

**MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES****DEMAND NO. 48****Department of Heavy Industry**

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

		(In crores of Rupees)								
Major Head	Budget 2006-2007			Revised 2006-2007			Budget 2007-2008			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	269.12	55.84	324.96	135.12	56.00	191.12	221.42	56.30	277.72	
Capital	180.88	400.00	580.88	179.88	400.00	579.88	228.58	400.00	628.58	
<b>Total</b>	<b>450.00</b>	<b>455.84</b>	<b>905.84</b>	<b>315.00</b>	<b>456.00</b>	<b>771.00</b>	<b>450.00</b>	<b>456.30</b>	<b>906.30</b>	
1. Secretariat - Economic Services	3451	1.10	6.83	7.93	1.10	6.95	8.05	1.40	7.29	8.69
<b>Industries</b>										
<b>Engineering Industries</b>										
2. Research and Development of Automotive Industry	2852	200.00	25.00	225.00	130.00	25.00	155.00	...	25.00	25.00
3. National Automotive Testing and R&D Infrastructure Project	2852	...	...	...	...	...	...	200.00	...	200.00
4. National Industrial Development Corporation Ltd.	2852	...	...	...	...	0.04	0.04	...	...	...
5. Modernisation of Capital Goods Sector	2852	0.01	...	0.01	0.01	...	0.01	20.00	...	20.00
6. Bharat Earth Movers Limited	2852	64.00	...	64.00	...	...	...	...	...	...
7. <i>Guarantee Fee Subsidy:</i>										
7.01 Heavy Engineering Corporation Ltd.	2852	...	2.53	2.53	...	2.53	2.53	...	2.53	2.53
7.02 Bharat Bhari Udyog Nigam Ltd.	2852	...	0.56	0.56	...	0.56	0.56	...	0.56	0.56
7.03 HMT Ltd.	2852	...	4.69	4.69	...	4.69	4.69	...	4.69	4.69
7.04 Cement Corporation of India Ltd.	2852	...	...	...	...	10.60	10.60	...	...	...
<i>Total</i>		...	7.78	7.78	...	18.38	18.38	...	7.78	7.78
7.05 Less - Receipts Netted	0852	...	-7.78	-7.78	...	...	...	...	...	...
	0075	...	...	...	...	-18.38	-18.38	...	-7.78	-7.78
<i>Net</i>		...	...	...	...	...	...	...	...	...
8. Interest Subsidy on Bank Finance to PSUs for implementation of VRS	2852	...	24.00	24.00	...	24.00	24.00	...	24.00	24.00
9. <i>Write off of Loan</i>										
9.01 Heavy Engineering Corporation Ltd.	2852	...	...	...	...	786.41	786.41	...	...	...
9.02 Less - Receipts Netted	0852	...	...	...	...	-786.41	-786.41	...	...	...
<i>Net</i>		...	...	...	...	...	...	...	...	...
10. <i>Waiver of Interest</i>										
10.01 Heavy Engineering Corporation Ltd.	2852	...	...	...	...	314.61	314.61	...	...	...
10.02 Cement Corporation of India Ltd.	2852	...	...	...	...	880.63	880.63	...	...	...
<i>Total</i>		...	...	...	...	1195.24	1195.24	...	...	...
10.03 Less - Receipts Netted	0049	...	...	...	...	-1195.24	-1195.24	...	...	...
<i>Net</i>		...	...	...	...	...	...	...	...	...
11. Other Expenditure	2852	4.01	0.01	4.02	4.01	0.01	4.02	0.02	0.01	0.03
<b>Total-Industries</b>		<b>268.02</b>	<b>49.01</b>	<b>317.03</b>	<b>134.02</b>	<b>49.05</b>	<b>183.07</b>	<b>220.02</b>	<b>49.01</b>	<b>269.03</b>
12. Lumpsum provision for projects/ schemes for the benefit of North East Region and Sikkim	4552	45.09	...	45.09	45.09	...	45.09	100.00	...	100.00
13. Lumpsum provision for restructuring of PSEs	4858	...	...	...	...	...	...	98.31	...	98.31
	6858	87.82	...	87.82	87.82	...	87.82	...	...	...
<i>Total</i>		87.82	...	87.82	87.82	...	87.82	98.31	...	98.31
14. Non Plan Loans to Public Sector Enterprises										
<b>Engineering Industries</b>										
14.01 Andrew Yule and Company Ltd.	6858	...	...	...	...	41.11	41.11	...	...	...
14.02 Bharat Yantra Nigam Ltd.	6858	...	...	...	...	31.11	31.11	...	...	...

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		(In crores of Rupees)									
Major Head		Budget 2006-2007			Revised 2006-2007			Budget 2007-2008			
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
14.03	Bharat Bhari Udyog Nigam Ltd.	6858	...	...	...	15.37	15.37	...	...	...	
14.04	HMT Ltd.	6858	...	...	...	69.01	69.01	...	...	...	
14.05	Lumpsum for Voluntary Separation Scheme and Statutory dues	6858	...	250.00	250.00	89.72	89.72	...	250.00	250.00	
14.06	National Instruments Ltd.	6858	...	...	...	0.60	0.60	...	...	...	
14.07	Hindustan Cables Ltd.	6858	...	...	...	63.67	63.67	...	...	...	
14.08	Heavy Engineering Corporation Ltd.	6858	...	...	...	10.18	10.18	...	...	...	
14.09	Instrumentation Ltd. Kota	6858	...	...	...	15.65	15.65	...	...	...	
14.10	Mining and Allied Machinery Corporation Ltd.	6858	...	...	...	0.09	0.09	...	...	...	
<b>Consumer Industries</b>											
14.11	Hindustan Salts Ltd.	6860	...	...	...	0.50	0.50	...	...	...	
14.12	NEPA Ltd.	6860	...	...	...	10.33	10.33	...	...	...	
14.13	Lumpsum for Revival Schemes of PSEs	6854	...	150.00	150.00	24.80	24.80	...	150.00	150.00	
14.14	Cement Corporation of India Ltd.	6854	...	...	...	15.01	15.01	...	...	...	
14.15	Hindustan Photo Films Manufacturing Company Ltd.	6860	...	...	...	12.85	12.85	...	...	...	
<b>Total - Non Plan Loans to Public Sector Enterprises</b>			...	<b>400.00</b>	<b>400.00</b>	...	<b>400.00</b>	<b>400.00</b>	...	<b>400.00</b>	
15.	Investments in Public Sector Enterprises	4854	12.60	...	12.60	12.61	...	12.61	25.01	...	25.01
		4858	16.74	...	16.74	15.73	...	15.73	0.21	...	0.21
		4860	1.35	...	1.35	1.35	...	1.35	2.55	...	2.55
		6854	0.01	...	0.01	0.01	...	0.01	...	...	...
		6858	15.88	...	15.88	15.88	...	15.88	...	...	...
		6860	1.39	...	1.39	1.39	...	1.39	2.50	...	2.50
	<i>Total</i>		47.97	...	47.97	46.97	...	46.97	30.27	...	30.27
<b>Grand Total</b>			<b>450.00</b>	<b>455.84</b>	<b>905.84</b>	<b>315.00</b>	<b>456.00</b>	<b>771.00</b>	<b>450.00</b>	<b>456.30</b>	<b>906.30</b>
<b>B. Investments in Public Sector Enterprises</b>		Head of Dev.	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
<b>Engineering Industries</b>											
15.01	Bharat Heavy Electricals Ltd.	12858	...	440.00	440.00	...	440.00	440.00	...	836.00	836.00
15.02	HMT Ltd.	12858	6.20	...	6.20	6.21	...	6.21	0.05	...	0.05
15.03	Heavy Engineering Corporation Ltd.	12858	0.01	...	0.01	0.01	...	0.01	0.01	75.10	75.11
15.04	Scooters India Ltd.	12858	5.20	1.00	6.20	5.20	1.00	6.20	0.01	...	0.01
15.05	Hindustan Cables Ltd.	12858	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
15.06	Instrumentation Ltd.	12858	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
15.07	Andrew Yule and Co. Ltd.	12858	5.00	...	5.00	5.00	...	5.00	0.01	...	0.01
15.08	Praga Tools Ltd.	12858	2.00	...	2.00	2.00	...	2.00	...	0.50	0.50
15.09	Bharat Yantra Nigam Ltd.	12858	0.07	...	0.07	0.08	...	0.08	0.05	45.00	45.05
15.10	Bharat Bhari Udyog Nigam Ltd.	12858	11.07	9.50	20.57	11.06	9.50	20.56	0.05	8.00	8.05
15.11	Engineering Projects (India) Ltd.	12858	...	6.00	6.00	...	6.00	6.00	...	8.50	8.50
15.12	Bharat Earth Movers Ltd.	12858	1.00	97.40	98.40	...	...	...	...	...	...
15.13	Rajasthan Electronics & Instrument Ltd.	12858	2.05	6.96	9.01	2.03	6.96	8.99	0.01	3.98	3.99
15.14	Tyre Corporation of India Ltd.	12858	0.70	1.30	2.00	0.70	1.30	2.00	0.01	1.52	1.53
<b>Total - Engineering Industries</b>			<b>33.32</b>	<b>562.16</b>	<b>595.48</b>	<b>32.31</b>	<b>464.76</b>	<b>497.07</b>	<b>0.22</b>	<b>978.60</b>	<b>978.82</b>
<b>Consumer Industries</b>											
15.15	Hindustan Paper Corporation Ltd.	12860	1.01	129.28	130.29	1.01	129.28	130.29	5.01	355.88	360.89
15.16	Hindustan Newsprints Ltd.	12860	...	218.78	218.78	...	218.78	218.78	...	510.90	510.90
15.17	NEPA Ltd.	12860	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01

<i>(In crores of Rupees)</i>										
	Head of Dev	Budget 2006-2007			Revised 2006-2007			Budget 2007-2008		
		Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
15.18 Hindustan Salts Ltd.	12860	1.01	...	1.01	1.01	...	1.01	0.01	79.39	79.40
15.19 Hindustan Photofilms Manufacturing Co. Ltd.	12860	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
<b>Total - Consumer Industries</b>		<b>2.04</b>	<b>348.06</b>	<b>350.10</b>	<b>2.04</b>	<b>348.06</b>	<b>350.10</b>	<b>5.04</b>	<b>946.17</b>	<b>951.21</b>
<b>Cement &amp; Non-metallic</b>										
<b>Mineral Industries</b>										
15.20 Cement Corporation of India Ltd.	12854	0.01	...	0.01	0.02	...	0.02	0.01	110.45	110.46
15.21 Crucial Balancing Investment for sustained viability of PSUs	12854	2.60	...	2.60	2.60	...	2.60	...	...	...
15.22 Addition, Modification & Replacement Scheme in PSUs	12854	10.00	...	10.00	10.00	...	10.00	25.00	...	25.00
<b>Total</b>		<b>47.97</b>	<b>910.22</b>	<b>958.19</b>	<b>46.97</b>	<b>812.82</b>	<b>859.79</b>	<b>30.27</b>	<b>2035.22</b>	<b>2065.49</b>
<b>C. Plan Outlay</b>										
1. Engineering Industries	12858	389.56	562.16	951.72	254.55	464.76	719.31	319.94	978.60	1298.54
2. Consumer Industries	12860	2.74	348.06	350.80	2.74	348.06	350.80	5.05	946.17	951.22
3. Cement and Non-metallic mineral Industries	12854	12.61	...	12.61	12.62	...	12.62	25.01	110.45	135.46
4. North Eastern Areas	22552	45.09	...	45.09	45.09	...	45.09	100.00	...	100.00
<b>Total</b>		<b>450.00</b>	<b>910.22</b>	<b>1360.22</b>	<b>315.00</b>	<b>812.82</b>	<b>1127.82</b>	<b>450.00</b>	<b>2035.22</b>	<b>2485.22</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 and other R&D institutes in the country.

3. **National Automotive Testing and R&D Infrastructure Project (NATRIP):** It is the largest and one of the most significant initiatives in Automotive Sector so far, and represents a unique joining of hands between the Government of India, a number of State Governments and the Indian Automotive Industry to create a state of the art testing, validation and R&D infrastructure in the country. The project involves Rs. 1718 crore of investment in two phases of three years' each across seven locations in the country.

In order to facilitate requisite flexibility, expediency as well as involvement of all key stakeholders in the implementation process, the Government of India and the Automotive Industry have joined hands to set up an independent registered Society, namely, NATRIP Implementation Society (NATIS). This is the apex body for implementation of NATRIP and was registered in July 2005 under Societies Registration Act, 1860.

5. Funds are proposed to be provided for Modernisation of Capital Goods Sector.

7. **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., Heavy Engineering Corporation Ltd. & Cement Corporation of India Ltd. as a part of their approved revival schemes. These are matched by receipts.

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

11. **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.

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

13. **Lumpsum provision for restructuring of PSEs:** This provision is for restructuring of PSEs under Department of Heavy Industry. This includes Plan support for Revival Packages.

14. **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.

14.01 **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 6 units, which manufacture industrial fans and tea machinery, HT & LT electrical equipment, contactors, overload relays, moulded case circuit breakers, power distribution transformers, switchgears, air pollution control equipment and production of tea. A restructuring plan has been implemented.

14.02 **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

Structurals 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, TSPL & TSL. The approved revival proposal of B&R has been implemented. The revival proposal in case of BPCL is under implementation.

**14.03 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), Braithwaite Burn & Jessop Construction Co. Ltd. (BBJ), Bharat Process & Mechanical Engineers Ltd. (BPMEL) and Lagan Jute Machinery Co. Ltd. (LJMC). Of these, majority share holdings have 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 Company have been taken over by the Liquidator. BSCL's seven loss making refractory units and two subsidiary companies namely Bharat Brakes and Valves Ltd. (BBVL) and Reyrolle Burn Ltd. (RBL) have also been closed. Out of the four operating subsidiaries of BBUNL, three companies namely BSCL, BCL, BWEL had been sick and under reference to BIFR. M/s. BBJ being a construction company was not within the purview of Sick Industrial Companies (Special Provisions) Act [SICA]. However, with the change of Government's policy and setting-up of Board for Reconstruction of Public Sector Enterprises (BRPSE), it was decided to revive these four companies through financial restructuring. BRPSE has already recommended revival of BCL, BWEL and BBJ. On the basis of the recommendations of BRPSE, BCL and BBJ have been revived by Government during 2005-06, whereas in the case of BWEL recommendations of BRPSE are under consideration. Restructuring/revival proposal in respect of BSCL is under formulation for placing before BRPSE.

**14.04 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, wrist watches, 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 packages for HMT Bearings Ltd. and HMT Machine Tools Ltd. have since been approved.

**14.05 Lumpsum provision for implementation of VRS/VSS:** This includes a lump sum provision of Rs. 250 crore for implementation of VRS/VSS and reduction of statutory dues of the employees.

**14.06 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.

**14.07 Hindustan Cables Ltd. (HCL):** HCL, a Government of India Undertaking was incorporated in 1952, and was engaged in the manufacture of telecommunication cables. It has three units, one at Rupnarainpur (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.

**14.08 Heavy Engineering Corporation Ltd. (HEC):** It was incorporated on 31.12.1958 with the primary objective of achieving self-sufficiency and self-reliance in the field of design and manufacture of equipment and machinery for iron and steel industry and other core sector industries like mining and metallurgical industries.

**14.09 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, fertilizer plants, refineries and other process plants.

**14.12 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%.

**14.13 Lumpsum provision for restructuring/revival schemes of PSEs:** This includes a lump sum provision of Rs.150 crore meant for meeting the expenditure on restructuring/revival schemes of loss making PSEs.

**14.14 Cement Corporation of India Limited (CCI):** It was established in January, 1965 with the principal objective of setting up cement factories in Public Sector to help achieve self sufficiency in cement production and to remove regional imbalance in pursuance of the National policy. CCI has as on 30.3.2005, authorized capital of Rs.700 Crores and paid up capital of Rs.429.28 Crores.

**14.15 Hindustan Photo Films Manufacturing Company Ltd. (HPFMCL):** Incorporated in 1960, the company is engaged in manufacturing of photosensitized films, cine positive (black & white), cine films sound negative, medical X-ray film etc. It started incurring continuous losses every year since 1992-93. On its networth becoming negative, the company was referred to the Board for Industrial and Financial Reconstruction (BIFR) in 1995. A consultant has been engaged for further study of the Company on the basis of recommendations of the Department Related Parliamentary Standing Committee on Industry (Rajya Sabha). Final report of the consultant is awaited.

**15. Investment in Public Enterprises:** Provides for budgetary support to PSEs by way of loan and equity, mostly

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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.

**15.01 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, 8 service centres and 4 power sector regional centres. The Company has supplied power stations on turnkey basis in India and abroad.

**15.04 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.

**15.10 (a) Braithwaite & Co. Limited (BCL), a subsidiary of BBUNL Group:** It was incorporated in the year 1976 as Government Company under the Companies Act 1956 and vested with the assets acquired by Government of India under "The Braithwaite And Company (India) Limited (Acquisition And Transfer of Undertakings) Act 1976" (96 of 1976). The shares originally held by the President of India in the Company were subsequently transferred to Bharat Bhari Udyog Nigam Ltd. after its formation as the Holding Company. The company was referred to BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985 (as amended) and revival scheme of the company was sanctioned by BIFR on 17.10.1995 with cut-off date as 01.04.95. After implementation of the approved scheme, BCL exhibited initial turnaround. The scheme was subsequently declared failed for various reasons.

**15.10 (b) BBJ Construction Company Ltd. (BBJ), a subsidiary of BBUNL Group:** It was incorporated under the Companies Act, 1913 by three major fabricators of Eastern India namely M/s. Braithwaite & Co. Ltd., M/s. Burn Standard Co. Ltd. and M/s. Jessop & Co. Ltd. in 1935 initially to facilitate erection of Howrah Bridge. The company became a Government Company on Nationalization / take over of parent organizations. With the formation of holding company viz. M/s. Bharat Bhari Udyog Nigam Ltd. (BBUNL), the ownership is vested with M/s. BBUNL. Three previous owners of this Company (viz. Braithwaite & Co., Burn Standard Co., & Jessop & Co.) transferred their shares to the Holding Company i.e. M/s. BBUNL. M/s. BBJ Construction Co. Ltd., became a Public Sector Undertaking of Govt. of India with effect from 13.08.1987. To make the company a viable enterprise on a sustainable basis, the Government has approved restructuring proposals of the company, as recommended by BRPSE in July 2005.

**15.11 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.

After financial restructuring of EPI in 2001, the company has been paying dividend for the last three years. The Government has granted Mini-Ratna Category-II status to EPI in May, 2006.

**15.13 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.

**15.14 Tyre Corporation of India Ltd. (TCIL):** The Company was incorporated in 1984 as a wholly owned Government of India Enterprise. It manufactures and does conversion job for other tyre companies pending revival. BRPSE has recommended for financial restructuring and location of a strategic partner for its revival.

**15.15 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. HPCL has been upgraded as Schedule 'A' PSE w.e.f. 3.1.2007.

**15.16 Hindustan Newsprint Ltd. (HNL):** HNL was registered as a wholly owned subsidiary of HPC on 2.6.1983 to take over the business of erstwhile Kerala Newsprint Project (KNP), a unit of HPC from 1.10.1983 as a running business. The installed capacity of the mill which was initially 80,000 tonnes has increased to 1,00,000 tonnes per annum from 1994-95. HNL has been making profit since FY 1988-89 except FY 2002-03. HNL has been upgraded as Schedule 'B' PSE w.e.f. 3.1.2007.

**15.18 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. On the recommendations of the BRPSE and approval of the government a revival package envisaging waiver of Government loan and interest amounting to Rs. 69 crore, capital expenditure of Rs. 8.56 crore including the Government Guarantee of Rs. 4.28 crore for raising loan from FIs in respect of Hindustan Salts Limited (HSL) is under implementation.

**15.22 Lump sum provision for Addition, Modifications and 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.