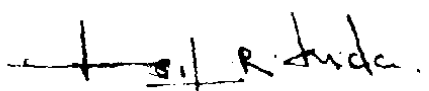


CERTIFICATE OF AUTHENTICATION

I do hereby declare that the copy of the thesis submitted to the ICSSR is an authenticated copy of my thesis approved for the award of degree of Doctor of Philosophy by the UNIVERSITY OF MADRAS.

  
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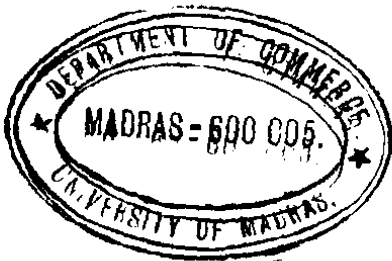
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**ACCOUNTABILITY  
OF  
PUBLIC SECTOR ENTERPRISES IN TAMILNADU**

**Thesis Submitted to the University of Madras  
for the Degree of Doctor of Philosophy (Commerce)**

**By  
ASIF RAZA CHIDA**

**Under the Supervision and Guidance of  
Dr. D. AMARCHAND**

**DEPARTMENT OF COMMERCE  
UNIVERSITY OF MADRAS  
MADRAS**

**1981**

## CERTIFICATE

The thesis, 'Accountability of Public Sector Enterprises in Tamil Nadu' is a record of research work undertaken by the candidate, ASIF RAZA CHIOA, during the period of his study at the University of Madras and the thesis has not previously formed the basis for the award to the candidate of any Degree, Diploma, Associateship, Fellowship or other similar title.

The thesis represents independent work on the part of the candidate.

Madras -600 005,  
30th April, 1981.



(D. AMARCHAND)  
SUPERVISOR

## PREFACE

Public Sector Enterprises in India have perceivably seen their glorious period of growth and are approaching the 'commanding heights' of the economy. The significance of their role carries with it heavy responsibilities in respect of economic and social welfare of the nation. But, time and again, the performance of the Public Sector Enterprises has come under public focus and criticism with reference to their functioning in general and for their growing inefficiency in particular. The adversities suffered by these enterprises and their performance incongruities apparently indicate their trailing in delivering the expected goods and failure in fulfilling their accountability.

The problem of autonomy of the enterprise is a live issue and even though most of these enterprises are joint stock companies designed to secure autonomy, they have probably not yet grown or attained enough maturity to deserve full autonomy. Perhaps a reason for this may be that the problem of accountability remains yet to be solved.

As far as the problem of accountability is concerned, various claimants for accountability are emerging and they constitute conflicting interests. Naturally, their perceptions of what constitutes accountability are bound to differ in content. The existence of these peculiar features in the expectations from the performance of the Public Sector Enterprises entails the need

for a probe in depth and, incidentally, makes the subject fascinating to study.


Moreover, a perusal of the published research and survey reports reveals that much has been done to focus the operating features of the Central Government Undertakings, and not those of the enterprises operating at State levels. A reference to the Public Sector Enterprises of Tamil Nadu with a massive investment to the tune of Rs. 3000 millions warrants a situation that it is necessary to make a study with a view to highlight the importance of State level Public Sector Enterprises as to how they are held accountable as against how they should be held accountable, and to and through whom they should actually be accountable. The present work is a sincere effort on these lines, although forms only the foetus indicating that much remains yet to be explored.

The work has involved extensive collection of materials through personal interviews, questionnaire and correspondence, and also drawn much from the documents of Central and State Governments. The list of experts and persons who have extended their co-operation to this effort is fairly long. It is naturally a bounden duty to mention at least a few in right earnest acknowledgement.

Foremost, I put on record veritably my deep sense of gratitude to Dr. D. Amarchand, Head of the Department of Commerce, University of Madras, under whose guidance this work was undertaken.

He only formed the right foreground for the work procedure, and his able guidance and scholarly touch at every stage ensured the successful completion of the work. Further, I deem it a privilege to thank all my fellow research scholars for their varied encouragements at all enervating moments. Mr. M. Rajamani offered valuable suggestions in finalising the report. Mr. D. Rajagopalan and MS. R. Jayanthi extended the needed help at the final stage of the work. Mr. N.P. Srinivasan, Mr. P. Abdul Razak, Mr. M. Ganesan, Mr. S. Sathyamoorthy and Mr. V. Murugan have all rendered various helps on different occasions. Mr. B.S. Rao and Mr. P. Nelson Samuel, Lecturers, Department of Commerce, University of Madras, were sources of much encouragement. Many Government officials and heads of Public Sector Enterprises extended their valuable cooperation by providing the required data and information. The University Grants Commission through the University of Madras granted the required fellowship. Mr. S. Murali, Mr. V. Hariharan and his wife Mrs. K. Nagalakshmi did a nice job by neatly typing out the manuscript. My dear and near have really enlivened me to the situation. I am ever indebted to all of them. Finally, I bow my head before my parents in love and veneration, for every bit of my ensconcing attainment owes to their graceful bounties.

Madras,  
30th April, 1981.

  
(ASIF RAZA CHIDA)

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## LIST OF ABBREVIATIONS

ARC	Administrative Reforms Commission
BPE	Bureau of Public Enterprises
C & AG	Comptroller and Auditor General of India
COPUs	Committee on Public Undertakings
EC	Estimates Committee
IAS	Indian Administrative Service
MDs	Managing Directors
MRTP	Monopoly and Restrictive Trade Practices
PAC	Public Accounts Committees
PSE	Public Sector Enterprise
PSEs	Public Sector Enterprises
PSUs	Public Sector Undertakings
R & D	Research and Development
SCNI	Select Committee on Nationalised Industries
TN	Tamil Nadu
TNLA	Tamil Nadu Legislative Assembly
TNPSEs	Tamil Nadu Public Sector Enterprises