

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

UNSTARRED QUESTION NO:468

ANSWERED ON:25.02.2010

TAKEOVER OF PALAKKAD UNIT OF INSTRUMENTATION LIMITED BY BHEL

Rajesh Shri M. B.

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

- (a) whether there is any proposal before the Government for the takeover of Palakkad Kerala Unit of Instrumentation Limited by BHEL;
- (b) if so, present status and details of the proposal;
- (c) if not, the reasons therefor;
- (d) whether the revival plan involves private participation; and
- (e) if so, the details thereof?

Answer

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

- (a) No, Madam.
- (b) Question does not arise.
- (c) The separation of Palakkad Unit and its transfer to BHEL was not considered feasible due to:-
 - (i) inter-dependent and complementary nature of operations of Kota and Palakkad Unit,
 - (ii) loss of price flexibility on products manufactured by it,
 - (iii) company loosing competitive advantage in offering total turnkey solutions to process industries and
 - (iv) Kota unit being exposed to risk of technology obsolescence necessitating heavy investments for technological up gradation and creation of additional facilities.
- (d) No, Madam.
- (e) Question does not arise.