

**MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES****DEMAND NO. 49****Department of Heavy Industry**

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

		<i>(In crores of Rupees)</i>									
Major Head		Budget 2002-2003			Revised 2002-2003			Budget 2003-2004			
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
	Revenue	29.20	111.41	140.61	29.20	858.94	888.14	32.25	100.65	132.90	
	Capital	70.80	400.00	470.80	70.80	395.42	466.22	67.75	400.00	467.75	
	<b>Total</b>	<b>100.00</b>	<b>511.41</b>	<b>611.41</b>	<b>100.00</b>	<b>1254.36</b>	<b>1354.36</b>	<b>100.00</b>	<b>500.65</b>	<b>600.65</b>	
1.	Secretariat - Economic Services	3451	1.20	5.80	7.00	1.20	5.80	7.00	1.25	6.01	7.26
	<b>Industries</b>										
	<b>Engineering Industries</b>										
2.	Research and Development of Automotive Industry	2852	25.00	25.00	50.00	25.00	25.00	50.00	25.00	25.00	50.00
3.	HMT(Srinagar)	2852	...	9.85	9.85	...	14.43	14.43	...	...	...
4.	<i>Interest Subsidy:</i>										
4.01	Heavy Engineering Corporation Ltd.	2852	...	36.74	36.74	...	36.74	36.74	...	36.74	36.74
4.02	Bharat Bhari Udyog Nigam Ltd.	2852	...	...	...	...	1.34	1.34	...	...	...
	<i>Total</i>		...	36.74	36.74	...	38.08	38.08	...	36.74	36.74
5.	<i>Guarantee Fee Subsidy:</i>										
5.01	Heavy Engineering Corporation Ltd.	2852	...	2.64	2.64	...	2.64	2.64	...	2.64	2.64
5.02	Hindustan Cables Ltd.	2852	...	1.12	1.12	...	1.12	1.12	...	...	...
5.03	Bharat Bhari Udyog Nigam Ltd	2852	...	0.56	0.56	...	0.56	0.56	...	0.56	0.56
5.04	HMT Ltd.	2852	...	4.69	4.69	...	4.69	4.69	...	4.69	4.69
5.05	Tyre Corporation of India Ltd.	2852	...	...	...	...	1.94	1.94	...	...	...
	<i>Total</i>		...	9.01	9.01	...	10.95	10.95	...	7.89	7.89
6.	Interest Subsidy on Bank Finance to PSUs for implementation of VRS	2852	...	25.00	25.00	...	25.00	25.00	...	25.00	25.00
7.	<i>Non-Plan Grants to PSEs</i>										
7.01	Bharat Bhari Udyog Nigam Ltd.	2852	...	...	...	...	56.64	56.64	...	...	...
8.	<i>Write off of Loan</i>										
8.01	Bharat Bhari Udyog Nigam Ltd.	2852	...	...	...	...	139.47	139.47	...	...	...
8.02	Hindustan Paper Corporation	2852	...	...	...	...	2.03	2.03	...	...	...
8.03	Tyre Corporation of India Ltd	2852	...	...	...	...	19.11	19.11	...	...	...
	<i>Total</i>		...	...	...	...	160.61	160.61	...	...	...
9.	<i>Write off of Interest</i>										
9.01	Hindustan Paper Corporation	2852	...	...	...	...	443.18	443.18	...	...	...
9.02	Tyre Corporation of India Ltd	2852	...	...	...	...	79.24	79.24	...	...	...
	<i>Total</i>		...	...	...	...	522.42	522.42	...	...	...
10.	Other Expenditure	2852	3.00	0.01	3.01	3.00	0.01	3.01	6.00	0.01	6.01
	<b>Total-Industries</b>		<b>28.00</b>	<b>105.61</b>	<b>133.61</b>	<b>28.00</b>	<b>853.14</b>	<b>881.14</b>	<b>31.00</b>	<b>94.64</b>	<b>125.64</b>
11.	Lump-sum provision for projects/schemes for the benefit of North East Region and Sikkim	4552	10.00	...	10.00	10.00	...	10.00	10.00	...	10.00
12.	<i>Non Plan Loans to Public Sector Enterprises</i>										
	<b>Engineering Industries</b>										
12.01	National Instruments Ltd.	6858	...	...	...	...	6.69	6.69	...	...	...
12.02	Andrew Yule and Company Ltd.	6858	...	...	...	...	11.78	11.78	...	...	...
12.03	Heavy Engineering Corp. Ltd.	6858	...	...	...	...	14.59	14.59	...	...	...
12.04	Mining and Allied Machinery Corporation Ltd.	6858	...	...	...	...	1.80	1.80	...	...	...
12.05	Bharat Yantra Nigam Ltd.	6858	...	...	...	...	60.84	60.84	...	...	...

(In crores of Rupees)

Major Head	Budget 2002-2003			Revised 2002-2003			Budget 2003-2004			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
12.06 Bharat Bhari Udyog Nigam Ltd.	6858	...	...	...	54.27	54.27	...	...	...	
12.07 Praga Tools Ltd	6858	...	...	...	11.53	11.53	...	...	...	
12.08 Hindustan Cables Ltd.	6858	...	...	...	18.93	18.93	...	...	...	
12.09 Lump Sum for Voluntary Separation Scheme and Statutory dues	6858	...	250.00	250.00	...	...	...	250.00	250.00	
<b>Consumer Industries</b>										
12.10 Tyre Corporation of India Ltd.	6860	...	...	...	4.94	4.94	...	...	...	
12.11 Hindustan Salts Ltd	6860	...	...	...	1.43	1.43	...	...	...	
12.12 NEPA Ltd	6860	...	...	...	48.42	48.42	...	...	...	
12.13 Hindustan Photo Films Mfg. Company Ltd.	6860	...	...	...	15.10	15.10	...	...	...	
12.14 Bharat Leather Corp. Ltd.	6860	...	...	...	0.29	0.29	...	...	...	
12.15 Hindustan Paper Corp. Ltd.	6860	...	...	...	11.98	11.98	...	...	...	
12.16 National Industrial Dev. Corp. Ltd.	6885	...	...	...	10.87	10.87	...	...	...	
12.17 Lump Sum for Revival Schemes of PSEs	6854	...	150.00	150.00	...	72.62	72.62	...	150.00	
12.18 Cement Corporation of India Ltd.	6854	...	...	...	49.34	49.34	...	...	...	
<i>Total</i>	...	400.00	400.00	...	395.42	395.42	...	400.00	400.00	
13. Investments in Public Sector Enterprises	4854	31.75	...	31.75	31.73	...	31.73	15.00	...	
	4858	11.56	...	11.56	11.56	...	11.56	18.84	...	
	4860	2.95	...	2.95	2.95	...	2.95	2.50	...	
	6854	...	...	...	...	...	...	0.01	...	
	6858	11.58	...	11.58	11.58	...	11.58	18.88	...	
	6860	2.96	...	2.96	2.98	...	2.98	2.52	...	
<i>Total</i>	60.80	...	60.80	60.80	...	60.80	57.75	...	57.75	
<b>Grand Total</b>	<b>100.00</b>	<b>511.41</b>	<b>611.41</b>	<b>100.00</b>	<b>1254.36</b>	<b>1354.36</b>	<b>100.00</b>	<b>500.65</b>	<b>600.65</b>	
<b>B. Investments in Public Sector Enterprises</b>	Head of Dev.	Budget Support	I. E. B. R.	Total	Budget Support	I. E. B. R.	Total	Budget Support	I. E. B. R.	Total
<b>Engineering Industries</b>										
13.01 Bharat Heavy Electricals Ltd.	12858	...	178.20	178.20	...	178.00	178.00	...	180.00	180.00
13.02 HMT Ltd	12858	...	29.50	29.50	...	29.50	29.50	5.00	6.00	11.00
13.03 Heavy Engineering Corporation Ltd.	12858	1.00	...	1.00	1.00	...	1.00	0.01	...	0.01
13.04 Scooters India Ltd.	12858	4.51	1.50	6.01	4.51	1.50	6.01	2.00	0.75	2.75
13.05 Hindustan Cables Ltd.	12858	5.00	...	5.00	5.00	...	5.00	6.57	...	6.57
13.06 Instrumentation Ltd.	12858	2.65	...	2.65	2.65	...	2.65	10.12	...	10.12
13.07 Andrew Yule and Co. Ltd.	12858	...	...	...	...	...	...	7.00	...	7.00
13.08 Bharat Yantra Nigam Ltd.	12858	...	16.50	16.50	...	16.50	16.50	3.51	11.00	14.51
13.09 Bharat Bhari Udyog Nigam Ltd.	12858	9.98	1.50	11.48	9.98	...	9.98	3.51	0.10	3.61
13.10 Fluid Control Research Institute	12858	3.00	...	3.00	3.00	...	3.00	3.00	...	3.00
13.11 Engineering Projects (India) Ltd.	12858	...	6.22	6.22	...	6.22	6.22	...	0.80	0.80
<b>Total - Engineering Industries</b>		<b>26.14</b>	<b>233.42</b>	<b>259.56</b>	<b>26.14</b>	<b>231.72</b>	<b>257.86</b>	<b>40.72</b>	<b>198.65</b>	<b>239.37</b>
<b>Consumer Industries</b>										
13.12 Hindustan Paper Corporation Ltd	12860	0.01	85.61	85.62	0.01	106.69	106.70	0.01	57.32	57.33
13.13 NEPA Ltd	12860	...	...	...	...	...	...	0.01	...	0.01
13.14 Hindustan Salts Ltd.	12860	3.90	...	3.90	3.90	...	3.90	5.00	11.10	16.10
13.15 Hindustan Photofilms Manufacturing Co. Ltd.	12860	2.00	...	2.00	2.00	...	2.00	...	...	...
13.16 Tyre Corporation of India Ltd.	12860	...	...	...	0.02	...	0.02	...	...	...
<b>Total - Consumer Industries</b>		<b>5.91</b>	<b>85.61</b>	<b>91.52</b>	<b>5.93</b>	<b>106.69</b>	<b>112.62</b>	<b>5.02</b>	<b>68.42</b>	<b>73.44</b>
<b>Cement &amp; Non-metallic Mineral Industries</b>										
13.17 Cement Corporation of India Ltd.	12854	...	...	...	...	...	...	0.01	...	0.01
13.18 Crucial Balancing Investment for sustained viability of PEs.	12854	5.00	...	5.00	5.00	...	5.00	7.00	...	7.00
<b>Total</b>		<b>37.05</b>	<b>319.03</b>	<b>356.08</b>	<b>37.07</b>	<b>338.41</b>	<b>375.48</b>	<b>52.75</b>	<b>267.07</b>	<b>319.82</b>

(In crores of Rupees)

	Head of Dev.	Budget 2002-2003			Revised 2002-2003			Budget 2003-2004		
		Budget Support	I.E.B.R.	Total	Budget Support	I.E.B.R.	Total	Budget Support	I.E.B.R.	Total
<b>C.Plan Outlay</b>										
1. Engineering Industries	12858	52.34	233.42	285.76	52.34	231.72	284.06	69.97	198.65	268.62
2. Consumer Industries	12860	5.91	85.61	91.52	5.93	106.69	112.62	5.02	68.42	73.44
3. Cement and Non-metallic mineral Industries	12854	31.75	...	31.75	31.73	...	31.73	15.01	...	15.01
4. North Eastern Areas	22552	10.00	...	10.00	10.00	...	10.00	10.00	...	10.00
<b>Total</b>		<b>100.00</b>	<b>319.03</b>	<b>419.03</b>	<b>100.00</b>	<b>338.41</b>	<b>438.41</b>	<b>100.00</b>	<b>267.07</b>	<b>367.07</b>

1. **Secretariat:** Provides for secretariat expenditure of the Department of Heavy Industry.

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 continuous changing safety standards and emission standards at the research institutes i.e. ARAI, Pune, VRDE, Ahmednagar and CIRT, Pune.

3. **HMT Chinar Watches, Ltd. Srinagar:** Provides support for payment of salary and wages to the employees of HMT, Chinar Watches Ltd., Srinagar .

4 & 5. **Interest Subsidy and Guarantee Fee Subsidy:** Provides for carrying out accounting adjustment for transactions arising out of restructuring of the capital base of Hindustan Cables Ltd., Burn Standard Co. Ltd. and Jessop (subsidiaries of Bharat Bhari Udyog Nigam Ltd.), HMT Ltd., and Heavy Engineering Corporation Ltd. , and Tyre Corporation of India Ltd. as a part of their approved revival schemes. These are matched by receipts.

6. **Interest Subsidy on Bank Finance to PSUs for Implementation of VRS:** The provision is towards interest subsidy payable under the scheme for arranging bank finance for PSUs for implementation of VRS.

7. **Grants to PSEs:** Provides for grant to Jessop (A subsidiary of Bharat Bhari Udyog Nigam Ltd.) as a part of its approved revival package.

8. **Write off of loans:** Provides for write off of loans of Jessop (A subsidiary of Bharat Bhari Udyog Nigam Ltd.), Hindustan paper Corporation and Tyre Corporation of India Ltd. as part of their approved revival packages.

9. **Write off of interest:** Provides for write off/waiver of interest due and accrued in the case of Hindustan Paper Corporation and Tyre Corporation of India Ltd. as a part of their approved revival packages.

10. **Other Expenditure:** Provides for grants to Fluid Control Research Institute, etc. and coal gassification projects. FCRI was established in 1987 as a UNDP project for undertaking activities connected with flow measuring and control devices and to provide the basic framework for technology development and flow products, for India and South East Asia.

11. **Provision for North Eastern Region and Sikkim:** Provides for projects/schemes for the benefit of North Eastern region and Sikkim.

12. **Non-Plan Loans to Public Sector Enterprises:** 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 Rs.250 crore for meeting cash losses, implementation of VRS/VSS and reduction of statutory dues of the employees. Another lump sum provision of Rs.150 crore is meant for meeting the expenditure on restructuring/revival schemes of loss making PSEs.

13. **Support to Public Sector Enterprises:** Provides for budgetary support to PSEs by way of loans and equity, mostly in

the ratio of 50:50, for taking up continuing schemes for development, diversification, debottlenecking, modernisation, renewal & replacement, etc. to improve their performance and viability.

13.01 **Bharat Heavy Electricals Ltd.:** It was incorporated in 1960. It is engaged in the manufacture, supply, erection and commissioning of power generating equipment, transmission and transportation equipment for electricity boards and other core sectors of the economy like steel, fertilizer, metallurgical and mineral industries.

13.02 **HMT Ltd.:** It was incorporated in 1953. 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 organisational restructuring, its watch, machine tools, bearings and International business groups have been converted into wholly owned subsidiaries namely, HMT (Watches) Ltd., HMT (Machine Tools) Ltd., HMT (Bearings) Ltd., HMT (Chinar Watches) Ltd. and HMT (International) Ltd.

13.03 **Heavy Engineering Corporation Ltd.:** It was incorporated in 1958. It comprises of three engineering units, Heavy Machine Building Plant, Heavy Machine Tools Plant and the Foundry Forge Plant. The Corporation produces steel plant equipment, excavators, planing machines, boring machines and also castings and forgings. BIFR has sanctioned a revival/restructuring plan which was implemented but failed. Further restructuring is proposed in consultation with the Govt. of Jharkhand.

13.04 **Scooters India Ltd.:** It was incorporated in 1972. It is engaged in the manufacture of scooters, three wheelers and fans. BIFR has sanctioned a revival/restructuring plan. It has started showing profit and has come out of the purview of BIFR.

13.05 **Hindustan Cables Ltd.:** It was incorporated in 1952. It is engaged in the manufacture of sophisticated telecommunication cables in India. A restructuring plan has been implemented. HCL has been referred to Min. of Disinvestment for disinvestment has since been returned to Deptt. of Heavy Industry.

13.06 **Instrumentation Ltd.:** It was incorporated in 1964 with the objective of attaining maximum self-reliance in providing instrumentation and control systems to key sectors of economy such as thermal power plants, steel plants, fertilizer plants, refineries and other process plants. A revival plan has been sanctioned. ILK has been referred to Min. of Disinvestment for disinvestment.

13.07 **Andrew Yule and Company Ltd.:** It was incorporated in 1979. Primarily involved in manufacturing activities, the Company at present has eight units which manufacture industrial fans and tea machinery, HT&LT electrical equipment, contactors, overload relays, moulded case circuit breakers, power distribution transformers, switchgears, conveyor belts, fans & V-belts, air pollution control equipment and production of tea. A restructuring plan has been implemented.

**13.08 Bharat Yantra Nigam Limited:** It was incorporated as a Holding Company in 1986 with six subsidiaries, namely, Bharat Heavy Plate and Vessels Ltd.(BHPV), Bharat Pumps and Compressors Ltd.(BPCL), Triveni Structurals Ltd.(TSL), Tungabhadra Steel Products Ltd.(TSPL), Richardson and Cruddas (1972) Ltd.(R&C), and Bridge and Roof Co. Ltd. The Corporate Office of the Company is at Allahabad, Uttar Pradesh. BIFR has sanctioned revival/restructuring plans for Bharat Pumps and Compressors Ltd., Triveni Structurals Ltd. and Richardson & Cruddas (1972) Ltd. In the case of BHPV, R&C and TSPL disinvestment process has been initiated. In the case of TSL, possibilities are being explored for change of management/ takeover/merger etc. In the case of B&R financial restructuring is under consideration.

**13.09 Bharat Bhari Udyog Nigam Limited:** It was incorporated in 1986 as a holding Company consisting of seven subsidiary companies, namely, Burn Standard Co. Ltd.(BSCL), Jessop and Co. Limited (JCL), Braithwaite & Co. Limited (BCL), Bharat Wagon and Engineering Company Limited (BWEL), Bharat Processing and Mechanical Engineers Limited (BPMEL), and BBJ Construction Company Limited. Its corporate office is at Kolkatta. BIFR has sanctioned revival/restructuring plans for Braithwaite and Company Ltd., Burn Standard Co. Ltd. including its subsidiaries and JCL. The plans are under implementation. M/s BPMEL and its subsidiary Weighbird India Ltd. (WIL) have been closed and the companies are under winding up. All the employees in RBL, a subsidiary of BSCL, and WIL have opted for VSS/VRS and have been relieved. Seven loss making refractory units and Jellingham fabrication yard of BSCL have been closed. In the case of Bharat Brakes and Valves Ltd., a subsidiary of BSCL, closure is contemplated. All the employees of BBVL have been separated under VRS. In the case of BWEL, BCL, BBJ and BSCL disinvestment process has been initiated. In the case of Jessop, proposal of disinvestment has been approved.

**13.10 Fluid Control Research Institute (FCRI):** It was incorporated in 1987 as a UNDP project for undertaking activities connected with flow measuring and control devices and to provide the basic framework for technology development and flow products, for India and South-East Asia.

**13.11 Engineering Projects (India) Ltd.:** It was incorporated in 1970. The main objective of the company is the optimum utilisation of technology and production facilities and the resources available in public sector as well as private sector for supply and

erection activities required for implementing industrial and other projects on turnkey basis in India and abroad. A restructuring plan has been sanctioned and is under implementation.

**13.12 Hindustan Paper Corporation Ltd.:** It was incorporated in 1970 with the objective of establishing pulp and paper and newsprint mills in the country. It has got 2 units and 3 subsidiaries. A restructuring plan is under consideration. Its loss making subsidiary, Mandya National paper Mills Ltd., has already been closed under the ID Act and is now under winding up.

**13.13 NEPA Ltd.:** It was incorporated in 1958. It produces Newsprint only. Disinvestment Plan has not succeeded so far.

**13.14 Hindustan Salts Ltd.:** It was incorporated in 1958. It is engaged in the manufacture and sale of salt and bromine. It has a subsidiary company called Sambhar Salts Limited.

**13.15 Hindustan Photo Films Mfg. Company Limited:** It was incorporated in 1960. It is engaged in the manufacture of photo-sensitised films, cine positive (black and white), cine film sound negative, medical x-ray film etc. Due to accumulated losses, it is under reference to BIFR. A revival plan is under consideration.

**13.16 Tyre Corporation of India Ltd.:** It was incorporated in 1984, by taking over the nationalised undertakings of two sick companies, namely, M/s Inchek Tyres Ltd. and National Rubber Manufacturers Ltd. It produces automobile and cycle tyres and tubes and other rubber goods like fan, V-belts, etc. The company has modernised its tyre making unit at Kakinada. However, due to accumulated losses, it is under reference to BIFR. Its Tangra unit has been closed.

**13.17 Cement Corporation of India Ltd.:** It was incorporated in 1965 with the objective of setting up cement factories in public sector to achieve self-sufficiency in cement production in the country. It has three operating and seven non-operating units. Due to accumulated losses, it is under reference to BIFR. All the units of CCI are proposed to be sold and the process is on.

**13.18 Crucial Balancing Investment for sustained viability of Public Enterprises:** Lumpsum provision to be subsequently re-appropriated in favour of other PEs under the Department as per their requirement of funds, mainly for Capital Investments based on Government approvals, keeping in view, the provisions of New Service/New Instrument of Service.