

LOK SABHA

Wednesday, August 3, 1966/Sravana  
12, 1888 (Saka).

The Lok Sabha met at Eleven of the  
Clock.

[MR. SPEAKER in the Chair.]

ORAL ANSWERS TO QUESTIONS

Service Commission for Public Sector  
Undertakings

210. **Dr. L. M. Singhvi:** Will the Minister of Home Affairs be pleased to state:

(a) whether Government have considered a proposal to establish a separate Public Service Commission for public sector undertakings to avoid charges of nepotism and favouritism; and

(b) if so, the reaction of Government thereto and the reasons for not implementing it so far.

**The Minister of State in the Ministry of Home Affairs and Minister of Defence Supplies in the Ministry of Defence (Shri Hathi):** (a) and (b). Personnel policies relating to public undertakings are part of the terms of reference of the Administrative Reforms Commission. Government are of the view that a decision in this matter should be taken only after the recommendations of the Commission in this regard become available.

**Dr. L. M. Singhvi:** May I know whether the Government are aware of the oft-repeated charge that public sector undertaking appointments have become a kitchen garden of ministerial patronage and that Ministers have

consistently tried to influence the appointments in public sector undertakings, while at the same time claiming in this House that these are autonomous organisations and therefore should not be interfered with? If that is so, what steps have been taken so far to rectify the situation, apart from the recommendation to be made by the Administrative Reforms Commission?

**Shri Hathi:** This matter has been brought up here and outside a number of times. When the Estimates Committee had made some recommendations, questions were asked. Therefore, we thought that a board should be appointed for these appointments so that questions of favouritism and nepotism may not arise. While replying to one of the questions, the then Home Minister, Shri Lal Bahadur Shastri, said that the Government was not in favour of having a separate Public Service Commission. Ultimately after considering all the aspects, we thought this matter needed to be looked into and this has been made one of the terms of reference of the Administrative Reforms Commission and we are awaiting their recommendation.

**Dr. L. M. Singhvi:** May I know whether Government have finalised their own stand in this respect of appointing a separate Service Commission for public sector appointments or whether the Government are of the view that definite steps should be taken to safeguard the autonomy of these organisations and the power of appointments should be wholly left to these public corporations? If so may I know whether any view has been submitted by the Government to the Commission in this respect?

**Shri Hathi:** No view has been submitted by the Government to the Commission. But as the hon. member rightly said, there are both the views. One is, the autonomy of the Corporations should be maintained. At the same time, the other view is equally important that there should not be any favouritism or nepotism and there should be some check to see that properly qualified men with merit are appointed and the appointments are not influenced by other considerations. Both views are there.

**Shri Shree Narayan Das:** Now the Administrative Reforms Commission has been appointed. But the Estimates Committee made their recommendations in this respect long ago. After that, did the Government form its own opinion or not and, if so, what was its opinion?

**Shri Hathi:** This matter has been raised and replied to every often. Government did form an opinion that a separate board should be established for these appointments so that questions of favouritism may not arise.

**Shri Priya Gupta:** Since these public sector undertakings are also Government concerns, may I know why the security of service available to other Government employees are not enjoyed by the employees of these undertakings and they are retrenched any time the management likes? We know that in the Bhilai steel plant high technicians and engineers, who have received National Awards and gold medals have been retrenched in spite of the fact that vacancies exist in Bhilai itself and they have offered their services to Bokaro also. May I know if Government is hesitating to give them the service conditions of the UPSC because. . .

**Mr. Speaker:** Order, order. By putting such long questions, he will confuse the Minister also and no answer will come. Let the Minister reply.

**Shri Hathi:** The Public Service Commission comes at the stage of recruitment. The question of termination or

dismissal from service would come later on. Here the main question is about recruitment—whether nepotism or favouritism is there. Other things will be looked into according to the terms and conditions of service governing each appointment.

**Shri Priya Gupta:** Sir, on a point of information. The UPSC comes into the picture not only at the time of recruitment but also at the time of retrenchment or dismissal etc.

**Mr. Speaker:** Here we are talking about the role of the Service Commission, so far as recruitment is concerned.

**Shrimati Savitri Nigam:** In view of the fact that public undertakings have suffered quite a lot because of unsuitable appointments and the Administrative Reforms Commission is going to make certain recommendations as to how these appointments should be made in due course, I would like to know whether Government would allow things to go on in the same way or they would think of finding out some interim arrangements to put things right.

**Shri Hathi:** In the first place, the general statement that all public undertakings have suffered because of defect in the system of recruitment would not be correct. Secondly, there may be certain cases where complaints may have been made that recruitments are not being made on merits but under pressure or influence or some such thing. Government considered this matter and decided to have a Board for making such appointments, and rules were framed. This being a major question of personnel management in the public sector undertakings, ultimately we decided to leave it to the Administrative Reforms Commission.

**Shrimati Savitri Nigam:** I want a proper reply to my question.

**Mr. Speaker:** She is the better judge as to whether it is a proper reply.

**Shri Indrajit Gupta:** Is the Minister aware of the fact that qualified

engineers, who have been declared surplus at a particular public sector undertaking and are capable of being absorbed or recruited in a new public sector undertaking elsewhere, are finding their avenue of recruitment blocked by the fact that the Chief Minister of the State in which the new project is situated, namely, Bihar, insisted that everybody must be recruited from that State alone. In such cases, what machinery do the Government propose to set up to see that the public sector undertakings which are under the Government of India do not suffer due to such provincial considerations?

**The Minister of Home Affairs (Shri Nanda):** There was some inclination to put restrictions on employment in that sense, but all that has been settled. It has been agreed to by all concerned that there will not be any restraint or restriction from the point of view of domicile in any particular area.

**Shri Bhagwat Jha Azad:** Since the cardinal point about public sector appointments is not appointments to the lower posts but to the top posts which are now held by the bureaucracy which has no knowledge of the running of public sector undertakings, I would like to know what attempts are being made by the Government to see that the top people are not appointed from the bureaucracy which is completely inefficient and which has condemned the public sector by its inefficiency?

**Shri Hathi:** We have got the industrial management pool from where people were previously recruited.

**Shri Bhagwat Jha Azad:** You have wound it up.

**Shri Hathi:** No, the actual difficulty was that the public sector undertakings said: while these people are all right, we have technical difficulties as technical men are required for certain projects. Therefore, they wanted the liberty to make their own appointments.

**Shri Surendranath Dwivedy:** The Minister's reply was not quite clear on

the point whether when any technical staff declared surplus in any public sector undertaking are retrenched, as a general rule they will try to absorb them first before making any new recruitment in any public sector undertaking? Have any such instructions been issued by the Home Ministry to the public undertakings?

**Shri Nanda:** This question was discussed at the recent meeting of the Zonal Council. In the earlier meeting also. . . .

**Shri Sezhiyan:** Which Zonal Council?

**Shri Nanda:** In the meeting of the Eastern Zonal Council this question arose. In an earlier meeting of another Zonal Council also it was accepted in principle that there will be just and fair consideration on merits of all cases.

**Shri Surendranath Dwivedy:** My question was whether the surplus staff will be absorbed in the new undertakings before any new recruitment takes place.

**Mr. Speaker:** Whether all the surplus staff will be absorbed depends on merits.

**Shri Surendranath Dwivedy:** Suppose the technical staff working in a particular public sector undertaking are declared surplus. Will they all be absorbed before any new recruitment is made to similar posts in the public sector undertakings?

**Shri Priya Gupta:** In Bhilai many technical people have been retrenched.

**Mr. Speaker:** Order, order. Shri Priya Gupta should not interfere like this. After his supplementary, four questions have been answered and still he goes on interrupting.

**Shri Priya Gupta:** The same question is continuing.

**Shri P. C. Borooah:** Most of the personnel in the public sector undertakings are posted on deputation for a temporary period. So, they have no stake in the concern. Unless the

officials have a stake in the concern they are working in, they will not work hard and show efficiency. Therefore, are Government thinking of issuing instructions to the Committee to ensure that these officials have some stake in the concern itself?

**Shri Hathi:** Is the hon. Member referring to the Commission or the Committee. If he is referring to the Commission, we are referring it to the Administrative Reforms Commission which will look into this.

**Shri Kapur Singh:** In the context of this talk of a separate Public Service Commission, I want to know where is the difficulty in having the public sector jobs being filled by the Union Public Service Commission. Are there complaints of nepotism and favouritism in the Union Public Service Commission?

**Shri Hathi:** The question whether these appointments should be made through the UPSC or a separate service commission should be set up for the purpose of recruitment had been considered and there were two views. One view was that the public sector undertakings being autonomous bodies, the power of recruitment should be left to them. There was also another view that if the power of recruitment is left to them, there are complaints that persons with qualifications and merit are not being appointed or that the appointments are being made under pressure or influence or that there is favouritism or nepotism. Therefore, the whole question was considered. Ultimately, we have referred this matter to the Administrative Reforms Commission.

**Shri U. M. Trivedi:** The answers that have been given in reply to several questions on this simple issue have not cleared the atmosphere. The question is this. Since cases of nepotism and favouritism have been brought to the notice of Government what steps have been taken to eschew them from these undertakings? We have always found that in those public sector under-

takings which have got their head office in Delhi, even class III and class IV employees are recruited only in Delhi and they go over from here and establish themselves in Central India. The same thing happens at Bhopal and Indore. In answer to a question by the hon. Member, Shri Indrajit Gupta, just now the hon. Minister, Shri Nanda, said that the question of domicile will not come in. Now wholesale recruitment is being carried out either at Delhi or at Madras. At one place, in the Cement Corporation, I found all people had come from Hyderabad. Even Class III and Class IV employees were brought from Madras. Are steps being taken to suggest that so far as Class III and Class IV employees are concerned their recruitment must be restricted to the people who are in that place or at least in that area?

**Shri Nanda:** It is very normal that such posts, Class IV, etc. will be filled by people in the locality and it will be very wrong to bring people from all over. That will be a wrong tendency. It is a question of the method. The method will not permit any such thing because the Employment Exchanges function locally.

**Mr. Speaker:** Next Question.

**Shri D. C. Sharma:** Sir, I tried to catch your eye but you did not look at me.

**Mr. Speaker:** Certainly, you are right but I have not been able to call you.

**Shri D. C. Sharma:** You never look at me.

**Mr. Speaker:** That is the complaint of so many Members, not only Prof. Sharma's.

#### Junior Agricultural Schools

**\*211. Shri Vishwa Nath Pandey:** Will the Minister of Education be pleased to refer to the reply given to Starred Question No. 994 on the 6th April, 1966 and state:

(a) whether Government have considered the details regarding the