

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 2010-2011			Budget 2011-2012			Revised 2011-2012			Budget 2012-2013			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	236.76	81.19	317.95	359.10	56.65	415.75	357.12	50.52	407.64	496.49	56.67	553.16	
Capital	36.00	604.43	640.43	39.90	400.00	439.90	39.68	399.81	439.49	56.51	400.00	456.51	
Total	272.76	685.62	958.38	399.00	456.65	855.65	396.80	450.33	847.13	553.00	456.67	1009.67	
1. Secretariat - Economic Services	3451	1.25	14.56	15.81	3.70	16.64	20.34	1.72	14.79	16.51	5.50	15.66	21.16
Industries													
2. Research and Development of Automotive Industry	2852	...	...	...	...	25.00	25.00	...	18.41	18.41	...	25.00	25.00
3. National Automotive Testing and R&D Infrastructure Project	2852	232.14	...	232.14	355.40	...	355.40	355.40	...	355.40	488.48	...	488.48
4. Grants to Hindustan Salts Ltd.	2852	...	2.00	2.00	...	1.00	1.00	...	3.12	3.12	...	2.00	2.00
5. National Industrial Development Corporation Ltd.	2852	...	0.12	0.12	...	...	...	...	0.09	0.09	...	...	...
6. Bharat Yantra Nigam Ltd.	2852	...	...	...	...	...	...	...	0.19	0.19	...	...	...
7. Modernisation of Capital Goods Sector	2852	...	...	...	...	...	...	...	...	...	2.50	...	2.50
8. Interest Subsidy on Bank Finance to PSUs for implementation of VRS	2852	...	5.20	5.20	...	14.00	14.00	...	13.91	13.91	...	14.00	14.00
9. Other Expenditure	2852	3.37	...	3.37	...	0.01	0.01	...	0.01	0.01	0.01	0.01	0.02
Total-Industries		235.51	7.32	242.83	355.40	40.01	395.41	355.40	35.73	391.13	490.99	41.01	532.00
10. Grants to Oil & Natural Gas Corporation Ltd.	2802	...	61.54	61.54	...	...	...	...	...	...	...	...	...
11. Lumpsum provision for projects/schemes for the benefit of North Eastern Region and Sikkim	4552	...	...	...	39.90	...	39.90	39.68	...	39.68	55.30	...	55.30
12. Lumpsum Provision for restructuring of PSEs	4858	...	...	...	...	...	...	...	...	...	...	...	...
13. Conversion of loan into 3.5 per cent preference share capital													
13.01 Instrumentation Ltd., Kota	4858	8.57	...	8.57	...	...	...	...	...	...	...	...	...
14. Non Plan Loans to Public Sector Enterprises													
14.01 Lumpsum for Voluntary Separation Scheme and Statutory Dues	6858	...	...	...	...	250.00	250.00	...	159.04	159.04	...	250.00	250.00
14.02 Lumpsum for Revival Scheme for PSE's	6854	...	...	...	...	150.00	150.00	...	64.26	64.26	...	150.00	150.00
14.03 Engineering Industries													

(In crores of Rupees)

	Major Head	Actual 2010-2011			Budget 2011-2012			Revised 2011-2012			Budget 2012-2013		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
14.03.01	Bharat Bhari Udyog Nigam Limited	6858	...	...	...	...	...	...	0.31	0.31	...	...	...
14.03.02	HMT Limited	6858	...	399.28	399.28	...	...	...	104.35	104.35	...	...	...
14.03.03	Hindustan Cables Limited	6858	...	108.96	108.96	...	...	...	44.65	44.65	...	...	...
14.03.04	Scooters India Limited	6858	...	46.80	46.80	...	...	...	3.98	3.98	...	...	...
14.03.05	Triveni Structural Limited	6858	...	2.88	2.88	...	...	...	1.58	1.58	...	...	...
14.03.06	Tungbhadra Steel Products Limited	6858	...	2.43	2.43	...	...	...	1.29	1.29	...	...	...
	<i>Total- Engineering Industries</i>		...	560.35	560.35	...	...	...	156.16	156.16	...	...	...
14.04	Consumer Industries												
14.04.01	NEPA Limited	6860	...	28.20	28.20	...	...	...	15.94	15.94	...	...	...
14.04.02	Hindustan Photo Film Limited	6860	1.00	12.27	13.27	...	...	...	...	...	...	...	...
14.04.03	Hindustan Paper Corporation Limited (NPPC)	6860	...	...	...	...	...	...	4.41	4.41	...	...	...
	<i>Total- Consumer Industries</i>		1.00	40.47	41.47	...	...	...	20.35	20.35	...	...	...
	<i>Total- Non Plan Loans to Public Sector Enterprises</i>		1.00	600.82	601.82	...	400.00	400.00	399.81	399.81	...	400.00	400.00
15.	<i>Waiver of Interest</i>												
15.01	Burn Standard Company Ltd.	2852	...	639.15	639.15	...	...	...	...	...	...	...	...
15.02	Less-Receipts Netted	0049	...	-639.15	-639.15	...	...	...	...	...	...	...	...
	<i>Net</i>		...	...	...	...	...	...	...	...	...	...	...
16.	<i>Write down of Equity</i>												
16.01	Burn Standard Company Ltd. Subsidiary of BBUNL	2852	...	500.01	500.01	...	...	...	...	...	...	...	...
16.02	Less-Receipts Netted	0852	...	-500.01	-500.01	...	...	...	...	...	...	...	...
	<i>Net</i>		...	...	...	...	...	...	...	...	...	...	...
17.	<i>Waiver of Guarantee Fee</i>												
17.01	Heavy Engineering Corporation	2852	...	2.53	2.53	...	...	...	...	...	...	...	...
17.02	Andrew Yule and Company Ltd.	2852	...	1.28	1.28	...	...	...	0.64	0.64	...	...	...
17.03	Less -Receipt Netted	0075	...	-3.81	-3.81	...	...	...	-0.64	-0.64	...	...	...
	<i>Net</i>		...	...	...	...	...	...	...	...	...	...	...
18.	Grants to Life Insurance Corporation of India Limited	2852	...	5.85	5.85	...	...	...	...	...	...	...	...
19.	Investments in Public Sector Enterprises	4854	...	...	...	...	...	...	...	...	0.01	...	0.01
		4858	25.43	...	25.43	...	...	...	...	...	0.51	...	0.51
		4860	1.00	...	1.00	...	...	...	...	...	0.01	...	0.01
		6858	...	...	...	...	...	...	...	...	0.63	...	0.63

(In Crores of Rupees)

(In crores of Rupees)

	Major Head	Actual 2010-2011			Budget 2011-2012			Revised 2011-2012			Budget 2012-2013		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
	6860	...	3.61	3.61	...	...	...	...	...	...	0.05	...	0.05
	<i>Total</i>	<i>26.43</i>	<i>3.61</i>	<i>30.04</i>	...	...	...	...	...	...	<i>1.21</i>	...	<i>1.21</i>
20. Actual Recoveries	2852	...	-8.08	-8.08	...	...	...	...	...	...	...	...	...
Grand Total		272.76	685.62	958.38	399.00	456.65	855.65	396.80	450.33	847.13	553.00	456.67	1009.67
	Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	(in crores of Rupees)		
											Budget Support	IEBR	Total
B. Investment in Public Enterprises													
<i>Engineering Industries</i>													
1. Bharat Heavy Electricals Ltd.	12858	...	1771.00	1771.00	...	1401.00	1401.00	...	1401.00	1401.00	...	1696.00	1696.00
2. HMT Limited	12858	...	...	...	...	...	...	...	...	...	0.05	...	0.05
3. Heavy Engineering Corporation Limited	12858	...	2.46	2.46	...	82.20	82.20	...	82.20	82.20	0.01	...	0.01
4. Scooters India Limited	12858	...	...	...	...	...	...	...	...	...	0.01	...	0.01
5. Hindustan Cables Limited	12858	...	...	...	...	...	...	...	...	...	0.01	...	0.01
6. Instrumentation Limited, Kota	12858	8.57	...	8.57	...	...	...	...	...	...	1.01	...	1.01
7. Andrew Yule and Company Limited	12858	...	...	...	...	...	...	...	...	...	...	68.00	68.00
8. Bharat Yantra Nigam Limited	12858	...	50.05	50.05	...	44.00	44.00	...	44.00	44.00	0.03	30.00	30.03
9. Bharat Bhari Udyog Nigam Limited	12858	25.43	...	25.43	...	...	...	...	...	...	0.02	...	0.02
10. Engineering Projects (India) Limited	12858	...	0.70	0.70	...	14.00	14.00	...	14.00	14.00	...	8.00	8.00
11. Instrumentation Limited Kota/Rajasthan Electronics & Instruments Limited	12858	...	...	...	...	1.00	1.00	...	1.00	1.00	...	2.50	2.50
12. National Automotive Testing R&D Infrastructure Project	12858	...	...	...	...	9.00	9.00	...	9.00	9.00	...	9.49	9.49
13. Fluid Control Research Institute	12858	...	0.75	0.75	...	1.00	1.00	...	1.00	1.00	...	0.50	0.50
Total-Engineering Industries		34.00	1824.96	1858.96	...	1552.20	1552.20	...	1552.20	1552.20	1.14	1814.49	1815.63
<i>Consumer Industries</i>													
14. Hindustan Paper Corporation Limited	12860	...	5.09	5.09	...	40.87	40.87	...	40.87	40.87	0.02	181.53	181.55
15. Hindustan Newsprints Limited	12860	...	0.56	0.56	...	8.50	8.50	...	8.50	8.50	...	10.33	10.33
16. NEPA Limited	12860	...	...	...	...	...	...	...	...	...	0.01	...	0.01
17. Hindustan Salts Limited/SSL	12860	...	...	...	...	...	...	...	...	...	0.02	...	0.02
18. Hindustan Photo Films Manufacturing Company Limited	12860	2.00	...	2.00	...	...	...	...	...	...	...	...	...

	Head of Dev										(in crores of Rupees)		
		Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
19. Tyre Corporation of India Ltd.	12860	...	0.01	0.01	...	2.20	2.20	...	2.20	2.20	0.01	...	0.01
Total-Consumer Industries		2.00	5.66	7.66	...	51.57	51.57	...	51.57	51.57	0.06	191.86	191.92
<i>Cement & Non-metallic Mineral Industries</i>													
20. Cement Corporation of India Limited	12854	...	3.06	3.06	...	122.02	122.02	...	122.02	122.02	0.01	75.43	75.44
21. Addition, Modification and Replacement Schemes in PSUs	12854	...	...	...	...	...	...	...	...	...	...	...	...
Total-Cement & Non-metallic Mineral Industries		...	3.06	3.06	...	122.02	122.02	...	122.02	122.02	0.01	75.43	75.44
Total		36.00	1833.68	1869.68	...	1725.79	1725.79	...	1725.79	1725.79	1.21	2081.78	2082.99
C. Plan Outlay													
1. Engineering Industries	12858	270.76	1824.96	2095.72	359.10	1552.20	1911.30	357.12	1552.20	1909.32	497.63	1814.49	2312.12
2. Consumer Industries	12860	2.00	5.66	7.66	...	51.57	51.57	...	51.57	51.57	0.06	191.86	191.92
3. Cement and non-Metallic Mineral Industries	12854	...	3.06	3.06	...	122.02	122.02	...	122.02	122.02	0.01	75.43	75.44
4. North Eastern Areas	22552	...	...	...	39.90	...	39.90	39.68	...	39.68	55.30	...	55.30
Total		272.76	1833.68	2106.44	399.00	1725.79	2124.79	396.80	1725.79	2122.59	553.00	2081.78	2634.78

1. **Secretariat:** Provides for secretariat expenditure of the Department of Heavy Industry. It also provides fund for information technology including training, acquisition of hardware, 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. A provision has been kept to meet the pension liabilities of the Ex-employees of HSL.

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. Final meeting at winding up process at BYNL was held on 12.01.2012.

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. BIFR in its meeting on 23.06.2011 has decided to explore alternative means of reviving of the company by way of change of management. Accordingly SBI issued advertisement on 04.08.2011. This Department has filed an affidavit in BIFR to allow this Department to call EOI from Central Govt. Department/ CPSEs to form JV/takeover of assets of the company. The matter is being followed up with BIFR.

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

8. **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.

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

14.01. **Lump sum provision for implementation of VRS/VSS & statutory dues 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.

14.02. **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.

14.03.01. **Bharat Bhari Udyog Nigam Ltd (BBUNL):** This was incorporated in 1986 as a holding company consisting of seven subsidiary companies. 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 Braithwaite & 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.

14.03.02. **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, tractors, wrist watches, horological machines and dairy machines. 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 had since been approved. But the revival plans could not yield the desired results and these companies have been incurring continuous losses. 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 Machine Tools Limited. Subsequently, it has been decided that a Consultant should be appointed to study the loss making HMT Group of Companies and make recommendations for revival with a firmed up business plan or otherwise.

14.03.03. **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.

14.03.04. **Scooters India Ltd (SIL):** It was set up in 1972. It is now engaged in the manufacturing and marketing of conventional/non-conventional fuel driven three wheelers. The company has been incurring losses again since 2006-07 and has been referred to BIFR. BRPSE on 28th July, 2010 considered a revival proposal and recommended induction of a joint venture partner for revival of SIL. Alternatively, the Company has to be closed down. Accordingly, a revival proposal of Sil has been considered by the Gol on 19.5.2011 and it has been decided to transfer the entire Government equity to a suitable identified strategic partner, after introducing a Resolution in Parliament.

14.03.05. **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. It has been decided with the approval of Minister (HI & PE) that efforts may be made for JV or take over some Railway / Defence Organization or PSEs.

14.03.06. **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.