

### Section-1

#### Performance of Enterprises under Construction

2.1 There are some Central Public Sector Enterprises (CPSEs), which are at construction stage and have not yet gone into regular production on commercial scale. As on 31.3.2004, there were 12 enterprises in the category of under construction. Out of these, two enterprises namely, NTPC Electric Supply Co. Ltd. and IDPL(Tamil Nadu) Ltd. have come into operations during the year 2004-05. Bhilai Oxygen Ltd. has been wound up on the recommendations of

its holding company, Steel Authority of India Ltd. During 2004-05, only one enterprise namely, Indian Strategic Petroleum Reserves Ltd., a subsidiary of Indian Oil Corporation Ltd. has been added to the list of enterprises under construction. As on 31.3.2005, as such, there were 10 enterprises under this category. Details of these enterprises showing date of incorporation and authorized capital are given below:

S. No.	Name of Enterprise	Date of Incorporation	Authorised Capital (Rs. in Lakhs)
1.	Bharatiya Nabhikiya Vidyut Nigam Ltd.	22.10.2003	500000
2.	Bihar Drugs & Organic Chemicals Ltd.	1994	200
3.	Bina Dehgam Transmission Co. Ltd.	02.09.2004	5
4.	Guru Gobind Singh Refineries Ltd.	13.12.2000	55000
5.	Indian Strategic Petroleum Reserves Ltd.	16.06.2004	100
6.	NTPC Hydro Ltd.	12.12.2002	1000
7.	Pipavav Power Development Co. Ltd.	20.12.2001	1000
8.	Punjab Ashok Hotel Co. Ltd.	11.11.1998	300
9.	Rail Vikas Nigam Ltd.	24.01.2003	50000
10.	Tehri Hydro Development Corpn. Ltd.	12.07.1988	300000

2.2 Enterprise wise progress and the projects being executed are given below:

#### 2.2.1 BHARATIYA NABHIKIYA VIDYUT NIGAM LTD.

2.2.1.1 Bharatiya Nadhikiya Vidyut Nigam Ltd. ( BHAVINI) was incorporated in October, 2003 with an Authorised Share Capital of Rs. 5000 Crores. The Certificate for

Commencement of Business was granted on 18th November, 2003. BHAVINI is responsible for construction, commissioning and operation of the 500 MWe Prototype Fast Breeder Reactor Project (PFBRP) at Kalpakkam, Tamil Nadu as well as the future FBRs. The technology of PFBRP is being provided by Indira Gandhi Centre for Atomic Research.

2.2.1.2 The authorized and paid up capital of the company as on 31.3.2005 was Rs. 5000 crore and Rs. 166.15 crore respectively.

2.2.1.3 The registered office is located at Chennai. Since the first project is under construction, there is no operating units at present.

2.2.1.4 Company's first project is under construction. The excavation for Nuclear Islands Buildings was started in 2003 as a pre project activity and entire excavation (6,15,000 cum) was completed in March, 2004. Work order was issued for construction of eight Nuclear Islands Connected Buildings and nine safety related structures in Nuclear Islands in May, 2004. Construction of 500 MWe Fast Breeder Reactor Project was launched by the Prime Minister on 23.10.2004, and symbolically commenced starting of the first pour of concreting at ventilation stack. The foundation stone commemorating the commencement of the 2nd stage of country's nuclear power programme was also launched. Out of 13 pours for raft construction, 11 pours have been completed and 12th pour is in progress.

2.2.1.5 As on 31.3.2005, there were 93 employees including deputationists on the roll of the company.

## **2.2.2 BIHAR DRUGS AND ORGANIC CHEMICALS LIMITED (BDOC)**

2.2.2.1 Bihar Drugs & Organic Chemicals Limited (BDOC) was set up in 1994 as a wholly owned subsidiary of the Indian Drugs & Pharmaceuticals Limited to manufacture Acetic Acid etc.

2.2.2.2 The authorized capital of BDOC was Rs.2.00 crores as on 31.3.2001 and no paid up capital has been reported. Rs.7.77 crores was shown against share application money pending allotment.

2.2.2.3 The Company's Registered, Corporate/Head Office and manufacturing units are located at Muzaffarpur, Belagarh (Bihar).

2.2.2.4 Since April, 1995, the company has not made any production. BDOC is a loss making enterprise and during 2000-01, the company incurred a loss of Rs. 2.83 crores. A revival package of the company was under consideration of the IDPL/Government of India.

2.2.2.5 As on 31.3.2001, there were 204 employees on the roll of the company.

**2.2.2.6 The company has not furnished annual report and accounts since the year 2001-02.**

## **2.2.3 BINA DEHGAM TRANSMISSION COMPANY LTD.**

2.2.3.1 Bina Dehgam Transmission Company Ltd. was formed by Power Grid Corporation of India Ltd. (POWERGRID) on 2nd September, 2002 with the objectives of establishing 400 KV D/C Bina-Nagda and 400 KV D/C Nagda-Dehgam transmission lines through Independent Power Transmission Company (IPTC) route on Build, Own, Operate & Transfer Basis. Implementation of the aforesaid Transmission Lines through IPTC route could not materialize due to rejection of transmission License to TNB-KPTL consortium by CERC. POWERGRID, the promoter company, therefore, decided that this company may be utilised for taking up the implementation of Transmission Lines associated with Parbati and Kodlam HEPs to be established on joint venture route and approved the change of the name of the company from Bina Dehgam Transmission Company Ltd. to Parbati Kodlam Transmission Company Ltd. The Board of Directors of this company had approved the

effecting of the change in the Memorandum and Articles of Association of the company.

2.2.3.2 The authorized and paid up capital of the company as on 31.3.2005 were Rs. 5 lakh each.

2.2.3.3 The registered office is located at Qutab Institutional Area, New Delhi.

#### **2.2.4 GURU GOBIND SINGH REFINERIES LTD.**

2.2.4.1 Guru Gobind Singh Refineries Ltd. (GGSRL) was incorporated as a subsidiary of Hindustan Petroleum Corporation Ltd. in December, 2000 with the objectives to carry on the business of producers, refiners, processors, buyers, sellers, distributors, importers, exporters etc. including marketing and supply of all types of crude oils, petroleum and products.

2.2.4.2 The authorized capital and paid up capital as on 31.3.2005 were Rs. 550 crores and Rs.295.71 crore respectively.

2.2.4.3 The registered office of GGSRL is located in Phulokhari Village, Distt. Bhatinda in Punjab and the administrative office is located in New Delhi. Project offices are located in Sirsa, Gandhidham and Jodhpur. GGSRL is still under project implementation stage and is yet to commence commercial production.

2.2.4.4 As on 31.3.2005, total staff strength was 24, all of which are on deputation from Hindustan Petroleum Corporation Ltd., the parent company.

#### **2.2.5 INDIAN STRATEGIC PETROLEUM RESERVES LTD.**

2.2.5.1 Indian Strategic Petroleum Reserves Ltd. (ISPRL) was incorporated as a subsidiary company of Indian Oil Corporation Ltd. on 16.6.2004 to carry on the business of construction, commissioning,

storage, handling, treatment, carriage transport, dispatch, supply of crude oil and petroleum products as strategic reserves for meeting supply disruptions during emergency.

2.2.5.2 The IOC, being the holding company, has 82.14 % equity share of the company and 17.86 % is held by others.

2.2.5.3 The registered office is in Scope Complex, New Delhi.

2.2.5.4 The company has not commenced its business and is at pre-operation stage.

2.2.5.5 Only one employee has been reported to be on the roll of the company as on 31.3.2005.

#### **2.2.6 NTPC HYDRO Ltd. (NHL)**

2.2.6.1 NTPC Hydro Ltd. was incorporated in the year 2002 under the Companies Act, 1956 with an objective to engage in hydroelectric power generation. Its 100% share holding is vested with the Holding Company namely National Thermal Power Corporation (NTPC) Ltd. with its Registered and Corporate Office at New Delhi.

2.2.6.2 The authorized and paid up share capital as on 31.3.2005 were Rs. 10 crore and Rs. 4.56 crore respectively.

2.2.6.3 NTPC Hydro Ltd. has entered into an Agreement with West Bengal State Electricity Board for implementation of Rammam Stage-III, Hydro Electric Project (90 MW). The Company has since started activities related to updating of Detailed Project Report (DPR).

2.2.6.4 NTPC Hydro Ltd. has also completed the activities related to preparation of DPR for Lata-Tapovan Hydro-Electric Project on river Dhauliganga in the State of Uttranchal. The installed capacity of the project envisaged in DPR is 162 MW (3x54 MW). DPR has been submitted to CEA. Implementation activities of the Project shall

be initiated after receipt of Techno-Economic Clearance.

2.2.6.5 NHL plans to implement approx. 252 MW upto XI plan period from the following projects.

• Lata-Tapovan Project: in Uttranchal	162 M.W.
• Rammam St. III Project : in West Bengal	90 M.W.
	<hr/>
	252 M.W.

## **2.2.7 PIPAVAV POWER DEVELOPMENT COMPANY LIMITED**

2.2.7.1 Pipavav Power Project(1000 MW) was originally a state project and subsequently identified for implementation in private sector as per revised mega power policy guidelines of November,1998. NTPC was responsible for predevelopment activities and Power Trading Corporation (PTC) for selection of private developer through bidding route. Pipavav Power Development Company Ltd. (PPDCL) was incorporated on 20.12.2001 as per Presidential Directive. However, the proposal was not processed further as PTC could not select a private promoter for the project.

2.2.7.2 Subsequently, Ministry of Power in February, 2004 conveyed Govt. of India decision that subject to feasibility, Pipavav Project could be developed by a Joint Venture Company of NTPC and Govt. of Gujarat/GOG agencies; fuel (coal or gas) to be decided on techno-economic considerations and appropriate distribution areas in Gujarat could be allotted for bankability of the project.

2.2.7.3 Accordingly, an MOU was signed between NTPC and Gujarat Power Corporation Ltd. (GPCL) & Gujarat Electricity Board (GEB) on 20.02.2004 for development

of 1000 MW thermal power project at Pipavav in Joint Venture with GPCL with equity participation of 50% each by NTPC and GPCL. Further process has been initiated for sale and transfer of 50% share of PPDCL held by NTPC to GPCL as per the provisions of the MOU.

2.2.7.4 Site-specific studies have been taken up by NTPC in consultation with GPCL to establish Techno-economic feasibility and preparation of FR for 1000 MW Pipavav power project.

2.2.7.5 The authorized and paid up share capital of the company as on 31.3.2005 were 10.00 crore and Rs.0.37 crore respectively.

## **2.2.8 PUNJAB ASHOK HOTEL COMPANY LIMITED**

2.2.8.1 The Company as a joint venture between India Tourism Development Corporation Limited and Punjab Tourism Development Corporation Ltd. was incorporated on 11th November, 1998 with an authorized capital of Rs. 3 crore. The equity contribution is in proportion of 51:49 between Indian Tourism Development Corporation and Punjab Tourism Development Corporation Limited respectively. The paid up capital as on 31.3.2005 was Rs. 2.50 crore.

2.2.8.2 The objectives of the company are to own, manage, construct, purchase and operate hotels, restaurants, motels etc and to establish, manage, transport unit etc. to develop tourism in Punjab.

2.2.8.3 The registered office is located in Chandigarh.

## **2.2.9 RAIL VIKAS NIGAM LTD.**

2.2.9.1 Rail Vikas Nigam Limited was set up in January, 2003 to implement the following component of National Rail Vikas Yojana:

- Strengthening of Golden Quadrilateral and Digonals.
- Provision of port connectivity and corridors to hinterland.

2.2.9.2 Rail Vikas Nigam Limited is mandated to undertake project development to enable private investment in rail infrastructure, mobilize financial resources and execute the projects. Ministry of Railways has transferred 53 projects to RVNL. 32 projects pertain to strengthening of golden quadrilateral and diagonals.

2.2.9.3 The golden quadrilateral projects are likely to involve capital expenditure of about Rs. 8000 crores. These projects are to be funded by Rs. 1500 crores of budgetary support, Rs. 1500 crores of ADB loan and Rs. 5000 crores of borrowings from market. The port connectivity projects are likely to involve capital expenditure of about Rs. 3000 crores. These projects are planned to be funded by borrowing from market and public private partnership. For this purpose, 8 of the projects are being planned to be implemented by creation of Special Purpose Vehicle through equity participation by the strategic investors.

2.2.9.4 Some of the important projects, under execution directly by RVNL, are second bridge over river Mahanadi near Cuttack, doubling of Panvel to Jawaharlal Nehru Port in Mumbai, gauge conversion of second line between Delhi and Rewari, Daitari-Banspani New Line and Haridaspur-Paradip New Line in the State of Orissa.

2.2.9.5 RVNL is associated with the project specific SPV in the name Hassan-Mangalore Rail Development Company, which is implementing Hassan- Mangalore gauge conversion project. The project is now ready for opening for traffic. RVNL has created

Kutch Railway Company. Bharuch-Dahej gauge conversion and Obulavaripalle-Krishnapatnam new line are the projects that are under sanction and are proposed to be implemented through project specific SPV.

2.2.9.6 As per present plan, 11 projects will be commissioned in 2006-07, 15 projects in 2007-08 and 18 projects in 2008-09. The entire programme shall be implemented within a total time frame of 5 years.

2.2.9.7 As on 31.3.2005, the Authorised Capital and Paid-Up Capital were Rs. 3000 crores and Rs. 800 crore respectively.

2.2.9.8 The registered office is situated in Rail Bhawan, New Delhi. The Company is having two Project Implementing Units at Secunderabad and Raipur.

## **2.2.10 TEHRI HYDRO DEVELOPMENT CORPORATION LTD.**

2.2.10.1 THDC, a Joint Venture Corporation of the Govt. of India and Govt. of U.P., was incorporated as a Limited Company under the Companies Act, 1956, in July, 1988 to develop, operate and maintain the Tehri Hydro Power Complex and other Hydro Projects.

2.2.10.2 The authorized and paid up share capital as on 31.3.2005 was Rs. 3000 crore and Rs. 2414.88 crore respectively.

2.2.10.3 THDC is presently responsible for implementation of the Tehri Hydro Power Complex (2400 MW). The highlights of the progress of the project achieved so far are as under:-

- The construction of Tehri Dam has been completed including Inspection galleries in the core at El. 725 m and at El. 835 m
- The construction work of the most complex Spillway Structures involving the highest Chute Spillway (Approx. 220 m high) has been completed.

- The Intermediate Level Outlet (ILO) at El.700 m with high head gate structures has been completed .
  - All the civil works of Power House involving construction of Intake Structures, Water Conductor System, Maintenance Gate Shafts and Underground Caverns for Bifurcation Chamber, Penstock Assembly Chamber, Machine Hall, Transformer Hall, Upper and Lower Expansion Chambers have been completed.
  - Three Generating Units (250 MW each) have been boxed up and erection of 4<sup>th</sup> Unit is in advanced stage of completion.
  - In order to achieve the commissioning of the mega Project by March, 2006, the filling of reservoir has been planned to commence in October, 2005 after closure of last diversion.
  - The work of Koteshwar Dam and HEP (400 MW) has progressed in right earnest and major excavation work in the Dam & Power House has been completed to take up the concreting of Power Dam from November, 2005.
- 2.2.10.4 The total expenditure incurred by the corporation upto March, 2005 is Rs. 6722.99 crore, out of which Rs. 717.95 crore were spent during 2004-05.
- 2.2.10.5 Govt. of Uttaranchal has also allotted six New Projects to THDC. Survey and Investigation works of these Projects have been planned for the feasibility studies immediately after signing MOU with Govt. of Uttaranchal.
- 2.2.10.6 As on 31.3.2005, number of employees on the roll of the company was 2381.

## SECTION – II

### PROJECTS UNDER IMPLEMENTATION IN OPERATING ENTERPRISES

2.3 A number of projects of central public sector enterprises are presently under implementation. Based on report brought out by the Ministry of Statistics & Programme Implementation, Government of India for the quarter ending 31<sup>st</sup> March, 2005 it is noted that there were 50 projects under implementation stage each costing Rs. 500 crores and above. Project wise details are furnished below:-

SI.No.	Project (district) (State)	Capacity	Date of	Commissioning Date		Cost (Rs. in crore)	
			Govt. Approval Orgnl. (Rvsd)	Orgnl. (Rvsd.)	Anticipated	Approved	Anticipated
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>NPCIL</b>							
1.	TARAPUR ATOMIC POWER TARAPUR MAHARASHTRA	MW 2X400	1991/01 1997/12	2007/01	2007/01	3447.06 6421.00	6525.00
2.	KAIGA 3 & 4 UNITS U. KANNADA, KARNATAKA	MW 2X220	2001/05 2002/04	2009/10	2007/09	4213.00 3282.00	3282.00
3.	ATOMIC POWER PROJECT KUDANKULAM TAMILNADU	MW 2X1000	2001/12	2008/12	2008/12	13171.00	13171.00
4.	RAPP 5&6, RAJASTHAN	MWE 2X220	2002/04	2008/02	2008/02	3072.00	3072.00
<b>NLC</b>							
5.	EXP. OF MINE II NAYVELI TAMIL NADU	10.5 MTPA to 15.0 MTPA 4.5 MTPA	2004/10	2009/06	2009/06	2161.28	2161.28
6.	EXP. OF TPS- II NAYVELI TAMIL NADU	1470 to 1970 MW (2X250 MW)	2004/10	2009/06	2009/06	2030.73	2030..78
7.	BARSINGSAR TPS BIKANER RAJASTHAN	2X125 MW	2004/12	2009/06	2009/06	1114.18	1114.18
<b>BVFC</b>							
8.	NAMRUP PLANT REVAMP, NAMRUP, ASSAM	Urea 555000 MTPY	1997/10 2001/09	2001/05 2002/02	2005/05	350.00 509.40	610.24
<b>NALCO</b>							
9.	EXP. OF MINE, REF,CC-PH-2 KORAPUT, ORRISA	N.A.	2004/10	2009/01	2009/01	4091.51	4091.51
<b>BPCL</b>							
10.	REF. MODERNISATION MUMBAI, MAHARASHTRA	MTPA 11	2000/12	2003/09	2005/07	1592.65	1831.00
<b>GAIL</b>							
11.	DAHEJ-HAZIRA-URAN PIPELINE, GUJ/MAHA.	N.A.	2002/12	2005/07	2006/10	1416.00	18.30.77
<b>HPCL</b>							
12.	GREEN FUELS & EMISSION CTL MUMBAI, MAHARASHTRA	N.A.	2002/10	2005/04	2006/10	1152.00	1152.00
13.	CLEAN FUELS VISAKH REF. VISAKHAPAT, ANDRA PREDESH	N.A.	2003/04	2006/05	2006/08	1635.00	1635.00

(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<b>IOC</b>						
14.	INTEGRATED PARAXYLENE PANIPAT HARYANA	N.A.	1999/06 2001/10	2005/08	2005/10	4228.00 5104.00	4746.00
15.	PANIPAT REF. EXPANSION PANIPAT HARYANA	N.A.	1999/08 2002/01	2005/01	2005/10	3365.00 4165.00	4242.00
16.	MS QUALITY UPGRADATION MATHURA, UTTAR PRADESH	N.A.	2001/08	2004/08	2005/05	1483.00	1689.00
17.	P'DIP-HALDIA CRUDE OIL	N.A.	2004/03	2006/03	2006/03	1178.00	1178.00
	<b>ONGC</b>						
18.	MUMBAI HIGH NORTH DEV.	MMT OIL 24.8 BCM GAS 585	2000/12	2005/12	2005/09	2929.40	2929.40
19.	IOR GANDHAR BHARUCH GUJARAT	MMT OIL 4.82	2000/12	2004/03	2005/04	609.44	692.45
20.	MUMBAI HIGH SOUTH DEV. W. OFFSHORE	N.A.	2001/10	2007/07	2005/04	5255.97	5255.97
21.	DEV. D-1 PROSPECT W.OFFSHORE	MMT 4.75	2002/09	2005/03	2005/04	310.32	506.52
22.	DEV. OF BASSE IN EAST	N.A.	2003/04	2006/03	2006/03	985.17	985.17
23.	DEV. OF G1 & G15	N.A.	2003/04	2005/03	2006/04	429.82	1262.93
24.	C2-C3 & LPG REC. FROM LNG DAHEJ, GUJRAT	N.A.	2003/12	2006/06	2006/06	900.92	1493.49
25.	HIGH-URAN TRUNK P. LINE MUMBAI, MAHARASHTRA	N.A.	2003/12	2005/05	2005/05	2792.50	2792.50
	<b>NHPC</b>						
26.	DULHASTI HEP DODA J& K	MW 3X130	1982/11 1997/10 1989/07	1990/11 1994/07 2001/03	2005/09	183.45 3559.77 3559.77	4814.16
27.	DHAULIGANGA H.E.P.-I PITHORAGARH, UTTARANCHAL	MW 4X70	1991/04 2000/07	1998/10 2005/03	2005/04	601.98 1578.31	1578.31
28.	LOKTAK D/S HEP MANIPUR	MW 3X30	1999/12	2006/06	N.R. 2008/12	578.62	578..62
29.	TEESTA HE PROJ. ST-V, SIKKIM	MW 3X170	2000/02	2007/02	2007/02	2198.04	2198.04
30.	PARBATI HEP ST.-II, HIMACHAL PRADESH	MW 4X200	2002/09	2009/09	2007/09	3919.59	3919.59
31.	SUBANSIRI LOWER HEP, ARUNACHAL PRADESH	MW 8X250	2003/09	2010/09	2010/09	6285.33	6285.33
32.	SEWA H.E.P., J&K	MW 3X40	2003/09	2007/09	2007/09	665.46	665.46
33.	TESSTA LOW DAM STAGE-II, WEST BENGAL	MW 4X33	2003/10	2007/03	2008/03	768.92	768.92
	<b>TEHRI HYD. DEV. CORP.</b>						
34.	TEHRI DAM H.P.P. TEHRI, UTTARANCHAL	MW 4X250	1994/03	1999/03	2006/03	2963.66	6672.88



(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
35.	KOTESHWAR HEP TEHRI, UTTARANCHAL	MW 4X100	2000/04	2006/03	NA	1301.56	1301.56
	<b>NTPC</b>						
36.	TALCHER STPP ST-II, ORISSA	4X500 MW	1999/01	2006/02	2005/02	6648.83	6648.83
37.	RIHAND STPP ST-II, UTTAR PRADESH	2X500 MW	2001/05	2006/05	2006/05	3384.77	3451.97
38.	KOL DAM HEP BILASPUR, HIMACHAL PRADESH	4X200 MW	2002/10	2009/04	2009/04	4527.15	4527.15
39.	VINDHYACHAL STPP-III, MADHYA PRAESH	MW 2x500	2003/02	2007/08	2007/08	4125.00	4201.50
40.	KAHALGAON STPP ST-II BHAGALPUR, BIHAR	MW 3X500	2004/05	2007/05	2007/05	5868.37	5868.37
41.	SIPAT STPP, STAGE -I BILASPUR, CHHATISGARH	MW 3X660	2003/12	2009/12	2009/12	8323.39	8323.39
42.	FG UNCHAHAH TPP.ST.-III RAEBARELI, UTTAR PRADESH	MW 1X210	2004/03	2006/09	2006/09	939.28	939.28
43.	SIPAT STPP STAGE -II BILASPUR, CHHATISGARH	MW 2X500	2003/11	2007/12	2007/12	4039.67	4039.67
	<b>POWER GRID CORPORATION</b>						
44.	TEHRI TR. SYSTEM TEHRI DELHI/UA	KV 800 CKM 3000	1994/03 2002/08	1999/03 2002/12	2005/06	421.00 702.97	806.69
45.	DULHASTI COM TR. SYSTEM JK/PB/HP	CKM 415 KV 400	2002/07	2006/07	2005/12	567.05	567.05
46.	RIHAND-II TRANSMISSION NR STATES	CKM 2127 K 400	2002/12	2005/12	2005/12	1044.44	855.60
47.	TR. SYSTEM WITH TALAHEP BIHAR/UP/HRY.	CKM 2612	2003/06	2006/06	2006/06	1980.70	2388.62
48.	SIPAT TRANS. SYSTEM ST-1 MP/CHATS./MH	CKM 743 MVA 920	2003/12	2007/02	2007/02	1454.79	1454.79
49.	VINDHYACHAL TR. SYS. ST-3 MP/CHATS./OR	MVA 620	2004/07	2007/07	2007/07	596.47	596.47
	<b>SHIPPING CORPORATION OF INDIA</b>						
50.	ACQ.2-300000 DWT LATGE CR MUMBAI MAHARASTRA.	N.A.	2003/05	N.A.	2005/08	610.80	610.80

3.1 The Estimates Committee in its 42nd Report (Third Lok Sabha) recommended among other things that a chapter bringing out the performance of Financial Institutions mentioned in the Fourth Schedule of the Rules of Procedure and Conduct of Business in the Lok Sabha be included in the Public Enterprises Survey. Accordingly, a chapter containing the working of Financial Institutions whose major shareholdings during the year were held by the Central Government and/or by other Financial Institutions is included in the Survey. The names of such Financial Institutions along with year of incorporation is given below—

Sl. No.	Name of Financial Institutions	Year of incorporation
1.	Industrial Development Bank of India (IDBI)	1964
2.	Small Industries Development Bank of India (SIDBI)	1990

### 3.2 Industrial Development Bank of India

#### 3.2.1 Background

3.2.1.1 IDBI was originally constituted as a wholly owned subsidiary of the Reserve Bank of India (RBI) in 1964 to serve as the apex institution for term finance for industry. In 1975, Government of India enacted a legislation for de-linking IDBI from RBI and making it the 'principal financial institution' in conformity with national priorities, for (i) co-ordination of the working of institutions engaged in financing, promoting or developing industry; (ii) assisting the development of such institutions; and (iii) providing credit and other facilities for development of industry and for matters

connected therewith. Under this legislation, the Public Financial Institutions Laws (Amendment) Act, 1976 came into existence and the ownership of IDBI was transferred from RBI to the Government of India and various responsibilities which RBI earlier had vis-a-vis industrial financing institutions in the country were vested in the reconstituted IDBI. The Act came into force with effect from February 16, 1976. Industrial Development Bank of India, a statutory corporation under Industrial Development Bank of India Act, 1964 was transferred to and vested in Industrial Development Bank of India Ltd.(IDBI Ltd.) on October 1, 2004, as a company incorporated under the Companies Act, 1956, being the 'appointed day' under the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003. Further, amalgamation of IDBI Bank Ltd., a subsidiary of IDBI Ltd. became effective w.e.f Oct, 2004 as per the Scheme Amalgamation sanctioned by RBI.

3.2.1.2 IDBI has played a pioneering role in fulfilling its mission of promoting industrial growth through financing of medium and long-term projects, in consonance with national plans and priorities. Over the years, IDBI has enlarged its basket of products and services to industrial concerns covering almost entire spectrum of industrial activities, including manufacturing and services. It is empowered to finance all types of industrial concerns engaged in or to be engaged in the manufacture, processing or preservation of goods, mining, shipping, transport, hotel industry, informatics, medical and health

services, leasing and ancillary activities taken for small entrepreneurs, generation or distribution of power, fishing or providing shore facilities for fishing or in the maintenance, repairs, services to tourist which have been recognized as industrial activities. Production of films is a new addition to the list of industrial concerns. IDBI provides financial assistance, both in rupee and foreign currencies, for green-field projects, expansion, modernization and diversification purposes.

3.2.1.3 In order to cater to the diverse and customized needs of its corporate clients in the post-reform era, IDBI has structured suitable products like equipment finance, asset credit, corporate loans, working capital loans and bills discounting to various finance acquisition equipments, capital assets, besides meeting capital expenditure and/or incremental long term working capital requirements. It also offers structured products like lines of credit to meet the funding requirements for execution of trunk contracts.

3.2.1.4 IDBI also provides indirect financial assistance through refinancing of loans extended by State-level financial institutions and banks and by way of rediscounting of bills of exchange arising out of sale of indigenous machinery on deferred payment terms. As part of its fee-based activities it provides a wide array of merchant banking and corporate advisory services which include professional advice and services for issue management, private placement of bond/equity instruments, project evaluation, credit syndication, share valuation, corporate restructuring including mergers and

acquisitions and PSU divestment. The Bank also offers a number of forex-related services on a commission basis, including opening of Letters of Credit and remittances of Foreign Currency on behalf of its assisted companies for import of its goods and services. The bank is also dealing with technology upgradation fund scheme, environmental protection scheme, resource support to subsidiaries, rehabilitation assistance, trusteeship services etc.

3.2.1.5 IDBI with its Head Office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005, has two strategic Business units viz: Commercial Bank SBU (CBSBU) and Development Bank SBU (DBSBU). DBSBU operates through network of 5 Zonal Offices at Chennai, Guwahati, Kolkata, Mumbai and New Delhi and about 36 Branch Offices spreading through out India. The Bank has established three subsidiaries namely IDBI Home finance Ltd., IDBI Capital Market Services Limited and IDBI Intech Limited to offer full range of commercial products and services to corporate and other business segments, to offer a broad range of financial services and to undertake information technology related activities respectively.

## **3.2.2 Resources Utilisation and Working Results**

3.2.2.1 The financial information presented in this report is in terms of the form and content prescribed by the Banking Regulations Act, 1949 and rules made there under. This being the first period for such financial information, there is no presentation of similar information for prior period(s).

## Audited Working Results

(Rs. in crore)

Particulars	6 months ended 31st March,2005
Interest Earned	2656
Other Income	627
Total	3283
Less : Interest Paid	2468
Other expenses	454
Provisions / write off	73
Deferred Tax / (Income)	(59)
Tax Provision (Net)	40
Profit after Tax (Net Profit)	307
Dividend	54
Dividend Tax	8
Retained Profit	245

### 3.2.3 Performance Review

3.2.3.1 Gross Income of Bank during the period October, 2004- March, 2005 amounted to Rs. 3283 crore consisting of interest income amounting to Rs. 2656 crore (80.9%) and other income amounting to Rs. 627 crore (19.1%).

3.2.3.2 Total expenses amounted to Rs. 2922 crore out of which interest expenses accounted for 84.5% of total expenditure. Working of the Bank resulted in a profit before tax (PBT) of Rs. 288 crore. After making a provision of Rs. 40 crore towards taxation and taking into account deferred tax credit amounting to Rs. 59 crore, PAT (Profit After Tax) amounted to Rs. 307.3 crore. Bank recommended 7.5% dividend on equity capital for the financial year 2004-05.

3.2.3.3 Total assets of the Bank aggregated to Rs. 81,360 crore out of which advances were at Rs. 45413 crore. Deposits were Rs. 15102 crore constituting 18.6% of total liabilities as against the stipulated RBI norms of 9%, Bank's CAR as at end March,

2005 worked out to 15.5%, Credit rating obtained by bank reflects high safety with respect to timely payment of Principal and Interest. The Share price of Bank were high at Rs. 119.90 and low at Rs. 81.80.

### 3.3 Small Industries Development Bank of India

#### 3.3.1 Background:

3.3.1.1 Small Industries Development Bank of India (SIDBI) was established under an Act of Parliament in April, 1990, as a wholly owned subsidiary of Industrial Development Bank of India as a principal financial institution for promotion, financing, development of industry in the small scale sector and co-ordination of the functions of other institutions engaged in similar activities. After amendment of SIDBI Act, which changed the provisions relating to capital structure, shareholding pattern, management, business, borrowing etc., the bank has been de-linked from IDBI with effect from 27.3.2000.

3.3.1.2 In accordance with the amendment in SIDBI Act, the authorized capital has been raised to Rs. 1000 crore divided into 75 crore equity shares of Rs.10 each and 25 crore redeemable preference shares of Rs. 10 each. IDBI divested 51 percent of the total paid up share capital of Rs.450 crore in favour of public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government. While IDBI continues to be the single largest shareholder, the State Bank of India and Life Insurance Corporation of India follow as the next two largest shareholders in that order. A total of 36 institutions owned or controlled by the Government of India are the shareholders of the Bank.

3.3.1.3 Besides Head Office at 10/10 Madan Mohan Malviya Marg, Lucknow-

226001, SIDBI has 4 Zonal Offices at Chennai, Kolkata, Mumbai and New Delhi and one Regional Office at Guwahati. The operations of the bank are carried out through its 41 Offices spread across the Country. It has two subsidiaries namely SIDBI Venture Capital Fund and SIDBI Trustee Company Limited and two Associate Organisations namely Credit Guarantee Fund for Small Industries and Technology Bureau for Small Enterprises.

### 3.3.2 Business Strategies and Schemes of Assistance

3.3.2.1 Since its inception, SIDBI has been assisting the entire spectrum of SSI sector including the Tiny, Village and Cottage industries through suitable schemes tailored to meet the requirements of setting up of new projects, expansion, diversification, modernization and rehabilitation of existing units, etc. SIDBI, which was initially functioning primarily as a refinancing institution, has since diversified its activities and introduced several new schemes to meet the varying needs of the small scale sector. It continued to reorient its policies and strategies in line with the changing market scenario and the policy pronouncements of the Government of

India, RBI etc. from time of time. While maintaining the strategy of focused intervention towards high growth areas, efforts were made to consolidate operations and reduce the cost of borrowings thereby improving the efficiency and competitiveness of SSIs in the WTO era.

3.3.2.2 A wide range of strategic business initiatives which include Credit Guarantee Fund Scheme, National Programme on Innovation and Incubation, Dedicated Venture Capital Funds, Fast Track Financing, Credit Linked Capital Subsidy under Technology Upgradation Fund, Refinance Scheme, Direct Discounting of Bills, Export Credit, etc. have been taken.

3.2.3 Major initiatives taken by SIDBI during 2004-05 include operationalisation of an SME (small medium enterprise) Fund of Rs. 10,000 crore, setting up a Rs. 500 crore National Level Venture Capital Fund for SMEs named "SME GROWTH FUND", initiative to set up credit Rating agency for SME Sector, assistance to SMEs for infrastructure projects, Formation of Credit Risk Management (CRM) Policy and setting up comprehensive Credit Risk Management Systems and Operational Risk Management Systems etc.

### 3.3.3 Resource Utilisation and Working Results

#### I. Resources and Utilisation Statement

(Rs. in crore)

Particulars	2004-05	2003-04	2002-03
<b>Resources</b>			
Authorized Capital	1000	1000	1000
-Equity Share	750	750	750
-Redeemable Preference Shares	250	250	250
Paid up Capital	450	450	450
Reserves and Surplus	4309	4143	3981

<b>Particulars</b>	<b>2004-05</b>	<b>2003-04</b>	<b>2002-03</b>
Bond and Debentures- Rupee Bonds	6240	5428	4692
Deposits, Gifts, Grants etc.	740	1185	436
Borrowings	2368	3926	4479
Current Liabilities and Provisions	4057	4195	3575
<b>Total</b>	<b>18164</b>	<b>19327</b>	<b>17613</b>
<b>Utilisaton</b>			
Cash and Bank Balance	2307	3501	888
Investments	3384	3826	2342
Loans and Advances	10084	9122	11955
Bills of Exchange	798	1081	876
Fixed and other Assets	1591	1797	1563
<b>Total</b>	<b>18164</b>	<b>19327</b>	<b>17613</b>

## II Working Results

(Rs. in crore)

<b>Particulars</b>	<b>2004-05</b>	<b>2003-04</b>	<b>2002-03</b>
<b>Income</b>			
Interest and Discount	621	825	1105
Other Income	326	326	300
<b>Total</b>	<b>947</b>	<b>1151</b>	<b>1405</b>
<b>Expenditure</b>			
Interest Expenses	519	661	984
Other Expenses	113	116	106
<b>Total</b>	<b>632</b>	<b>777</b>	<b>1090</b>
Profit before Tax	315	374	315
Tax Provision (Net)	90	131	108
Profit after Tax (Net Profit)	225	234	207

### **3.3.4 Performance Overview**

3.3.4.1 During 2004-05, overall sanctions of SIDBI were Rs.9091 crore as against Rs.8246 crore in the previous year registering an increase of 10.25%. Disbursements made during the said period were Rs.6188 crore and Rs.4414 crore respectively registering an increase of 40.19%. The resources raised by the Bank during the year aggregated to Rs.2449 crore as against Rs.2987 crore in the previous year.

3.3.4.2 Total income from operations during 2004-05 was Rs.948 crore as compared to Rs.1105 crore in the previous year registering a decline of about 14%. Total expenditure during this period was Rs.632 crore and 777 crore respectively registering a saving of Rs.145 crore.

3.3.4.3 The profit before tax was Rs.315 crore during 2004-05 as against Rs.374 crore in the previous year. SIDBI earned a net profit of Rs.225 crore and Rs.234 crore respectively during the said period. The Earning per share declined from Rs.5.40 in FY 2004 to Rs.5.00 in FY 2005. The Bank

declared a dividend of 10 percent on equity shares for FY 2005.

3.3.4.4 Focus on customer needs, raising cost-effective resources, strengthening balance sheet and adding shareholders value will be the cornerstones of the future strategy of the SIDBI. SIDBI has put in efforts to adopt market friendly approach, simplified its lending systems and procedures, expanded the branch network to reach larger number of clients in addition to putting in place a well structured credit scoring system.

3.3.4.5 The Bank contemplates to make forays into asset securitisation, upscale joint venture funding, micro credit and routing of assistance through new set of intermediaries. The dynamics of changed environment would require the Bank to provide integrated services to its clients.

3.3.4.6 As at end-March 2005, the Bank had on its rolls a total of 862 full time staff comprising 674 officers and 188 support staff. During the year, two officers have been relieved from the services of the Bank under VRS Scheme.

## 4

**PERFORMANCE OF INSURANCE ENTERPRISES**

4.0 In the insurance sector six Public Sector Enterprises were functioning as on 31st March, 2005. Their names along with year of incorporation are given below :

S.No.	Name of Enterprise	Year of Incorporation
1.	Life Insurance Corporation of India	1956
2.	General Insurance Corporation of India	1972
3.	National Insurance Company Ltd.	1906
4.	New India Assurance Company Ltd.	1919
5.	Oriental Insurance Co. Ltd.	1947
6.	United India Insurance Co. Ltd.	1938

**4.1 Life Insurance Corporation of India**

4.1.1 The Life Insurance Corporation of India (LIC) was established in 1956 as a Statutory Corporation under the Life Insurance Act, 1956, to carry on life insurance business.

4.1.2 Based on the audited Annual Report received from LIC, the summarized results and revenue account of the corporation are given below—

(Rs. in Crores)

New Business for the Year	2004-05	2003-04
<b>Sum Assured and Annuities</b>		
Individual Assurance	183541.93	200071.35
Group Schemes	117745.06	128262.75
Total	301286.99	328334.10
<b>Business in Force at the end of the Year</b>	Sum Assured, Bonus and Annuities	
Individual Insurance	129279.49	112421.31
Group Schemes	13820.36	145103.70
Total	143099.85	1269320.91

**Revenue Account in respect of total business Policyholders**

(Rs. in Crores)

Particulars	2004-05	2003-04	Particulars	2004-05	2003-04
Payments to Policy Holders	28636	24157	Premium Income	70858	63131
Expenses of Management	12440	10920	Income from Investments	33718	27216
Other Expenses	6624	9080	Miscellaneous Income	3545	2742
Provision for liabilities in policies	59724	48384			
Surplus transferred to Shareholders Account	697	548			
<b>Total</b>	<b>108121</b>	<b>93089</b>	<b>Total</b>	<b>108121</b>	<b>93089</b>



### **4.1.3 New Business**

#### **(i) Individual Assurance**

During the year, the Corporation issued 2.39 crores (previous year 2.70 crores) new policies including annuities and Jeevan Suraksha. First Year Premium during 2004-05 was Rs. 10779.21 crore as compared to Rs. 10885.93 crore during 2003-04 showing a decrease of (-)0.98% over the previous year. Total no. of policies including annuities and Jeevan Suraksha at the end of 2004-05 were 16.78 crore as compared to 15.68 crore at the end of 2003-04.

#### **(ii) Group Insurance Scheme**

During the year, the Corporation issued 18420 group insurance, social security and group superannuation schemes covering 81.43 lakh lives as against 16141 schemes covering 46.2 lakh lives during 2003-04. Total no of group schemes at the end of 2004-05 were 114233 covering 319.23 lakh lives as compared to 107283 schemes covering 264.80 lives at the end of 2003-04.

### **4.1.4 Staff Strength**

The number of employees of the Corporation as on 31.3.2005 was 1,14,588 as against 1,15,715 at the end of the previous financial year.

## **4.2 GENERAL INSURANCE CORPORATION OF INDIA**

4.2.1 General Insurance Corporation of India (GIC) was set up as a Government company under the General Insurance (Business Nationalisation) Act, 1972 for the purpose of superintending, controlling and transacting General Insurance Business. The erstwhile 107 insurers were integrated to form 4 subsidiary companies of GIC viz.,

National Insurance Company Limited, Calcutta, New India Assurance Company Limited, Mumbai, Oriental Insurance Company Limited, New Delhi and United India Insurance Company Limited, Chennai.

4.2.2 The company was authorized to carryout the General Insurance business in the country through its four subsidiaries. GIC mainly underwrites Aviation Insurance Business of Air India and Indian Airlines, besides administering the Crop Insurance. However, with notification of General Insurance Business (Nationalisation) Act, 2002 on 21.03.2003, the book value of the shares in the four public sector Insurance companies held by the Corporation amounting to Rs. 38.05 crores stands transferred to the Central Government. In view of the said Notification, the share capital of the erstwhile subsidiaries is now vested in the Central Government and GIC has been formally delinked from the said subsidiary companies. The role of GIC has been notified as "Indian Reinsurer" for Non-life as well as Life. It has also ceased to carry on direct insurance business. A new company has been registered under the Companies Act, 1956 called "Agricultural Insurance Company of India Limited" (AICIL) in collaboration with NABARD and the four erstwhile subsidiary companies of the Corporation with a paid up share capital of Rs. 200 crores to transact crop insurance and other allied agricultural insurance business in India. The assets and liabilities of various crop cells and Central Crop Insurance Department (CCID), Delhi have been transferred to the new company with effect from 1.4.2003.

4.2.3 The Balance sheet and revenue account of General Insurance Corporation of India are given below—

### BALANCE SHEET

(Rs. in crores)

Liabilities	2004-05	2003-04	Assets	2004-05	2003-04
Authorised Share capital	250	250	Net Fixed Assets	41	38
Paid-up Share capital	215	215	Investment	14630	12127
Reserves & Surplus	4044	3918	Loans	804	800
Deferred Taxation liability	4	5	Current Assets	4077	3476
Fair value change A/c.	5144	4154			
Current liabilities and provisions	10145	8149			
<b>Total</b>	<b>19552</b>	<b>16441</b>	<b>Total</b>	<b>19552</b>	<b>16441</b>

### Revenue Account

(Rs. in crores)

Expenses	2004-05	2003-04	Incomes	2003-04	2002-03
Net claims incurred	3703	2895	Premium earned	4373	3992
Net commission	1207	1072	Profit on sale of investment (net)	283	237
Operating expenses	40	33	Profit/Loss (-) on Exchange		
Expenses relating to investment	1	1	Fluctuation	4	-9
Operating profit/loss (-)	278	647	Interest, Dividend & Rent (Gross)	569	428
<b>Total</b>	<b>5229</b>	<b>4648</b>	<b>Total</b>	<b>5229</b>	<b>4648</b>

4.2.4 G.I.C. has earned profit after tax of Rs. 200 crores during the year as compared to Rs. 1038 crores during the previous year. Profit after tax has been affected due to the additional demand of the Income Tax Authorities pertaining to the previous 3 years.

4.2.5 G.I.C. has maintained dividend on equity capital at the rate of 30% as recommended for the previous year.

4.2.6 The total number of employees as on 31.3.2005 was 455. During the year 64 employees have taken VRS.

#### **4.3 Details about other general insurance companies:**

4.3.1 There are four other general Insurance Companies in public sector, which

are listed below:

1. National Insurance Company Ltd. (NICTL)
2. New India Assurance Company Ltd. (NIACL)
3. Oriental Insurance Co. Ltd. (OICL)
4. United India Insurance Co. Ltd. (UICL)

4.3.2 With the notification of General Insurance Business (Nationalisation Amendment) Act, 2002 on 21.03.2003 the four subsidiary companies of GIC involved in general insurance business have been delinked from General Insurance Corporation and are now independent insurance companies of the Central Government. The details about these companies are given below—

### 4.3.3 Organisation :

As on 31.3.2005, these general insurance companies were having staff, branch offices, divisional offices and regional offices as under :

Sl.No.	Name of Company	Staff Strength (Nos.)		Offices as on 31.3.2005		
		As on 31.3.05	As on 31.3.04	Regional Offices	Divisonal Offices	Branch Offices
1	NICL	16854	16972	24	304	563
2	NIACL	20686	21141	26	393	614
3	OICL	16370	16634	21	310	581
4	UICL	18313	18833	24	364	705

### 4.3.4 Financial Information :

Details of Financial Position of these four general insurance companies as on 31.03.2005 are given as under:

(Rs. in crore)

Sl. No.	Name of Company	2004-05				2003-04			
		NICL	NIACL	OICL	UICL	NICL	NIACL	OICL	UICL
<b>Sources of Funds</b>									
1.	Paid up Capital	100	150	100	100	100	100	100	100
2.	Reserves & Surplus	1116	4166	1318	1929	1015	3843	1022	1691
3.	Fair value change account	3967	6847	3691	2939	3296	5845	3234	2697
4.	Current Liabilities & Provisions	5271	8664	4919	5889	4745	7722	4642	5876
<b>TOTAL</b>		<b>10454</b>	<b>19827</b>	<b>10028</b>	<b>10857</b>	<b>9156</b>	<b>17510</b>	<b>8998</b>	<b>10364</b>
<b>Utilisation of Funds</b>									
1.	Net Fixed Assets	90	114	63	65	80	104	57	73
2.	Investment Assets	7377	14575	7664	8258	6430	12728	6846	7927
3.	Current Assets & Loans	2804	4899	2087	2316	2407	4434	1883	2070
4.	Misc. Expenditure	183	239	214	218	239	244	212	294
<b>TOTAL</b>		<b>10454</b>	<b>19827</b>	<b>10028</b>	<b>10857</b>	<b>9156</b>	<b>17510</b>	<b>8998</b>	<b>10364</b>

4.3.5 Gross and net premium details along with profits (before and after tax) earned by

the four general insurance companies are given below:

(Rs. in crores)

Sl.No.	Name of Company	2004-05				2003-04			
		Gross Premium	Net premium	Profit before Tax	Profit after Tax	Gross Premium	Net Premium	Profit before Tax	Profit after Tax
1	NICL	3811	2832	141	131	3399	2508	73	77
2.	NIACL	5103	3895	798	402	4921	3635	648	590
3	OICL	3091	2218	472	330	2900	2033	454	316
4.	UICL	2944	2173	318	308	3063	2151	393	380
	<b>TOTAL</b>	<b>14949</b>	<b>11118</b>	<b>1729</b>	<b>1171</b>	<b>14283</b>	<b>10327</b>	<b>1568</b>	<b>1363</b>

4.3.6 The general insurance companies namely NICL, NIACL, OICL and UICL have declared dividend at the rate of 25%, 40%,

30% and 62% respectively for the year ending 31.03.2005.