CHAPTER III

SELECTION AND RECRUITMENT PROCEDURES AT
M/S. HINDUSTAN ANTI-BIOTICS LTD., POONA

III.1. GENERAL INFORMATION ABOUT THE COMPANY

(A) PURPOSE: The registered office of the company is situated in the state of Maharashtra with its plant at Pimpri near Poona. Among other objects for which the Company is established, the important ones are:

(1) To carry on the business of manufacturers, buyers and sellers, and exporters and importers of and dealers of penicillin and penicillin preparations and all other antibiotics, sulphur drugs and preparations and antimalarials of all kinds and any other medicines, medicinal preparations and drugs of whatsoever nature and kind and of all intermediates, chemicals, products and materials whatsoever required in connection with the manufacture, preparation and sale thereof;

(2) To acquire and obtain all information regarding processes, secret or otherwise, technical knowledge and skill and make experiments, researches and carry on preliminary operations for the preparation of penicillin and other antibiotics, sulphur drugs
and preparations and anti-materiais of all kinds and any other medicines, medical preparations and drugs whatsoever and of all intermediates, chemicals, products and materials required in connection with the manufacture, preparation or sale thereof.¹

(B) DETAILS REGARDING OWNERSHIP AND CAPITAL:

The liability of the members is limited.

The capital of the company is Rs. 4 crores divided into 40,000 shares of Rs. 1,000/- each. The total issued and subscribed capital is Rs. 2,47,26,000/- consisting of 24,726 ordinary shares of Rs. 1000/- each fully paid up. Of the total, 9426 ordinary shares were fully allotted pursuant to contract for consideration other than cash.²

The Company is a private company and accordingly any invitation to the public to subscribe for any shares in, or debentures of the company is prohibited by the Articles of Association.³ The right of members to transfer their shares is restricted as follows. A share be transferred by a member or other person entitled to transfer, to a person approved by the Pre-

¹ Memorandum and Articles of Association of Hindustan Antibiotics Ltd. as reprinted in 1961 and corrected till May 1972.
² Schedule 6 of the 17th Annual Report for the year 1970-71. pp.18
³ Articles of Association, op.cit.,Sec.2(b) pp.2
Subject as aforesaid, the Directors may, in their absolute and uncontrolled discretion, refuse to register any proposed transfer of shares.4

(C) MANAGEMENT: The normal powers of administration, control and decision rest with a Board of Directors. Until otherwise determined by the Company in a General Meeting, the number of Directors shall be not less than two and not more than twelve. The Directors are not required to hold any qualification shares.5 All Directors shall be appointed by the President of Indie and shall be paid such salaries and allowances as the President may from time to time determine, provided however the Directors, other than the Chairman and/or Managing Director and Government representatives on the Board, shall be appointed in consultation with the Chairman.6 At every Annual General Meeting of the Company, all the Directors including the Chairman except the Managing Director shall retire from office. The Managing Dire-

4. Articles of Association, Sec.18(a) and 18(b) pp.5
5. Ibid. Sec. 69 pp. 13
6. Ibid. Sec. 70 (1) pp. 13
ector shall retire on his ceasing to hold the office of the Managing Director.  

The President of India shall have the power to remove any Director including the Chairman and the Managing Director from office at any time in his absolute discretion. The President of India shall have the right to fill any vacancy in the office of a Director other than a Government representative caused by retirement, removal, resignation, death or otherwise in consultation with the Chairman of the Board of Directors, and in respect of the Government representatives on the Board, the President of India shall have the right to fill the vacancy.

(D) Powers of the Directors regarding appointments etc:

The developments in respect of the above are worth careful consideration. In the original Articles of Association, the Directors were entrusted with the powers "to appoint and at their discretion, remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent temporary or special services as they may, from

8. Ibid. Sec. 70(3) pp. 14
9. Ibid. Sec. 70(4) pp. 14
time to time, think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit; provided that no appointment, the maximum pay of which is Rs. 2,000/- or more per mensem, shall be made without the prior approval of the President of India.10

This was substituted by an amendment, specifically amending the proviso at the end. By the above-mentioned amendment, it was amended to read as follows: "provided that no appointment the maximum pay of which is more than Rs. 3,000/- per mensem inclusive of pension or the pensionary equivalent in respect of retired Government Servants, and Rs. 2250/- p.m. in all other cases, shall be made without the prior approval of the President."11

After a period of about seven years, another amendment was made to this section 72(4) to replace the previous version. The new version, besides prefixing a clause at the beginning, has replaced the end proviso by a time-scale of pay and intro-

10. Articles of Association, Sec.72(4), pp.15

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ducing for the first time a maximum age limit. The new section 72(4) reads as follows: (The Directors were entrusted with the powers)

"to create all posts below that of Managing Director/General Managers of constituent units and to appoint and at their discretion, remove or suspend such Managers, Secretaries, clerks, agents and servants for permanent or special services as they may, from time to time, think fit, and to determine their powers and duties, terms and conditions of service, either generally or in special, and fix their salaries or emoluments and to require security etc., in such instances and to such amount as they may think fit, provided that no appointments to senior posts carrying a scale of Rs. 2000-3000 and above, of persons who have already attained the age 58 years, whether they be from public or private sector shall be made without the prior approval of the President of India." 12

(B) Appointment of Managing Director: The President of India may appoint one of the Directors to be the Managing Director who shall be a whole-time employee of the company, or a Board of Manage-

ment consisting of two or more Directors, for the conduct of management of the business of the company subject to the control and supervision of the Board of Directors. The Managing Director or the Board of Management so appointed may be authorised by the Board of Directors to exercise such powers and discretion in relation to the affairs of the Company as are specifically delegated to him/it by the Board and are not required to be done by the Board of Directors or the Company at the general meeting under the Act. The Managing Director shall be paid such salary and allowances as may be fixed by the President of India.

(F) Meeting of the Board: A meeting of the Board of Directors shall be held for the despatch of the business of the company at least once in every three months and at least four such meetings shall be held in every year as required under Sec. 285.

III.-2. FINANCIAL ASPECTS, RESEARCH AND DEVELOPMENT:

1) Project Cost: The project cost excluding township is estimated at Rs. 5.62 crores including...
ing a foreign exchange component of Rs. 2.49 crores. By March 31, 1970 the foreign exchange component was fully utilised.

11) Financial Position: As on March 31, 1971 the company's paid up capital remained unchanged at Rs. 2.47 crores. The entire share capital is held by the Government of India. The reserves and surpluses at the close of 1968-69, 1969-70 and 1970-71 aggregated respectively to Rs. 5.41 crores, Rs. 5.71 crores and Rs. 6.14 crores. At the end of 1969-70, there were no borrowings outstanding. The entire financial requirement of the company for all its new projects and expansion programmes, as also for the need of its working capital were met out of the internal resources. The total internal resources generated during 1969-70 and 1970-71 amounted to Rs. 75.47 lakhs and Rs. 56.65 lakhs respectively, which were utilised for capital expansion.

Statements showing the 'working results' from the balance sheets of M/s. Hindustan Anti-biotics Ltd. are given at Appendix-A.

111) Research and Development: The Company attaches great importance to research activities which embrace both basic and developmental activities. Dur-
In the last couple of years under report, strain selection programme for various antibiotics continued to be a major programme besides other important developmental research relating to technological improvements. These included improvements in the technology of 6-APA production, development of some industrial enzymes, evaluation of raw materials and improvement in techniques of processing the known antibiotics. Clinical trials on Hamycin, demostatin and eureofungin were organised and conducted at various investigational centres on payment of financial grants.

III.-3 SOURCES OF MANPOWER SUPPLY:

All of the conventional sources of supply of labour are not equally useful in case of this public undertaking. Considering from the point of view of various types of manpower sources, the rules framed in this regard specifically lay down categories for which the internal source of supply alone is to be tapped. Of course, there are certain categories for which tapping of the external sources has been allowed. It may, however, be noted that proportions of external recruitment to that of internal selection have equally been laid down in the case of such vacancies.
Among the various kinds of external sources too, the company has put certain limitations regarding the sources to be used.

(a) **Appointments to the top-management posts:**

The posts such as a full-time Chairman-cum-Managing Director, a Managing Director, Functional Directors and General Managers, if any, have been recognized as the top-management posts. All the top-management posts in the public enterprises have been classified by the Government of India on the basis of responsibility involved, into four schedules with remunerations ranging from Rs. 2,000/- per mensem to Rs. 4,000/- per mensem.

In making such appointments, the priority of considerations is to be given to suitable persons working in public undertakings and the long-term aim should be to make the public sector self-sufficient to provide its own managerial resources. In the interim period, Government services, providing as they do, sufficient managerial experience has, however, continued to form an important source, though the efforts to attract suitable persons from the private sector are also being made.

As different sources of recruitment have to be tapped, it was felt necessary to provide for the
maintenance of panels of suitable persons (including the retired persons with their requisite experience) with the Cabinet Secretary to the Government of India so that the appointing authorities have a sufficiently wide range of choice at the time of selection. It was decided to review this procedure for the recruitment for the top posts in public sector after a period of five years. (This review has now become due in 1972). Accordingly, the panels of names of suitable persons, who can be appointed to these posts have been drawn up for all the above categories included under 'top-posts'. Selection to the panel is made from the government services, from the public enterprises as also from the private sector.

(b) Appointments to the Management Posts below top-level:

The powers in respect of these come within the purview of the Board of Directors. The Administrative Reforms Commission of the Government of India, in their report on public sector undertakings had recommended that the common cadres for managerial personnel for the posts carrying a pay of Rs.1300/- and above per mensem should be organised by each "Sector Corporation" (a pool on regional basis of
the public undertakings as recommended by the Administrative Reforms Commission) who should have the authority of making transfers within the Corporation in consultation with the unit concerned. Although the idea of establishing various 'Sector Corporations' was not accepted by the Government owing to heavy criticism it met, it has been accepted, pursuant to the above recommendations of the Administrative Reforms Commission, that interchanges of managerial personnel may, to the extent possible, be effected between the Public Enterprises with the consent of the Managements of concerned enterprises.

In order to assist the public enterprises to secure suitable managerial personnel for the posts at Intermediate levels i.e. the posts of the Heads as well as the Deputy Heads of the departments in General Management, Finance, Accounts, Personnel, Manpower Planning, Industrial Engineering as well as in the operating departments like Production, Maintenance, Work Study, Purchase, Stores etc., the necessary machinery has been set up in the Bureau of Public Enterprises for spotting, pooling and harnessing managerial talents from various sources namely the public enterprises, Government Services and
private sector industries.\textsuperscript{16}

The candidates available in the Industrial Management Pool are first considered for the management posts below top-level. Failing such candidates, the advertisements on an All-India basis are inserted. To have the uniform coverage, the advertisements are inserted in (1) The Times of India, Bombay-Delhi, (2) The Indian Express, Bombay, (3) The Hindu, Madras, and (4) The Statesman, Calcutta.

This does not, however, preclude considering candidates who may have applied on their own or may have retrenched from other Government projects.

(c) Appointments to the Middle-level posts:

In the case of middle-level technical and non-technical posts, having higher starting salaries equivalent to the class-I junior scale of the Government of India (Rs. 350-850), recruitment is made on an All-India basis, merit and qualifications being the principal criteria. Special care is also taken to ensure that there is no reasonable ground for a complaint that local candidates do not receive a fair deal.

Recently, a number of State Governments have approached the Government of India with a complaint that local candidates do not receive proper representation in the employment of public enterprises of the Government of India. On due consideration, the Government of India has issued directions to all public enterprises to co-opt one representative of the respective State Government on all the selection committees. This aspect will be dealt in detail subsequently at III.6 while dealing with the Selection Committees.

(d) Appointments to other ranks:

In the case of skilled workers, clerks and other non-technical staff whose scales of pay are comparatively low, so long as the basic qualifications and experience are forthcoming, preference is being given, as per directives of the Government of India, in the order of priorities already determined such as displaced persons, scheduled castes and scheduled tribes, retrenched persons from Government etc.

All vacancies of this kind (the basic salaries of which are below Rs. 500/- per mensem) are communicated to the Employment Exchange at Poona being
close to the project. These vacancies are notifi-
ed in a manner and form prescribed in Rule 4 of the
Employment Exchange (Compulsory Notification of Va-
cancies), Rules of 1960. This company as in the
case of all other public enterprises falls in line
with the departments of the Government of India in
the matter of recruitment of staff through the agen-
cy of employment exchanges. In this, the need for
issuing advertisements or tapping any other source
of recruitment is considered only when the Employ-
ment Exchange is unable to meet the demand. There
also, the Employment Exchange ought to have issue a
'Non-availability Certificate'.

In view of the fact that there was still some
scope for improvement in the matter of utilization
of Employment Exchanges by the undertakings in the
public sector, the concerned Ministries were once
again advised in March, 1965 by the Ministry of Home
Affairs to ensure strict compliance with the instruc-
tions issued earlier and to take such steps as may
be necessary to make these instructions effective.
Public Undertakings were then advised to ensure that
while formulating recruitment rules, care should be
taken to see that the Employment Exchanges are made
a normal channel of recruitment.\textsuperscript{17}

For those posts, not available with the Employment Exchanges or a very small number of candidates available through the Employment Exchange thereby restricting adversely the choice of selecting a proper person, the advertisements are issued in the leading regional newspapers. The list of newspapers include (1) The Times of India, Bombay (2) Daily Sakal, Poona (3) Daily Kesari, Poona (4) Daily Tarun Bharat, Poona and (5) Daily Vishal Sahyadri, Poona. The last four being newspapers in local languages, a policy of advertising in local languages is automatically fulfilled. While issuing these advertisements, care is taken to mention (1) that preference would be given to persons who are registered with the Employment Exchanges and (2) the reservations of posts for displaced persons, scheduled castes etc. All the applications received in response to such advertisements are considered along with the list sent by the Employment Exchange, by a Selection Committee specially set up for the purpose. The candidates are screened at personal interviews and appoint-

\textsuperscript{17} Department of Industrial Development, Government of India, New Delhi, O.M. No. Pr. C.14(2)/67 dated 15th February, 1968.
ments are recommended to the Board of Directors by the Selection Committee.

(e) An undertaking given to the recognized Trade Union;

Recruitment rules have been formed as early as in 1960 for the first time giving details of procedures for recruitment and promotion to higher posts. Subsequently, in November 1964, the former Industries Department of the Government of India had circulated certain general principles to be observed in the matter of recruitment by the Public Enterprises, as well as a Model Recruitment and Service Rules. The public enterprises were to take steps to draw up their own recruitment rules within a period of six months.

When the position was reviewed after a couple of years, in the context of implementation of an assurance given to a parliament question regarding the progress in the framing of recruitment rules by the public enterprises, it was noted that while some companies (like present under study) have framed their own rules in this regard, some were still following the government rules for this purpose. Even where the enterprises have drawn up their own rules, they have copied the provisions in the corresponding gov-
ernment rules and regulations extensively. Also, where rules have already been drawn up, it was very necessary that Public enterprises ensured that these conform to the latest policy decisions taken by the Government from time to time.

For the above purpose, the rules framed in 1960, by this company were not considered as rigid and it was decided to have periodical reviews to bring the rules in line with the latest thinking on personnel management. The Recruitment Rules were accordingly revised by part in 1967, 1968 and 1969.

In spite of the specific provisions in these Recruitment Rules for the posts to be filled in by selection directly, the management has entered into an oral undertaking with the recognized trade union--The Hindustan Antibiotics Mazdoor Sangh -- that recruitment to all vacancies up to a basic salary of Rs. 1300/- per mensem will first be notified internally among the present employees. Suitable candidates considering the basic qualifications and experience, if any, will as far as possible be located from among the present employees only. If it is not possible to secure deserving candidates internally then only the vacancies will be notified to the
Employment exchange as per rules and subsequent procedure followed.

According to the spokesman of the labour union, this has resulted in ventilating out the stagnation of labour over a long period. Moreover, it is felt that elasticity in recruitment policy and inter-departmental mobility of labour which was more or less an impossibility in the previous set up—has been achieved. This undertaking given by the management to the recognized trade union is valid initially for a period of three years i.e. upto 31st March, 1974, when it will be reviewed by both the management as well as the trade union.

III.-4 THE SCOPE OF THE SELECTION PROCEDURE:

(A) Classification of the staff:

The subordinate staff has been sub-divided among five main categories:

1) Laboratory staff—Junior Technical Assistants and above
2) Laboratory Staff—Lower posts
3) Production staff
4) Engineering staff
and (v) Ministerial and Operational Staff—Administration, Purchase, Sales, Stores and Accounts Departments.
(i) & (ii) Laboratory staff: For purposes of recruitment and promotion, the Laboratory staff, i.e. Jr. Technical Assistants and above, working in the Plant Laboratory of the Production Department, Research Laboratory and Quality Control Laboratory, has been grouped together and considered as one unit.

After this, a further categorization of posts into different groups based on technical qualifications and working places - has been made. For example, the Junior Assistants are divided into two broad groups, namely (a) Chemistry group and (b) Biology Group. Similarly, the posts of Senior Scientific Assistants and Junior Scientific Officers have been grouped into four categories; the Chemistry group being sub-divided into (e) Organic Chemistry (including Bio-Chemistry) and (b) General Chemistry (including Physical Chemistry); and the Biology group being sub-divided into (c) Microbiology (including Bacteriology and Mycology) and (d) Pharmacology (including Pharmacy and Pharmaceutical Chemistry).

Posts will be further categorised into specialised groups at the level of the Senior Scientific Officers Gr.II. There will be seven groups namely (a) Organic Chemistry, (b) Bio-chemistry, (c) Gene-
eral Chemistry including Physical Chemistry (d) Pharmaceutical Chemistry including Pharmacy (e) Pharmacology (f) Mycology and (g) Bacteriology.

(iii) Production staff: For purposes of recruitment and promotion, the staff working in the Production and Final Products Departments, including the sampling unit only of the Quality Control Department (but excluding Laundry) has been grouped together and considered as one unit.

Apart from the posts of Mezdoor which are common to all Departments, the lowest category of recruitment in the Production and Final Products Department is that of a Production Workers-B (PWB).

(iv) Engineering staff: Except for some sections separated out recently (such as Transport, Horticulture, Sanitary, Drawing Office, Civil Engineering, Fire Section, Tool Room Keepers, Rest House and Hostel Care-takers), all other sections in the Engineering Department have been grouped together for recruitment and promotion purposes.

Above the level of Helpers, the posts are classified into three groups namely Operational, Trade and Electrical.
(v) **Ministerial and Operational Staff:** This covers the staff working in Administration, Purchase, Sales, Stores and Accounts Departments including the Depots. The term 'ministerial staff' also covers Peons, Messengers, Daftaries, Lower Division Clerks, Stenotypists, Stenographers, Upper Divisional Clerks, Junior Assistants, Senior Assistants, Assistant Office Superintendents, Office Superintendents, Cashier and Comptists.

The staff other than above, working in Sales, Stores and Data Processing Unit of the Accounts Department as well as Depots will be regarded as 'Operational Staff' and includes Mazdoors, Helpers, Storemates, Godown-keepers, Stores Assistants, Assistant Store-keepers, Store-keepers, I.B.K. Operators, Punchers and Verifiers.

(B) **Classification of subordinate level posts for promotion/promotion policy:**

For purposes of promotion, some posts have been declared as 'Selection Posts' and promotions to these posts are by pure selection based on merit, efficiency, previous performance and general suitability.

The remaining posts (other than those notified
as 'Selection Posts' have been declared as 'Seniority Posts' and promotions to these posts are given on the basis of seniority in the respective groups (as mentioned above in III.-4(A)), subject to rejection of the unfit.

The classification of existing positions into the Selection Posts and the Seniority Posts in all the five categories of staff (described earlier) is given in Table below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Selection Posts</th>
<th>Seniority Posts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Laboratory</td>
<td>Junior Scientific Officer, Senior Scientific Officer Gr.I, Asstt. Supdt. and all posts carry-</td>
<td>All other posts below the level of Junior Scientific Officer and Senior Scientific Officer Gr.I.</td>
</tr>
<tr>
<td>Staff (Higher)</td>
<td>ing scale of pay of Rs.1000-1400</td>
<td></td>
</tr>
<tr>
<td>2) Laboratory</td>
<td>--</td>
<td>Jr. Laboratory Asstt; Sr. Laboratory Asstt.</td>
</tr>
<tr>
<td>Staff (Lower)</td>
<td></td>
<td></td>
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<tr>
<td>Staff</td>
<td></td>
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</tr>
</tbody>
</table>
TABLE NO. 3.1 (Continued):

4) Engineering Staff
   Mates, Chargehand, Tradesman I, Wireman I, Electrician, Senior Tradesman Operator Gr.I, Foreman Gr.I.

5) Ministerial Staff
   Upper Division Clerk, Stores Asstt., Senior Asstt., Store Keeper, Office Supdt.,

III.5 METHOD OF RECRUITMENT:

The Board of Directors has prescribed specific rules for recruitment and promotion of the subordinate staff and also of junior officers. Hence the lower three categories of junior officers having respective pay-scales of Rs. 390-40-790, Rs.450-50-1000 and Rs. 800-50-1300 are covered by these recruitment rules.

The method and norms for recruitment to senior officers' cadres starting from Rs. 1300-60-1600 up-to Rs. 1825-125-2225 are to be decided by the Board of Directors from time to time and in each individual case separately.
Among the subordinate staff and junior officers, three method-types are adopted:

a) Posts to be filled exclusively by direct recruitment;

b) Posts to be filled exclusively by promotions;

and (c) Posts to be filled partly by promotion and partly by direct recruitment.

In case of the posts which are to be filled partly by promotion and partly by direct recruitment, different ratios have been prescribed in which these two are to be recruited for the respective posts. For example, the posts of senior Tradesmen are to be filled in partly by promotion and partly by direct recruitment. The ratio prescribed for these posts is 2 by promotion and 1 by direct recruitment. Similarly, the posts of officers carrying a scale of Rs. 390-790 are to be filled in partly by direct recruitment and partly by promotion in the ratio of 1 by direct recruitment and 1 by promotion from office superintendents with three years experience in the respective department.

Maintenance of a Register:

For purposes of ratios mentioned above, these are maintained by a roster of vacancies and the vacan-
cies are filled by direct recruitment or promotions in accordance with the order of the roster in which such vacancies arise.

III.-6 THE FORMATION OF SELECTION COMMITTEES/DEPARTMENTAL PROMOTION COMMITTEES (DPC):

Permanent Committees have been set up for selection/promotion to the vacancies in various departments grouped into 5 categories, namely:

In each of the first four groups of departments, the posts have been further sub-divided into three categories A, B and C depending upon the scale of pay, responsibility involved and such other factors.

In the last group i.e. Miscellaneous, no such subdivision has been made.

For the first four groups, three different committees have been set for A, B and C category respectively. The committees in all 4 groups for A-category posts are headed by the Managing Director as Chairman and Senior Officers such as Works Manager, Financial Adviser, Superintendent(Research), Superintendent (Production) etc. as members (depending
upon the nature of the post to be filled in).

The committees for all the four groups for B category posts and for all posts in Miscellaneous group are headed by the Works Manager—who is next to the Managing Director in the hierarchy of administration—as Chairman and other senior officers as members (depending upon the nature of the post to be filled in).

The committees for all the four groups for C category posts are led by respective section heads such as Superintendent (Production), Superintendent (Research), Chief Engineer, Financial Adviser etc. as Chairman and two or three other officers as members.

For committees for A category posts in all the groups, the personnel officer has to work as Secretary of the committee; whereas for committees for B and C category posts, Personnel Officer or Assistant Personnel Officer works as secretary/member secretary.

The same committees are functioning both for promotional (seniority) posts as well as direct recruitment (selection) posts. However, the first
difference is that, in the case of seniority posts, the committees are recognized as Departmental Promotion Committees (DPC) whereas in the case of selection posts, they are recognized as Selection Committees. Secondly, as mentioned earlier, the Government of India has now directed that one representative of the State Government is to be co-opted on every selection committee. Consequently, the Government of Maharashtra has nominated a panel of four persons out of which one is to be chosen by the company to be the State Government representative on the concerned selection committee. The present panel consists of following:

1) Principal G.P. Nagarkar, College of Engineering, Poona.

2) Deputy Director of Treasuries, Poona (by designation)

3) Shri. Khan, Deputy Commissioner of Labour, Poona

and (4) Shri M.K. Renganekar, Deputy Director of Drugs Control, Government of Maharashtra or his nominee.

The Company chooses one of the above four, depending upon the nature of the post to be filled in. Hence, for illustration, Principal Nagarkar was co-opted as State Government nominee on the Selection
Committee to select candidates for Engineering Departments; Shri Ranganekar as nominee for Research, Scientific or Production Department vacancies and so on.

For promotion to the Selection Posts, the Departmental Promotion committee, on the basis of annual confidential reports of the eligible candidates, categorises them into four categories:

(a) Outstanding (b) Very good (c) Average and (d) Poor under their respective groups mentioned earlier in this chapter, and further arranges them inter se in order of seniority in each category/group. All those categorised as "outstanding" are eligible for promotion in preference to all those categorised as "very good", "Average" etc.,

If in the opinion of the Departmental Promotion Committee, there are no suitable departmental/internal candidates for promotion to any posts reserved for promotion (i.e. Seniority Posts), such posts are advertised and filled by direct recruitment.

Further, it is also open for departmental (i.e. internal) candidates possessing the requisite qua-
lifications to apply whenever and wherever the posts are advertised to fill up the direct recruitment vacancies. It is also laid down in this context that if such internal applicants are selected eventually against the advertised vacancies, they are to be counted against the direct recruitment quota for these posts releasing corresponding posts in the promotion quota, if any, to be filled by promotion.

It is also open for the Departmental Promotion Committee/Selection Committee to consider and lay down qualifications for each post either for direct recruitment, or for promotion.

III.-7 **Top Level Posts**

(a) **Selection to the Top-level posts**:

Till recently, appointments to the top-level posts such as Managing Director, General Managers (of the constituent units, if any), the Financial Advisers, were to be made by the Government. In respect of the categories below the top-level also, where the pay exceeded Rs. 2500/- per mensem (or in some cases Rs. 2500/- per mensem), a number of enterprises in the public sector had to obtain the approval of the Government—both for creation of the posts and also for making appointments. But as
per recent decision taken by the Government in this respect, public enterprises have been recognised to be competent - both to create posts as well as to make appointments thereto, irrespective of pay, for all posts below the Board level (excluding only the General Managers of the Constituent units) with, out any reference to the Government. However, the Government's approval is still necessary in the case of appointments of persons of above 58 years of age to the posts in the scale of Rs. 2500-3000 and above.

In the interest of efficient working of public enterprises, the Government has suggested that, the appointments to the top-level posts should be in the nature of contract appointments for a minimum period of four years which could be extended up to six years, the appointing authority having a right to terminate the appointment after the expiry of first year. The period of contract appointments in the case of retired persons should be 2 to 3 years and removal thereafter should be in exceptional circumstances like

proven inefficiency, misconduct or ill-health.\textsuperscript{19}

(b) Procedure for utilization of panels for top-management posts:

The arrangements for filling up top-level posts in Public Enterprises, which was the responsibility of the Government, were reviewed in 1968, keeping in view the imperative object of avoiding a 'management gap' in the public sector undertakings.\textsuperscript{20}

Accordingly, the following procedure is now followed:

(i) The Ministries/Departments are particularly requested to furnish the report on incumbency of top management posts in the prescribed proforma, complete in all respects, within the time stipulated therefor. The report, however, is to be furnished by the Ministries/Departments every six months instead of every quarter as hitherto provided. The first half yearly report indicating the position as on 1-7-1968 was to be sent not later than 15-7-1968 and so on.

\textsuperscript{19} Enclosure to Cabinet Secretary C.M.No.72/45/CF-65 dated 13th October, 1965-Annexure-I.
\textsuperscript{20} C.M.No.3(26)/67-BPE(GM) New Delhi, the 8th July, 1968, of the Bureau of Public Enterprises, New Delhi.
(ii) On the basis of the information on anticipated vacancies flowing from such reports or otherwise, the Bureau of Public Enterprises is to send for the consideration of the concerned Ministry, a sub-panel of four or five empanelled persons along-with particulars having regard to the job-requirements and general availability of empanelled persons; this is to be done two months in advance of the actual vacancy arising. The Ministry normally makes a selection from this sub-panel, unless, of course, they are able to finalise the selection otherwise, within the framework laid down in this behalf i.e. from amongst the panels or with the specific approval of the Appointment Committee of the Cabinet (A.C.C.) within three weeks thereafter.

(iii) Care has already been taken by the Cabinet Secretariat while preparing the panels, that these panels should provide men for almost all fields and it should not be necessary ordinarily to go outside the panels for specific posts. In other words, the aim is to select the best possible person from amongst the empanelled names for any vacancy, except in cases where it is a promotion from within the undertaking itself.21

(iv) Where selections are made from outside
the panel, the reasons for doing so are to be cl-
everly stated in a note for the Appointment Commit-
tee of the Cabinet and the Bureau of Public Enter-
prises is also to be informed at the same time.

(c) The Salary Structure for top-level posts:

Within the salary structure adopted by the
Government, as a matter of public policy, it is
out of question for the public sector to compete
with the private sector in regard to the emoluments
for the top-level posts; in fact, the public sec-
tor should be the pace-setter. Within these limi-
tations, it should be possible to grade each post
on the basis of responsibility involved and the
selected persons -- whether drawn from public or
private sector or from the Government services--
should be entitled to the salary fixed for that
post.

The public undertakings have been classified
on the basis of their importance to the economy
and the complexity of their problems, into four
schedules. The job of categorisation was entrust-
ed to an ad-hoc committee under the Cabinet Secre-
tary to the Government. The following salary sca-
les have been fixed for the Chief Executives of
the respective undertakings:

For companies falling under schedule A ... Rs.3000-125-4000.
For companies falling under schedule B ... Rs.3000-125-3500.
For companies falling under schedule C ... Rs.2500-100-3000.
For companies falling under schedule D ... Rs.2000-100-2500.

The above scales are admissible to all persons selected for these posts irrespective of the source of recruitment, provided that no Government servant appointed to Schedule A posts will draw a salary higher than admissible to a secretary to Government, unless he resigns his appointment with the Government before he joins the company.

The salaries to be allowed to the whole-time Directors (other than the Chief Executives), General Managers of units, and the Financial Advisors have been equated to those applicable to a lower schedule salary scale (or in the case of former appointments in Schedule D undertakings to even lower scales than those indicated above) depending upon the importance of the assignment. In the case of retired persons, the salary is fixed on the basis of these pay-scales less pension and/or pensionary equivalent
of the retirement benefits.

The company under study has been categorised under Schedule D and consequentially the salaries of Financial Adviser, Works Manager etc., have been fixed at lower scales (Table on next page indicates various posts categorised as Senior Officers below top-level along with their salary-scale group).

(d) Elimination of dependence on deputationists for manning top positions:

In pursuance of the recommendations of the Administrative Reforms Commission in their report on 'Public Sector Undertakings' which have been accepted by the Government, orders were issued giving the deputationists in the Public Enterprises, an option either for a permanent absorption in the enterprises or for reversion to their respective parent departments within a prescribed time limit. If the employees prefer absorption, they were allowed certain concessions like a grant of pro-rata pension/gratuity, entitlement to join Company's Provident Fund Scheme, carry forward of the earned leave etc.,

III. -8 SENIOR POSITION JUST BELOW TOP-LEVEL

(a) Appointments of Senior Officers below top-level:

22. C.M.No.2(95)/69-BPE (GM), New Delhi, the 20th January, 1970 of the Bureau of Public Enterprises, New Delhi.
**TABLE NO. 3.2**

Statement showing scales of pay of officers including senior officers * (groupwise) in H.A. Ltd.,

<table>
<thead>
<tr>
<th>Group Scale</th>
<th>Administrative staff</th>
<th>Production staff</th>
<th>Engineering staff</th>
<th>Scientific staff</th>
<th>Miscellaneous staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>390-790</td>
<td>1) Establishment Officer 1) Foreman Gr. II 1) Jr. Sales Officer 1) Jr. Stores Officer 1) Asstt. Accts. Officer Gr. II</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>450-1000</td>
<td>1) Assistant Secretary Gr. I 1) Assistant Purch. Officer Gr. I 1) Assistant Accts. Officer Gr. I</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>800-1300</td>
<td>1) Personnel Officer 1) Assistant Superintendents 1) Gr. Scientific Officer</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

* *
TABLE NO.3-2 (Continued)

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1300-1600*</td>
<td>1) Secretary</td>
<td>1) Dy. Superintendent</td>
<td>1) Dy. Superintendent (Engg)</td>
<td>1) Dy. Superintendents (S.Q.C.)</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>2) Purchase Officer</td>
<td>2) Dy. Superintendent (F.P.)</td>
<td></td>
<td>2) Chief Bacteriologist</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3) Chief Mycologist</td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>4) Chief Organic Chemist</td>
<td></td>
</tr>
<tr>
<td>1600-2100*</td>
<td>1) Financial Adviser</td>
<td>1) Superintendent Production</td>
<td>1) Chief Engineer</td>
<td>1) Superintendent (Research)</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>and Chief Accounts Officer</td>
<td></td>
<td></td>
<td>2) Superintendent (Quality Control)</td>
<td></td>
</tr>
<tr>
<td>1825-2250*</td>
<td>1) Works Manager</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>2000-2500</td>
<td>1) Managing Director</td>
<td></td>
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</tr>
</tbody>
</table>

* Officers including and above a scale of Rs. 1300-60-1600 are considered as Senior Officers (i.e. below the top-level).
The Administrative Reforms Commission in their report on 'Public Sector Undertakings' had recommended that common cadres for managerial personnel for posts carrying the pay of Rs. 1300 and above per mensem should be organised by each "Sector Corporation". In fact these Sector Corporations, as recommended by the Reforms Commission, were to exercise following powers in respect of appointment and recruitment of staff in public sector undertakings:

1) to make appointments to posts below the Board-level in the Sector Corporations;

2) to appoint the Chief Executives of the constituent units in consultation with the Government;

3) to appoint Heads of Departments in the constituent units in consultation with the Chief Executive of the unit concerned.

However, the recommendation on the establishment of "Sector Corporation" made by the Administrative Reforms Commission was not accepted by the Government owing to heavy criticism it met with. Hence the powers of appointment to posts of senior officers below top-level (i.e. officers with pay

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23. Recommendation No. 3(vii), (viii) & (ix)
of Rs. 1300 per mensem and above) have been entrusted to the Board of Directors. (The only exception being that of Financial Adviser, appointment to which post is still made by the Government).

No hard and fast rules have been laid down for appointments to these high cadre vacancies. The Board appoints a selection committee on ad-hoc basis for every vacancy. Generally, two outside experts in the field of selection are co-opted by the Board on the Selection Committee; the other members of the selection committee being the Managing Director as Chairman and two other Directors.

III.-9 **DELEGATION OF POWERS TO THE MANAGING DIRECTOR BY THE BOARD OF DIRECTORS**:

In order to have sufficient elasticity in administration, and also to meet the situations on spot, the Board of Directors have delegated some important powers to the Managing Director in respect of creation of posts upto certain level, fixing their emoluments, appointment/termination to/from such posts etc. Table on next page shows details of these delegation of powers.
<table>
<thead>
<tr>
<th>TABLE NO. 3.3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Delegation of powers to the Managing Director by the Board of Directors (uptodate as on 26-11-70)</strong></td>
</tr>
<tr>
<td><strong>39.</strong> (a) To sanction creation of posts on a temporary basis in respect of posts with a maximum pay not exceeding Rs.675/- p.m.</td>
</tr>
<tr>
<td>(b) Power to extend such posts</td>
</tr>
<tr>
<td>(c) Powers to engage casual workmen on daily wages and to fix rates</td>
</tr>
<tr>
<td>(d) Power to abolish any post created under his powers</td>
</tr>
<tr>
<td><strong>40.</strong> Power to downgrade the posts or to appoint persons in lower scales of pay in respect of vacancies of posts in the higher scales.</td>
</tr>
<tr>
<td><strong>41.</strong> Power to make officiating appointments in respect of leave or other vacancies and granting extra remuneration in respect of combination of appointments in accordance with rules of the Company.</td>
</tr>
<tr>
<td><strong>42.</strong> Powers to select and appoint as recommended by appropriate Selection Committee in respect of posts in grade maximum of which does not exceed Rs.1300/- p.m. (It will not</td>
</tr>
<tr>
<td>Serial No.</td>
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<tr>
<td>-----------</td>
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<tr>
<td>13</td>
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<tr>
<td>43</td>
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<tr>
<td>44</td>
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<td>45</td>
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</table>

**NOTE:** *The powers delegated under these serial numbers are as modified by the Board of Directors at their meeting held on 11-9-1970. (Min. No. 105).*
III.-10 FORMS AND OTHER PAPER-WORK INVOLVED IN THE SELECTION PROCEDURE:

(a) Blank Application Form:

HAL has adopted two forms: one in English and the other in Marathi which is respectively to be used by staff members knowing English and by workers of lower categories who do not know English.

The essential information asked for in the blank application form in English relates to full name, Permanent/Present Address, Date of Birth, Sex, Scheduled Caste or not, Languages known, Details of Registration with Employment Exchange if any, Details of Educational Qualifications, Details of previous employment, Salary expected, joining time if selected, and references from three persons. Extra information included in the form is regarding Physical defects if any, Name of the State to which applicant belongs, Number of direct dependents and their relationships, whether the applicant was properly released by his previous employer. The form is two-paged and is accommodated on both sides of a single sheet. Photograph pasting on this form is also a must.

Another form, which is in Marathi language is to be used by workers for lower positions. The
difference between the English version form meant for higher positions and Marathi language form for subordinate positions is that the latter is not having a provision for the following information:

i) Marital status and number of dependents and their relationships,

ii) Name of the State to which the applicant belongs,

iii) Games played and Hobbies,

iv) Salary Expected,

v) Joining time required,

vi) Guarantee of three years minimum service, if selected,

vii) Details of interview, if held previously by HAL,

viii) Names of references,

ix) Photograph.

This form is a single-paged and is accommodated on one side of a single sheet.

(b) Personnel Requisition:

There is no standard form for such requisitions to be sent by the concerned department to the personnel department. The requisitions are sent on plain sheets of paper, mostly used for inter-office correspondence. The job-requirements are not necessarily mentioned in such requisitions. Personnel
department from its own experience and knowledge decides job-requirements. Additional information on this, if required, or in cases of certain technical and non-recurring vacancies, the job requirements are demanded specifically by the personnel department.

(c) Confidential Report Forms:

Different types of forms are used for the confirmed employees depending upon their status in the organisational hierarchy. Thus following categories have separate forms for annual confidential reporting.

(i) For Officers: Apart from usual columns of information, this intends to obtain information on points like manner in which the officer discharged his duties (satisfactory or otherwise) with specific instances of unsatisfactory work if any, whether he has exhibited tact and courtesy and impartiality in his relations with the public, subordinates and superior staff with whom he comes into contact. Similarly, report on the qualities such as initiative/drive, powers of control and powers of application is expected in this form. This form is to be filled in by the concerned Head of Department and is to be endorsed by the Managing Director.
(ii) For Supervisory Staff: Special report, in addition to normal information, is asked on the points such as superintendence of the work in his branch and division of duties so that no man has an unduly heavy burden, maintenance of order and discipline, capacity for ensuring prompt disposal/execution of work and submission of returns/production data, capacity to train, help and advise his less experienced subordinates, knowledge of procedure and regulations or technical knowledge, ability to handle the most difficult cases/jobs etc. The form is to be filled in by concerned head of department in consultation with the immediate superior of the employee under report and is to be endorsed by the Managing Director.

(iii) For Laboratory Staff: Here, observations on technical knowledge, earnestness, attitude, application to research work, initiative and ability to handle difficult problems are required. The form is to be filled in by Head of Department and endorsed by the Managing Director.

(iv) For LDC/UDC/Sr. Asstts/Jr. Asstts: Here the remarks on intelligence, conduct and character are obtained. Assessment is to be made in one of the categories: Very good, Good, Satisfactory, Poor
and Bad. The form is to be filled in by Head of the Department and endorsed by the Managing Director.

(v) **For Stenographers/Typists**: Same as above.

(vi) **For Operator and down below including auxiliary personnel**: Rated report on 12 heads is required. Maximum marks have been allotted to each head, totalling to 100. The assessment marks against each head are to be entered by concerned head of department in consultation with the employee's immediate superior officer. The report is to be endorsed by the Managing Director.

(d) **Psychological Test Forms etc**:

HAL is not adopting any type of test, psychological or otherwise, for any category of post and hence the question of introducing test-sheets does not arise.

(e) **Interview Rating Sheet etc**:

HAL has not introduced any interview rating sheet or similar form to summarize the observations of the Selection Committee. A tabular statement is prepared by the Personnel department and placed before the Selection Committee giving details of all applicants those are to be interviewed. The final decision of the Selection Committee is indicated on this tabular statement itself by giving its preference of selection.