

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

UNSTARRED QUESTION NO:6781
ANSWERED ON:17.05.2012
OUTSOURCING OF WORK BY BHEL
Guddu Shri Premchandra

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

- (a) whether Bharat Heavy Electricals Limited (BHEL) has outsourced its work to other companies in Uttar Pradesh and Madhya Pradesh;
- (b) if so, the details thereof and the reasons therefor;
- (c) the details of benefit accrued to BHEL for outsourcing the said work; and
- (d) the details of amount paid to other industries by BHEL during the last three years including the current year?

Answer

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

(a): Yes Madam.

(b) & (c): BHEL Unit/Divisions located in Uttar Pradesh and Madhya Pradesh viz. Bhopal Unit, Jhansi Unit, Power Sector – northern Region Noida, Project Engineering management division, Noida, Heavy Equipment Repair Plant, Varanasi and Insulator Plant, Jagdishpur have been outsourcing/sub-contracting certain works to other companies & ancillaries.

Such work is outsourced for Non-BHEL equipment/low technology activities and Non-core areas besides the erection and civil works to the benefit of the company.

The benefits to BHEL inter-alia include better utilization of the available resources/facilities with focus on core areas/ activities, financial prudence and effective project management.

(d): The details of amount paid to other industries all over India by BHEL during last three years under the head "Erection and Engineering expenses: payment to subcontractors" is as follows:

Year Amount (Rs. Crore)

2009-10: 2,919.58
2010-11: 3,321.62
2011-12 (Provisional) 3,794.61