

MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

DEMAND NO. 48

Department of Heavy Industry

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

		(In crores of Rupees)								
Major Head	Budget 2005-2006			Revised 2005-2006			Budget 2006-2007			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	245.70	55.32	301.02	245.70	55.32	301.02	269.12	55.84	324.96	
Capital	160.30	400.00	560.30	254.30	516.00	770.30	180.88	400.00	580.88	
Total	406.00	455.32	861.32	500.00	571.32	1071.32	450.00	455.84	905.84	
1. Secretariat - Economic Services	3451	1.90	6.31	8.21	1.90	6.31	8.21	1.10	6.83	7.93
Industries										
Engineering Industries										
2. Research and Development of Automotive Industry	2852	181.00	25.00	206.00	181.00	25.00	206.00	200.00	25.00	225.00
3. Modernisation of Capital Goods Sector	2852	...	...	...	...	...	...	0.01	...	0.01
4. Bharat Earth Movers Limited	2852	56.00	...	56.00	56.00	...	56.00	64.00	...	64.00
5. Guarantee Fee Subsidy:										
5.01 Heavy Engineering Corporation Ltd.	2852	...	2.53	2.53	...	2.53	2.53	...	2.53	2.53
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>	<i>7.78</i>	<i>7.78</i>	<i>7.78</i>	<i>7.78</i>	<i>7.78</i>	<i>7.78</i>	<i>7.78</i>
5.04 Less - Receipts Netted	0852	...	-7.78	-7.78	...	-7.78	-7.78	...	-7.78	-7.78
			<i>Net</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
6. Interest Subsidy on Bank Finance to PSUs for implementation of VRS	2852	...	24.00	24.00	...	24.00	24.00	...	24.00	24.00
7. Write off of Loan										
7.01 Hindustan Salts Ltd.	2852	...	...	...	...	28.84	28.84	...	...	...
7.02 Less - Receipts Netted	0852	...	...	...	...	-28.84	-28.84	...	...	...
			<i>Net</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
8. Waiver of Interest										
8.01 Hindustan Salts Ltd.	2852	...	...	...	...	40.18	40.18	...	...	...
8.02 Bharat Yantra Nigam Ltd. - B&R	2852	...	...	...	...	31.91	31.91	...	...	...
8.03 Bharat Bhari Udyog Nigam Ltd. - BBJ	2852	...	...	...	...	30.73	30.73	...	...	...
			<i>Total</i>	<i>...</i>	<i>...</i>	<i>102.82</i>	<i>102.82</i>	<i>...</i>	<i>...</i>	<i>...</i>
8.04 Less - Receipts Netted	0852	...	...	...	...	-102.82	-102.82	...	...	...
			<i>Net</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
9. Other Expenditure	2852	6.80	0.01	6.81	6.80	0.01	6.81	4.01	0.01	4.02
Total-Industries		243.80	49.01	292.81	243.80	49.01	292.81	268.02	49.01	317.03
10. Lump-sum provision for projects/schemes for the benefit of North Eastern Region and Sikkim	4552	40.60	...	40.60	40.60	...	40.60	45.09	...	45.09
11. Lumpsum provision for restructuring of PSEs	6858	1.00	...	1.00	95.00	...	95.00	87.82	...	87.82
12. Non-Plan Loans to Public Sector Enterprises										
Engineering Industries										
12.01 Andrew Yule and Company Ltd.	6858	...	...	...	...	7.22	7.22	...	...	...
12.02 Bharat Yantra Nigam Ltd.	6858	...	...	...	...	48.73	48.73	...	...	...
12.03 Bharat Bhari Udyog Nigam Ltd.	6858	...	...	...	...	7.40	7.40	...	...	...
12.04 Praga Tools Ltd.	6858	...	...	...	...	2.07	2.07	...	...	...
12.05 HMT Ltd.	6858	...	...	...	...	60.39	60.39	...	...	...
12.06 Lump Sum for Voluntary Separation Scheme and Statutory dues	6858	...	250.00	250.00	...	80.24	80.24	...	250.00	250.00
12.07 National Instruments Ltd.	6858	...	...	...	...	0.69	0.69	...	...	...
12.08 Hindustan Cables Ltd.	6858	...	...	...	...	117.77	117.77	...	...	...
12.09 Bharath Ophthalmic Glass Ltd.	6858	...	...	...	...	0.96	0.96	...	...	...
12.10 Instrumentation Limited, Kota	6858	32.69	32.69
Consumer Industries										
12.11 Hindustan Salts Ltd.	6860	0.50	0.50

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		<i>(In crores of Rupees)</i>								
Major Head	Budget 2005-2006			Revised 2005-2006			Budget 2006-2007			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
12.12 NEPA Ltd.	6860	...	...	...	12.42	12.42	...	...	...
12.13 National Industrial Dev. Corp. Ltd.	6885	...	...	...	0.06	0.06	...	...	...
12.14 Lump-Sum provision for Revival Schemes of PSEs	6854	...	150.00	150.00	...	131.88	131.88	...	150.00	150.00
12.15 Hindustan Photo Films Manufacturing Ltd	6860	...	...	...	12.98	12.98	...	...	...
Total - Non Plan Loans to Public Sector Enterprises		...	400.00	400.00	...	516.00	516.00	...	400.00	400.00
13. Investments in Public Sector Enterprises	4854	12.50	...	12.50	12.50	...	12.50	12.60	...	12.60
	4858	56.80	...	56.80	56.80	...	56.80	16.74	...	16.74
	4860	3.97	...	3.97	3.97	...	3.97	1.35	...	1.35
	6854	1.50	...	1.50	1.50	...	1.50	0.01	...	0.01
	6858	39.93	...	39.93	39.93	...	39.93	15.88	...	15.88
	6860	4.00	...	4.00	4.00	...	4.00	1.39	...	1.39
	<i>Total</i>	<i>118.70</i>	...	<i>118.70</i>	<i>118.70</i>	...	<i>118.70</i>	<i>47.97</i>	...	<i>47.97</i>
Grand Total		406.00	455.32	861.32	500.00	571.32	1071.32	450.00	455.84	905.84
B. Investments in Public Enterprises	Head of Dev.	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
Engineering Industries										
13.01 Bharat Heavy Electricals Ltd.	12858	...	199.39	199.39	...	199.39	199.39	...	440.00	440.00
13.02 HMT Ltd	12858	28.57	...	28.57	28.57	...	28.57	6.20	...	6.20
13.03 Heavy Engineering Corporation Ltd.	12858	1.67	...	1.67	1.67	...	1.67	0.01	...	0.01
13.04 Scooters India Ltd.	12858	8.50	2.50	11.00	8.50	2.50	11.00	5.20	1.00	6.20
13.05 Hindustan Cables Ltd.	12858	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
13.06 Instrumentation Ltd.	12858	12.02	...	12.02	12.02	...	12.02	0.01	...	0.01
13.07 Andrew Yule and Co. Ltd.	12858	8.00	...	8.00	8.00	...	8.00	5.00	...	5.00
13.08 Praga Tools Ltd.	12858	3.00	1.50	4.50	3.00	1.50	4.50	2.00	...	2.00
13.09 Bharat Yantra Nigam Ltd.	12858	3.06	...	3.06	3.06	...	3.06	0.07	...	0.07
13.10 Bharat Bhari Udyog Nigam Ltd.	12858	15.00	...	15.00	15.00	...	15.00	11.07	9.50	20.57
13.11 Engineering Projects (India) Ltd.	12858	...	6.00	6.00	...	6.00	6.00	...	6.00	6.00
13.12 Bharat Earth Movers Limited	12858	16.90	...	16.90	16.90	...	16.90	1.00	97.40	98.40
13.13 Rajasthan Electronics & Instrument Ltd.	12858	...	26.48	26.48	...	26.48	26.48	2.05	6.96	9.01
13.14 Tyre Corporation of India Ltd.	12858	...	5.62	5.62	...	5.62	5.62	0.70	1.30	2.00
Total - Engineering Industries		96.73	241.49	338.22	96.73	241.49	338.22	33.32	562.16	595.48
Consumer Industries										
13.15 Hindustan Paper Corporation Ltd	12860	0.01	128.30	128.31	0.01	128.30	128.31	1.01	129.28	130.29
13.16 Hindustan Newsprints Ltd.	12860	...	29.08	29.08	...	29.08	29.08	...	218.78	218.78
13.17 NEPA Ltd	12860	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
13.18 Hindustan Salts Ltd.	12860	7.94	...	7.94	7.94	...	7.94	1.01	...	1.01
13.19 Hindustan Photofilms Manufacturing Co. Ltd.	12860	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
Total - Consumer Industries		7.97	157.38	165.35	7.97	157.38	165.35	2.04	348.06	350.10
Cement & Non-metallic Mineral Industries										
13.20 Cement Corporation of India Ltd.	12854	3.00	...	3.00	3.00	...	3.00	0.01	...	0.01
13.21 Crucial Balancing Investment for sustained viability of PSUs	12854	4.00	...	4.00	4.00	...	4.00	2.60	...	2.60
13.22 Addition, Modification & Replacement Scheme in PSUs	12854	7.00	...	7.00	7.00	...	7.00	10.00	...	10.00
Total		118.70	398.87	517.57	118.70	398.87	517.57	47.97	910.22	958.19
C. Plan Outlay										
1. Engineering Industries	12858	343.43	241.49	584.92	437.43	241.49	678.92	389.56	562.16	951.72
2. Consumer Industries	12860	7.97	157.38	165.35	7.97	157.38	165.35	2.74	348.06	350.80
3. Cement and Non-metallic mineral Industries	12854	14.00	...	14.00	14.00	...	14.00	12.61	...	12.61
4. North Eastern Areas	22552	40.60	...	40.60	40.60	...	40.60	45.09	...	45.09
Total		406.00	398.87	804.87	500.00	398.87	898.87	450.00	910.22	1360.22

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 and other R&D institutes in the country.

3. A token provision is kept for Modernisation of Capital Goods Sector.

4. **Bharat Earth Movers Ltd.(BEML):** Provides for grant allocation towards support to Bharat Earth Movers Ltd. (a PSE under M/o Defence) for R&D expansion.

5. **Guarantee Fee Subsidy:** The provision has been made for carrying out accounting adjustment for transaction arising out of restructuring of the capital base of Bharat Bhari Udyog Nigam Ltd., HMT Ltd. and Heavy Engineering Corporation 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:** Provision is towards interest subsidy payable under the scheme for arranging bank finance for PSUs for implementation of VRS.

9. **Other Expenditure:** Provides for grants to Fluid Control Research Institute 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. This includes Grants-in-aid to Industrial Associations and PSUs for undertaking promotional activities and Commissioner of Payments, Kolkata.

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

11. **Lump sum provision for restructuring of PSEs:** This provision is for restructuring of PSEs under Department of Heavy Industry. This includes Plan support for Revival Packages.

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. 250.00 crore for implementation of VRS/VSS and reduction of statutory dues of the employees. Another lump sum provision of Rs. 150.00 crore is meant for meeting the expenditure on restructuring/revival schemes of loss making PSEs.

12.01 **Andrew Yule and Company Ltd.(AYCL):** It was incorporated in 1948 and became a PSU in 1979. The company is primarily involved in manufacturing activities. The company at present has 8 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.

12.02 **Bharat Yantra Nigam Ltd.(BYNL):** It was incorporated as a holding company in 1986 with six subsidiaries, namely, Bharat Heavy Plate & Vessels Ltd. (BHPV), Bharat Pumps & Compressors Ltd. (BPCL), Triveni Structural Ltd. (TSL), Tungabhadra Steel Products Ltd. (TSPL), Richardson and Cruddas (1972) Ltd. (R&C) and Bridge & Roof Co. Ltd. (B&R). The Corporate Office of the Company is at Allahabad, Uttar Pradesh. The revival proposals in respect of subsidiary companies have been placed before the BRPSE which have recommended favourably in case of B&R, BPCL and TSPL. The approved revival proposal of B&R is under implementation.

12.03 **Bharat Bhari Udyog Nigam Ltd.(BBUNL):** It was incorporated in 1986 as a holding company consisting of seven subsidiary companies, namely, Burn Standard Co. Ltd. (BSCL), Jessop & Company Ltd. (JCL), Braithwaite & Company Ltd. (BCL), Bharat Wagon & Engineering Co. Ltd. (BWEL), Bharat Process & Mechanical Engineers Ltd. (BPMEL) and Lagan Jute Machinery Co. Ltd. (LJMC). Of these, majority shareholding has been transferred to strategic partners in respect of two subsidiary companies, namely, JCL and LJMC. BPMEL and its subsidiary Weighbird India Ltd. (WIL) have been closed and the assets of the company have been taken over by the Liquidator. BSCL, BCL & BWEL are sick companies under reference to BIFR. BSCL's seven loss-making refractory units and two subsidiary companies, viz., Bharat Brakes & Valves Ltd. (BBVL) and Reyrolle Burn Ltd. (RBL) have been closed. BIFR-sanctioned revival schemes in respect of BSCL and BCL have been declared as failed. However, with the change of Government's policy and setting-up of Board for Reconstruction of Public Sector Enterprises (BRPSE), it has been decided to revive these companies through restructuring. BRPSE has already recommended revival of BBJ, BCL & BWEL and the Government has approved financial restructuring in respect of BBJ & BCL. Restructuring/revival proposal in respect of BSCL is under formulation.

12.04 **Praga Tools Ltd. (PTL):** The Company became a subsidiary of HMT Ltd. from 1988. It has three Divisions, viz. Machine Tools Division, Forge & Foundry Division and CNC Division. The main products of the Company are cutters and tool grinders, surface grinders, universal milling machines, copying lathes, thread rolling machines and drilling machines, forging and accessories. Revival/restructuring package of the Company have since been approved by the Cabinet Committee with the direction to merge with HMT Ltd.

12.05 **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. 4 unviable units of HMT have been closed. Subsequently, as an organizational 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. The revival package for HMT Bearings Ltd. has since been approved.

12.07 National Instruments Ltd. (NIL): The Company was incorporated in 1957. It is engaged in manufacturing of different types of optical and opto-electronic instruments mainly in the surveying field. The Company is currently engaged in trading business also for surveying instruments, which are mostly imported items. There is practically no in-house production.

12.08 Hindustan Cables Ltd. (HCL): HCL, a Government of India Undertaking, had been a pioneer in the field of Telecom Cables in India for the last five decades. 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. All the units of the Company and the Turnkey Project Division have been accredited with ISO 9002 Certification. But the Company has been registered under Sick Industrial Companies (Special Provision) Act, 1985 by the BIFR and State Bank of India have been appointed as the Operating Agency. The Department of Heavy Industry advised the Company to engage some reputed global consultant to conduct a study for restructuring of HCL and accordingly, M/s. Tata Consultancy Services (TCS) were awarded the job. A proposal has been submitted to the BRPSE regarding the future of HCL.

12.09 Bharat Ophthalmic Glasses Ltd. (BOGL): It was set up in the year 1972 by taking over sick Ophthalmic Glass Plant of National Instruments Ltd., Kolkata. It is engaged in the manufacture of flint buttons and optical items for Defence and Radiation Shielding Window (RSW) glass for the Nuclear Sector. The Company is the only one having facilities for commercial production of flint buttons, optical and RSW glasses.

12.10 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.

12.11 Hindustan Salts Ltd.(HSL): It 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, Government of India. This is the only Central Government Public Sector Undertaking engaged in the manufacture of salt. The Company started its business in January 1959. Later, Government owned salt mines located at Mandi (H.P.) were also taken over by the Company on 1.5.1963. Subsequently, the Sambhar Lake Salt Source was transferred to a newly formed subsidiary company, Sambhar Salts Ltd. registered on 30.9.1964 in terms of V.T. Krishnamachari Award.

12.12 NEPA Ltd.: NEPA Ltd. originally known as "The National Newsprint & Paper Mills Ltd.", was set up in January 1947. The main objectives of the Company are manufacture and sale of Newsprint and Writing & Printing Paper. The Company switched over its operation to Waste Paper Base. BRPSE has recommended financial restructuring upto 31.12.2004 and JV formation with Central Public Sector Enterprises (CPSEs)/State PSEs in Paper Industry failing which JV formation with private partner which may go from 74% to 100%.

12.13 National Industrial Development Corporation Ltd. (NIDC): It was set-up in 1954 as a financial institution. Subsequently, it modified its objectives and engaged itself in providing consultancy services in the field of Civil Engineering Projects, Industrial Townships, Water Supply and Treatment, Restructuring, Technology Up-Gradation, Industrial Projects and development of Computerized Management Information System. Winding-up of the Company is under implementation.

12.15 Hindustan Photo Films Manufacturing Company Ltd.(HPFMCL): It was incorporated in 1960. It is engaged in the manufacture of photosensitized 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.

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, de-bottlenecking, modernization, renewal & replacement etc. to improve their performance and viability.

13.01 Bharat Heavy Electricals Ltd. (BHEL): 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. It has 14 manufacturing divisions, 9 service centres and 4 power sector regional centers. The Company has supplied power stations on turnkey basis in India and abroad. BHEL's products have established an enviable reputation for high quality and reliability.

13.04 Scooters India Ltd.(SIL): It was incorporated in 1972. It is now engaged in the manufacture of three wheelers. BIFR had sanctioned a revival/restructuring plan. It has started showing profit and has come out of the purview of BIFR.

13.11 Engineering Projects (India) Ltd. (EPIL): It was incorporated in 1970. The main objective of the company is the optimum utilization 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. The approved restructuring plan by the Govt. has been implemented.

13.12 Bharat Earth Movers Ltd.(BEML): Provides for plan equity towards support to Bharat Earth Movers Ltd. (a PSE under M/o Defence) for R&D expansion.

13.13 Rajasthan Electronics & Instruments Ltd.(REIL): It was established in 1981 by Instrumentation Limited, Kota (ILK) and Rajasthan State Industrial Development and Investment Corporation Limited (RIICO), Jaipur for the manufacture of Electronic Milk Testers. REIL is a Mini Ratna company aiming at retaining its leadership in the area of Rural Electronics, Non-conventional Energy Systems and Information Technology.

13.14 Tyre Corporation of India Ltd.(TCIL): The Company was incorporated in 24.2.1984 as a wholly owned

Government of India Enterprise. It is manufacturing tyre and doing conversion job for other tyre companies pending revival. BRPSE has recommended for financial restructuring and location of a strategic partner for its revival.

13.15 Hindustan Paper Corporation Ltd.(HPCL): 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.

13.16 Hindustan Newsprint Ltd.(HNL): It was jointly promoted in the year 1970 by M/s Hindustan Paper Corporation Ltd. The main objective of the Company was to establish new pulp/paper newsprint Mills in the country.

13.21 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.

13.22 Lump sum provision for addition, modifications & replacements in PSEs: 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 addition, modifications and replacements schemes based on Government approval keeping in view the provisions of New Service/New Instrument of Service.