

REPORT
OF THE
Study Team on Design Organisations
IN
SELECTED PUBLIC UNDERTAKINGS



INFORMATION & RESEARCH DIVISION
BUREAU OF PUBLIC ENTERPRISES
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
NEW DELHI

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FOREWORD

The importance of self-reliance in the design know-how in the basic and heavy industries in accelerating the rate of economic development hardly needs to be emphasized. This is particularly so in the field of product design, which has to constantly keep abreast of modern developments in technology, and to seek to improve cost efficiency. In the early stages of our industrial development, public enterprises had inevitably to depend upon foreign know-how. In the course of the last two decades, some public enterprises, i.e., Hindustan Machine Tools Ltd., and Bharat Heavy Electricals Ltd. have made some significant achievements in the field of absorption of foreign design know-how and carrying out further improvements thereon. But there are a number of areas in which gaps have yet to be filled. In view of the fact that the growth of these design organisations has to be geared to the long term requirements of the undertakings in particular, and the country in general, the Administrative Reforms Commission had recommended that the undertakings should be assisted and encouraged to build up adequate design and consultancy services. In pursuance of this recommendation, the Bureau of Public Enterprises set up a small Study Group comprising representatives from Ministry of Industrial Development, Ministry of Steel, Central Engineering Design Bureau, Council of Scientific & Industrial Research, National Industrial Development Corporation and the Bureau of Public Enterprises to undertake a study of the structure and the performance of the design organisations in selected undertakings.

2. The Report of the Group examines various aspects of the working of Design Organisation in the Heavy Engineering and Machine Building Sectors including, their structure, objectives, the problems relating to attracting and retaining personnel of requisite talent, the deficiencies in the Collaboration Agreements, the need for ploughing funds into R & D and for strengthening the institutional links of public enterprises with the other national institutes

(ii)

engaged in similar activities. The Report also identifies certain gaps in product-design capability developed in these sectors, which should enable the concerned authorities to make appropriate efforts to bridge them. The recommendations made by the Group, I hope, would help the administrative Ministries and the undertakings to plan the future growth of the design organisations, with a view to promoting self-reliance and reducing dependence on foreign know-how and technology to the maximum extent possible.

3. I would like to thank the members of the Group for having spared their time to study this important matter and produced this useful Report.

A. N. BANERJI

Additional Secretary &

Director-General, Bureau of Public Enterprises.

INTRODUCTION

The ARC in its "Report on Public Sector Undertakings" had recommended that these undertakings should be encouraged and assisted to set up adequate design and consultancy organisation. This recommendation was accepted by Government and as a result the Bureau of Public Enterprises constituted a Study Team in March 1970 to carry out field studies of design organisations in selected public enterprises with a view to identify areas in which they needed assistance. The broad objectives of the study are enumerated in para 7 of the report.

The report is based on the material collected from selected public enterprises in response to a questionnaire and on-the-spot study of design organisations and discussions carried out with senior officers of the undertakings.

The study has helped to bring together information/data on design capabilities developed in selected public enterprises belonging to the heavy engineering and machine building group which, after all, is the most important sector of industry in which there is urgent need for design development and innovation. The report has also identified areas in which these enterprises still depend upon foreign know-how in respect of design etc. Based on this study the report has also drawn some general conclusions which may be of interest to public enterprises as well as to Government and help them in initiating steps which may lead to strengthening the effort towards building up indigenous design capabilities and taking policy decisions with the object of reducing our dependence on foreign know-how.

(iv)

The team would like to place on record its deep appreciation of the diligence and efforts put in by Shri V. G. Kesary, Deputy Director and Shri S. Vaidyanathan, Asstt. Director of the Information & Research Division of the Bureau of Public Enterprises in the preparation of this report.

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