

ESTIMATES COMMITTEE

1957-58

TWELFTH REPORT
(SECOND LOK SABHA)

**ACTION TAKEN BY GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE
TWENTY-SECOND REPORT OF THE ESTI-
MATES COMMITTEE (FIRST LOK SABHA)
RELATING TO NATIONAL INSTRU-
MENTS FACTORY, CALCUTTA.**



LOK SABHA SECRETARIAT
NEW DELHI
April, 1958.

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1957-58

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Shri C. S. Swaminathan— *Under Secretary.*

•
Ceased to be a Member on his appointment as Deputy Minister with effect from
2nd April, 1958.

INTRODUCTION

I, the Chairman of the Estimates Committee having been authorised by the Committee, present this Twelfth Report of the Estimates Committee of the Second Lok Sabha on the action taken by Government on the recommendations contained in the Twenty-Second Report of the Estimates Committee of the First Lok Sabha.

2. The Twenty-Second Report of the Estimates Committee of the First Lok Sabha was presented to the House on the 19th March, 1956. The Government furnished their first replies to the recommendations pertaining to the National Instruments Factory on the 7/8th August, 1956 and furnished further information on the progress of action taken on the 18th September, 1957. A Sub-Committee of the Estimates Committee (1957-58) examined the replies on the 7th March, 1958.

3. The Report has been divided into four Chapters :

I. Report

II. Recommendations that have been accepted by the Government.

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

IV. Replies of the Government that have not been finally accepted by the Committee and are being pursued.

4. An analysis of the action taken by Government on the recommendations contained in the Twenty-Second Report is given at Appendix V.

NEW DELHI;
The 12th April, 1958.

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

CHAPTER I

REPORT

The Estimates Committee, in para 37 of their Twenty-Second Report commented on the unsatisfactory position in regard to the National Instruments Factory being run as a department of Government and recommended the company form of management for the Factory. *The Committee are glad to note that the Government have accepted this recommendation and have formed a private limited company under the name of the National Instruments (Private) Limited and that the management of the Factory has been transferred to the company with effect from 26th June, 1957.*

2. In para 8 of the Report, the Estimates Committee had recommended that the Report of the Paranjpe Committee should be published early and also that in all cases where a Committee or an Officer was appointed by Government to examine a particular matter, prompt action should be taken to examine the report and to implement the decisions taken thereon. From the replies, it is seen that the Government had set up another Committee under the chairmanship of Dr. A. N. Khosla to examine the progress made so far in the manufacture of surveying, drawing and mathematical instruments in the country and to assess the country's requirements of such instruments, to determine the gap between requirements and manufacturing capacity, to review the existing capacity in the private and public sectors and to examine other allied questions.

It is observed that these terms of reference of the Khosla Committee cover a wide field and as such much of the ground initially covered by the Paranjpe Committee Report would have been gone all over again. The draft of the final report of the Khosla Committee was stated to be under the consideration of the Government. *The Estimates Committee do not, therefore insist that the Paranjpe Committee Report, which is nearly ten years old, should be published now but desire that the Report of the Khosla Committee and a statement showing action taken by Government on that report should be laid on the Table of the Lok Sabha. That statement should also contain an upto-date review of the action taken on the Paranjpe Committee Report. They also hope that in all cases where a Committee is appointed by Government to examine a particular matter, prompt action would be taken to examine the Report and implement the decisions taken thereon as also to publicise the report and place copies in the Parliament Library, except when it is inexpedient to do so.*

3. In para 38, the Estimates Committee recommended that in order to enable a comparison to be made of the cost of production of the scientific instruments in the factory with the cost of the manufacture in other concerns, attempts should be made to work

out the approximate cost of production from the sale price of the private manufacturers making necessary deduction therefrom, for such known factors as customs duty, transport cost etc., and a small amount on account of profit. The Government have stated in reply that the overheads in the State undertaking are necessarily somewhat high because of the higher degree of technical supervision in the production of precision instruments. Further it is said that a comparison between the products of a State undertaking and of the private sector, is not very apt, especially in this case, because of the distinction between a well established and well supervised precision instruments factory and small scale industries run as cottage industries, and manufacturing only some of the less precise items manufactured by the State undertaking.

Under one of its terms of reference, the Khosla Committee was required to suggest, in relation to the programme of manufacture in the private and public sectors, the priorities to be followed by the Indian Standard Institution in prescribing certain quality standards and specifications for the article manufactured and until such standards were prescribed by the Institution, to suggest interim standards which should be observed. *The Committee, therefore, feel that difficulties of comparison of costs due to difference in standards would soon disappear. It was the main intention of the Committee in making the earlier recommendation that the costs should be kept down to the minimum by the Factory. They hope that by following the company form of management, effective cost control would be introduced and that constant efforts would be made to keep the cost of production at the lowest possible level.*

CHAPTER II
RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT.

Serial No. of the Recommendation	Ref. to Para No of the Report	Summary of Recommendations	Reply of the Government
1	2	3	4
4	11	<p>The Committee are unhappy to note that the manufacture of optical glass, a project of so vital an importance to the country has been postponed. The Committee hope that there would be no further postponement of action in the matter.</p>	<p>Attempts have been made during the few years to obtain foreign technical collaboration as it was thought that the manufacture of optical glass involved complicated processes not fully known in this country. Quotations were received from British and American firms which were considered prohibitive and further attempts were, therefore, made to obtain similar quotations in Germany and Japan. The former has not been successful though an offer from Japan has been received recently. It has also been decided to obtain quotations from the U.S.S.R.</p>

and preliminary negotiations for this purpose have been undertaken. In the meantime the Planning Commission has sanctioned a pilot project for the manufacture of optical glass at the Central Glass & Ceramic Research Institute at Calcutta. It is proposed to watch the result of the pilot experiment and at the same time to obtain quotations from well known manufacture in countries where the Production of glass is known to be a major industry. As the project is expected to be very expensive it is necessary to proceed in this matter cautiously especially as a pilot experiment has been undertaken which will show if it is at all necessary to obtain foreign collaboration for the purpose.

(Ministry of Production O. M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956).

The Government of India have decided to set up a plant for the manufacture of 40 to 50 tons of optical glass and upto 250 tons of ophthalmic glass per annum. It has also tentatively been decided that this scheme would be included in the Russian Credit offer. A team of Soviet experts visited this country in January last and toured different places. It submitted its preliminary report regarding the feasibility of the manufacture of Optical and Ophthalmic Glass in India in March, 1957. The total

estimates cost of the project will be about Rs. 330/- lakhs. The Planning Commission have agreed to increase the plan provision to this amount. It is now proposed to request the Soviet Government to send experts for the preparation of detailed technical project report.

(Ministry of C. & I. O.M. No. 15/47/55-Fy. II/L.B Ind., dated the 18th September, 1957).

Besides a survey of capacity a survey of the present requirements of the country for the various kinds of scientific instruments and the position that would develop with the increasing industrial activity should be undertaken without any further delay especially as the manufacture of scientific instruments forms an important item in the Second Five Year Plan.

The Committee consider that all the various schemes, namely (i) the plans for the increase in output of this factory, as well as of the Ordnance Factory, Dehra Dun, (ii) the schemes submitted by State Governments to the Planning Commission for the setting up of similar factories, and (iii) the proposals for establishing servicing workshops in the various parts of the country should form part of a co-ordinated effort and that all necessary data

The Ministry of Commerce & Industry are constituting a Committee to review the existing capacity of the surveying drawing and mathematical instrument industry and to assess the country's requirements of these instruments with a view to making recommendations on their programme for production and co-ordination. The recommendation of the Estimates Committee in regard to the various schemes of the State Governments for setting similar factories under the cottage industry schemes and establishments of servicing workshops will be considered once the actual requirements of the country and the productive capacity of the industry are assessed by the aforesaid committee.

A committee to co-ordinate the programme of production of this Factory and the Ordnance Factory, Dehra Dun, for similar instrument was constituted on 30th November, 1955, and has been functioning since. The Committee meets annually and makes

should first be collected as a result of careful survey of capacity and demand.

recommendations regarding the co-ordination of the production programme of the two units.

(*Ministry of Production O.M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956*).

12 19 There have been frequent breakdowns in plant and machinery caused by failure to replace obsolete and wornout machines in time. There should be no further delay in the acquisition of the necessary machinery and the amount of idle time booked due to break-down of machinery should show a reduction in future.

Steps for replacing the obsolete and wornout machinery are being taken. Orders have already been placed for procurement of plant and machinery valued at Rs. 21.66 lakhs out of which plant and machinery costing Rs. 6,27,000 have already been received. Bulk of the new machine tools is expected to be delivered on site by 31-12-56, and the shifting to the new building of N.I.F. will be completed by 31-3-57.

(*Ministry of Production O.M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956*).

Necessary action has already been taken in this regard. New machineries have already been ordered, bulk of which have been received and some installed.

(*Ministry of C. & I. O. M. No. 15/47/55-Fy. II L. E. Ind., dated the 18th September, 1957*).

14 22 The Committee see no reason why commercial accounts should not be maintained in the factory, at least proforma, besides the accounts on cash basis as in the case of

The Factory is already maintaining proforma trading manufacturing account, capital account and balance sheets to the same extent as Ordnance Factories as well as account maintained on a cash basis for the

many other trading of manufacturing organisations within the Government Departments and recommend that steps should be immediately taken to draw up commercial accounts for the factory.

purpose of budget and appropriation accounts. The manufacturing accounts called production accounts includes all invisible items of expenditure such as depreciation, audit charges, contribution to provident fund, superannuation charges, cost of stationery etc.

The system of accounting followed in this factory has been receiving the attention of this Ministry for some time. The views of the Chief Cost Accounts Officer of the Ministry of Finance were obtained and a report of his inspection of the accounts of the Factory has also been received. In general he is of the opinion that the system followed in the Ordnance Factories should be adequate for the purpose. Certain modifications suggested by him are, however, under examination.

(Ministry of Production O.M. No. 15/47/55 Fy. II, dated the 7th/8th August, 1956).

With a view to stream lining the costing procedure, the Chief Cost Accounts Officers of the Ministry of Finance had made certain suggestions. Those on which agreement was reached have been implemented.

With the transfer of the management of the factory to private company the accounts will now be maintained on commercial lines.

(Ministry of Commerce & Industry O.M. No. 15/47/55. Fy. II/L.E. Ind., dated the 18th September, 1957).

18 The Committee observe that the sale price of certain instruments manufactured in the factory are lower than their cost price. The Committee recommend that all such cases may be investigated and steps taken to correlate the selling price to the cost price.

There were actually a few items in which the sale price of certain products was lower than their cost price. A revision of the price list to prevent the necessity of variation in the cost price from what is quoted at the time of the acceptance of order is under consideration.

(Ministry of Production O.M. No. 15/47/55-Fy.
II—dated the 7th/8th August, 1956).

As soon as costs of production for particular items are available these are compared with selling prices and later revised whenever possible with due regard to market conditions. In those cases where costs of production exceed the selling prices which cannot bear an upward revision, attempts are being made to reduce the cost of production; will be intensified with the formation of Industrial Engineering Unit in collaboration with I.T.I. Bangalore.

(Ministry of Commerce and Industry O.M. No. 15/47/55-Fy. III L.E. Ind., dated the 18th September, 1957).

20

The post of Superintendent which has been vacant for over a year should be

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The post of Superintendent re-designated as General Manager has been filled. The new

filled without any delay. The difficulties that stand in the way of getting a suitable recruit would be examined and suitable action taken, for example, to increase the scales of pay if that is necessary.

Government should investigate the possibilities of replacing the two foreign experts in the factory by Indian Officers at the earliest possible moment, since they are not employed on work of a highly specialised technical nature or in the development of manufacturing processes for new items of instruments. If their services are to be continued, they should be employed only on such matters requiring high technical skill for which Indian Officers are not available, and their services should be engaged for a limited period only on a contractual basis. Officers should be specially nominated as under-studies and attached to them on the distinct understanding that these under-studies are given full training by the experts.

The work of the various Government factories of this kind should be brought out in separate reports at the end of the year and full publicity given thereto. Steps should also be taken to bring the activities of such institutions to the

incumbent took charge on the 19th April, 1956.
(Ministry of Production O.M. No. 15/47/55-Fy.II,
dated the 7th/8th August, 1956).

Of the two foreign experts the contract of one Mr. Hilbert was terminated at his own request on grounds of health. Mr. Dinkel's contract has also been terminated on the expiry of the terms of his contract.

(Ministry of Production O.M. No. 15/47/55-Fy. II,
dated the 7th/8th August, 1956).

This recommendation is accepted. As regards show-rooms, it is being considered whether there should be display of the products of this factory only or of certain other undertakings of Government, including this factory. In any case, commercial publicity would receive due

notice of the public through articles written in journals and periodicals.

In this connection the Committee would recommend the opening of a show-room in one or two important cities to display the articles manufactured in the factories. The show-room may also be utilised to show the scientific instruments that are at present being imported.

27 37 The Committee would suggest that the question of organisation of the factory be reviewed and the form of organisation brought into line with the accepted pattern for state undertakings, namely, the company form.

attention, especially when a programme of production in the public and private sectors has been drawn up, and it is known definitely the section of the public whose attention should be specially attracted to the products of this factory.

(Ministry of Production O.M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956).

The question of organising the factory on the lines of a company was considered some time ago. In view of the proposal to make larger delegation of powers either to a Board of Management, to be set up, or to the General Manager, the question of constituting this factory into a company does not seem to be an immediate issue.

(Ministry of Production O.M. No.15/47/55/Fy. II, dated the 7th/8th August, 1957).

Government have now formed a private limited Company under the name of the National Instruments (P) Ltd., and under the Companies Act, 1956, to execute and administer the Programme of the Factory.

(Ministry of Commerce and Industry O.M. 15/47/55-Fy. II/L.E. Ind., dated the 18th September, 1957).

CHAPTER III

REPLIES OF THE GOVERNMENT THAT HAVE BEEN ACCEPTED BY THE COMMITTEE

Serial No. of recommendations of Report	Ref. to Para No.	Summary of Recommendations	Reply of the Government
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1 7-8 A statement may be furnished to the Committee showing the action taken by Government so far on the recommendations of the Paranjpe Committee.

Statement showing the action taken by Government on the recommendations of the Paranjpe Committee has already been furnished to Lok Sabha Secretariat vide this Ministry O.M. No. 15/47/55-Fy. II, dated the 17th March, 1956.

(Min. of Production O.M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956).

Please see Appendix I.

(Min. of C. & I. O. M. No. 15/47/55-Fy. III/L.E. Ind., dated the 18th September, 1957).

2 The Paranjpe Report should be published early.

In all cases where a Committee or an officer is appointed by Government to examine a particular matter, prompt action should be taken to examine the report and implement the decisions taken thereon. A continuous review of the progress of action should be maintained.

The Paranjpe report is dated the 9th June, 1948, and as such it appears that no useful purpose will be served by publishing it now after a lapse of about 8 years. It was not published immediately on its receipt as the report was not of special interest to the public in general and its recommendations were confined to National Instruments Factory only.

Except when it is inexpedient to do so, the report and the Government's decision thereon should be given wide publicity and copies placed before Parliament.

Besides, the Commerce and Industry Ministry are now setting up a Committee to examine the progress made so far in the manufacture of surveying, drawing and mathematical instrument and much of the ground initially covered by the Paranjpe Committee report will be gone over again. A copy of the report is however being placed in the library of Parliament.

(Min. of Production-O.M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956).

A copy of the Min. of Commerce & Industry Resolution No. 40-LI(A)(57)/55, dated 2-6-56, setting up the Committee in question, embodying the composition and terms of reference of the

Committee is at Appendix II. The draft final report of the Committee is now under circulation.

(Min. of C. & I. O.M. No. 15/47/55-Fy. II/ I.E. Ind., dated the 18th September, 1957).

The delay in taking up and completing the construction works indicates that the work has not been planned well and that proper attention was not paid to the work throughout. The Committee would like to be informed on what basis the original provision was made in the budget for the year 1955-56 and what were the difficulties which arose later to hinder progress of the work.

The amount provided for in the budget estimates was Rs. 20.60 lakhs. In the revised estimates the provision was reduced to Rs. 16.29 lakhs. The delay in carrying out the construction work as originally envisaged was due to the following reasons :—

- (i) The full site covered by the Municipal road was not available for a long time as the Municipal Authorities raised certain objections regarding the diversion of the road.
- (ii) Objections were raised by displaced persons in the adjacent Poddar Nagar Colony on the road being taken over.
- (iii) Shortage of steel at the beginning of the financial year and again in December, 1955/January, 1956.
- (iv) Lighting of the area was held up as the boundary wall could not be completed due to obstruction by the squatters at the Poddar Nagar Colony.

A revised schedule was, however, drawn up on 20-1-56 at a meeting with the engineers of the C. P. W. D. according to which the entire construction work is expected to be completed by the end of 1956-57. The progress of construction work is being reviewed at monthly meetings between the C. P. W. D. engineers and local officers of the factory.

(*Min. of Production O. M. No. 15/47/55- Fy. II, dated the 7th/8th August, 1956*).

The building is almost complete except for air-conditioning. The estimates for air-conditioning sanctioned by Government have proved to be inadequate inasmuch as these did not include certain essential requirements. The revised estimates are now under scrutiny. A few minor items such as installation of goods and passenger lifts, conference and General Manager's Test & Printing Room remain to be done and the building is gradually being occupied.

(*Ministry of C. & I. O.M. No. 15/47/55-Fy. III L.E. Ind., dated the 18th September, 1957*).

The National Instruments Factory should function as a pioneer institution

The recommendation is accepted in principle. The National Instruments Factory is already working

in the development of new lines of instruments as recommended by the Paranjpe Committee and more and more new items of manufacture should be undertaken. To the extent that this takes up the capacity of the factory, the established lines of production may be left to others, including manufacturers in the private sector.

The Committee realise the complexity of the problem but wish to emphasise the fact that for the development of new items in a field like this, where practically little has been done in this country and where much progress cannot otherwise be made, Government ought to take the initiative even if at the outset, this should result in some loss. As regards the established lines, the Committee feel that the demands in the country are sufficient to provide work for all the factories both in the public as well as the private sectors. The extent to which this is possible cannot, of course, be specified in the absence of the survey to which the Committee have referred to earlier and which, in their opinion, ought to be undertaken without any further delay.

on these lines. It has already included in the Second Five Year Plan the manufacture of some of the items recommended in the report of the Paranjpe Committee and will take up others as and when the production capacity is increased. The manufacture of some specialised types of microscopes had already been taken up. The final programme will, however, be subject to the recommendations of the Committee referred to under item 6 and the decision thereon. One of the terms of reference of that Committee is to "make recommendations on the (Private and Public Sectors) programme of production and co-ordination between such programmes."

The Committee understand that the question of undertaking manufacture of Pressure and Vacuum Gauges and various other instruments required by the Railways is receiving the attention of the Ministry. The Committee desire that the matter should be vigorously pursued.

A scheme for manufacturing Vacuum pressure gauges required by the Railways has been drawn up and is now under examination.

(Min. of Production O.M. No. 15-47/55-Fy. II, dated the 7th/8th August, 1956).

The manufacture of the following new items has been included in the Second Five Year Plan :

1. Clinical Thermometers.
2. Medical Diagnostic Instruments.
3. Special Microscopes.
4. Spectacle lenses.

In addition, manufacture of pressure and vacuum gauges required by the Railway and Defence Services also has been undertaken. Manufacture of these gauges as well as clinical thermometers in pilot batches has started.

The transfer of certain simpler items of manufacture to private Sector depends upon the recommendation of Khosla Committee. This report is in draft stage.

(Ministry of C. & I. O. M. No. 15/47/55—Fy. II/L.E. Ind, dated the 18th September, 1957).

The Committee desire that the various questions regarding staff matters which have been pending decision for some time, should be settled early.

The decision on the Categorisation Committee report dealing with revision of pay scales of factory workers is expected to be finally taken shortly. The report of the Special Re-organisation Unit of Ministries of Home Affairs & Finance has not been received yet and efforts are continuing for obtaining it. Action on the report will be taken when it is received.

Sanction for the refund of the employees contribution towards the IOFWP Fund together with interest thereon to those non-industrialist subscribers of the said fund whose services have become pensionable has already been accorded.

The factory has been exempted from the operation of the Employees State Insurance Scheme for a period of one year for the present. The question of extending exemption further is being examined.

(*Ministry of Production O. M. No. 1547/55-Fy. II, dated the 7th/8th August, 1956*).

Final decision on the report of the categorisation committee is embodied in the Ministry of Production letter No. 6/52/55—Fy. II, dated 23-5-56, at Appendix III.

The S. R. U. has submitted a draft report which is under examination. This report has not yet been finalised. Meanwhile a company under the name of The National Instruments (P) Ltd.

has been registered under the Companies Act 1956 on 26-6-57 to take over the management of the National Instruments Factory. The future set up of the factory is now a matter for the Board of Directors of the Company to decide.

(Ministry of C. & I. O.M. No. 15/57/55-Fy. III.L.E. Ind., dated the 18th September, 1957).

11 18 The authorities propose to stock-pile raw materials to overcome the difficulties caused by the failure of suppliers to effect deliveries as scheduled. As stock-piling would lock up a substantial amount of capital the Committee desire that before doing so, careful examination of the need therefor should be undertaken and it should be seen whether it could be obviated by adopting other change in the procedure. If, however, stock-piling is essential the maximum amount of material that can be acquired and stocked should be fixed and the procedure should include a system of periodical review at the highest level, of the movement of goods through the Depots, and the quantity and the quality and nature of the item stock-piled.

In order to reduce the necessity of frequent local purchases, it is considered that a maximum and minimum stock limit of certain items of regularly consumable stores should be fixed. This would meet the point of not locking up a substantial amount of capital and at the same time avoid frequent local purchases and hold ups in production due to the absence of adequate stocks at a particular time.

(Ministry of Production O. M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956).

It appears that a Special Re-organisation Unit of the Ministry of Home Affairs and the Ministry of Finance have recently examined the staff requirements of the factory with reference to the work-load etc. The Committee would like to be furnished in due course with a copy of the report.

A copy of the report of the Special Re-organisation Unit of the Ministry of Home Affairs and Finance will be furnished to the Estimates Committee when received.

In regard to cases where frequent references have to be made to higher authorities even in small matters the Committee observe that in manufacturing organisation it is always necessary that the authorities in local charge should have sufficient powers to carry on the day to day work so that production may not be hampered for want of sufficient authority.

The question delegating powers either to a Board or to the General Manager is under active consideration. Data regarding delegation of such functions in other departmental undertakings of Government are being collected, and the matter is receiving attention.

(*Ministry of Production O. M. No. 15/47/55-Fy., II, dated the 7th/8th August, 1956*).

The Committee consider that there should be no further delay in removing the defect in the present procedure and would, therefore, recommend that the question of delegation of powers to Local Authorities should be examined in detail at a very early date. A reduction in the strength of the clerical staff should be possible after the powers of the local authorities are enhanced.

As stated against S. No. 10, only a draft report for comments has been received. The report has not yet been finalised.

Additional powers have been delegated to General Manager (vide Appendix IV). A company has now been formed for the management of this factory. It is now for the Board of Directors to decide what powers should be delegated to the General Manager.

(*Ministry of Commerce & Industry O. M. No. 15/47/55—Fy. II/L. E. Ind., dated the 18th September, 1957*).

28 In order to enable a comparison to be made of the cost of production of the scientific instruments in the factory with the cost of the manufacture in other concerns, attempts should be made to work out the approximate cost of production from the sale price of the private manufacturers making necessary deduction therefrom, for such known factors as customs duty, transport cost etc. and small amount on account of profit. A comparison between the price paid by Government Departments for articles purchased from this factory with the selling price of similar articles produced by manufacturers, in the open market, is also necessary to see that the Government Departments do not incur heavier expenditure by purchasing the articles from Government-owned factories, thereby subsidising the latter indirectly. The Committee desire that suitable rules in this regard be drawn up by Government.

30 The Committee desire that action should be taken to finalise the work regarding drawing up standards of specifications, quality etc. of scientific instruments for use in the country.

Full effect to this recommendation can be given when the products of the private sector are standardised. This will be the joint undertaking of the Committee, which is being set up *vide* item 6 *ante* and the Indian Standards Institution, who is responsible for evolving uniform standards and specifications. There are reasons why a comparison between the products of a State undertaking and of the private sector, is not very apt, specially in this case, because here the distinction is between a well-established and well-supervised precision instruments factory and small scale industries carried on, on cottage basis, and manufacturing only some of the less precise items manufactured by the State undertaking.

It has also been stated that the over-heads in the State undertaking are necessarily somewhat high, because of the higher degree of technical supervision in the production of precision instruments.

(*Min. of Prod. O. M. No. 15/47/55-Fy. II, dated the 7th, 8th August, 1956.*)

Necessary action for drawing up standards of specifications, quality etc. of scientific instruments is already being taken by the Instruments Co-ordination

Committee under the Chairmanship of DGOF
in consultation with the Indian Standards Institution.

(Ministry of Production O. M. No. 15/47/55-Fy. II,
dated 7th 18th August, 1956).

Standardisation of Instruments :—

Indian Standard Institution has set up a Sectional
Committee for Standardisation of Optical,
Mathematical and Surveying Instruments.
National Instruments Factory is represented
in all the Sub-Committees and Sectional Com-
mittee. Draft Specifications for a number of
Drawing Instruments are under finalisation.

(Ministry of C. & I. O.M. No. 15/47/55-Fy. III/L.E.
Ind., dt. the 18th September, 1957).

CHAPTER IV

REPLIES OF THE GOVERNMENT THAT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND ARE BEING PURSUED

Serial No. of the recommendations	Ref. to Para No. of the Report	Summary of Recommendations	Reply of the Government	Comments of the Committee
1	2	3	4	5

5 In view of the great demand for scientific instruments in the country and in view of the fact that there appears to be no prospect of installation of other additional units of large scale production in the near future, Government should examine the possibility of continuing to work the factory in the present site in addition to the new factory.

The new factory has been designed keeping in view the requirement of the coming years. In the meantime a proposal was received from the Ministry of Education for the production of scientific instruments in connection with the programme of conversion of a number of secondary institutions into multi-purpose higher secondary schools. If this proposal materialises it is possible that the premises at 15, Wood Street, would continue to be utilised. The matter

The Ministry may be asked to intimate to the Committee the latest position regarding the materialisation of the proposal of the Ministry of Education, and also the decision arrived at about the utilisation of the present buildings for the purposes of servicing repairs, research for development, training

is under examination. There is, however, no proposal to retain the three buildings which have been rented for the use of this Factory and which will be vacated as soon as the factory begins to function in the new buildings.

(Ministry of Production O. M. No. 15/47/55-Fy. II, dated the 7th/8th Aug., 1956).

The proposal of the Ministry of Education for the manufacture of Scientific instruments on the standards laid down by the UNESCO required for teaching at the level of Universities and Technical Institutions, has not yet materialised. That Ministry has approached State Governments for assurance that in case the manufacture of these instruments is established, they would obtain their requirements from the manufacturers thereof. The agreement of the State Governments thereto is still awaited by the Ministry of Education. Apart from this, the present buildings will be retained for the purposes of servicing and repairs, research for development, training and control centre for cottage industry units, which will serve as

and control for cottage industry units which will serve as feeders to the factory.

feeders to the factory. No decision on this aspect has yet been taken.

(Ministry of C.&I. O. M. No. 15/47/55-Fy. II/L. E. Ind. dated 18th September, 1957).

8 The output of the factory should be increased by increasing the number of staff and working the factory in two shifts. The narrow view that the factory ought to supply its products only to Government Departments should be abandoned. Much greater use could then be made of the equipment in the factory, than at present.

The number of shifts will be increased when programme of production is finalised on the basis of the recommendations of the Committee referred to under item 6 and when sufficient orders are received in pursuance of that programme. At present whenever there are large outstanding orders a system of overtime is put into operation.

(Ministry of Production O. M. No 15/47/55-Fy. II, dated the 7th/8th August, 1956).

Please see Appendix II.

(Ministry of C.&I. O. M. No. 15/47/55-Fy. II/L. E. Ind. dated the 18th Sept., 1957).

The Committee would like to know the recommendations made by the Khosla Committee about expanding the production of the factory.

9

Formerly aircraft instrument etc., were tested in the factory, but the work has since been closed down. Attempts should now be made to see how far the Indian Air Force authorities and the Civil Aviation Department would like to have similar work done in the factory. This would revive the skill which had been developed previously and at the same time find a use for the equipment which is lying unutilised.

The Ministry of Defence considered that adequate facilities exist elsewhere for testing aircraft instruments of the Indian Air Force but when necessary they would take the help of the National Instruments Factory. Ministry of Communications consider that the Indian Airlines Corporation and Air India International are fully equipped for testing their aircraft instruments. They do not, therefore, require the services of the National Instruments Factory in this regard.

The Committee suggest that Government may consider the feasibility of transferring the idle equipments to the Air Force or to the Air Corporations or to HAL for their present or future use after examining whether the N.I.F. themselves would need the equipment.

(Ministry of Production O.M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956).

13

It is noticed by the Committee that the expenditure other than capital incurred on manufacture and operation is consistently in excess of the amount recovered from the sale or disposal of the products. During the four years 1951-52 to 1954-55 this excess is about Rs. 16,40,000. As the factory does not prepare a profit and loss account as other commercial concerns, a correct picture of the total losses is not

The factory maintains a profit and loss account from which it appears that the actual figure of loss during the three out of the four years referred to was Rs. 9,45,721/-. During the fourth year i.e. in 1954-55, there was in fact a profit of Rs. 21,504/-. The overall loss in the four years was, therefore, Rs. 9,24,217/- and not Rs. 16,40,000/- as mentioned in the report.

The reason why a larger amount is shown in the report is evidently due

It is stated now that the excess of cash expenditure over cash recovery amounting to Rs. 16,40,000 for the four years 1951-52 to 1954-55 include an amount of Rs. 14.44 lakhs on account of stores purchased and capitalised. It is, however, seen from Appendix I to the 22nd Report that the total expenditure on purchase of

possible. Investigations should now be undertaken to assess the exact amount of loss incurred annually.

to a misunderstanding as out of that amount Rs. 14.44 lakhs represents the cost of stores which were capitalised. Under procedure then obtaining, debits could not be raised against Government Departments who are the main customers of this factory, for supplies made until the consignees return the issue vouchers duly receipted. The procedure has been changed and if the consignee does not now return the accepted copy within 60 days of the despatch, debits can be raised without waiting for them provided the unaccepted copies contains proof of despatch.

Profit and loss accounts are prepared at the end of each financial year and are subject to continuous audit by the staff of the Comptroller and Auditor General of India.

In the profit and loss accounts depreciation and other charges are taken into account excepting the interest on capital because most of the capital was advanced over a number of years from 1830 onwards. However, the interest

stores for the four years was Rs. 19,94,017. If out of this an amount of Rs. 14.44 lakhs (which exceeds 70 per cent) was capitalised, it would be reasonable to suspect that there has been over-capitalisation. The Committee would, therefore, like to be informed about the value of stores in stock as on 1st April, 1954, 1955, 1956 and 1957 and the total debits and credits to stores during the last three financial years.

on the capital from now on will be shown in these accounts.

(Ministry of Production O. M. No. 15/47/55-Fy. II dated the 7th/8th August, 1956).

The cash expenditure includes an amount of Rs. 14.44 lakhs on account of stores purchased and capitalised. If this amount is deducted from the total cash expenditure, the excess of cash expenditure over recovery for the four years will amount to Rs. 1.96 lakhs only.

(Ministry of C. & I. O. M. No. 15/47/55 Fy. II/L. E. Ind. dated the 18th Sept. 1957).

15-17 23-25 15. The "On cost" in the factory amounts to about 255 per cent of the prime cost, and the fixed charges are about 350 per cent of direct labour. The overheads form nearly 72% of the total cost of production. Such high overheads indicate a very unsatisfactory position. The expenditure on non-industrial employees, office, contingencies, and rent of buildings are also high. The

15. The relation of "On cost" to the "prime cost" and the fixed charges to direct labour are matters, which are under investigation. As regards overheads, it may be stated that there are several reasons why they form such a high percentage of the cost of production:

(a) depreciation on plant, machinery and equipment are included under this head;

15-17. The Ministry may be asked to state the latest position about these recommendations after the Industrial Engineering Department has been set up in the factory in consultation with the I. T. I. Ltd.

Committee consider that there is an urgent and imperative need for instituting cost control in the factory as a first step to efficiency.

(b) the supervisory staff is necessarily large because it is a factory producing precision instruments and thereby requiring higher quantum of technical supervision;

(c) the contingent charges include the rates and taxes to the municipal authority, freight and insurance charges on despatch security arrangements, employer's contribution under the Employees' State Insurance Act, 1948 (XXXIV of 1948), the State Sales Tax as well as rent of certain premises taken on hire. Some of these expenses are, of course, recoverable. There is already a cost control in the factory, and the question of high overhead will again be reviewed, as desired by the Committee.

(Ministry of Production O. M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956).

●16. A satisfactory modern procedure of standard costing etc., should be introduced

16. The Factory has estimators of its own, who check the manufacturing processes and suggest improvements.

and strict cost control and effective review should be undertaken in future. Govt. should not be satisfied with merely laying down a procedure for satisfactory cost accounting but should undertake an examination to see how far the actual manufacturing processes in the factory are conducive to efficient working and how far slack working due to inefficient procedure could be avoided. An examination on the lines of time and motion study should be undertaken with the help of experts in the field, if necessary.

A re-evaluation is in progress to remove slackness, inefficiency and cumbersome process as far as possible.

(Ministry of Production O. M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956.)

17. Government should consider the advisability of introducing a system of payment of wages according to out-turn in all manufacturing institutions of this kind. Such a system would act as an incentive to the workers to increase their out-put.

17. The piece-work system is not in vogue in factory. To what extent it can be introduced in an establishment where servicing is an important item of work will have to be examined. The system in vogue in other industrial establishments in Government will also have to be compared.

(Ministry of Production O. M. No. 15/47/55 Fy. II, dated the 7th/8th August, 1956)

(S. Nos. 15 to 17).

Points raised in these recommendations are linked up with the question of setting up of an industrial Engineering Department, in the factory for rationalising works procedure manufacturing processes and forms with a view to reducing costs of production. This unit will also conduct time and motion studies after which the question of payments by results can be considered. The I.T.I. Limited where such Department exists have been approached to assist the factory in setting up this Department in the National Instruments Factory.

(Ministry of Commerce and Industry O.M.
No. 15/47/55-Fy. II/L.E. Ind. dated
the 18th September, 1957)

21 Non-officials of standing such as members of the Legislature and Parliament should be associated in the work of recruitment of staff which is at present made by a Departmental Selection Board consisting of officials. This would give a wide

29 The procedure followed is the one applicable to all Government offices, and no serious complaints have been received so far. The candidates are recommended by the Regional Employment Exchanges, and selection is made by the General Manager and some of his officers. Appointment to the gazetted

30 In view of the formation of the Factory into a private limited company, the U.P.S.C. is not likely to be consulted. The recommendation is, therefore, reiterated.

publicity to the selection and so bring in candidates from a wider field.

posts are made in consultation with the Union Public Service Commission.

(*Ministry of Production O.M. No. 15/47/55-Fy. II dated the 7th/8th August, 1956.*)

22

The following measures are essential in regard to the Research and Development Department of the Factory:

This recommendation is being further examined.

(*Ministry of Production O.M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956.*)

The Ministry may be asked to state the progress of the examination and results thereof.

(i) The Research Dept. should function not as a Service Department of the Factory but as a separate unit.

Development section is functioning in the Factory. Necessary staff have been sanctioned to run the section properly. As regards other recommendations, these are still under examination.

(*Ministry of Commerce & Industry O.M. No. 15/47/55-Fy. II/L.E. Ind., dated the 18th September, 1957.*)

(ii) The Department should undertake investigations not concerned merely with the production difficulties in the Factory but also technical problems of a fundamental nature. Besides this, investigation for the manufacture of new items

in the country for evaluating the cost of manufacture etc., should also be undertaken. The possibilities of utilisation of raw material from indigenous sources in the manufacture of such instruments should also constitute one of the items of research.

(iii) For this purpose the Factory should be provided with sufficient funds and all accommodation and equipment necessary therefor should be made available.

(iv) Where research is undertaken in this department, in regard to manufacturing problems of the Factory, suitable charges therefor should be levied as a part of the cost of production of the Factory.

(v) The Department should also serve the need of the private sectors, charging the cost of such work to the persons served.

24

Detailed proposals for organising production on a cottage and small scale units form of organisation, should be worked out and early steps taken to implement the same in various parts of the country. The Committee also desire that in drawing up schemes for deputed our staff for training in foreign countries in the problems of instruments manufactures, attention should also be paid to the organisation of cottage industries in foreign countries such as Japan, where such organisations exist.

33

Certain schemes for setting up cottage units as satellites and feeders for this Factory have been drawn up, and are under examination. The question of deputing some of the staff for training in countries like Japan in organisation of cottage industries will be kept in view. In this connection it may be stated that we are always taking advantage of schemes of training abroad under the Colombo Plan, U.N.T.A.A., etc.

(Ministry of Production O.M. No. 15/47/55-Py. II. dated the 7th 8th August, 1956).

25

Though candidates from the various Universities are trained under a Stipendary Scheme sponsored by the Ministry of Education there is neither provision for a training centre in the Factory under the guidance of a regular instruc-

34

This recommendation is under examination. It may, however, be stated that it is not usual for factories to award diploma even in training schemes sponsored by Universities and other educational authorities. There should, however, be no difficulty in maintaining records of

The Committee would like to know the results of the examination of the schemes for setting up cottage units as satellites and feeders for the Factory.

The Committee would like to know the details of the training scheme.

tor nor have scheduled courses for training been laid down. The Committee desire in this connection that the proposals recommended by the Paranjpe Committee should as far as possible be implemented early and a regular training scheme drawn up for this. In addition, action should be taken as follows :

(i) The question of award of diplomas at the end of the training to candidates who have successfully undergone the training, indicating therein the merits of the candidates, etc., should be considered.

(ii) A record should also be maintained of the candidates undergoing the training and of the manner in which they are employed afterwards to see to what extent the training has been of use to them.

the trainees and the manner in which they are employed afterwards, and to give sufficient publicity to the training courses. As regards selection committees, these, presumably, should largely be technical in personnel.

(Ministry of Production O.M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956).

As regards training scheme, National Instruments Factory, had already proposed setting up of a Training Centre in National Instruments Factory as a part of the reorganisation scheme. This scheme envisaged :

Training of 20 apprentices of the Supervisory cadre and 40 artisan trainees per year. The duration of training will vary from 2 to 4 years. The scheme will be put to operation when shifting is completed. (Ministry of Commerce & Industry O.M. No. 15/47/55-Fy. II-L.E. Ind. dated the 18th Sept., 1957).

(iii) Wide publicity should be given to the training course so that candidates from all parts of the country take advantage of it.

(iv) In the selection committees constituted for selecting the candidates for the training course, non-officials should also be associated.

29 39 The Committee recommend that there should be a periodical review of items lying undisposed of for a long time and that action should be taken to dispose of them in a suitable way.

Instructions are being issued to the management of the Factory that there should be a periodical review of items lying undisposed of for a long time and action should be taken to dispose of them suitably. (*Ministry of Production O.M. No. 15/47/55-Fy. II, dated the 7th/8th August, 1956*).

The question of disposal of slow-moving and non-moving stores has got to be considered from the point of view of the functions of this Factory. *Inter alia*, these functions are :

(a) Manufacture of Surveying and Mathematical and Optical Instruments which have already

29 The recommendation relates to manufactured items whereas the reply covers stores. The Committee would like to know the position regarding the manufactured items which remain undisposed of for more than ten years, five years, etc.

been developed and the processes of whose manufacture have already been standardised.

(b) Repairs of Instruments sent for repair from various organisations. Many of the Instruments which are repaired are not manufactured here and the field of repairs is indeed a very wide one.

(c) Improvements in the design and technique of manufacture of Instruments which are already being manufactured.

(d) Development of new types of Instruments.

The requirements of stores in regard to (a)—i.e., the normal manufacturing programme—can be foretold with some degree of accuracy though there are pitfalls even here, owing to unforeseen and unavoidable changes in programme, non-availability of indented stores in time, etc. It has been the experience of

the factory that the stores which are apparently non-moving or slow-moving could many a time be pressed into service on such occasions. For example, only recently there has been a delay in the supply of a particular size of Brass Tubes which is completely exhausted. However, this has not resulted in a hold up of the production as there was another size in stock which had not moved for a number of years and which it was found possible to use in lieu. The requirements to the activities falling under (b), (c) and (d) cannot obviously be foretold and an attempt is always made in these cases to consider first what is available with the factory before procurement action is taken.

The above relates mainly to raw materials but the same considerations arise in the case of shop stores. Besides the Tool Industry in India is yet to develop fully and many of the Tools are still required to be imported. It is, therefore, essential that National Instruments Factory should not dispose of such Tools lightly merely on the ground

that they have not been utilised for some time.

It is also quite well known that prices are rising and that these stores which have not been used for sometime were procured when the price level was much lower. If these are disposed of and have to be purchased again National Instruments Factory will be paying much higher prices.

A scheme of training apprentices sponsored by the Ministries of Education and Refugee Rehabilitation is under way and when the Factory is shifted to its new premises at Jadavpore, there is a proposal to establish a training centre in the present premises. The stores in question may find a use in connection with these schemes.

Taking all relevant factors into account, it will appear that the problem is not so very urgent as is thought of and it would be unwise to dispose of any and all the stores

which are slow-moving or non-moving. The question is, however, constantly before our minds and action has been and is being taken to dispose of unwanted stores. So far 299 items have been examined. It has been provisionally decided to retain 175 of these. 26 items have been notified to the Directorate of Disposals of which 10 have been auctioned off.

About ninety-eight items are also being notified for disposal shortly. The General Manager is also preparing lists of unwanted stores which will not be taken to Jadavpur and which will not enter into the factory's capital structure.

(*Ministry of Commerce & Industry O.M.
No. 15/47/55-Fy. III.L.E. Ind., dated
the 18th Sept., 1957.*)

NEW DELHI;
The 12th April, 1958.

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

APPENDIX I

Statement showing further action taken on the recommendations made by the Paranjpe Committee

No.	Recommendation	Further action taken
1	2	3
1.	<p>The MIO should be so re-organised that in its new form it will be able to satisfactorily serve the following purposes:</p> <p>(i) to develop and manufacture scientific instruments of all kinds,</p> <p>(ii) to serve as a model to other industrial concerns for efficient and precision workmanship,</p> <p>(iii) to assist Indian manufacturers of scientific instruments by placing at their disposal concrete and expert advice in matters of development, production and test, and</p> <p>(iv) to maintain a special section within itself solely devoted, if necessary, to examine and serve the needs of the Defence Department.</p>	<p>The recommendation is being implemented as explained in the late Ministry of Production letter No. 15/47/55-Fy. II, dated 17-3-56.</p>
2.	<p>The MIO should be placed under an Advisory Board.</p>	<p>Government have formed a private limited company under the name of the National Instruments (P) Ltd., under the Companies Act, 1956 to execute and administer the programme of the factory.</p>
3.	<p>A Board of management should replace the Superintendent.</p>	

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3

- | 1 | 2 | 3 |
|--|--|--|
| 4. The following officers should be appointed with duties specified: | <i>Chairman of the Board of Management</i> : General Supervision and control. | The management of the factory has been taken over by the Board of Directors as explained above. |
| | <i>Development Manager</i> : to be incharge of development and design. | Recommendation implemented. |
| | <i>Production Manager</i> : to be incharge of production and manufacture of new instruments. | The services of the Production Manager, a foreigner, have been dispensed with since a year. |
| | <i>Commercial Manager</i> : to be incharge of commercial relations, provisioning of materials etc. | Recommendation implemented. |
| | <i>Executive Officer</i> : to be incharge of Administration and Accounts. | Implemented by appointment of an Administrative Officer. |
| | <i>Store Holder</i> : to be responsible for provisioning and maintenance of stores. | Implemented. |
| | <i>Accounts Officer</i> : to be incharge of accounts. | Implemented. |
| 5. All stores should be centralised and sub-stores should be maintained in different sections to facilitate speedy work. | | No further action is necessary as recommendation has been already put into operation. |
| 6. The latest method of costing and fixing overhead charges should be followed. | | With a view to streamlining the costing procedure, the Chief Cost Accounts Officer to the Government of India had made certain suggestions. Those on which agreement has reached have been implemented already. In regard to the others which are connected with works studies, action has been taken to set up a study team of experts in collaboration |

1	2	3
		with the Indian Telephone Industries Ltd., Bangalore. After the study is completed the recommendation will be fully implemented.
7	A new factory should be located on a special land where sufficient space for workshop and residential accommodation could be provided for the workers of the MIO.	The factory building has been nearly completed except for air conditioning and provision of lifts. Gradual shifting is in progress. The scheme of providing housing accommodation for 45% of the workers has been accepted by the Government in principle but due to paucity of funds it cannot be implemented at present.
8.	Some of the existing machinery which have run their life out should be replaced by new machinery.	Most of the replacement machinery and balancing equipment have been received and are being installed in the new premises.
9.	Bottlenecks in the different shops should be removed by hiring additional accommodation.	With the construction of new factory buildings at Jadavpur Calcutta, the problem has been solved.
10.	Under the short term planning all the instruments which were being manufactured by MIO should be continued and the production trebled in three years.	Production has already been doubled. Full effect of the re-organisation will be visible only after lapse of some time from the date of its completion.
11:	The instruments already manufactured by private factories should be ascertained and the question of abandoning their manufacture by I.I.O. should be considered.	The allocation of work between the Government and private factories is under examination by a Committee constituted by the Ministry of Commerce and Industry under the Chairmanship of Dr. A. N. Khosla. Final report is awaited.
12.	Under long term planning, instruments required for education, research and	The long term and short term plans are covered by the First and Second Five Year Plans

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deference purposes should be manufactured. Details of the long term planning should be ready before the short-term planning is completed.

The short term planning consisted of the reorganisation of the factory which is nearing completion. As regards the manufacture of the new items included in the Second Five Year Plan, as a part of long term plan, please see remarks against item 7 para 14, *supra*.

13. Arrangements should be made by Government for the manufacture of different kinds of raw materials by directing the several National Laboratories to concentrate their attention on this. Please see remarks against item 4 para 11 above in regard to the manufacture of the optical glass. As to others, such as Bourden tubes, thermometer tubings, thin walled brass tubes, Teak wood (in replacement to Burma teak) and box wood for scales, efforts are being made to get them manufactured locally or to find substitutes.
14. Government should levy protective tariff on imported scientific instruments or components if they are manufactured indigenously. Import of a few types of instruments manufactured in the country has been completely banned and this matter is annually reviewed to include any additional item, which is being/can be produced in the country.
15. Government should allow duty-free import of capital equipment and scientific instruments required for research work. Position remains the same as explained in the late Ministry of Production letter No. 15/47/55-Fy., II, dated 17-3-57.
16. Government should make provision for some of the technical staff of the M.I.O. to be trained abroad. If this is not possible, technicians from Germany should be imported for short periods on contracts. Advantages have been taken of different schemes of training under the Colombo Plan, UNTAA etc. to send employees of the factory abroad for training. Two German experts who were employed by the factory have been replaced.

1	2	3
17.	The facilities available in the MIO should be utilised to provide suitable training to workmen.	As explained in the late Ministry of Production letter No. 15/47/55-Fy. II, dated 17-3-56.
18.	A training scheme as envisaged by the Committee should be implemented.	
19.	The production of instruments should be classified as a key industry.	
20.	Whatever system of wages is in vogue in similar Government shops should prevail in the M.I.O.	As explained against recommendation No. 20 of the Paranjpe Committee and submitted to the Estimates Committee in this Ministry's statement forwarded with late Ministry of Production O.M. No. 15/47/55-Fy. II, dated 17th March, 1956. No further action seems to be necessary.

APPENDIX II
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

NEW DELHI,
The 2nd June, 1956.

RESOLUTION

No. 40-LI (A) (57)/56. The Government of India have decided to constitute a Committee consisting of the following members to examine the progress made so far for the manufacture of Surveying, Drawing, and Mathematical Instruments in this country, and make recommendations for the further development of this industry—

- | | |
|--|-------------------|
| 1. Shri A. N. Khosla, Vice Chancellor, Roorkee University | <i>Chairman</i> |
| 2. The Director General, Ordnance Factory, Calcutta | <i>Member.</i> |
| 3. The Superintendent of Ordnance Factory, Calcutta | Do. |
| 4. The General Manager, National Instruments, Factory, Calcutta | Do. |
| 5. The Development Commissioner, Small Scale Industries, New Delhi | Do. |
| 6. Shri V. N. Kohli, Director, Directorate General of Supplies and Disposals, New Delhi . | Do. |
| 7. Shri Lakman Prakash, Chairman, Cottage Industries Cooperative Society, Roorkee . | Do. |
| 8. The Director, Indian Standards Institution, 19, University Road, Delhi | Do. |
| 9. Shri P. N. Narasiah, Deputy Development Officer, Office of the Development Commissioner for Small Scale Industries, New Delhi | <i>Secretary.</i> |

2. Without prejudice to the general terms of reference mentioned above the Committee would be particularly required :

- (1) to assess the country's requirements of these instruments in different categories and determine the gap between requirements and present manufacturing capacity.
- (2) to review the existing capacity of the surveying, drawing and mathematical Instruments industry in the private and in the

public sectors, and make recommendations on their programmes for production and on co-ordination between such programmes in such a manner that the capacity in both the sectors would be most usefully utilised.

- (3) to suggest in relation to such programme, the priorities which may be followed by the Indian Standards Institution in prescribing certain quality standards and specifications for the articles manufactured and until such standards and specifications are prescribed by the Institution, to suggest interim standards and specifications which should be observed.
- (4) to recommend a suitable organisation for testing and certifying the products as conforming to the prescribed quality standards and specifications.
- (5) to suggest ways and means of establishing common facility services equipped with suitable equipment, for the benefit of the private sector.
- (6) to suggest ways and means of training the skilled workers in this field both in the country and, if necessary, outside.
- (7) to investigate and report on such other matters as the Committee may think fit regarding the development of the Instruments Industry in India.

3. The Committee will submit its Report within 3 months from the date of its constitution.

Sd/- P. GOVINDAN NAIR,
Joint Secretary to the Govt. of India.

To

The Manager,
Government of India Press,
New Delhi.

No.

NOTE : Since after the appointment of this Committee the Chairman had to proceed to States on deputation as also the sub-committees had not completed the collection of necessary data, the period of 3 months fixed earlier had to be extended.

APPENDIX III
No. 6/52/55-Fy. II
GOVERNMENT OF INDIA
MINISTRY OF PRODUCTION

DATED, NEW DELHI ;
the 23rd May, 1956

To

The General Manager,
National Instruments Factory,
15, Wood Street,
Calcutta—16.

SUBJECT : *Report of the Committee set up for categorisation of the industrial workers of National Instruments Factory on the basis of skill and job etc.—implementation of.*

Sir,

Prior to 1-1-1947 all workers in the National Instruments Factory, Calcutta, were on daily rates of pay. On the basis of the recommendations of the Central Pay Commission certain provisional monthly rates of pay were adopted, and workers were given an option to elect the monthly scales either from 1-1-1947 or 1-1-1948. The actual conversion from the daily rates of pay to monthly rates was completed in 1949. Those provisional scales of pay have continued to exist so far.

Government have now carefully reviewed the position in the light of the recommendations of the Categorisation Committee appointed under the Ministry of Production Memorandum No. 6/52/55-Fy. II, dated the 2nd November 1955, and have decided that :

- (1) The trade designations, grades and scales of pay applicable to semi-skilled and skilled categories of workers of the National Instruments Factory will be as in Annexure I. Trade specifications will be as in Schedule I to this Annexure. The (final) scales of pay now prescribed will replace the existing provisional scales of pay.
- (2) The scale of Rs. 30— $\frac{1}{2}$ —35 would continue to be in force for unskilled workers, such as *Masdoors*, Shop-cleaners and workers engaged on conservancy except for workers engaged on heavy/dirty work (excluding conservancy).
- (3) For unskilled workers engaged on heavy/dirty work (excluding conservancy) the scale of Rs. 32— $\frac{1}{2}$ —35—1—40 will apply. This scale will normally apply to those *Masdoors* in packing sections who are regularly called upon to attend railway station sidings for handling of heavy packages.

- (4) The pay scale of Rs. 135—5—155—6—185 (for highly skilled workmen) would be applicable to all trades for which the maximum scale of either Rs. 90—5—130 or Rs. 105—5—130 in Annexure I has been prescribed. Promotion to this grade, however, would be by selection at the discretion of the General Manager, taking into account the skill, ability, attendance, conduct etc. Normally, such promotions should not be made unless the workers have served for at least 5 years in the grade of either Rs. 90—5—130 or Rs. 105—5—130. The General Manager should submit proposals for the number of posts in the appropriate trades which should belong to scale of Rs. 135—5—155—6—185.
- (5) The 12 workers detailed in Annexure II who are at present regarded as "industrial" but who have been engaged on duties of non-industrial character, such as clerical, semi-clerical, stock verification, accounting and blue-printing work, should be brought in consultation with Local Finance, Calcutta, on to the non-industrial establishment and scale of pay from the dates they ceased to be engaged in industrial work.
- (6) The initial pay in the new appropriate scales should be fixed at the lowest pay admissible under clauses (a) to (c) of rule 8(1) of the Civilians in Defence Services (Revision of Pay) Rules, 1947.
- (7) All workers will be brought-over to the final scales and they will be given a fresh option to elect the final scales of pay now prescribed with effect from 1-1-47 or 1-1-48. This option is to be exercised in writing and should be within 3 months from the date of the issue of this letter and once exercised, it would be irrevocable. Failure to elect either of the dates within the prescribed period would mean that the worker would be brought to the final scale with effect from 1-1-47.
- (8) For the purposes of fixation of pay under clauses (a) to (c) of rule 8(1) of the Civilians in Defence Services (Revision of Pay) Rules, 1947, an amount equal to 26 times the basic daily wage will be deemed to be the "present pay" of the workers who will not be treated as holders of non-permanent posts. Completed years of service in the corresponding scale will be reckoned as follows :
- (a) In the case of workers to be fixed in the pay scale of Rs. 35—1—40—2—50 or Rs. 40—2—60 (where this is the lowest grade prescribed for the trade) on the date of change-over, all service on daily rates of pay (except such period as a trainee, learner, boy artisan or apprentice, unskilled service in the case of workers to be fixed in the scale of Rs. 35—1—40—2—50 and unskilled and semi-skilled service in the case of workers to be fixed in the scale of Rs. 40—2—60) should be regarded as corresponding service. (Unskilled and semi-skilled service referred to above would be as certified by the Factory Management).
- (b) In the case of workmen to be fixed in the pay scale of Rs. 46—2—60—3—75 on the date of change-over all service from the day the workers received daily pay in excess of the minimum

rate of the lowest skilled grade in the Schedule (*vide* annexure III) of Standard wages for the particular grade shall be regarded as corresponding service. In the case of Viewers, where no classification has been shown in the Schedule of Standard Wages, service on a daily rate of Rs. 1/4/- per day and above (prescribed in the Schedule for grade III Viewers) shall be taken as corresponding service. In the case of old Mathematical Instrument Office Workers, all service as 'C' Class workers and above, for which the maximum pay used to be Rs. 50/- per month, when the factory was under the Surveyor General of India, shall be taken as corresponding service.

- (e) In the case of workers to be fixed in the scale of Rs. 60—3—90 or Rs. 75—3—90—5—105 on the date of change-over all service rendered in the grade next above the lowest skilled grade in the Schedule of Standard wages shall be taken as corresponding service. In the case of Viewers, where no classification has been prescribed in the said Schedule, all service on Rs. 2/- per day and above (prescribed for grade II Viewers) shall be taken into as corresponding service.
- (d) In the case of workmen fixed in the grades of Rs. 90—5—130 or Rs. 105—5—130 on the date of change-over all service as Grade A in the Schedule of Standard Wages shall be taken as corresponding service.
- (9) With regard to workers promoted in the provisional scales on or after the 1st January, 1947, without holding a test analogous to that now being prescribed, the General Manager will constitute a technical committee from among his senior staff as soon as possible to examine the question of each person affected thereby in order to fix him in the pay scale which is now accepted. Pending such fixation the workers concerned shall continue to draw their existing pay.
- (10) Government have further decided that the minimum pay on which any skilled worker would be fixed, in accordance with the principles stated above, as on 1-1-47 (or the date of election) shall not be less than Rs. 46/- per month. This, however, would not be applicable to the workers recruited after 1-1-47.
- (11) In future, promotions would be only after trade test and subject to availability of vacancies. For this purpose suitable detailed trade tests, their frequency, composition of the Trade Test Boards etc., are being prescribed separately.

The number of posts belonging to each grade of each of the 21 trades now prescribed should be fixed as early as possible.

- (12) If a workman elects the final scale as a result of the option now given from a date subsequent to 1-1-47 the payment already made to him for the period prior to the date of his election of the final monthly scale will remain un-disturbed and no recovery will be effected.
- (13) The amounts paid to the workmen when their pay was fixed on the provisional scales and drawn by them since in those scales

should be adjusted against the amounts which would be due to them when their pay is fixed in the final prescribed scales in accordance with the principles stated above.

Yours faithfully,

(NIZAMUDDIN AHMED)

Deputy Secretary to the Govt. of India.

Copy together with copies of the enclosures referred to above forwarded to the Ministry of Finance (P.E.N. Divn.) with 3 spare copies with reference to their U.O. No. P-1766/56, dated 23-5-1956 for communication to the D.A.G. (P. C. & I.), Calcutta.

(NIZAMUDDIN AHMED)

Deputy Secretary to the Government of India.

APPENDIX IV

(Vide S. No. 19)

Statement showing the delegation of additional powers to General Manager after August, 1956.

1. *Establishment and Administrative Power.*

1. Powers to create temporary posts for any specified period in the industrial establishment and for six months in the Non-Industrial cadres of Non-Gazetted servants carrying a maximum scale of Rs. 500/- p. m. subject to Rule 10 of the Book of financial powers and concurrence of local Ministry of Finance.

2. Powers to grant all kinds of leave to non-gazetted employees excepting special disability leave.

3. In regard to powers to make officiating arrangements in leave vacancies in non-gazetted posts, the orders contained in the Ministry of Finance O.M. No. F-12 (45)-Est. III/51, dated 8-6-55 read with O. M. of even No. dated 19-3-56 may be applied.

4. Powers to direct the Accounts Officer to investigate claims to arrear of pay etc. which have remained in abeyance for a period exceeding one year but not exceeding three years.

5. So far as class III posts are concerned, General Manager has been delegated full powers regarding appointments as well as penalties.

2. *Contingent Charges.*

1. Powers to incur recurring expenditure upto a limit of Rs. 500/- per annum and Rs. 1,000/- per annum in case of non-recurring expenditure for the purchase of fixture and furnitures.

2. Powers to incur expenditure in respect of Electricity, Gas and Water charges, subject to requirements of the factory and availability of budget provision.

3. Powers to make necessary arrangements for fire protection by provision of fire fighting equipment and with necessary staff to operate them.

4. Powers to purchase books and publications upto a limit of Rs. 400/- per annum in case of recurring expenditure and upto Rs. 1,000/- per annum in case of non-recurring expenditure.

5. Powers to buy type-writers, calculating machines and other office appliances through the Deputy Controller of Printing and Stationery, Calcutta, as and when required subject to availability of funds.

6. Powers to incur contingent expenditure to a limit of Rs. 400/- per annum (recurring) and Rs. 2,000/- in each case (non-recurring) provided that the above limits would apply to all cases of contingent expenditure incidental to running of the factory or office, where no specific limits have been laid down in Appendices 'A' & 'B' of App. 8 in G.E.R. Vol. II.

7. Powers to sanction advertisement expenditure up to a limit of Rs. 400/- per annum (recurring) and Rs. 2000/- per annum (non-recurring).

The powers under item Nos. 3 (1) and 3(2) are delegated under the Ministry's own powers.

8. Powers to incur expenditure for departmental experiments without any financial limit subject to the availability of funds within an annual Development Grant to be provided for the purpose.

3. *Purchase of Stores.*

Powers to make cash purchase of small quantities of stores subject to a limit of Rs. 300/- monthly from the imprest account.

4. *Miscellaneous.*

1. Powers to incur expenditure upto a limit of Rs. 3,000/- per annum for the maintenance of truck, fire engine and pick up van.

2. This sanction is accorded in exercise of the powers delegated to Ministries under Ministry of Finance O. M. No. F-6(4)-E.G.F./55, dated the 12-5-55 and subject to period specified therein.

3. *Idle time payments.*

Powers to incur expenditure upto a limit of Rs. 1,000/- p.m.

4. Powers to write off losses of stores not due to theft, fraud or neglect upto a limit of Rs. 1,000/- in each case.

5. *Miscellaneous expenditure.*

Powers to incur miscellaneous expenditure upto a limit of Rs. 1,000/- per annum on objects for which no scale or limit is prescribed by any Act, Rules, Code or Orders, e.g., expenditure on entertainments on special occasions *vis.*, visit of a non-official or official visitor of high status.

APPENDIX V

Analysis of the action taken by Government on the recommendations contained on the 22nd Report of the Estimates Committees (First Lok Sabha).

1.	Total number of recommendations	30
2.	Recommendations accepted fully by the Government	
	No.	9
	Percentage to total	30 percent.
3.	Recommendations accepted by the Government partly or with some modifications	
	No.	3
	Percentage to total	10 percent.
4.	Recommendations not accepted by the Government but replies in respect of which have been accepted by the Committee	
	No.	6
	Percentage to total	20 percent.
5.	Recommendations not accepted by Government and pursued by Committee (including those which are still under consideration by Government)	
	No.	12
	Percentage to total	40 percent.



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