

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

STARRED QUESTION NO:514
ANSWERED ON:08.09.2011
CAPACITY AUGMENTATION BY BHEL
Pal Shri Jagdambika

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

- (a) whether the Bharat Heavy Electricals Limited (BHEL) is planning to augment its capacity;
- (b) if so, the details thereof;
- (c) whether the Planning Commission in its recent review has observed that the inability of BHEL to supply power equipment in time, is a major cause of shortfall in realizing the plan target for power capacity addition;
- (d) if so, the details in this regard;
- (e) whether Planning Commission has found lack of managerial capabilities in BHEL as a constraint in meeting the target; and
- (f) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a) to (f): A statement is laid on the Table of the House.

Statement

Statement referred to in reply to Lok Sabha Starred Question No. 514 for answer on 08.09.2011 raised by Shri Jagdambika Pal regarding Capacity Augmentation by BHEL.

(a): Yes Madam, BHEL is augmenting its manufacturing capacity.

(b): BHEL had established capability to deliver 15,000 MW p.a. of main power plant equipment by March 2010, and the Company is in the process of further augmenting it to 20,000 MW p.a. by March 2012.

The Company has also strengthened matching requirements for setting up of new power plants. BHEL has also taken initiatives for:

- (i) enhancement in vendor base,
- (ii) ramping up of manpower and people development,
- (iii) augmentation of tools & plants like large cranes used at project sites,
- (iv) technology tie-ups,
- (v) supply chain management,
- (vi) effective project management, and
- (vii) cost reduction measures without compromising on performance/ quality.

(c): No Madam. Planning Commission has not carried out any review related to supply of equipment in time by BHEL.

(d): The question does not arise in view of (c) above.

(e): No, Madam. Planning Commission has not carried out any review related to managerial capabilities in BHEL as a constraint in meeting the target.

(f): The question does not arise in view of (e) above.