

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:3726

ANSWERED ON:30.07.2009

REVIVAL OF HEAVY INDUSTRIES SECTOR

Majhi Shri Pradeep Kumar;Patel Shri Kishanbhai Vestabhai

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government proposes to bring improvement in the heavy industries sector;
- (b) if so, the details thereof;
- (c) whether the Government has any proposal to reduce its equity in the heavy industries sector;
- (d) if so, the details thereof, Public Sector Undertaking (PSU)-wise;
- (e) the details of the PSUs revived/restructured during the 10th Five Year Plan period; and
- (f) the target fixed by the Government in this regard for the current Five Year Plan period as well as for current financial year?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV)

(a)&(b) The Department of Heavy Industry is concerned with the development of the engineering industry viz. machine tools, heavy electrical, industrial machinery and auto industry and administers 32 operating CPSEs. The CPSEs under the Department are engaged in manufacture of engineering/capital goods, consultancy and contracting services. The Department maintains a constant dialogue with various Industry Associations and encourages initiatives for the growth of industry. The Department also assists the industry in achievement of their growth plans through policy initiatives, suitable interventions for restructuring of tariffs and trade, promotion of technological collaboration and up-gradation, and research & development activities etc. The Department facilitates financial support to the PSEs in consultation with the Ministry of Finance and Planning Commission for meeting their investment needs and providing funds to the sick/loss making PSEs for implementation of restructuring plans sanctioned by the Government/BIFR. The profit making companies are being strengthened by providing greater autonomy and the loss making CPSEs are being considered for revival / closure.

(c)&(d) Government has invited Expression of Interest (EOI) for Joint Venture partner in Tungabhadra Steel Products Ltd, Triveni Structural Ltd., Nepa Ltd. and Hindustan Cables Ltd., which may have an impact on Government's equity in these PSEs. The possibility of revival of Nepa Ltd. through the Disinvestment route is under examination of the Department of Heavy Industry. Disinvestment upto 74% equity in HMT (Bearing) is also under consideration of the Government.

(e) Revival/Restructuring of 12 PSEs namely, Andrew Yule & Co. Ltd., Bridge & Roof Co Ltd., Hindustan Salts Ltd., BBJ Construction Co. Ltd., Praga Tools Ltd., HMT (Bearings) Ltd., Heavy Engineering Corp. Ltd., Braithwaite & Co Ltd., Cement Corporation of India Ltd., HMT (MT) Ltd., Bharat Pumps & Compressors Ltd. and Nagaland Pulp & Paper Co Ltd has been approved by the Government during the 10th Five Year Plan. Details of cash infusion etc. are given as under:

Funds provided by the Govt. in Revival/Restructuring cases

S.No.	PSE	(Rupees in Crore)		Waivers	GOI	Total
		Fresh	Others			
		Capital	Others	/conver	guarantee	
		Investment	-sions			

1.	Hindustan Salts Ltd.	4.28	Nil	66.32	Nil	70.60
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2.	Bridge & Roof Co.Ltd.	60.00	Nil	42.92	Nil	102.92
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3. BBJ Constn. Co. Ltd.	Nil	Nil	54.61	Nil	54.61	
4. Praga Tools Ltd.	5.00	Nil	177.12	32.59	214.71	
5. Heavy Engg. Corpn.	102.00	Nil	1116.30	150.00	1368.30	
6. HMT Bearings Ltd.	7.40	Nil	26.57	17.40	51.37	
7. Braithwaite & Co.Ltd.	4.00	Nil	112.91	Nil	116.91	
8. Cement Corpn. of India Ltd.	30.67	153.62	1252.25	15.70	1452.24	
9. Bharat Pumps & Compressors Ltd.	Nil	Nil	153.15	3.37	156.52	
10. HMT (MT) Ltd.	180.00	543.00	157.80	Nil	880.80	
11. Andrew Yule & Co. Ltd.	29.56	87.06	154.75	111.96	383.33	
12. Nagaland Pulp & Paper Co.Ltd.	251.26	38.19	126.98	252.99	669.42	
Total	674.17	821.87	3441.68	584.01	5521.73	

Rs.108.18 crore for setting off the Capital reduction fund on account of reduction of existing paid up capital from Rs.120.20 crore to Rs.12.02 crore by way of reduction of the face value of the share from Rs.1000 per share to Rs.100 per share.

(f) There is no such target fixed by the Government. However, the Department undertakes restructuring of CPSEs under its administrative control in line with the overall Public Sector Policy of the Government. The profit making companies are being strengthened by providing greater autonomy and the loss making CPSEs are being considered for revival / closure. So far 27 loss making PSEs have been submitted to Board for Reconstruction of Public Sector Enterprises (BRPSE) and BRPSE has given their recommendations in all cases. Out of 27, Government has approved revival/restructuring of 15 PSEs and Joint Venture/closure in respect of 4 PSEs.