

**COMMITTEE ON PUBLIC UNDERTAKINGS  
(1968-69)**

(FOURTH LOK SABHA)

**TWENTY-NINTH REPORT**

**Action taken by Government on the recommendations  
contained in the Thirty-seventh Report of the  
Committee on Public Undertakings  
(Third Lok Sabha)**

**HINDUSTAN SHIPYARD LTD.**

(MINISTRY OF SHIPPING AND TRANSPORT)



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NEW DELHI**

*December, 1968/Pausa, 1890 (Saka)*

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C O R R I G E N D A

**TWENTY-NINTH REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (1968-69) ON ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRTY-SEVENTH REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (THIRD LOK SABHA) ON HINDUSTAN SHIPYARD LIMITED.**

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**COMMITTEE ON PUBLIC UNDERTAKINGS**  
(1968-69)

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Shri G. S. Dhillon

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3. Shri Surendranath Dwivedy
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Shri A. L. Rai, *Deputy Secretary.*

Shri M. M. Mathur, *Under Secretary.*

## INTRODUCTION

I, the Chairman, Committee on Public Undertakings, having been authorised by the Committee to submit the Report on their behalf, present this Twenty-Ninth Report on the action taken by Government on the recommendations contained in Thirty-Seventh Report of the Committee (Third Lok Sabha) on Hindustan Shipyard Ltd.

2. The Thirty-Seventh Report of the Committee on Public Undertakings was presented to the Lok Sabha on the 29th March, 1967. Government furnished their replies indicating the action taken on the recommendations contained in the Report on the 30th September, 1967. Additional information in respect of certain recommendations was called for from the Government on the 10th November, 1967. Replies thereto were furnished by Government on the 8th January, 1968, the 29th February, 1968, and the 4th October, 1968. The replies of Government to the recommendations contained in the aforesaid Report were considered by the Committee on the 29th May, 1968 and also on the 29th November, 1968.

3. The Report has been divided into the following five chapters:—

I. Report.

II. Recommendations that have been accepted by Government.

III. Recommendations which the Committee do not desire to pursue in view of the Government's reply.

IV. Recommendations in respect of which replies of Government have not been accepted by the Committee.

V. Recommendations in respect of which Final Replies of Government are still awaited.

4. An analysis of the action taken by Government on the recommendations contained in the Thirty-Seventh Report of the Committee is given in Appendix II. It would be observed therefrom that out of the 45 recommendations made in the Report 48.9 per cent have been accepted by Government and the Committee do not desire to pursue 44.4 per cent of the recommendations in view of Government's reply. Replies of Government in respect of 6.7 per cent of the recommendations have not been accepted by the Committee.

NEW DELHI;  
December 27, 1968.  

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Pause 6, 1890 (Saka).

G. S. DHILLON,  
Chairman,  
Committee on Public Undertakings.

## CHAPTER I

### REPORT

#### RE-ORGANISATION OF THE SHIPYARD

#### **Recommendations Serial Nos. 7 and 41 (Paras 48 and 189 of the 37th Report)**

The Government, in their reply, have stated that an *ad hoc* Committee set up to go into the working of the Shipyard, had submitted its report. The action taken by Government to implement the recommendations of this Committee is indicated in Appendix I.

2. In view of Government's reply the Committee, do not desire to pursue the recommendations. They, however, hope that with the implementation of the recommendations made by the *ad hoc* Committee, the desired results would be achieved.

**CHAPTER II**  
**RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY**  
**GOVERNMENT**

**Recommendation (Serial No. 4)**

The Shipyard has been generally falling short of production targets. From the various replies given by the Shipyard, it is clear that the reasons for shortfall in production were not analysed till March, 1964 when the 13th Schedule was drawn up. Although the Shipyard had to be subsidised heavily during these years it seems that Government took no serious notice of the shortfall in production and allowed the Shipyard to run at a heavy loss. The Committee recommend that in future reasons for shortfall in production should be analysed and pointedly brought to the notice of Government and the Board in the year subsequent to the shortfall. (para 36)

**REPLY OF GOVERNMENT**

The recommendation is noted.

A constant review of the production programme and progress achieved is being made in the Board meetings. The difficulties faced by the Yard from time to time are systematically reported to each meeting of the Board with copies to the Ministry.

*[Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.]*

**Recommendation (Serial No. 5)**

The Committee find that shortfall in production is generally attributed by the Shipyard to the unsatisfactory flow of materials. If flow of materials is taken as the major factor, it is surprising that no effective steps were taken to ensure or maintain the flow of materials. On the other hand as facts show the position was allowed to remain stagnant or even deteriorate year after year. It seems that the administrative Ministry also did not exercise effective control over the affairs of the Shipyard in this regard. Concerted efforts should be made to improve the production performance of the Shipyard. (Para 41).



**REPLY OF GOVERNMENT**

The recommendation of the Committee is noted.

The difficulties in regard to supply of raw materials was mainly due to acute foreign exchange situation. The Government and management are making concerted efforts to improve the production performance of the Yard. Please also refer to Government reply to S. No. 7.

*[Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.]*

**Recommendation (Serial No. 6)**

The Committee regret to note that the information supplied by the Shipyard that the "time taken for the construction of repeat vessels of a series is progressively reduced" was misleading in-as-much as actually no reduction in construction time occurred. (para 45).

**REPLY OF GOVERNMENT**

The observation is noted.

The Shipyard is making efforts to reduce the time taken at different stages of construction. It is also conducting a study to examine the possibilities of reducing the delivery period of ships and their costs of production.

*[Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.]*

**Recommendation (Serial No. 8)**

A comparison with the time taken in the berths in U.K. and Japan shows that the performance of the Shipyard in this respect is poor. The Committee appreciate that delayed receipt of materials resulted to low production of the Shipyard to some extent. It is, however, necessary that the procurement of materials and production processes in the Shipyard should be streamlined and output or productivity per man increased with a view to reducing the berthing period. (para 51)

**REPLY OF GOVERNMENT**

The recommendation of the Committee is noted.

Following the report of the Consultants, the Shipyard has taken several steps to improve the production processes and procurement

procedures. Production Control measures have been introduced in the blacksmith and hull shops. Preliminary studies are being made in the joiners shops and sheet metal shop prior to full introduction of production control system. Net work analysis has been introduced for planning purposes. Steps are also being taken for the organisation of material control system. Proposals for the reorganisation of the Stores & Purchase departments are also under the consideration of the management with a view to streamlining the purchase procedures.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.]

#### FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please give details of steps taken for the organisation of the material control system and Stores and Purchase Departments.

[L.S.S. O.M. No. 21-PU (VIII)/65, dated the 10th November, 1967].

#### FINAL REPLY OF GOVERNMENT

As a first step the four important functions of purchase, material control, development and Inspection have been separated and are now placed under control of four different officers. A proposal to strengthen this wing by appointing a senior officer as Chief Controller of Purchase and Materials is under consideration of the Board of Directors.

[Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 29th February, 1968.

#### Recommendation (Serial No. 10)

The Shipyard drew up the schedules without benefiting from its past experience or taking into account all the factors which might affect their implementation. It appears to the Committee that the management's approach has not been sufficiently realistic with regard to availability and adequacy of Shipbuilding material and its own capacity. The Committee feel concerned not only with frequent changes of schedules which hamper smooth production but also the consequent discouragement to buyers in placing orders on the Hindustan Shipyard. A schedule that needs to be revised every year has hardly any meaning. The Committee recommend that while preparing schedules in future all the necessary factors should be considered carefully and once a time-schedule for constructing a ship is prepared, it should be adhered to unless extraordinary reasons beyond the control of the management prevail. (para 61)

**REPLY OF GOVERNMENT**

The recommendation is noted.

The Board of Directors of the Hindustan Shipyard Limited while approving the 16th schedule of ship construction resolved that the schedule should be strictly adhered to and the various conditions to be fulfilled to achieve the targets be reviewed at each meeting of the Board.

[*Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 11)**

The Committee are surprised to note that the Shipyard accepted the order for constructing INS-Darshak with the approval of the administrative Ministry as early as 1953 when it had just been taken over from the Scindia Stead Navigation Co. Ltd. While the Committee appreciate the ambition of the then management to launch on the construction of a survey vessel, they cannot understand the failure of the management to equip itself for the work for which it did not have the necessary technical know-how. (para 67)

**REPLY OF GOVERNMENT**

The recommendation of the Committee is noted.

[*Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 12)**

For about 7 years from 1956 onwards protracted negotiations went on between the Shipyard, N.H.Q. and M/s. A.C.L./A.E.G. for preparation of detailed drawings. The Committee agree with the observation of the Bose Committee that one of the reasons for the delay in completion of the vessel was unnecessary insistence on the part of the Shipyard for preparation of detailed co-ordinated drawings for all the electrical and other installations. By doing so, valuable time was lost in unnecessary negotiations and diversion of energies which could have been fruitfully utilised for construction of standardised cargo vessels. Further, even when the construction of Darshak was in progress, the management did not keep itself informed about the work and failed to take charge of designs etc. when the French experts left the Yard. It again entered into an agreement with the same firm with whom their earlier experience

had not been happy. This shows that even after making the initial mistake of undertaking the construction of a complicated type of vessel, the Shipyard did not fully realise its responsibility of completing the vessel expeditiously. It seems that the Ministry also did not take any special measures to expedite the construction. The Committee are not happy over the whole affair and hope that Government and the Shipyard will take necessary measures to perfect construction of standard vessels before accepting assignments of complicated nature. (para 70).

#### REPLY OF GOVERNMENT

The recommendations made by the Committee are noted. The Shipyard has also been suitably instructed in this regard.

*[Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.]*

#### Recommendation (Serial No. 13)

The Committee feel concerned to note that the productivity per man at the Shipyard should compare so unfavourably with the foreign Shipyards. It is unfortunate that the Shipyard should have failed to improve its productivity since it was set up in 1952. The country needs more and more tonnage. The Shipyard should make strenuous efforts to increase its productivity in the coming years so as to keep pace with the performance of the foreign shipyards (para 73)

#### REPLY OF GOVERNMENT

The recommendation of the committee is noted. In order to improve the productivity of the Yard, a new Production Control System has been organised so that a record of unproductive time spent by men could be maintained and remedial measures taken thereon. Other steps taken are referred to in the reply to S. No. 7.

*[Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.]*

#### Recommendation (Serial No. 15)

The Committee are not convinced by the statement that at present the impact of old machines on low productivity is not significant. The Shipyard had not till recently made any investigation to assess the extent of low utilisation of machinery being old and somewhat worn-out. The Programme for replacement of old and worn-out machinery was also not initiated in time. It is therefore

not surprising that the Shipyard should have accumulated over a period of time old and worn-out machinery with very low utilisation. The Committee suggest adoption of a regular system of periodical assessment of machinery with a view to replacing inefficient and outmoded parts and machinery in time without allowing the efficiency of the Shipyard being impaired. (para 81).

#### REPLY OF GOVERNMENT

The recommendation is noted.

[*Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

#### Recommendation (Serial No. 16)

The Committee are surprised to note that the necessity of maintenance of log books to find out the details of utilisation of machinery had never been considered till the Audit pointed it out. In fact the Managing Director was not aware of the reply sent by the Shipyard to the Audit until the point was raised during evidence. The Committee recommend that the system of maintaining log books for each type of machinery should be introduced forthwith and utilisation and optimum capacity of each machinery should also be determined to improve the efficiency of the Yard. (para 84).

#### REPLY OF GOVERNMENT

The recommendation of the Committee is noted.

Necessary action has already been initiated in this regard by the management.

[*Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

#### Recommendation (Serial No. 17)

The Committee consider the present method of estimation of scrap accumulation unsatisfactory in as much as there is no means of knowing whether the scrap arisings are decreasing or increasing. It is surprising that all these years the Shipyard management was satisfied with random reckoning. In order to judge the efficiency of the production processes it would be necessary to weigh the steel scrap shipwise and efforts should be made to bring down the percentage of steel scrapped to steel used. (para 86).

**REPLY OF GOVERNMENT**

The recommendation of the Committee is noted. The introduction of production control methods and issue of more detailed cutting plans will automatically determine the extent of scrap arisings and also bring down the percentage of scrap arisings.

[*Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 18)**

The Commercial interest of the Shipyard require that its ships should be patronised by Indian private shipping companies. The Shipyard plans to increase its production to 6 ships a year from 1969-70 onwards. This should enable it to procure some orders from the private shipping companies also. (para 88).

**REPLY OF GOVERNMENT**

The recommendation of the Committee is noted and will be kept in mind when the question of new orders is taken up for consideration.

[*Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46(2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 20)**

The Committee note that in spite of the fact that the marine engine is the most costly imported item no serious efforts have been made by Government to get it manufactured within the country. The reason for delay in establishing such a project is the low priority that Government have given it. This delay has resulted in the Shipyard being required to import marine engines from abroad all these years thus involving drain on the country's foreign exchange resources. The Committee suggest that Government should provide all the necessary facilities for the early establishment and commissioning of this project. In any case, the Committee hope that the first of the engines to be produced by this factory will be available to the Shipyard by 1969. (para 97).

**REPLY OF GOVERNMENT**

Government has recently approved the Project for the manufacture of marine engines by the Garden Reach Workshops Ltd., Calcutta. It is expected that the first marine engine will be available by 1969.

[*Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 21)**

The Hindustan Shipyard was taken over by Government of India from the Scindia Steam Navigation Company because of its vital strategic importance in emergencies. That seems also be reason for this industry being subsidised. If Government consider ship-building as an important industry, the Shipyard needs to be given greater priority in the matter of allotment of steel. Further, supply of steel from indigenous sources in larger quantities would ensure steady production in the Shipyard and obviate excessive dependence on foreign supplies which are not readily available and also save foreign exchange. The Committee hope that the supply of steel to the Shipyard would be planned in advance in consultation with the Ministry of Iron and Steel so that production is not hampered due to short supply or non-availability of steel in time. (para No. 103).

**REPLY OF GOVERNMENT**

The recommendation of the Committee is noted.

The shipyard has taken steps to standardise the steel plates in Grade 'A' quality and finalise their requirement cycles. The requirements of steel of several ship-building yards would be pooled so that viable orders can be placed on the indigenous steel mills.

*[Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967].*

**Recommendation (Serial No. 23)**

The Committee hope that the negotiations between the Hindustan Shipyard and the Heavy Engineering Corporation, Ranchi would be expedited and the production of propellers commenced soon. Efforts should be intensified to get other imported items also manufactured indigenously. It should be possible to induce the public sector undertakings to undertake the manufacture of such equipment if no one else freely comes forward to do so. (para 112).

**REPLY OF GOVERNMENT**

The recommendation of the Committee is noted. The matter is under correspondence between the Shipyard and the Heavy Engineering Corporation, Ranchi.

*[Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967].*

**Recommendation (Serial No. 26)**

It appears that for several years after the taking over of the Shipyard by Government its stores department had not been organised properly. It is also surprising that till June, 1960 there was no Inspection Department in the Shipyard. This has resulted in an avoidable extra expenditure of Rs. 9 lakhs in the case of reconditioning electrical equipment. The Committee expect that the stores and inspection departments have since been properly organised to avoid the recurrence of such losses in future. The Committee also suggest immediate inspection of stores on receipt, so that defects in quality or shortage in quantity are noticed in time for remedial action. (para 128).

**REPLY OF GOVERNMENT**

The recommendation of the Committee is noted. The inspection and storage arrangements have since been improved.

[*Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 28)**

If sanction of the Development Programme for the Fourth Five Year Plan is further delayed there is every likelihood of the shortfall as occurred in the implementation of the Third Plan Development Programme being repeated. The Committee suggest that the Shipyard's Plan proposals should be finalised without further loss of time and their execution commenced. (para 141).

**REPLY OF GOVERNMENT**

Proposals recently received for purchase of machinery and equipment in order to improve the handling facilities at the berths have been sanctioned.

A Special Development Officer has been appointed to deal with the Shipyard Development Programme. Steps are also being taken to see that no undue delay is occasioned in the handling of matters relating to the formulation and execution of sanctioned development works.

[*Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967.*]



**Recommendation (Serial No. 29)**

It appears that a period of 5 years was taken in coming to a decision whether the extension of the jetty should be towards the east or the west. The Port Authorities had in 1958 agreed to the extension of the jetty towards the east and there is no adequate evidence to suggest that they later on amended the sanction. The Shipyard by delaying the finalisation of this scheme till October, 1962 has only hampered its production programme. (para 145).

## REPLY OF GOVERNMENT

The recommendation is noted.

[*Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 30)**

Although the cost estimates of the Dry Dock project have since gone up, the Committee believe that a dry dock at Visakhapatnam can be operated as a financially viable project. It will fulfil the needs of the Shipyard as also of the ocean-going vessels plying along the maritime routes adjacent to the East Coast, and thereby earn sizeable amount of foreign exchange. The project has already been unnecessarily over delayed. The Committee suggest that it should be accorded a high priority and executed expeditiously. (para 154).

## REPLY OF GOVERNMENT

Government have very recently accorded sanction to a scheme for the construction of a larger dry dock as an adjunct to the Hindustan Shipyard Ltd. Steps have been taken for the expeditious construction of the Dry Dock.

[*Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46 (2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 31)**

The working of the Hindustan Shipyard shows that it has failed to make any improvement since nationalisation. In fact the matters have deteriorated. The administrative Ministry also does not seem to have guided or exercised proper control on the working of the Shipyard. It is quite possible that with the Secretary of the Ministry having been the Chirman of the Board of Directors, the Shipyard's management became complacent. The present arrangement has led to a diffusion of responsibility as between the Undertaking

and the Ministry for the poor performance of the Shipyard. The Committee recommend that the post of Chairman of the Board of Directors should be filled in by some suitable person other than the head of the administrative Ministry. (para 160).

#### REPLY OF GOVERNMENT

The Secretary of the Ministry has resigned as Chairman of the Board of Directors and a retired official has been appointed as the Chairman of the Board of Directors of the Hindustan Shipyard Limited.

*[Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967].*

#### Recommendation (Serial No. 32)

The Committee consider it unfortunate that for four years now the functions of the Director of Ship Construction and the Managing Director have been discharged by a single person. They feel that this has been a major reason for the overall unsatisfactory performance of the Shipyard. The post of the Director of Ship-Construction is of vital importance and the Managing Director has not been in a position to look after the duties of both the assignments. The Committee recommend that a competent and energetic person be appointed to the vacant post early. (para 162).

#### REPLY OF GOVERNMENT

The functions of the Director of Ship Construction have been separated from those of the Managing Director. Consequent on the retirement of the previous Managing Director, an officer from the Navy assumed charge as Managing Director on 1st June, 1967. The officer selected for the post of Director of Ship Construction also assumed charge on 19th June, 1967.

*[Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967].*

#### Recommendation (Serial No. 45)

The Committee feel that the administrative Ministry has not kept sufficient watch on the performance of the Shipyard or given it proper guidance. They hope that the Ministry would in future play an effective role to ensure better performance by the Shipyard. (para 211).

## REPLY OF GOVERNMENT

A Director has been recently appointed in the Ministry one of whose special responsibilities will be the work relating to the Shipyard. This official is also being appointed on the Board of Directors to ensure close liaison between the Ministry and the Shipyard and to ensure effective follow-up action.

*[Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967].*

## CHAPTER III

### RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

#### Recommendation (Serial No. 7)

The Committee feel that this state of affairs in the Shipyard should not be allowed to continue. They suggest that the organisational set up of the Shipyard should be reviewed thoroughly. The time taken in the different stages of construction should also be critically analysed with a view to fix standard and substantially reduce the time. (para 49).

#### REPLY OF GOVERNMENT

The organisational set up of the Shipyard has been reviewed and the steps taken are detailed against S. Nos. 31, 32 and 45. In addition a Special Development Officer has been appointed in the Shipyard to attend to its development programme.

2. The Shipyard is conducting a study to examine the possibility of reducing the delivery period of ships and their cost of production.

3. The committee reconstituted to enquire into the working of the Shipyard is, *inter-alia* required to suggest measures for increasing production with particular reference to the reduction in ship-building costs and delivery schedules of ships.

[Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967].

#### FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Has the study been completed? If so, what are the main conclusions thereof?

[L.S.S. O.M. No. 21-PU(VIII)/65, dated the 10th November, 1967.]

#### FINAL REPLY OF GOVERNMENT

A study was undertaken in May, 1967 by the management of the Hindustan Shipyard about its working on the basis of which, a reply

was sent in September, 1967. In the meanwhile, an *Ad hoc* Committee was appointed by the Government to go into the working of the Shipyard. This Committee was required to suggest measures for increasing production with particular reference to reduction in shipbuilding costs and delivery schedules of the ships. As the activities of this Committee covered the same ground as the Committee appointed by the Management, the study undertaken by the yard has been suspended.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46 (2)/67, dated the 29th February, 1968*].

#### Recommendation (Serial No. 9)

The Committee do not see any reason why even 15 years after nationalisation, the Shipyard has not been able to prepare schedules based on basic norms. The reasons put forward by the Shipyard for not laying down the norms are not convincing. The Committee suggest that if the necessary data supplied by the Consultants is not comprehensive it should be collected and norms laid down without further delay. (para 54).

#### REPLY OF GOVERNMENT

The recommendation is noted.

A start has already been made in this direction in the recent re-organisation of the Production Control Department.

[*Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967*].

#### FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please state whether schedules based on basic norms have been laid down? If so, a copy of the relevant papers may please be furnished.

[*L.S.S. O.M. No. 21-PU (VIII)/65, dated the 10th November, 1967*].

#### FINAL REPLY OF GOVERNMENT

The question of settling norms of work with a view to exercising control over costs by ensuring optimum use of plant, machinery and labour has been under consideration of the Shipyard. A beginning has been made with the introduction of production control methods in the Hull and Black smithy shops. As a consequence of this, norms in respect of material and time for certain processes have been arrived at. Preliminary studies are being made in the Joiners Shop

and Sheet Metal Shop prior to full introduction of the Production Control system. The Shipyard also proposes to fix some tentative norms for the various processes which have not been studied fully in order to afford some sort of yard-stick for watching performance and exercising control. These tentative norms would be estimated on the basis of best performance in the past and other related factors such as machine facilities, slackness in supervision etc.

[*Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 8th January, 1968.*]

#### **Recommendation (Serial No. 14)**

The Committee note that next to cost of materials, the overhead expenses constitute the largest single item in the total cost of construction of a vessel. While there has been a small rise in the cost of materials during the years 1964-65 and 1965-66, the rise in overhead expenses during this period has been abnormal. The Shipyard can economise in cost of construction by reducing their overhead expenses to the minimum. If, as stated by the Managing Director, the production of the Shipyard can be increased to 6 ships a year without any appreciable increase in overhead expenses as at present, there is evidently a considerable amount of under-utilisation of men and machinery at present. The Committee recommend that the management should direct its attention towards reduction in overhead costs. (para 77).

#### **REPLY OF GOVERNMENT**

The recommendation is noted.

The incidence of idle labour is a passing phase and a direct consequence of interruptions in the sequence of working, arising from inadequate and irregular flow of materials. With the improvement in supply of materials, it is expected that the incidence will be reduced. Besides, it is expected that with the steps now being taken to improve the physical facilities in the Yard, the productivity will increase without any appreciable increase in manpower.

[*Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46(2)/67, dated the 30th September, 1968.*]

#### **Recommendation (Serial No. 19)**

The Committee are unable to agree with the view expressed by the Secretary. What is not foreign exchange content is not necessarily indigenous material. On the contrary it includes labour, over-

head and other expenses. If the foreign exchange content has come down, it was because the Shipyard failed to check other expenses, viz., overheads, labour expenses etc. Even if the manufacture of 83 items is taken into account, it will be found that their value is insignificant as compared to the large amount spent on building ships during this period. The Committee feel that had Government, instead of giving a high amount of subsidy to the Shipyard, given some incentive to the indigenous manufacturers, some of them would have come forward to undertake the manufacture of the imported equipments. The Committee trust that earnest efforts will be made to secure the manufacture of machinery and equipment indigenously. (para 92).

#### REPLY OF GOVERNMENT

The recommendation is noted.

The Hindustan Shipyard has recently conducted a detailed study in regard to the percentage of imported and indigenous materials used in the construction of ships since the commencement of the Third Plan. There has been a steady increase in the percentage of indigenous materials.

During the years 1961 to 1967 the percentage of imported component has decreased by about 20 per cent (from 87.32 per cent in 1961 to 68.23 per cent in 1967) and correspondingly the percentage of the indigenous component rose from 12.68 per cent in 1961 to 31.77 per cent in 1967.

The Government have also set up the Ship Ancillary Committee with a view to promote the indigenous manufacture of machinery and equipment required by the shipbuilding and shiprepairing industry. In regard to the suggestion for giving incentives to indigenous manufacturers, it may be stated that the Implementation Committee set up to ensure follow up action on the recommendations of the Ship Ancillary Industries, is considering a proposal to treat the Marine Ancillary Industry as an export oriented industry for the purpose of availing the same facilities and assistance as are now available on exports viz., cash assistance and draw backs in custom and excise duties and sales tax.

[*Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967.*]

### Recommendation (Serial No. 22)

While the Committee appreciate the difficulties experienced by Government in developing ancillary industries, they are not satisfied with the progress made during the last 10 years, i.e. since 1957 when the Ship Ancillary Industries Committee submitted their first report. As mentioned above, even now some of the main items of equipment have not been taken up for manufacture in the country. The Appointment of Standing Committee or *ad hoc* Committees to advise on the development of ancillary industries would not serve the purpose unless earnest efforts are made to tap prospective firms who could take up manufacture of these items. (para No. 110).

### REPLY OF GOVERNMENT

An Implementation Committee has been set up in 1967 to ensure follow up action on the various recommendations of the Ship Ancillary Industries Committee. This Committee has met twice so far.

2. A Development Cell has been constituted among the three public sector shipyards, namely, Hindusan Shipyard, the Mazagon Docks and the Garden Reach Workshop, for encouraging the indigenous production of marine equipment and machinery. This cell, apart from codifying, categorising and laying down priorities for items to be produced indigenously, will provide technical specifications and design and data to interested entrepreneurs. It will also consider the pooling of the resources as well as demand for common items with a view to ensuring viability of orders.

[Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967].

### Recommendation (Serial No. 24)

It appears that the Shipyard does not maintain a proper record of stores and the decision to retain or dispose of accumulated stores is taken by the inspecting officers without proper consideration of their future utility. The Committee recommend that up-to-date records of stores should be maintained and the existing stores should be properly categorised. Stores should be categorised as unusable/surplus only after they have been so declared by a committee of senior officers. (Para 121).

### REPLY OF GOVERNMENT

The recommendation of the Committee is noted. The existing procedure being followed in the Hindustan Shipyard contemplates a



detailed survey of all materials which do not move for long periods by a Survey Committee consisting of senior officers drawn from the Stores, Accounts and consuming technical departments.

[*Ministry of Transport & Shipping (Transport Wing), O.M. No. SY-46 (2)/67, dated the 30th September, 1967*].

#### **Recommendation (Serial No. 25)**

In the case of Fire Accident, if the assumption of fire having been caused by throwing off of a lighted cigarette is correct, it would follow that in a strategic industry like shipbuilding security measures proved to be inadequate and further the persons responsible for causing the extensive damage intentionally or unintentionally could not be brought to book. The time of five years, after the enquiry, taken in installing a fire hydrant system is also long. The Committee hope that security measures would be properly strengthened and the fire fighting arrangements improved so that similar situations do not arise in future. (Para 124).

#### **REPLY OF GOVERNMENT**

The installation of the fire hydrant system is being expedited. The present security and fire fighting arrangements in the yard are considered fairly adequate to its requirements. These arrangements are generally based on the recommendations made by the Security Team of the Central Intelligence Bureau.

[*Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967*].

#### **Recommendation (Serial No. 27).**

In July, 1962 Government sanctioned a sum of Rs. 21.31 lakhs for purchase of plant and machinery but no further steps were taken for three years thereafter. In July, 1965 the Shipyard found the prices has risen considerably in the intervening period and Government was therefore approached for a revised sanction for the machinery which were estimated to cost Rs. 51.48 lakhs. Though Government was not convinced about the reasons given by the Shipyard for the abnormal rise in the estimates, sanction was reluctantly accorded. Out of the sanctioned amount, a sum of Rs. 9.03 lakhs only was spent during the Third Five Year Plan period, as a part of the Shipyard's First Stage Department Programme. The Second Stage estimate for purchase of plant and machinery was for Rs. 162.80 lakhs. The progress made in respect of the First Stage Development programme itself was so slow that the estimate of Rs. 162.80 lakhs

for the Second Stage obviously appeared to be unrealistic and was not sanctioned by Government. The Committee are unhappy to note that the Development programmes formulated for execution during the Third Plan period practically remained on paper and valuable time of five years was lost without making any progress towards modernisation.

The Committee hope that in future the Shipyard management will take due steps to implement the development proposals once these are sanctioned. Government should also exercise greater control over the Shipyard by obtaining periodical reports on implementation of plan proposals. (Paras 138-139).

#### REPLY OF GOVERNMENT

A Special Development Officer has been appointed to deal with the Shipyard Development Programme. Steps are also being taken to see that no undue delay is occasioned in the handling of matters relating to the formulation and execution of sanctioned development works.

[Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967].

#### Recommendation (Serial No. 33)

It appears that a large number of persons are underemployed in the Shipyard. The Committee are surprised to note that attempts to rationalise the delineation of trades and job specifications are being made now although the circumstances demanded them much earlier. This work should be completed early. (Para 168).

#### REPLY OF GOVERNMENT

The recommendation of the Committee has been noted.

Under the new Production Control System reliable data is being collected so that correct remedial action could be taken. The shipyard is also considering diversifying its activities to the extent feasible to absorb underemployed labour.

[Ministry of Transport & Shipping (Transport Wing), O. M. No. SY-46 (2)/67, dated the 30th September, 1967].

#### Recommendation (Serial No. 34)

In view of the existing surplus staff and average low utilisation throughout the past, the Committee hope that the programme of production of 6 ship a year would be achieved as early as possible

with the existing level of staff. The management should also endeavour to secure more ship-repairing work so as to make fuller utilisation of the present manpower. (Para 169).

#### REPLY OF GOVERNMENT

The value of repair work done increased from Rs. 2,75,000 in 1965-66 to Rs. 7,00,000 in 1966-67. Large scale expansion in respect of handling major ship repair jobs can be contemplated after the new Dry Dock Project is completed and commissioned.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

#### FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please indicate what steps have been taken for proper utilisation of surplus labour, pending completion and commissioning of the new dry dock project.

[*L.S.S. O.M. No. 21-PU (VIII)/65, dated the 10th November, 1967.*]

#### FINAL REPLY OF GOVERNMENT

With the stepping up of the tempo in production, the number of men on 'nil' allocation has been practically tapered off. Hence the problem of surplus labour is not as acute as before.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 29th February, 1968.*]

#### Recommendation (Serial No. 35)

Detailed recruitment and promotion rules are necessary not only to ensure uniform application of rules by the Management but also to keep the employees informed of the existing procedures in unambiguous terms. A set of well defined rules also keeps the management free from allegations of favouritism and nepotism. The Committee are surprised to note that the management of the Shipyard does not consider it necessary to codify the rules. The Committee recommend that detailed recruitment and promotion rules should be framed by the Shipyard at an early date. (Para 171).

#### REPLY OF GOVERNMENT

The management has initiated action to codify in the form of recruitment and promotion rules the existing procedures for recruitment and promotion.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 36)**

The Estimates Committee had in para 160 of their 52nd Report recommended that detailed specifications for each job should be laid down by all the public undertakings. The Committee find no reason why detailed specifications for each job should not have been laid down by the Shipyard. They hope that this would be done now. (Para 173).

**REPLY OF GOVERNMENT**

Detailed specifications for most of the jobs have been laid down by the Shipyard. The work is progressing and is expected to be completed early.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 37)**

First and foremost thing essential for maintaining production without interruption is cordial relationship between the management and the workers and in order to do so a good negotiating machinery is a basic necessity. The Committee hope that the Shipyard will form Joint Management Council/Works Committee. (Para 176).

**REPLY OF GOVERNMENT**

The management is in touch with the Hindustan Shipyard Officer's Association and the Labour Union for the formation of a Joint Management Council. So far the Association and the Union have not indicated their willingness to participate in the formation of the Council. The management is pursuing the matter with them.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

**FURTHER INFORMATION CALLED FOR BY THE COMMITTEE**

Please furnish details of the steps taken by the Management for the formation of joint management Council/Works Committees.

[*L.S.S. O.M. No. 21-PU (VIII)/65, dated the 10th November, 1967.*]

**FINAL REPLY OF GOVERNMENT**

The Shipyard's management has been constantly endeavouring to elicit the co-operation from the Staff Association and Labour Union

in forming the Joint Management Council/Works Committee. Although, in the beginning a favourable response was forthcoming from Unions concerned, lately there seems to be some reluctance on the part of both the Unions. However, constant efforts are being made by the management to persuade the Unions to agree to the formation of Joint Management Council/Works Committee.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46 (2) /67, dated the 29th February, 1967*].

### **Recommendation (Serial No. 38)**

The element of subsidy is not only high but has also risen by about 100 per cent in respect of Ships built recently. This shows that the Shipyard has failed to keep a check over its cost of construction. Payment of higher subsidies implies that the tax payer has to pay more and more for the failures of the management. The Committee suggest that the reasons for increase in costs should be analysed by experts not connected with the Shipyard and steps taken to bring them down. (Para 181).

### **REPLY OF GOVERNMENT**

With the stepping up of production to an optimum level by streamlining the procedures relating to release of foreign exchange and procurement of materials, completion of the development programme and modernisation of machinery and equipment, it is hoped that the cost of construction will come down. The Committee reconstituted to enquire into the working of the Yard is required to suggest measures for improving productivity and ensuring optimum utilisation of plant and materials for shipbuilding and allied purposes with such minimum essential additions to existing facilities as may be necessary, with particular reference to increased production and reduction in ship construction costs and delivery schedules.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46 (2) /67, dated the 30th September, 1967*].

### **FURTHER INFORMATION CALLED FOR BY THE COMMITTEE**

Please state whether the Committee as reconstituted by Government, has made any recommendations so far and whether these have been accepted. Details of the personnel of the Committee may also be given.

[*L.S.S. O. M. No. 21-PU (VIII) /65, dated the 10th November, 1967*].

## FINAL REPLY OF GOVERNMENT

The reconstituted committee has not submitted its report. The Committee consists of the following persons:—

- |   |          |
|---|----------|
| 1. Shri M. P. Pai,<br>Chairman,<br>Hindustan Shipyard Ltd.                                    | Chairman |
| 2. Rear Admiral Samson,<br>Managing Director,<br>Mazagon Dock Ltd.,<br>Bombay.                | Member   |
| 3. Shri S. Soundara Rajan,<br>Managing Director,<br>Garden Reach Workshops Ltd.,<br>Calcutta. | Member   |
| 4. Shri N. Krishnan,<br>Chief Costs Accounts Officer,<br>Ministry of Finance.                 | Member   |
| 5. Shri S. Ramanathan,<br>Director (Projects),<br>Ministry of Transport & Shipping.           | Member   |
| 6. Rear Admiral<br>D. St. J. Cameron  | Member   |

The Committee is expected to submit its report by January, 1968. [Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 8th January, 1968].

**Recommendation (Serial No. 39)**

The Committee consider that the principle of giving subsidy to cover all the excess cost of construction of a ship over the price received by the Shipyard is not desirable in as much as it does not give necessary incentive to the Shipyard to improve its performance. In the Committee's view, the buyer should also not be asked to pay appreciably more than that he would have paid for a similar ship constructed elsewhere. So far as the Shipyard is concerned, if any subsidy has to be paid to it, Government should lay down a norm for the purpose with an upper limit instead of paying in full the difference between the cost of construction and the sale price. The above procedure would save Government and the tax payer from bearing the entire burden of the deficiencies of the Shipyard and at the same time induce the Shipyard to reduce its cost of construction. (Para 184).

## REPLY OF GOVERNMENT

After examination of the issues involved and taking into account the effect of devaluation, a new pricing formula has been evolved for the ships VC 162 onwards to be built at the Hindustan Shipyard. The new pricing formula is based on the principle of world parity price which will be determined by striking an average of West German, Japanese and Yugoslavia prices prevalent at the time of signing of the contract. The basic price will be the parity price so determined plus 15 per cent thereof. The Committee reconstituted to examine the working of the Hindustan Shipyard Ltd. is required to recommend a suitable pricing formula for determining the sale price of the ships.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967*].

## FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please state:—

- (i) when was the Committee reconstituted and the date by which it is expected to complete its deliberations and recommend a suitable pricing formula?
- (ii) whether it has been decided to give a fixed subsidy on a percentage basis on the construction of every ship and whether the Shipyard will be able to build ships at the parity price determined on the basis as envisaged in the reply given to this recommendation.

[L.S.S. O.M. No. 21-PU(VIII)/65, dated the 10th November, 1967]

## FINAL REPLY OF GOVERNMENT

The Committee was reconstituted in August, 1967, and it is expected to submit its report by January end, 1968. *Inter alia*, the terms of reference of this Committee provide for recommendation of a suitable pricing policy for determining the sale price of the ships which will cover the question of subsidy parity price etc., on the construction of ships. A decision will be taken by the Government after the Report of the Committee has been received.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 8th January, 1968*].

**Recommendation (Serial No. 40)**

Although the shipowners might like to purchase ships on a fixed price basis, the Committee consider that, in the economic conditions

prevailing in the country, the inclusion of an escalation clause in the agreements with the shipowners is desirable. Such a provision is also in consonance with the normal commercial practice in other trades. The Committee suggest that possibility of inserting such a provision in future contracts might be examined. (Para 186).

#### REPLY OF GOVERNMENT

The new pricing formula contemplates also inclusion of an escalation clause providing for adjustment of price on the basis of variation in the cost of materials and labour.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

#### Recommendation (Serial No. 41)

The Committee hope that to enable the Shipyard to fulfil its target of production, Government will be able to give necessary priority to the Indian Ship-building Industry by providing necessary financial assistance as also ensuring supply of ship-building material and equipment in time and in sufficient quantity. (Para 189).

#### REPLY OF GOVERNMENT

The recommendation of the Committee is noted.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

#### FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Please give details of the steps taken or being taken to implement the recommendation.

[*L.S.S. O.M. No. 21-PU(VIII)/65, dated the 10th November, 1967*]

#### FURTHER REPLY OF GOVERNMENT

The report of the Committee set up by the Government to enquire into the working of the Shipyard has not been received. Action on the recommendations of the Committee would be taken in consultation with the management of the Shipyard as soon as the report is received.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 29th February, 1968.*]

#### FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Whether the *ad hoc* Committee, appointed by Government to go into the working of the Hindustan Shipyard Ltd., has since submit-



ted its report. If so, a statement showing their recommendations and the action taken thereon may be furnished.

[L.S.S. O.M. No. 21-PU (VIII)/65, dated the 18th July, 1968]

#### FINAL REPLY OF GOVERNMENT

A statement, indicating the recommendations of the *ad hoc* Committee and the action taken by Government thereon is enclosed (Appendix I).

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 4th October, 1968.*]

#### Recommendation (Serial No. 42)

It is seen that although the Cabinet approved the proposal to establish the Second Shipyard at Cochin in November, 1959, the work on the project has not yet commenced. About three years time was spent in negotiations with the ship-building firms in U.K. and other European countries without a success. During this period no efforts were made to contact any Japanese firm. It took another two years to come to an agreement with the Japanese firm, MHI. The report of the Japanese firm was submitted in April, 1966, but final decision regarding the size and scope of the project is yet to be taken. Due to the delay in the establishment of the Second Shipyard the country continues to depend mostly on foreign shipyards for augmenting its shipping tonnage. The Committee hope that Government would take a decision on the scope and size of the project and commence work on it soon.

Early establishment of the Second Shipyard will be of great advantage to the ship-building industry in the country. With the establishment of the Second Shipyard, demand for marine engines and other ship-building requirements will increase. This in turn would induce indigenous manufacturers to undertake the production of the required equipments which they are reluctant to do at present. Indigenous manufacture of equipments, besides saving a considerable amount of foreign exchange would also ensure a steady and timely flow of materials to the Hindustan Shipyard as well as to the Second Shipyard. (Paras 206-207).

#### REPLY OF GOVERNMENT

Government have very recently approved the Cochin Shipyard Project. Further steps to commence work on the project will be taken as soon as the preliminaries are completed.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 43)**

The Committee feel that even the available resources were not utilised to the fullest extent due to lack of proper supervision at various levels. Their impression is that the organisation of the Shipyard is considerably weak. The persons at the top should show more drive and determination to get their orders executed. The second line of management which could be entrusted with efficient supervision of work is not effective. Strengthening of the organisational set-up with efficient persons is essential. (Para 208).

**REPLY OF GOVERNMENT**

With the new appointments to the top posts in the Shipyard and the filling up of the vacant posts, in the second line of command, it is expected that better initiative and drive would be shown by the management in running the affairs of the Shipyard and formulating measures for increasing its production capacity. The Committee reconstituted to enquire into the working of the Yard is required to review the organisational set up of the Yard and recommend measures for improving operational efficiency.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

**Recommendation (Serial No. 44)**

Considering the need for augmenting the country's shipping tonnage, the Committee feel that the Shipyard should be given high priority in the matter of release of required foreign exchange. This would in the long run be an investment and result in saving foreign exchange. The Government should also take adequate steps to develop indigenous manufacture of ship-building equipment. (Para 209).

**REPLY OF GOVERNMENT**

The recommendations are noted.

[Replies to S. No. 19 (Para 92), S. No. 20 (para 97) and S. No. 22 (para 110) may also kindly be seen in this connection].

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

## CHAPTER IV

### RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### Recommendation (Serial No. 1)

The Committee appreciate that to judge the efficiency of an organisation or to suggest improvements therein, there is some advantage in having advice from outside experts especially when it is a new industry. But what is regrettable is that the Shipyard depended on its French and German (foreign) collaborators from 1952 to 1960 and all these years worked almost without a plan or a target. There was no serious effort made to improve its procedure and production processes during this period or thereafter.

The Committee agree that indigenous know how and talent should be encouraged with a view to obviate dependence on foreign collaboration and consultancy services and therefore this firm had been selected. Nevertheless, the course of events leading to the initial approval of appointment of M/s. Production Engineering Ltd. as consultants, the setting up of the firm of M/s. Daya Shankar & Associates and their appointment as consultants having collaboration arrangement with the same foreign firm, have not convinced the Committee about the merits of the appointment. (Paras 17-18).

#### REPLY OF GOVERNMENT

It may be mentioned that even during the period of Consultancy, the Shipyard, with the help of the Consultants, improved procedures and production processes; for example in regard to procedures, a material and planning office was set up, a scheduling and planning procedure was introduced and in regard to production processes modern techniques of pre-fabrication were introduced for the first time. Another improvement was the realignment of the hull construction arrangements to provide for a unidirectional flow of production.

The appointment of M/s. Daya Shankar and Associates as consultants for the Shipyard was approved by the Board of Directors after considering all aspects viz. the need to appoint a firm of Consultants; the qualifications, experience and background of the personnel in the

consultancy firm, availability to this firm of expert advice and service from their foreign collaborators and comparative offers received from two other firms for consultancy service.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967*].

#### COMMENTS OF THE COMMITTEE

The Committee are not satisfied with the reply given by Government and re-iterate the observation made in their earlier Report.

#### Recommendation (Serial No. 2)

There has been delay in the submission of reports of the Consultants as per programme of work. However, the fee becomes payable irrespective of the fact whether the Consultants did their job according to the schedule or not. The Committee feel that the fee payable should have been related to the progress of work. They, however, hope that the Consultants' advice would be available to the Shipyard on all the programmed aspects within the stipulated amount of fee. (Para 22).

#### REPLY OF GOVERNMENT

The Consultants have completed the major portion of the work contemplated in their terms of reference. The consultancy fee has also not yet been fully disbursed to them.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967*].

#### COMMENTS OF THE COMMITTEE

The Committee are not satisfied with the reply given by Government and re-iterate the observation made in their earlier Report.

#### Recommendation (Serial No. 3)

The Committee feel that the manner in which a large number of items of work have been made dependent on the advice of the Consultants, there is every likelihood of the unhappy experience with previous foreign consultants being repeated. The replies elicited during evidence also did not show much enthusiasm for implementation of the advice to be received. The management also seems complacent. It has advanced no satisfactory explanation for non-finalisation of the Third Plan Development programme by itself. The management should, take initiative to study its procedures and methods and effect improvements therein instead of depending on the Consultants. If it lacks capable personnel there should be no

hesitation in recruiting such persons even if it has to look for someone outside India. (Para 28).

#### REPLY OF GOVERNMENT

The observation of the Committee is noted.

In this connection it may be stated that even before the advent of the Consultants the Shipyard had formulated a detailed programme of development for the Third and Fourth Five Year Plan periods. The Board of Directors to which the matter came up for consideration, considered it advisable to have the benefit of the views of the Consultants for expert examination since the Consultancy arrangement had by that time been finalised.

Though the Shipyard had by its own efforts formulated the development programmes, the tempo in the implementation of some of the development programmes was retarded because of irregular flow of materials, paucity of foreign exchange, general shortage of rupee finance on account of priority being accorded to more important defence schemes.

The new management of the Yard has taken initiative to study the procedures and method with a view to effecting improvements. The Shipyard is also conducting a study to examine the possibility of reducing the delivery period of ships and their costs of production.

[*Ministry of Transport & Shipping (Transport Wing) O.M. No. SY-46(2)/67, dated the 30th September, 1967.*]

#### COMMENTS OF THE COMMITTEE

The reply of Government is not satisfactory. The Committee reiterate the recommendation made in their earlier Report.

**CHAPTER V**  
**RECOMMENDATIONS IN RESPECT OF WHICH FINAL**  
**REPLIES OF GOVERNMENT ARE STILL AWAITED.**

NIL.

**NEW DELHI;**  
**December, 27, 1968**  
**Pausa 6, 1890 (Saka)**

**G. S. DHILLON,**  
**Chairman,**  
**Committee on Public Undertaking.**

## APPENDIX I

(Vide final reply of Government to recommendation at S. No. 41  
—para 189 in Chapter III)

*Statement showing recommendations of the ad hoc (Pai) Committee about the working of the Hindustan Shipyard Ltd., Visakhapatnam and the action taken by the Government*

### Recommendation (Serial No. 1)

The organisation structure should be rationalised and re-organised broadly as envisaged in Annexure 3 and on the lines explained (paras 36 to 42).

#### ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT

The scheme for re-organisation recommended by the *Ad hoc Enquiry Committee*, if implemented will involve an additional expenditure of Rs. 11,235 per month in 1967-68, Rs. 15,935 in 1968-69 and Rs. 15,350 in 1969-70.

The Board of Directors of the HSL has accepted this recommendation. The Board is competent to take further action to re-organise the set up on the lines recommended by the Committee. The Management has been requested to formulate proposals for the approval of the Board.

As a first step, the Board of Directors of the HSL in their last meeting approved the proposals for bifurcation under the Hull Construction Department which is at present under the control of one Manager. According to the proposals, approved, the Hull Construction Department would be split into two groups of activities, namely, (a) Hull shop and Prefabrication, including Mould Loft and (b) Berths Construction, including Hull testing—each under the control of an independent Manager. The present Manager will be redesignated as Manager, Hull Construction—Berths and the other as Manager Hull Shop and Fabrication.

### Recommendation (Serial No. 2)

The pay scales obtaining in the Yard for officers are low considering the levels of pay prevailing in comparable organisation. This matter should be dealt with as early as possible. It is also necessary to remove some anomalies that appear to exist in the sta-

tus of certain posts at middle and lower levels, particularly of those who acts as deputies to Heads of Departments and Yard Managers (Para 45).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

It has been stated by the *Ad hoc* Enquiry Committee that the question of adequacy of pay scales for each post is not dealt with by them since this matter is already before the Board of Directors consequent upon the recommendations of the special committee appointed some time ago to go into this question.

The Committee's recommendation to rationalise and remove anomalies that appear to exist in the status of certain posts, particularly in middle and lower levels, will have to be considered by the management and the Board of Directors. Specific measures for implementing the other suggestions, viz., improving the status of officers who act as deputies to Heads of Departments and Yard Managers, will have to be initiated by the management and approved by the Board of Directors.

**Recommendation (Serial No. 3)**

It is necessary to arrest the unregulated movement of trained personnel at least from one public undertaking to another. For this purpose Government should take steps at the earliest opportunity to ensure some measure of uniformity in the pay structure of comparable jobs in public sector units engaged in similar or other allied branches of activity (Para 46).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The Bureau of Public Enterprises, Ministry of Finance have been requested to examine this recommendation and let this Ministry have their comments.

**Recommendation (Serial No. 4)**

In order to ensure a smooth succession, particularly in respect of key positions in the organisation structure and to prevent a vacuum being created in any of these positions, a corps of young potential Managers and Heads of Departments should be selected and carefully trained, so that they move to key positions without serious handicap or disability, (Para 47).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The Managing Director has been asked to frame his proposals for consideration by the Board of Directors.



**Recommendation (Serial No. 5)**

The widely held belief that optimum utilisation of plant and materials could be achieved with a few marginal additions to existing facilities is not supported by the result of investigations made by the Committee in this behalf (Para 48).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

This is for information.

**Recommendation (Serial No. 6)**

The current facilities in the Yard are deficient in two vital respects viz. capacity of the equipment in shops and crange facilities at the berths and the jetty even for a production of 4 ships per year. The first step in any programme of development should be the provision of certain balancing equipment which would support a sustained production capacity of 4 ships per year (Para 49).

**Recommendation (Serial No. 7)**

In order to achieve a production programme of 6 ships per year (5 ships each of 12,500 DWT and 1 ship of 18,000 DWT) which is considered as the optimum capacity to be developed, it is necessary to add substantially to the existing facilities (Para 54).

**Recommendation (Serial No. 8)**

The overall development of the yard should be on the lines indicated in Annexure 4 which project in its first phase is estimated to cost about Rs. 10.00 crores (Para 66).

**Recommendation (Serial No. 9)**

When a demand for ships of 18,000 DWT in series is established a second building dock would be necessary at an estimated cost of Rs. 2.50 crores (Para 61).

**Recommendation (Serial No. 10)**

The Committee is of view that in addition to constructing vessels of 12,500 DWT and 18,000 DWT the Yard may well have to set up facilities to handle construction of bigger bulk carriers of 50,000 to 60,000 DWT. For this purpose, the second building dock included in the development schemes could be of a size large enough to handle this type of vessels, besides providing a Wet Basin in addition—the additional estimated cost involved in doing so is of the order of Rs. 4 crores. If this is not possible, provision should at least be made for the future extension lengthwise of one of the Building Docks, preferably the one on the southern side of Berth No. 1. (Para 68).

**Recommendation (Serial No. 11)**

If the Building Docks are dropped for any reason, provision should be made for two travelling cranes, one on the north side of Berth No. IV and the other on the south side of Berth No. I, to facilitate the fullest and most effective use of these two berths at the extremities. The approximate estimated cost of providing these two cranes with tracks would be Rs. 90 lakhs (Para 69).

**\* ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The *Ad hoc* Committee has not specifically recommended the development programme required for achieving a target of 4 ships per year. They have, however, recommended a development programme for achieving a target of 6 ships during the Fourth Plan period.

2. However, the shipyard had earlier submitted to the Ministry a 'development budget' for achieving a target of 4 ships. In that connection, under its 'Crash Programme' approval was accorded to the acquisition of certain items of machinery and equipment which are now included in the overall development programme recommended by Pai Committee. Shipyard has already taken action for the acquisition and establishing of these items. The items of the overall development programme which have been thus covered are the following:

	(Rs. in lakhs)
(1) Plate preparation Plant and additional machines for engineering machine shop.	8.50
(2) Extension of Pre-fabrication Bay	18.00
(3) Provision for purchase of 45-ton crane	28.00
(4) Installation of heavy travelling crane of the jetty; provision of two additional bays to hull Shop; two overhead cranes for bays 3 & 4; flame gaugers; semi-automatic & welding machine; Housing Estate; Water Supply schemes etc.	96.54
<b>TOTAL</b>	<b>151.04</b>

3. In accordance with the recommendations of the *Ad hoc* Committee, the Shipyard Management have prepared an integrated programme of Development of the Shipyard at an estimated cost of Rs. 1001.81 lakhs with a foreign exchange component of Rs. 236.39 lakhs. The development programme has been ap-

proved by the Board of Directors of the Shipyard and submitted to the Ministry for approval. The proposals are under examination. Out of this programme, schemes costing Rs. 131.80 lakhs have already been approved by Government. The cost of the remaining development schemes proposed by the Shipyard, comes to Rs. 861.38 lakhs. The Shipyard has stated that the total estimated expenditure on the schemes during the current year will be about Rs. 130.09 lakhs. A sum of Rs. 1 crore is already in this year's budget and a sum of Rs. 19.7 lakhs being the depreciation provision, will also be available on capital and development programme from their internal resources.

4. The second phase of development comprising a second building dock would have to be considered during the Fifth Plan period.

5. The recommendations of the Committee regarding the second building dock, building of vessels of higher tonnage etc. will have to be considered during the Fifth Five-Year Plan period.

#### **Recommendation (Serial No. 12)**

To facilitate expeditious execution of the development schemes, the entire programme recommended by the Committee should be approved by Government as an integrated project and funds released according to a plan from time to time (Para 70).

#### **ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

After the Board of Directors have considered the recommendation, Government will examine the development programme. The recommendation of the Committee will have to be processed with the Planning Commission and the Ministry of Finance in order to approve the project as a whole to enable release of funds from time to time.

The Hindustan Shipyard prepared and submitted for approval of Government, an Integrated Development Programme estimated to cost Rs. 1001.18 lakhs with a foreign exchange component of Rs. 236.39 lakhs for implementation during the Fourth Plan period. The proposals are under examination.

#### **Recommendation (Serial No. 13)**

In order to improve its economics, the shipyard should, other things being equal construct one or two vessels of larger tonnage specialised craft for defence purposes and also take up repair jobs on an increasing scale as these are generally more remunerative than the medium sized merchant ships being built at present (Para 71).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

So far as repair jobs are concerned, with the completion of the Dry Dock Project in March 1970 the dry docking and ship-repair facilities will be stepped up. The shipyard is already considering building ships of 18,000 DWT. However during the Fourth and Fifth Plan periods, it may not be possible to build ships of over 15,000 DWT.

**Recommendation (Serial No. 14)**

The new production control system recently introduced in two departments should be extended to all production departments of the Yard as quickly as possible. Simultaneously an effective system of material control with a view to reducing inventories and ensuring the best utilisation of materials should also be introduced (Para 72).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The management has been asked to indicate the steps taken to implement this recommendation.

**Recommendation (Serial No. 15)**

The procedures relating to purchase and stores also need considerable streamlining and simplification (Para 72).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The management has been asked to indicate the action taken by them to reorganise the purchase and stores departments, and the further action proposed to be taken for streamlining and simplification of the purchase and stores procedures.

**Recommendation (Serial No. 16)**

A suitable system of mechanisation of accounts and data processing should be introduced to facilitate prompt feeding back of cost data to the management for purposes of control (Para 73).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The management has been asked in consultation with the concerned authorities to introduce a suitable system of mechanisation of accounts and data processing.

**Recommendation (Serial No. 17)**

Pending fixation of norms as a result of detailed work study, tentative norms should be fixed as quickly as possible on the basis

of the best performance in the past and other related factors adopted for watching performance and exercising control. To distinguish such tentative norms from established norms, job cards in different distinctive colours should be introduced. (Para 74).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The management has been asked to indicate the action being taken to implement this recommendation.

**Recommendation (Serial No. 18)**

A concerted effort should be made to lay down job specifications as best as may be practicable to ensure reasonable work-load to all the men. The strength of unskilled labour, which is rather high in the Yard, should be gradually reduced with the support and cooperation of the Labour Union (Para 76).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The management has been asked to indicate action being taken in the matter.

**Recommendation (Serial No. 19)**

As soon as data are available for determining standard norms of production for manageable units, and satisfactory flow of materials is organised, the question of introducing a suitable scheme of incentive should be pursued vigorously (Para 77).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The management has been addressed to formulate a scheme of incentives as soon as data is available for determining the standard norms of production for manageable units.

**Recommendation (Serial No. 20)**

Material costs should be reduced in two directions. Firstly a critical scrutiny of the specifications of ships should be made in order to ascertain to what extent refinements which are normally not included in basic specifications are asked for by owners. Secondly in order to achieve economies the Yard should develop dependable sources of indigenous supply for ship-borne equipments (*e.g.* batch covers, cargo winches, davits, life boats, stern frames, rudder part, etc.) and bulk orders placed on such sources on a long term basis (Para 81).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The Hindustan Shipyard have been requested to furnish a bill of material and equipment used in the manufacture of each ship so that the possibility of placing bulk orders on the indigenous manufacturers is explored in consultation with the Directorate General of Technical Development. It is considered that possibility of getting bulk orders for particular items of machinery and equipment may provide a good incentive for the prospective indigenous manufacturers to take up their manufacture on a good scale and thus eliminate imports. The Development Cell which has since been set up at Calcutta will, it is hoped, be able to develop dependable sources of indigenous supply for the shipborne equipments.

The management has been asked to undertake a critical scrutiny of the specifications of ships *vide* the first part of the recommendation.

**Recommendation (Serial No. 21)**

The low productivity in the Yard is attributable to poor, inadequate and outmoded physical facilities and equipment, absence of effective production planning and control techniques and the generally low level of *per capita* output of Indian Labour (Para 86).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

This is for information.

**Recommendation (Serial No. 22)**

A major break-through in stepping up labour productivity could be achieved only by a massive programme of rebuilding and modernisation of facilities (Para 88).

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The Hindustan Shipyard Limited have already drawn up an integrated Development Programme which includes modernisation of the facilities available in the Yard. The implementation of this programme it is hoped, would result in economies in utilisation of labour and reduce the man days taken in the building of ships at present.

**Recommendation (Serial No. 23)**

The Yard should prepare an *annual Overheads Budget* for each item in detail and ensure strict adherence to the budgetted figures.

*Whenever there is an unavoidable variation a thorough and detailed investigation should be made and remedial measures taken (Para 91).*

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The management has been asked to take steps to implement this recommendation.

**Recommendation (Serial No. 24)**

*The price payable by the shipowner to the Yard should be the fair international price to be determined by a special committee appointed for this purpose (Para 195).*

**Recommendation (Serial No. 25)**

*All the steel materials required for ship construction should be made available to the Yard at the international price. Besides, Government should pay to the Yard a straight subsidy of 15 per cent on the international price of the Ship—this percentage being reduced by one per cent every year commencing from 1970-71 until it is brought down to 10 per cent (Para 105).*

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

An interministerial meeting to discuss the recommendation on the pricing formula was held on the 28th September, 1968. It was decided that in the first instance, the fair international price of a ship of the type now being built in the shipyard should be ascertained. Action is being taken accordingly.

**Recommendation (Serial No. 26)**

*The entire capital required for financing the Yard development programme should be made available by Government subscribing to the equity share capital of the Company and not on the basis of 50 per cent as equity capital and 50 per cent as loan capital as is now done (Para 106).*

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The entire development expenditure is being capitalised as share capital. There is no proposal before the Government at present to finance the Yard's development programme on the basis of 50 per cent equity/50 per cent loan.

**Recommendation (Serial No. 27)**

*If the development programme is implemented, the Yard should be able to build ships at a cost which would be roughly equivalent to the international price except for the incidence of extra cost in.*

*'brought-in' items of materials and equipment (Para 107).*

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The Development Programme approved by the Board of Directors has been received and is under examination.

**Recommendation (Serial No. 28)**

*The Yard should adopt and try to achieve a production programme of 4 ships a year during the next two years commencing from 1968-69, of five ships per year during the succeeding two years and of 6 ships during 1972-73 (Para 110).*

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The latest indications are that it will be impossible due to lack of crange facilities and other difficulties, to achieve the target of 4 ships during 1968-69 and it is also doubtful whether this target would be achieved even in 1969-70. In other words, the production targets laid down by the committee are likely to be upset due to various reasons. Steps for acquisition of the required number of Cranes and essential machinery are being taken.

**Recommendation (Serial No. 29)**

*The procedure relating to procurement of imported materials should be streamlined as indicated in paras 115 to 120.*

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

This matter was discussed at the meeting of the Standing Committee on Ship-building, Ship-repairs and Ship Ancillaries held on 12-8-68. It was decided that the Ship-building yards, ship-repair firms etc. should work out a bill of materials required to be imported, indicating broadly the specifications, quantities and the approximate value of each item, and submit it to the DGTD to facilitate clearance from indigenouse angle. The representative of the DGTD promised to give clearance to the items for a period of one year. As regards grant of licences, the existing procedure appears to be satisfactory.

**Recommendation (Serial No. 30)**

*As regards steel requirements of the Yard the procedure recommended in paras 124.1 and 124.2 should be adopted.*

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

This recommendation was discussed in the first meeting of the Standing Committee of Ship-building, Ship-repair and Ship Ancillary



Industries. It was decided to get the details regarding the steel requirements from all the shipyards at least for the next 5 years with the intention of placing bulk orders on the indigenous steel mills. The Indian Engineering Association have been requested to furnish the Steel requirements of all the Shipyards to this Ministry urgently.

**Recommendation (Serial No. 31)**

*The system of payment of instalments by the ship-owners should be revised on the lines indicated in para 130. Also advances against subsidy should be paid every month instead of every quarter as at present.*

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The management has been asked to take the question of staggering the number of instalments from ship-owners with the Shipping Corporation of India. The other recommendation that advances against subsidy should be paid every month instead of every quarter as at present is under examination in consultation with the Ministry of Finance.

**Recommendation (Serial No. 32)**

*To provide adequate working funds to improve the liquidity position of the Yard, Government should make a straight contribution of Rs. 2 crores to the subscribed capital of the Yard. (Para 131).*

**ACTION TAKEN/PROPOSED TO BE TAKEN BY THE GOVERNMENT**

The Hindustan Shipyard has submitted proposals to Government for making an outright contribution of Rs. 2 crores to the 'Subscribed Capital' of the Yard in pursuance of this recommendation. This is under examination.

## APPENDIX

(Vide Para 4 of Introduction)

*Analysis of the action taken by Government on the recommendations contained in the Thirty-Seventh Report of the Committee on Public Undertakings (Third Lok Sabha)*

I. Number of Recommendations	45
II. Recommendations that have been accepted by Government (Vide Sl. Nos. 4, 5, 6, 8, 10, 11, 12, 13, 15, 16, 17, 18, 20, 21, 23, 26, 28, 29, 30, 31, 32, and 45)	
Number	22
Percentage to total	48.9%
III. Recommendations which the Committee do not desire to pursue in view of Government's reply (Vide Sl. Nos. 7, 9, 14, 19, 22, 24, 25, 27, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, and 44)	
Number	20
Percentage to total	44.4%
IV. Recommendations in respect of which replies of Government have not been accepted by the Committee (Vide Sl. Nos. 1, 2, and 3)	
Number	3
Percentage to total	6.7%
V. Recommendations in respect of which replies of Government are still awaited	Nil

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
<b>DELHI</b>					
24.	Jain Book Agency, Connaught Place, New Delhi.	11	33.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi—1.	68
25.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	3	34.	People's Publishing House, Rani Jhansi Road, New Delhi.	76
26.	Atma Ram & Sons, Kashmere Gate, Delhi-6.	9	35.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	88
27.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11	36.	Hind Book House, 82, Janpath, New Delhi.	93
28.	The Central News Agency, 23/90, Connaught Place, New Delhi.	15	37.	Bookwell 4, Sant Naran kari Colony, Kingsway Camp, Delhi-9.	96
29.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20	<b>MANIPUR</b>		
30.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.	23	38.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annexe, Imphal.	77
31.	Bahree Brothers, 188 Lajpatrai Market, Delhi-6.	27	<b>AGENTS IN FOREIGN COUNTRIES</b>		
32.	Jayana Book Depot, Chaparwala Kuan, Karol Bagh, New Delhi.	66	39.	The Secretary, Establishment Department, The High Commission of India India House, Aldwych, LONDON W.C.—2.	99

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