

MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES**DEMAND NO. 50****Department of Heavy Industry**

A. The Budget allocations, net of recoveries and receipts, are given below:

		<i>(In crores of Rupees)</i>											
Major Head	Actual 2009-2010			Budget 2010-2011			Revised 2010-2011			Budget 2011-2012			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	153.67	554.36	708.03	263.30	111.71	375.01	239.30	118.24	357.54	359.10	56.65	415.75	
Capital	55.99	312.44	368.43	106.70	400.00	506.70	71.70	631.46	703.16	39.90	400.00	439.90	
Total	209.66	866.80	1076.46	370.00	511.71	881.71	311.00	749.70	1060.70	399.00	456.65	855.65	
1. Secretariat - Economic Services	3451	1.48	14.69	16.17	1.90	14.58	16.48	1.90	14.95	16.85	3.70	16.64	20.34
Industries													
2. Research and Development of Automotive Industry	2852	...	14.03	14.03	...	25.00	25.00	...	20.00	20.00	...	25.00	25.00
3. National Automotive Testing and R&D Infrastructure Project	2852	145.59	...	145.59	232.14	...	232.14	232.14	...	232.14	355.40	...	355.40
4. Grants to Hindustan Salts Ltd.	2852	...	...	...	...	2.00	2.00	...	2.00	2.00	...	1.00	1.00
5. National Indusriral Development Corporation Ltd.	2852	...	0.06	0.06	...	...	...	...	0.13	0.13	...	...	...
6. Bharat Yantra Nigam Ltd.	2852	...	1.17	1.17	...	...	...	...	...	...	...	...	...
7. Bharat Wagon & Engineering Company Limited	2852	...	2.30	2.30	...	...	...	...	...	...	...	...	...
8. Modernisation of Capital Goods Sector	2852	...	...	...	24.00	...	24.00	...	...	...	...	...	...
9. Interest Subsidy on Bank Finance to PSUs for implementation of VRS	2852	...	10.27	10.27	...	15.00	15.00	...	13.76	13.76	...	14.00	14.00
10. Other Expenditure	2852	6.60	...	6.60	5.26	0.01	5.27	5.26	0.01	5.27	...	0.01	0.01
Total-Industries		152.19	27.83	180.02	261.40	42.01	303.41	237.40	35.90	273.30	355.40	40.01	395.41
11. Grants to Oil & Natural Gas Corporation Ltd.	2802	...	...	...	...	55.12	55.12	...	61.54	61.54	...	...	...
12. Lumpsum provision for projects/schemes for the benefit of North Eastern Region and Sikkim	4552	...	...	...	37.00	...	37.00	31.10	...	31.10	39.90	...	39.90
13. Lumpsum Provision for restructuring of PSEs	4858	...	...	...	25.00	...	25.00	2.33	...	2.33	...	...	...
14. Conversion of loan into 3.5 per cent preference share capital													
14.01 Instrumentation Ltd., Kota	4858	45.68	...	45.68	...	...	...	...	...	...	...	...	...
15. Non Plan Loans to Public Sector Enterprises													
15.01 Lumpsum for Voluntary Separation Scheme and Statutory Dues	6858	...	...	...	...	250.00	250.00	...	129.42	129.42	...	250.00	250.00
15.02 Lumpsum for Revival Scheme for PSE's	6854	...	...	...	...	150.00	150.00	...	48.72	48.72	...	150.00	150.00

(In crores of Rupees)

	Major Head	Actual 2009-2010			Budget 2010-2011			Revised 2010-2011			Budget 2011-2012			
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
15.03	Engineering Industries													
15.03.01	Bharat Bhari Udyog Nigam Limited	6858	...	13.15	13.15	...	...	...	...	...	...	...	...
15.03.02	HMT Limited	6858	...	166.19	166.19	...	...	...	351.02	351.02	...	...	...
15.03.03	Hindustan Cables Limited	6858	...	55.65	55.65	...	...	...	48.55	48.55	...	...	...
15.03.04	Scooters India Limited	6858	...	28.43	28.43	...	...	...	21.94	21.94	...	...	...
15.03.05	Triveni Structural Limited	6858	...	1.47	1.47	...	...	...	1.42	1.42	...	...	...
15.03.06	Tungbhadra Steel Products Limited	6858	...	1.20	1.20	...	...	...	1.20	1.20	...	...	...
15.03.07	Instrumentation Limited	6858	2.31	...	2.31	...	...	...	...	...	...	...	...
	<i>Total- Engineering Industries</i>		2.31	266.09	268.40	...	...	...	424.13	424.13	...	...	...
15.04	Consumer Industries													
15.04.01	NEPA Limited	6860	...	10.29	10.29	...	...	...	16.92	16.92	...	...	...
15.04.02	Hindustan Photo Film Limited	6860	...	36.06	36.06	...	...	...	12.27	12.27	...	...	...
	<i>Total- Consumer Industries</i>		...	46.35	46.35	...	...	...	29.19	29.19	...	...	...
	<i>Total- Non Plan Loans to Public Sector Enterprises</i>		2.31	312.44	314.75	...	400.00	400.00	...	631.46	631.46	...	400.00	400.00
16.	<i>Write off of loan</i>													
16.01	National Instruments Ltd.	2852	...	2.01	2.01	...	...	...	...	...	...	...	...
16.02	Instrumentation Limited, Kota	2852	...	246.10	246.10	...	...	...	...	...	...	...	...
16.03	Bharat Wagon & Engineering Limited	2852	...	1.67	1.67	...	...	...	...	...	...	...	...
16.04	Less-Receipts Netted	0852	...	...	...	...	...	...	...	...	...	...	...
	<i>Net</i>		...	249.78	249.78	...	...	...	...	...	...	...	...
17.	<i>Waiver of Interest</i>													
17.01	National Instruments Ltd	2852	...	0.35	0.35	...	...	...	...	...	...	...	...
17.02	Burn Standard Company Ltd.	2852	...	...	...	...	...	...	639.15	639.15	...	...	...
17.03	Instrumentation Limited Kota	2852	...	258.26	258.26	...	...	...	...	...	...	...	...
17.04	Less-Receipts Netted	0049	...	...	...	...	...	...	-639.15	-639.15	...	...	...
	<i>Net</i>		...	258.61	258.61	...	...	...	...	...	...	...	...
18.	<i>Write down of Equity</i>													
18.01	Bharat Wagon & Engineering Company Ltd	2852	...	3.33	3.33	...	...	...	...	...	...	...	...
18.02	Burn Standard Company Ltd. Subsidiary of BBUNL	2852	...	...	...	...	...	...	500.01	500.01	...	...	...
18.03	Less-Receipts Netted	0852	...	...	...	...	...	...	-500.01	-500.01	...	...	...
	<i>Net</i>		...	3.33	3.33	...	...	...	...	...	...	...	...
19.	<i>Waiver of Guarantee Fee</i>													
19.01	Heavy Engineering Corporation	2852	...	2.53	2.53	...	...	...	2.53	2.53	...	...	...

(In crores of Rupees)

	Major Head	Actual 2009-2010			Budget 2010-2011			Revised 2010-2011			Budget 2011-2012			
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
19.02	Andrew Yule and Company Ltd.	2852	...	...	...	...	...	...	1.28	1.28	...	...	...
19.03	HMT Ltd.	2852	...	1.22	1.22	...	...	...	...	...	...	...	...
19.04	Less -Receipt Netted	0075	...	...	...	...	...	...	-3.81	-3.81	...	...	...
	<i>Net</i>		...	3.75	3.75	...	...	...	...	...	...	...	...
20.	Grants to Life Insurance Corporation of India Limited	2852	...	...	...	...	...	...	5.85	5.85	...	...	...
21.	<i>Conversion of Loan into Equity in respect of Burn Standard Company Limited, Subsidiary of BBUNL</i>													
21.01	Bharat Bhari Udyog Nigam Limited	4858	...	...	...	...	...	0.01	...	0.01	...	...	...
22.	Investments in Public Sector Enterprises	4854	...	...	...	5.01	...	5.01	0.01	...	0.01	...	...
		4858	...	...	...	13.89	...	13.89	22.46	...	22.46	...	...
		4860	4.00	...	4.00	6.03	...	6.03	1.02	...	1.02	...	...
		6858	...	...	...	13.77	...	13.77	13.77	...	13.77	...	...
		6860	4.00	...	4.00	6.00	...	6.00	1.00	...	1.00	...	...
	<i>Total</i>		8.00	...	8.00	44.70	...	44.70	38.26	...	38.26	...	...
23.	Actual Recoveries	2852	...	-3.63	-3.63	...	...	...	...	...	...	...	...
Grand Total			209.66	866.80	1076.46	370.00	511.71	881.71	311.00	749.70	1060.70	399.00	456.65	855.65
	Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	
B. Investment in Public Enterprises														
<i>Engineering Industries</i>														
1.	Bharat Heavy Electricals Ltd.	12858	...	1713.00	1713.00	...	1924.00	1924.00	...	1924.00	1924.00	...	1401.00	1401.00
2.	HMT Limited	12858	20.04	10.00	30.04	20.04	10.00	30.04
3.	Heavy Engineering Corporation Limited	12858	...	127.48	127.48	...	58.41	58.41	...	58.41	58.41	...	82.20	82.20
4.	Scooters India Limited	12858	4.01	...	4.01	4.01	...	4.01
5.	Hindustan Cables Limited	12858	0.01	...	0.01	0.01	...	0.01
6.	Instrumentation Limited, Kota	12858	0.02	...	0.02	5.03	...	5.03
7.	Andrew Yule and Company Limited	12858	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
8.	Bharat Yantra Nigam Limited	12858	0.04	60.56	60.60	0.04	40.00	40.04	...	40.00	40.00	...	44.00	44.00
9.	Bharat Bhari Udyog Nigam Limited	12858	3.53	...	3.53	3.53	...	3.53
10.	Engineering Projects (India) Limited	12858	...	1.01	1.01	...	10.00	10.00	...	10.00	10.00	...	14.00	14.00
11.	Instrumentation Limited Kota/Rajasthan Electornics & Instrments Lintied	12858	11.47	11.47	3.57	11.47	15.04	...	1.00	1.00

	Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
12. National Automotive Testing R&D Infrastructure Project	12858	...	2.00	2.00	...	13.00	13.00	...	13.00	13.00	...	9.00	9.00
13. Fluid Control Research Institute	12858	...	0.75	0.75	...	1.25	1.25	...	1.25	1.25	...	1.00	1.00
Total-Engineering Industries		0.05	1904.80	1904.85	27.66	2068.13	2095.79	36.20	2068.13	2104.33	...	1552.20	1552.20
<i>Consumer Industries</i>													
14. Hindustan Paper Corporation Limited	12860	...	152.94	152.94	0.02	364.31	364.33	0.02	364.31	364.33	...	40.87	40.87
15. Hindustan Newsprints Limited	12860	...	16.42	16.42	...	12.34	12.34	...	12.34	12.34	...	8.50	8.50
16. NEPA Limited	12860	...	...	...	0.01	...	0.01	0.01	...	0.01	...	...	...
17. Hindustan Salts Limited	12860	...	...	...	10.00	...	10.00	...	...	...	...	...	...
18. Hindustan Photo Films Manufacturing Company Limited	12860	...	...	...	2.00	...	2.00	2.00	...	2.00	...	...	...
19. Tyre Corporation of India Ltd.	12860	...	44.84	44.84	...	2.20	2.20	...	2.20	2.20	...	2.20	2.20
Total-Consumer Industries		...	214.20	214.20	12.03	378.85	390.88	2.03	378.85	380.88	...	51.57	51.57
<i>Cement & Non-metallic Mineral Industries</i>													
20. Cement Corporation of India Limited	12854	...	1.96	1.96	0.01	138.02	138.03	0.01	138.02	138.03	...	122.02	122.02
21. Addition, Modification and Replacement Schemes in PSUs	12854	...	...	...	5.00	...	5.00	...	...	...	...	...	...
Total-Cement & Non-metallic Mineral Industries		...	1.96	1.96	5.01	138.02	143.03	0.01	138.02	138.03	...	122.02	122.02
Total		0.05	2120.96	2121.01	44.70	2585.00	2629.70	38.24	2585.00	2623.24	...	1725.79	1725.79
C. Plan Outlay													
1. Engineering Industries	12858	201.66	1904.80	2106.46	315.96	2068.13	2384.09	277.87	2068.13	2346.00	359.10	1552.20	1911.30
2. Consumer Industries	12860	8.00	214.20	222.20	12.03	378.85	390.88	2.02	378.85	380.87	...	51.57	51.57
3. Cement and non-Metallic Mineral Industries	12854	...	1.96	1.96	5.01	138.02	143.03	0.01	138.02	138.03	...	122.02	122.02
4. North Eastern Areas	22552	...	...	...	37.00	...	37.00	31.10	...	31.10	39.90	...	39.90
Total		209.66	2120.96	2330.62	370.00	2585.00	2955.00	311.00	2585.00	2896.00	399.00	1725.79	2124.79

1. **Secretariat:** Provides for secretariat expenditure of the Department of Heavy Industry. It also provides fund for information technology including training, acquisition of hard ware, software as well as development, maintenance of software and modernization of office premises.

2. **Research & Development of Automotive Industries:** Provides for grant to Development council for Automobile and Allied Industry for setting up facilities for testing the vehicles as per changing safety and emission standards at the research institutes i.e. ARAI, Pune, VRDE, Ahmednagar and CIRT, Pune and other R&D institutes in the country.

3. **National Automotive Testing and Research & Development Infrastructure Project (NATRIP):** NATRIP is one of the most ambitious projects launched by the Government of India

aimed at the creation of critically needed automotive testing, validation and R&D Infrastructure for the auto sector. The aim of NATRIP is to create world-class automotive testing, validation, R&D and homologation facilities in line with emerging requirements of the National Automotive Safety and Emission roadmap. These are to be created in the pre principal hubs of North, West and South India. The Government of India has majority funding of the project and has also granted full custom duty exemption to all project imports, the State Governments have offered land at concessional rates. This will facilitate the project aim of creating core global companies to facilitate seamless integration of the Indian automotive industry with the world automotive landscape.

4. **Hindustan Salts Ltd. (HSL):** HSL was incorporated on 12.4.1958 as a Company fully owned by the Government of India to take over the salt sources at Sambhar, Didwana and

Kharaghoda earlier managed by the Salt Department. To provide budgetary support to meet the pension liabilities of the employees of HSL, a budget provision of Rs1 Cr. has been made in the budget.

6. **Bharat Yantra Nigam Ltd. (BYNL):** It was incorporated as a holding company in 1986 with six subsidiaries, namely Bharat Heavy Plates & Vessels Ltd. (BHPV), Bharat Pumps & Compressors Ltd (BPCL), Triveni Structurals Ltd. (TSL), Tungabhadra Steel Products Ltd (TSPL), Richardson & Cruddas (1972) Ltd. (R&C) and Bridge & Roof Co. Ltd. (B&R). The winding up process is underway. The erstwhile subsidiary PSEs have now become independent PSEs.

i) Bharat Pumps & Compressors Ltd (BPCL, Naini, Allahabad). The Company was established on 1.1.1970. BPCL is primarily involved in manufacturing of Centrifugal & reciprocating Pump, Carbhote & Ammonia Pumps, reciprocating Compressors and Gas/CNG Cylinders. A revival and restructuring plan of the company was approved in December, 2005. The Board of Directors of the company has been restructured with support of BHEL, ONGC and EIL.

ii) Richardson & Cruddas (1972) Ltd. Mumbai. The Company was nationalized in 1972. It is primarily involved in jobs related to steel structures, transmission line towers, tube wells and Hand Pumps, etc. The company has four units situated at Mulund and Byculia at Mumbai, Nagpur and Chennai. The revival process of the company is under consideration by funding from its own resources.

8. **Modernisation of Capital Goods Sector for PSEs:** Provision is kept for Modernisation of Capital Goods sector for PSEs

9. **Interest Subsidy on Bank Finance to PSEs for implementation of VRS:** Provision is towards interest payable under the scheme for arranging bank finance to PSEs for implementation of VRS.

10. **Other Expenditure:** Provides for grants to Fluid Control Research Institute and Coal gasification Projects and for Industrial Association and PSEs for undertaking promotional activities. FCRI was established in 1987 as a UNDP project for undertaking activities connected with flow measuring and control devices and to provide the basic frame work for technology development and flow products, for India and South- Asia. This includes Grants-in-aid to Industrial Associations and PSEs for undertaking promotional activities and Commissioner of Payments, Kolkata.

11. **Grant-in-aid to Oil & Natural Gas Corporation Ltd.:** This is towards reimbursement of balance payment made by them to M/s MC Demolt Inc. (MII), USA in connection with settlement of commercial dispute.

12. **Lump sum provision for North Eastern Region and Sikkim:** Provides for projects/schemes for the benefit of North Eastern Region and Sikkim.

15.01. **Lump sum provision for implementation of VRS/VSS in PSEs:** Provision is for Non-Plan loans to loss making public sector enterprises partly to meet the gap in their resources. This includes a lump sum provision of ₹ 250.00 Cr. for implementation of VRS/VSS and reduction of statutory dues of the employees of PSEs.

15.02. **Lump sum provision for Revival/restructuring of PSEs:** Lump sum provision of ₹ 150.00 Cr. is meant for meeting the expenditure on restructuring /revival schemes of loss making

PSEs. Provision is also for other public sector enterprises under the Department, based on requirement of funds and Government approval.

15.03.01. **Bharat Bhari Udyog Nigam Ltd (BBUNL):** This was incorporated in 1986 as a holding company consisting of seven subsidiary companies, namely, Burn Standard Co. Ltd.(BSCL), Jessop & Company Ltd. (JCL), Braithwate & Company Ltd. (BCL), Burn & Jessop Construction Co. Ltd. (BBJ), Bharat Process & Mechanical Engineers Ltd. (BPMEEL) and Lagan Jute Machinery Co. Ltd. (LJMC). Of these, majority share holdings has been transferred to strategic partners (SPs) in respect of two subsidiary companies viz. Bharat Brakes & Valves Ltd.(BBVL) and Reyrolle Burn Ltd. (RBL) have also been closed. Out of the three operating subsidiaries of BBUNL, two companies namely BSCL, BCL had been sick and under reference to BIFR. BBJ being a construction company, was not within the purview of Sick Industrial Companies (Special Provisions) Act (SICA). Based on the recommendation of Board for Reconstruction of Public Sector Enterprises (BRPSE), it was decided to revive these four companies through financial restructuring. On the basis of the recommendation of BRPSE, BCL & BBJ have already been restructured by Government. BWEL has been transferred to Ministry of Railways w.e.f. 13.8.2008.

Government have approved the proposal for Financial restructuring of Bharat Bhari Udyog Nigam Ltd. (BBUNL) and transfer of administrative control of its subsidiaries Burn Standard Company (BSCL) and Braithwate & Co. Ltd.(BCL) to Ministry of Railways (MoR) and transfer of refractory unit of BSCL to Steel Authority of India Ltd. (SAIL) under Ministry of Steel (MoS). Government has also approved the merger of BBUNL and BBJ.

Accordingly, administrative control of BCL, has been transferred to Ministry of Railways on 6.8.2010 and Refractory Unit of BSCL at Salem (Tamil nadu) has been transferred to SAIL & administrative control of BSC has been transferred to Ministry of Railways w.e.f. 15.09.2010. The merger of BBUNL & BBJ is being taken up in consultation with Ministry of Corporate Affairs.

15.03.02. **Hindustan Machine Tools Ltd.:** It was incorporated in 1953. It steadily grew into a major multi-unit and multi-product company with 16 units and 22 product divisions, spread over 10 different States of the Country. The Company is engaged in the production of high-precision machine tools, printing machinery, lamp and lamp-making machinery, tractors, wrist watches, horological machines and dairy machinery. Four unviable units of HMT have been closed. Subsequently, as an organizational restructuring, its Watch, Machine Tools, Bearing and International Business Groups have been converted into wholly owned subsidiaries namely, HMT Watches Ltd., HMT Machine Tools Ltd., HMT Bearing Ltd., HMT Chinar Watches Ltd., and HMT (International) Ltd. The revival package for HMT Bearings Ltd, HMT Machine Tools Ltd have since been approved. Praga Tools Ltd.(PTL), which was also a subsidiary of HMT Ltd. from 1988, has been merged with effect from 01.04.2007 with HMT (PTL) as per direction of CCEA while approving its revival package in Oct., 2005. The revival plan of HMT Ltd and HMT Watches Ltd is under consideration.

15.03.03. **Hindustan Cables Ltd. (HCL):** HCL a Government of India Undertaking was incorporated in 1952 and is engaged in the manufacture of telecommunication cables. It had three units, One at Rupnanarianpur (W.B), Hyderabad (A.P) and Allahabad (U.P) and has a separate Turnkey Project Division. The company has been registered under Sick Industrial Companies (Special Provision) Act 1985 by the BIFR and State Bank of India has been appointed as the Operating Agency, IIT, Kharagpur and M/s Tata Consultancy Services (TCS) were engaged by HCL to conduct a study for restructuring of the company. A proposal was submitted to the Board for Reconstruction of Public Sector Enterprises (BRPSE) regarding the future of HCL. BRPSE have recommended that a detailed holistic

study of HCL, unit wise and for the company as a whole may be commissioned through IIT, Kharagpur which was forwarded to BRPSE on 17.8.2007. This report was considered by BRPSE in their meeting held on 9.1.2008 and recommended for locating JV Partner for revival of HCL either from Public or private sector Enterprises, failing which complete disinvestment after clearing the balance sheet. Accordingly the process of locating JV is under process.

15.03.04. **Scooters India Ltd (SIL):** It was incorporated in 1972. It is now engaged in the manufacture of three wheelers. The company has been incurring losses again since 2006-07 and has been referred to BIFR. BRPSE has admitted the revival proposal of the company on 28.7.2010 and recommended that a serious effort may be made to identify a suitable JV partner for its revival.

15.03.05. **Triveni Structural Limited, Naini, Allahabad.:** The company was established in 1965. It is primarily involved in jobs related to building structures, towers, pressure vessels, pipes & penstocks, etc. The company is a sick PSE and BIFR as well as AAIFR has recommended its winding up. The efforts for Joint Venture formation with other PSEs did not succeed. Other alternatives are being explored.

15.03.06. **Tungabhadra Steel Products, Hospet, Karnataka:** The company was established in 1960. The company is primarily involved in manufacture of Hydraulic Structure, Penstocks, Building Structures, Transmission Line Tower, etc. The company is a BIFR referred sick PSE. Efforts are being made to forge a JV alliance with a view to revive the company.

15.04.02. **Hindustan Photo Films Manufacturing Company Ltd. (HPF):** Incorporated in 1960, the company is engaged in manufacturing of photosensitized films, cine positive (black and white) cine films sound negative, medical X-ray films etc. It started incurring continuous losses every year since 1992-93. On its net worth becoming negative, the company was referred to the Board for Industrial and Financial Reconstruction (BIFR) in 1995. A consultant, M/s Earnst & Young was engaged for examining a revival plan afresh for the company on the basis of recommendations of the Department Related Parliamentary Standing Committee on Industry (Rajya Sabha). The consultant submitted the final report in May, 2007. A note for consideration of BRPSE was sent on 22.4.2008. Subsequently, BRPSE on 1.8.2008 has advised to submit a business plan of the company. Accordingly, HPF has furnished the Business Plan, which has been forwarded to BRPSE. Based on the recommendations of BRPSE, Government has approved budget support of ₹ 30 crore as Non-Plan loan towards working capital to execute the pending orders in hand to facilitate uninterrupted operations. BRPSE in its meeting held on 5.3.2010 has recommended revival of HPF. Accordingly action is being taken in consultation with the Government of Tamil Nadu for its revival.