilled labour 2050 @ Rs. 125/- p.m. .	2,56,250		
	(vii) Unskilled labour 225 @ Rs. 70/- p.m. .	15,750		
	Per month	7,88,760		
	Per year		94.65	
	P.F. Contribution 1/12 of total wages .		7.89	
	Gratuity 1/24 of total wages		3.94	
	Employees contribution to State insurance		2.94	109.42

Serial No.	Item of expenditure	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
1	2	3	4	5
2	<i>Travelling Expenses</i>			2.00
3	<i>Consumable and Maintenance Stores</i>			
	Buildings—2% on Capital value		6.55	
	Machinery and Equipment on Capital value.		4.12	
	Petrol, Oil and Lubricants		2.08	
				12.75
4	<i>Electricity</i>			
	15,000 Kwh a day at 0.8 annas per unit (For 300 working days in a year)			2.25
5	<i>Water</i>			
	4,00,000 Gallons a day at Rs. 1/6/- per 1000 gallons (for 300 working days in a year)			1.65
6	<i>Incidental and Miscellaneous expenses</i>			
	Insurance on buildings & Machinery at 1/4% of Capital value		1.33	
	Transport subsidy for 3000 employees @ Rs. 10/- per head		3.60	
	Welfare Measures		1.00	
	Medical expenses		0.60	
	Printing and Stationery		3.00	
	Postage, telegraphs, cables and telephones		0.44	
	Advertisement, publicity and Entertainment.		0.50	
				10.47
	Legal and audit fees		0.10	
	Liveries		0.12	
	Library and Periodicals		0.16	
	Membership and Donations		0.05	
	Directors sitting fees		0.03	
	Miscellaneous expenditure		1.00	
				1.46
7	<i>Depreciation</i>			
	(A) <i>Factory Building</i> —			
	Government estimate	255.31		
	Less 17 1/2 % estimated savings	44.68		
	Net estimated cost	210.63		
	Depreciation at 2.5 %		5.26	
	(B) <i>Residential Buildings</i>			
	Government estimates	141.79		
	Less 17 1/2% estimated savings	24.81		
	Net estimated cost	116.98		
	Depreciation at 2.5%		2.92	

1	2	3	4	5
<i>(C) Machinery and Equipment</i>				
	Government Estimate	249.90		
	Less 17 1/2% estimated savings	43.73		
		206.17		
	Net estimated cost	206.17		
	Depreciation at 7.5%		15.46	23.64
8	Gross estimated expenditure other than raw materials—Costs (1) to (7)			173.98
9	<i>Less realisation on account of rent of quarters:</i>			
	Estimate on residential buildings (lakhs)	116.98		
	<i>Less 30% estimated expenditure on external service, such as road, drains, sewage, water supply lines, street lights etc.</i>		35.09	
		81.89		
	<i>Less 10% idle facilities</i>	8.19		
		73.70		
	5% rent on balance value			3.68
10	Net expenditure <i>i.e.</i> Col. 8-9		(—)	170.30
11	<i>Total direct wages —</i>			
	Total wages of skilled labour per month <i>vide</i> column I-B (vi) above	2,56,250		
	<i>Less 1/12 leave wages</i>	21,353		
		2,34,897		
	<i>Less 10% for idle time and Maint. Labour</i>	23,489		
	Direct wages per month	2,11,408		170.30
	Direct per year			25.37
12	Overhead for the factory (Col. 10-11)			144.98
13	Overhead on Direct Wages			571%

EXPLANATORY NOTE

1. For the number and categories of personnel that will be engaged under normal production the Project Report of CSF is taken as the basis.

2. The present average grade of pay is applied to arrive at the salaries and wages of the numbers determined as in note 1 above.

3. The estimates sanctioned under the heads Plant Machinery, Equipments and buildings less an estimated savings of 17 1/2 is taken as the basis for calculation of depreciation and maintenance. For Petrol, Oil and Lubricants 400% of the budgeted expense for 1956-57 is taken.

4. Miscellaneous administrative expenses are estimated on the basis of the budgeted expenses for 1955-56 adjusted to the requirements of the factory when in full production as follows:—

Travelling expenses	200% of the budgeted figure of 1956-57. Passage for French Personnel excluded.
Welfare measures	600% of the budgeted figure for 56-57.
Medical expenses	400% of the budgeted figure for 56-57.
Printing and Stationery	400% of the budgeted figure for 56-57.
Postage, telegram and telephones.	220% of the budgeted expenses for 56-57.
Advertisement, Publicity and Entertainment	200% of the budgeted expenses for 56-57.
Legal and audit fees	300% of the budgeted expenses for 56-57.
Liveries	400% of the budgeted expenses for 56-57.
Library and periodicals, Membership and } Donations, Directors sitting fees. } Miscellaneous expenses }	Same as budgeted for 1956-57. Approximate estimates.

5. Electricity and water charges are calculated on the basis of the Project Report of CSF for quantity and present rate for value.

Annexure II

E.T. 402

[Cost of Production Statement (Per Set) charging normal overhead].

(Figures in thousands of rupees)

S. No.	Item of expenses	Numbers at various stages of production				
		6 sets	17 sets	60 sets	221 sets	221 sets modified
1	Cost of components, raw materials etc. in Pounds Sterling	2·354	1·435	1·264	1·165	1·088
2	Tubes and crystals in Pounds Sterling . . . . .	..	0·090	0·106	0·106	0·106
3	Packing, Freight, handling etc., ex-factory in France to Ex-BEL at 22·5% in Pounds Sterling	0·534	0·343	0·308	0·286	0·269
4	Total material cost in £	2·884	1·868	1·678	1·555	1·463
5	Total material cost	38·452	24·906	22·373	20·733	19·506
6	Direct labour	0·744	1·547	1·547	1·547	1·353
7	Total prime cost excluding tooling and modifications	39·196	26·453	23·920	22·280	20·859
8	Tooling	0·105	0·209	0·209	0·209	0·209
9	Modifications . . . . .	..	..	..	..	0·647
10	Overheads at 575%	4·278	8·895	8·895	8·895	7·780
11	Royalty at 3%	0·154	0·320	0·991	0·942	0·885
12	Cost per unit	48·733	35·877	34·015	32·326	30·380
13	Cost of "Know-how" at 1% of total cost excluding Royalty	0·436	0·356	0·330	0·314	0·295
14	Total Cost	44·169	36·233	34·345	32·640	30·675

(AVERAGE COST Rs. 31,977 -)

Annexure III

R.U. 536

[Cost of Production Statement (Per Set) charging normal overhead]

(Figures in thousands of rupees)

S. No.	Items of expenses	Numbers at various stages of production			
		10 sets	140 sets	100 sets	426 sets
1	Cost of sub-assemblies, components and raw materials	0.234	0.120	0.100	0.086
2	Packing, Freight, handling, etc. Ex-factory in France to Ex-BEL at 22.5%	0.053	0.027	0.023	0.019
3	Total material cost in £	0.287	0.147	0.123	0.105
4	Total material cost in Rs. at Rs. 13'5'4 per £	3.826	1.960	1.640	1.400
5	Direct Labour	0.133	0.133	0.171	0.171
6	Total prime cost excluding tooling and modification	3.959	2.093	1.811	1.571
7	Tooling	0.034	0.034	0.034	0.034
8	Modification	0.143	0.143	0.143	0.143
9	Overheads at 575% on direct labour.	0.765	0.765	0.983	0.983
10	Royalty at 3%	0.032	0.032	0.089	0.082
11	Cost per unit	4.933	8.067	3.060	2.813
12	Cost of "Know-how" at 1% of total cost excluding Royalty	0.049	0.030	0.030	0.027
13	Total Cost	4.982	3.097	3.090	2.840

(AVERAGE COST Rs. 2,962/-)

APPENDIX V

[Vide Item 70, para 124]

No. 4/42/56/CG(Projects)

GOVERNMENT OF INDIA,

MINISTRY OF DEFENCE,

New Delhi, the 21st Jan, 1957.

OFFICE MEMORANDUM

SUBJECT —*Procedure for the clearance of the Indents—Electronics Equipment.*

The undersigned is directed to refer to the Ministry of Defence Office Memorandum No. 4/42/56/CG (Projects) dated 17-9-56 on the above subject and to say that the procedure suggested in para 4 of that Memo for the clearance of indents in respect of radio, radar and allied electronic equipment has been concurred in by the Radio and Cable Board for one year in the first instance in their 21st meeting held recently. An extract from the above-quoted Memorandum laying down the detailed procedure is attached for ready reference.

Sd/-

(K. C. JAIN)

Deputy Secretary to the Government of India.

1. The Ministry of Information and Broadcasting.
2. The Ministry of Communications.
3. The Ministry of Home Affairs.
4. The Ministry of Railways.
5. The Ministry of Transport.
6. The Ministry of Heavy Industries.
7. The Ministry of Works, Housing and Supply.
8. Director General, Supplies and Disposals.
9. Chief Controller of Imports and Exports (5 copies of the Procedure)
10. Secretary, Radio and Cable Board, Ministry of Communications.
11. Bharat Electronics (P) Ltd. (5 copies of the Procedure).

N.O.O.—

Army Headquarters	(5 copies of the Procedure)
Naval Headquarters	(„ „ „ „)
Air Headquarters	(„ „ „ „)
Gp. Capt. K. A. Joseph, Director of Signals, Air HQ.	
L.O., B.E.L.	(5 copies of the Procedure)

EXTRACT FROM M. OF D. OM No. 4/42/56/CG (PROJECTS)

DATED 17 SEPTEMBER, 1956.

**P-ocedure for the Clearance of indents for electronics
equipment**

Specifications already standardised by RCB

With regard to indents comprising those items for which the specifications have already been finalised or screened by Radio & Cable Board, confirmation would be obtained by the indenting department from the BEL direct that the firm can supply the equipment by the due date. The BEL will reply within a fortnight of the enquiry being addressed to it. The indent would then be placed directly on the DGS & D and marked as "proprietary" indent for procurement from the BEL for which no tenders need be invited. The DGS & D should treat such indents as for "proprietary" items to be obtained from the BEL.

If, however, the equipment is required urgently by the user department and the BEL reports that either it cannot manufacture it or is unable to supply it by the due date, DG S& D may arrange for its procurement from the foreign sources in the normal manner, provided the specifications governing the procurement do not deviate from the sealed specifications. In case there are any deviations, then approval of the RCB must be obtained prior to placing the indent on the DGS&D. The RCB should normally be able to clear the indent in this case within one month.

Specifications not sealed by RCB

The same procedure, as above, would be followed in this case, except that the indent will not be held back for the finalisation of the specifications by the RCB. The question of standardisation of these specifications will be immediately taken up with the RCB separately for guiding future procurement.

APPENDIX VI

Analysis of the action taken by Government on the Recommendations contained in the Thirty-Ninth Report of the Estimates Committee (First Lok Sabha)

1.	Total number of recommendations made	77
2.	Recommendations accepted fully by Government (<i>Vide</i> Recommendations in Chapter II) :	
	Number	8
	Percentage to total	10·38
3.	Recommendations accepted by Government partly or with some modifications:	
	(<i>Vide</i> recommendation Nos. 3, 4, 5, 13, 22, 29, 32, 36, 40, 41, 43, 53, 63, 68 & 73 in Chapter III) :	
	Number	15
	Percentage to total	19·48
4.	Recommendations not accepted by Government but replies in respect of which have been accepted by the Committee (<i>Vide</i> Recommendation Nos. 17, 27, 33, 44, 49, 55 and 58 in Chapter III) :	
	Number	7
	Percentage to total	9·1
5.	Recommendations replies to which have not been accepted by the Committee (<i>Vide</i> Recommendations in Chapter IV) :	
	Number	41
	Percentage to total	53·24
6.	Recommendations to which final replies of Government have not been received (<i>Vide</i> recommendations in Chapter V) :	
	Number	6
	Percentage to total	7·8
