The underdeveloped economies, as widely believed, can develop rapidly through state-intervention in the national industrial programme. And, the success, in turn, rests mainly on the economic and successful operation of the public enterprises. Public enterprises in India have, however, been gradually incurring losses. This situation has led to a slow and inadequate rate of economic growth of the country. If India has to make rapid economic stride, the public sector enterprises should earn sufficient surpluses not only to finance their own expansion programmes but also to contribute substantially to the growth of the economy as a whole and also to create a congenial atmosphere amongst the working class, what to speak of the reliance of the citizens of the nation at large. The present study points out that a very important reason for the losses or low rate of output from the public sector undertakings in India has been the inefficient and ineffective operation of the units in general and that unless the situation is remedied, the public corporation in India cannot be expected to run up to schedules.

But, to make a meaningful and a realistic approach to the problem, it is hardly possible to take up the entire field and therefore, to have real remedies, a particular and vital sector of operation of Durgapur Steel Plant, the so-called sick-child of the circle, has been chosen as the subject matter of the study.

I thank the management personnel of the undertakings, frequently referred to in this thesis. I cannot forbear to mention the names of certain persons who took keen personal
Berest in my work and sought to resolve my difficulties on time to time. They are: Sri K.K. Mukhopadhyay, General Superintendent of Durgapur Steel Plant; Sri Benoy Chakraborty, Deputy General Superintendent (Maintenance), Durgapur Steel Plant; Sri S.K. Adhikary, PA to GS, DSP; Sri Santinoy Dasgupta, Section Officer, Traffic Department, Durgapur Steel Plant; Sri Dilip Bose, PS to MD, DSP. I also thank the Railway people who advised me to get into the project, but who have insisted it to mention their names for their personal reasons.

Besides, I am grateful to the management of Durgapur Steel Plant for their kind permission to take up their affair as the subject of this thesis. Above all, I must not lose hance to mention the name of Prof. Amit Kumar Mallik, Reader in Commerce, University of Burdwan, who took all sincere interest to help me in my present efforts.

Asim Kumar Ghosh
20-3-78

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