

for AITDC  
New file 266-

A BRIEF NOTE ON PRAGA TOOLS CORPORATION LTD.

1. The total production of the Praga Tools Corporation in the year July 1958 - June 1959 was worth Rs.61.50 lakhs as against Rs.56.80 lakhs in the previous year. This works out to an average monthly production worth Rs.5.2 lakhs in 1958-59 as against Rs.4.26 lakhs in 57-58. This rise is by no means impressive. It could have been much more had there been proper planning, coordination and utilisation of labour force and deployment of supervising cadres. There is absolute anarchy in these respects.
2. Any number of instances could be cited when one supervisor for example would instruct a workman to do a job. He sets the machine for it. Another supervisor would drop in and give contrary instructions to do some other job. Subsequently another officer would cancel everything. The result is that workman and machine would be idle and material put to waste.
3. With regards to utilisation of labour and deployment of supervisory cadres, even a cursory look into the affairs would reveal the amazing fact that out of a total of 1730 employees 1031 are workmen who are actually concerned with production, the rest 700 are officers, supervisors, clerical staff, watch and ward and attenders. The strength of officers and supervisors is astoundingly out of proportion to the number of workmen. The plea is that such cadres are required for contemplated expansion and they have therefore to be recruited in advance. Many of the officers and supervisors do not have required technical knowledge and qualifications and it is really a wonder why they have either been appointed or promoted to such posts. The over head charges are therefore at present inexcusably too high. The expansion has therefore to be undertaken without delay. Even the proper chargemen are not put to proper jobs. For example an expert chargeman in a trade, say turning, is incharge of a different section which is new to him and where his talents could be used. This is almost a universal phenomenon. /act
4. The structure of supervisory cadres is also very cumbersome and leads to red-tape and improper allocation of jobs. Nobody knows his precise job. The amazing ladder of supervisory cadre starts from a chargeman. Above him is Foreman 'C'. Then in succession come Foreman 'B', Foreman 'A' General Foreman, Superintendents, Special Officer, Administration Officer, Assistant Works Manager, Works Manager (this post is vacant but the Asst. Works Manager is officiating as Works Manager), Financial Advisor and the General Manager. This apart there is Inspection Department with 68 Inspects who are undoubtedly necessary for proper quality check up. There is a Production Department whose work at present overlaps with many of the already enumerated cadres. This does not include sales and purchase commercial designing and security sections etc, with highly paid officers manning them. The Labour Welfare Officer is not even aware of any of the labour laws. And the Central Office is unnecessarily located two miles away from the factory.
5. It is obvious that this huge tower of officers and supervisory staff breeds duplication, red-tape, anarchy and ultimately means both direct loss in production as well as loss of ~~profit~~ profits because of heavy over-heads due to fat salaries. The net profit of Praga ending June 59 was Rs.4.91 lakhs. It could have been much more. Even this

profit has been secured because the wages of labour in this concern are much lower than those obtaining in similar concerns.

6. This third shift has been unnecessarily kept closed for the last 3 months. The permanent work-men of three shifts have been crowded into two shifts. The result is congestion of workmen and removal of 82 apprentices who have been contributing to the production while learning. Many skilled workmen have to work for less number of ~~xxxx~~ hours in order to share the machine with the others. This puts both the concern and the worker to a loss. The worker loses earnings that he would have earned after a full-time work. The concern is losing production. They have to maintain production, by resorting to overtime bookings even on Sundays and public holidays. ~~xxx xxx~~ This again takes the cost of production up. The worker has also not earned anything because the gain in overtime does not compensate the loss in the normal earnings because of sharing of machine.

7. The usual practice in this concern is to calculate current months or years production in that of the previous month or the year. This method was adopted to hide the real position of production. Obviously this practice could not go on endlessly. That is why it is being publicised that due to so-called labour trouble and the 10 days closure in the month of May 1960, the factory has lost production worth about Rs.14 lakhs. This is nothing but a rouse to once for all adjust the previous shortfall in production which was concealed. It is futile to argue that the loss of production would be worth Rs.14 lakhs in ten days while the monthly production itself is about Rs.5 lakhs.

8. Therefore, there is a case for serious probe into the affairs of this concern. Expansion cannot be delayed. Proper deployment and utilisation of supervisory cadres and labour force is imperative. Management has to be radically reformed and work and various sections have to be immediately re-organised so that any further loss could be avoided.

9. The wages of the workmen, that are not being revised under the pretext of low profits have to be revised to get them at par with those obtaining in similar public sector undertakings. The basic wages of various cadres of skilled workers in Praga are on an average less by Rs.20/-, to Rs.80/-, when compared to that of their counterpart in Hindustan Machine Tools. The DA in Praga is Rs.24/- plus Rs.6/- adhoc given in 1958 as against that of Rs.45/- to Rs.63/- in other public sector undertakings. Not even a single living quarter has been constructed or house rent is being paid. No City Allowance is allowed. There is, therefore, a flow of essential skilled labour from Praga to other concerns. During the last one year more than 100 skilled and highly skilled cadres have left Praga. These issues deserve immediate attention and action.

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