

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 2003-2004			Revised 2003-2004			Budget 2004-2005			
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
	Revenue	32.25	100.65	132.90	25.25	155.62	180.87	59.87	100.00	159.87	
	Capital	67.75	400.00	467.75	59.75	494.38	554.13	71.13	400.00	471.13	
	Total	100.00	500.65	600.65	85.00	650.00	735.00	131.00	500.00	631.00	
1.	Secretariat - Economic Services	3451	1.25	6.01	7.26	1.25	6.01	7.26	2.87	6.43	9.30
	Industries										
	Engineering Industries										
2.	Research and Development of Automotive Industry	2852	25.00	25.00	50.00	20.00	25.00	45.00	47.00	25.00	72.00
3.	Maruti Udyog Ltd. buyback of shares	2852	...	...	...	...	8.26	8.26	...	...	...
4.	<i>Interest Subsidy:</i>										
4.01	Heavy Engineering Corporation Ltd.	2852	...	36.74	36.74	...	36.74	36.74	...	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	...	2.57	2.57
5.02	Bharat Bhari Udyog Nigam Ltd.	2852	...	0.56	0.56	...	0.56	0.56	...	0.56	0.56
5.03	HMT Ltd.	2852	...	4.69	4.69	...	4.69	4.69	...	4.69	4.69
	<i>Total</i>		...	7.89	7.89	...	7.89	7.89	...	7.82	7.82
6.	Interest Subsidy on Bank Finance to PSUs for implementation of VRS	2852	...	25.00	25.00	...	25.00	25.00	...	24.00	24.00
7.	<i>Non-Plan Grants to PSEs</i>										
7.01	Bharat Bhari Udyog Nigam Ltd.	2852	...	...	...	...	46.71	46.71	...	...	...
8.	<i>Write off of Loan</i>										
8.01	Bharat Bhari Udyog Nigam Ltd.	2852	...	...	...	...	139.47	139.47	...	...	...
8.02	Less - Receipts Netted	0852	...	...	...	...	-139.47	-139.47	...	...	...
	<i>Net</i>		...	...	...	...	...	...	...	...	...
9.	<i>Write off of Interest</i>										
9.01	Bharath Bhari Udyog Nigam Ltd.	2852	...	...	...	...	1.34	1.34	...	...	...
9.02	Less - Receipts Netted	0852	...	...	...	...	-1.34	-1.34	...	...	...
	<i>Net</i>		...	...	...	...	...	...	...	...	...
10.	Other Expenditure	2852	6.00	0.01	6.01	4.00	0.01	4.01	10.00	0.01	10.01
	Total-Industries		31.00	94.64	125.64	24.00	149.61	173.61	57.00	93.57	150.57
11.	Lump-sum provision for projects/ schemes for the benefit of North Eastern Region and Sikkim	4552	10.00	...	10.00	8.50	...	8.50	13.00	...	13.00
12.	Non Plan Loans to Public Sector Enterprises										
	Engineering Industries										
12.01	Andrew Yule and Company Ltd.	6858	...	...	...	...	0.47	0.47	...	...	...
12.02	Mining and Allied Machinery Corporation Ltd.	6858	...	...	...	...	1.68	1.68	...	...	...
12.03	Bharat Yantra Nigam Ltd.	6858	...	...	...	...	28.23	28.23	...	...	...
12.04	Bharat Bhari Udyog Nigam Ltd.	6858	...	...	...	...	19.89	19.89	...	...	...
12.05	Praga Tools Ltd	6858	...	...	...	...	1.63	1.63	...	...	...
12.06	HMT Ltd.	6858	...	...	...	...	173.53	173.53	...	...	...
12.07	Lump Sum for Voluntary Separation Scheme and Statutory dues	6858	...	250.00	250.00	...	100.31	100.31	...	250.00	250.00
	Consumer Industries										
12.08	Tyre Corporation of India Ltd.	6860	1.40	1.40
12.09	Hindustan Salts Ltd	6860	0.50	0.50

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		(In crores of Rupees)								
Major Head	Budget 2003-2004			Revised 2003-2004			Budget 2004-2005			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
12.10 NEPA Ltd	6860	...	...	...	1.73	1.73	...	...	...
12.11 Bharat Leather Corp. Ltd.	6860	...	...	...	0.08	0.08	...	...	...
12.12 National Industrial Dev. Corp. Ltd.	6885	...	...	...	1.80	1.80	...	...	...
12.13 Lump Sum for Revival Schemes of PSEs	6854	...	150.00	150.00	...	124.34	124.34	...	150.00	150.00
12.14 Cement Corporation of India Ltd.	6854	...	...	...	...	38.79	38.79	...	...	...
Total - Non Plan Loans to Public Sector Enterprises		...	400.00	400.00	...	494.38	494.38	...	400.00	400.00
13. Investments in Public Sector Enterprises	4854	15.00	...	15.00	14.67	...	14.67	10.00	...	10.00
	4858	18.84	...	18.84	16.43	...	16.43	21.71	...	21.71
	4860	2.50	...	2.50	2.00	...	2.00	2.32	...	2.32
	6854	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
	6858	18.88	...	18.88	16.12	...	16.12	21.73	...	21.73
	6860	2.52	...	2.52	2.02	...	2.02	2.36	...	2.36
	Total	57.75	...	57.75	51.25	...	51.25	58.13	...	58.13
Grand Total		100.00	500.65	600.65	85.00	650.00	735.00	131.00	500.00	631.00
B. Investments in Public Sector Enterprises	Head of Dev.	Budget Support	I. E. B. R.	Total	Budget Support	I. E. B. R.	Total	Budget Support	I. E. B. R.	Total
Engineering Industries										
13.01 Bharat Heavy Electricals Ltd.	12858	...	180.00	180.00	...	156.00	156.00	...	181.48	181.48
13.02 HMT Ltd	12858	5.00	6.00	11.00	5.00	...	5.00	11.02	...	11.02
13.03 Heavy Engineering Corporation Ltd.	12858	0.01	...	0.01	0.01	...	0.01	3.00	...	3.00
13.04 Scooters India Ltd.	12858	2.00	0.75	2.75	...	0.75	0.75	0.01	2.80	2.81
13.05 Hindustan Cables Ltd.	12858	6.57	...	6.57	6.57	...	6.57	2.02	...	2.02
13.06 Instrumentation Ltd.	12858	10.12	...	10.12	10.12	...	10.12	8.46	...	8.46
13.07 Andrew Yule and Co. Ltd.	12858	7.00	...	7.00	7.00	...	7.00	8.00	...	8.00
13.08 Praga Tools Ltd.	12858	...	...	...	...	...	...	0.35	...	0.35
13.09 Bharat Yantra Nigam Ltd.	12858	3.51	11.00	14.51	...	11.00	11.00	3.04	10.00	13.04
13.10 Bharat Bhari Udyog Nigam Ltd.	12858	3.51	0.10	3.61	3.51	...	3.51	7.54	...	7.54
13.11 Fluid Control Research Institute	12858	3.00	...	3.00	3.00	...	3.00	3.00	...	3.00
13.12 Engineering Projects (India) Ltd.	12858	...	0.80	0.80	...	0.80	0.80	...	0.88	0.88
13.13 Maruti Udyog Ltd.	12858	...	...	...	0.34	...	0.34	...	...	...
Total - Engineering Industries		40.72	198.65	239.37	35.55	168.55	204.10	46.44	195.16	241.60
Consumer Industries										
13.14 Hindustan Paper Corporation Ltd	12860	0.01	57.32	57.33	0.01	33.27	33.28	0.01	58.52	58.53
13.15 NEPA Ltd	12860	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
13.16 Hindustan Salts Ltd.	12860	5.00	11.10	16.10	4.00	...	4.00	4.65	...	4.65
13.17 Hindustan Photofilms Manufacturing Co. Ltd.	12860	...	...	...	...	...	...	0.01	...	0.01
Total - Consumer Industries		5.02	68.42	73.44	4.02	33.27	37.29	4.68	58.52	63.20
Cement & Non-metallic Mineral Industries										
13.18 Cement Corporation of India Ltd.	12854	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
13.19 Crucial Balancing Investment for sustained viability of PEs.	12854	7.00	...	7.00	6.67	...	6.67	5.00	...	5.00
Total		52.75	267.07	319.82	46.25	201.82	248.07	56.13	253.68	309.81
C. Plan Outlay										
1. Engineering Industries	12858	69.97	198.65	268.62	57.80	168.55	226.35	103.31	195.16	298.47
2. Consumer Industries	12860	5.02	68.42	73.44	4.02	33.27	37.29	4.68	58.52	63.20
3. Cement and Non-metallic mineral Industries	12854	15.01	...	15.01	14.68	...	14.68	10.01	...	10.01
5. North Eastern Areas	22552	10.00	...	10.00	8.50	...	8.50	13.00	...	13.00
Total		100.00	267.07	367.07	85.00	201.82	286.82	131.00	253.68	384.68

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.

4 & 5. **Interest Subsidy and Guarantee Fee Subsidy:** Provides for interest subsidy and guarantee fee subsidy to Bharat Bhari Udyog Nigam Ltd., HMT Ltd., Heavy Engineering Corporation as a part of their approved revival schemes.

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

10. **Other Expenditure:** Provides for grants to Fluid Control Research Institute (FCRI), 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 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 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. **Investment in Public Enterprises:** Provides for budgetary support to PSEs by way of loan and equity, mostly in the ratio of 50:50, for taking up continuing schemes for development, diversification, debottlenecking, modernization, 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, fertiliser, metallurgical and mineral industries. It has 14 manufacturing divisions, 9 service centres and 4 power sector regional centres. The Company has supplied power stations on turnkey basis in India and abroad.

13.02 **HMT 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, wristwatches, 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 had 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. It has got three units at Rupnarainpur, Hyderabad and Allahabad. A restructuring plan has been implemented.

13.06 **Instrumentation Ltd.(ILK):** 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, fertiliser plants, refineries and other process plants. 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< electrical equipment, contractors, 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 **Praga Tools Ltd. (PTL):** The Company became a subsidiary of HMT Ltd. from 1988. It has three divisions viz. Machine Tools Division, Forge and Foundry Division and CNC Division. The main products of the Company are cutters and tool grinders, surface grinders, universal milling machines, copying lathes, thread voltting machines and drilling machines, forging and accessories. Efforts for Joint Venture/Disinvestment have not been successful. BIFR to decide on the future of PTL.

13.09 **Bharat Yantra Nigam Ltd.:** 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 Company 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.

13.10 **Bharat Bhari Udyog Nigam Ltd.:** It was incorporated in 1986 as a holding Company consisting of seven subsidiary companies, namely, Burn Standard Co. Ltd.(BSCL), Jessop and Company Ltd.(JCL), Braithwaite and Company Ltd.(BCL), Bharat Wagon and Engineering Co. Ltd.(BWEL), Bharat Processing and Mechanical Engineers Ltd.(BPMEL) and BBJ Construction Co. Ltd. Its corporate office is at Kolkata. BIFR has sanctioned revival/restructuring plans for BCL, BSCL 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. The disinvestment of Jessop & Co. Ltd. has been completed.

13.11 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.

13.12 Engineering Projects (India) Ltd.: It was incorporated in 1970. The main objective of the company is 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 approved by the Govt. has been implemented.

13.14 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 two units and three 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.

13.15 NEPA Ltd.: It was incorporated in 1958. It produces newsprint only. Disinvestment plan has not succeeded so far.

13.16 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 Ltd.

13.17 Hindustan Photo Films Manufacturing Company Ltd.: It was incorporated in 1960. It is engaged in the manufacture of photosensitised films, cine positive (black and white), cine films sound negative, medical X-ray film etc. Due to accumulated losses, it is under reference to BIFR. A revival plan is under consideration.

13.18 Cement Corporation of India Ltd.: It was incorporated in 1965 with the objective of setting up cement factories in the 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.

13.19 Crucial Balancing Investment for sustained viability of Public Sector Enterprises: Lump sum provision to be subsequently re-appropriated in favour of other public enterprises 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.