

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

UNSTARRED QUESTION NO:4012

ANSWERED ON:21.03.2013

MERGER OF BHPV WITH BHEL

Dharmshi Shri Babar Gajanan;Gaikwad Shri Eknath Mahadeo;Ganeshamurthi Shri A.;Paranjpe Shri Anand Prakash

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

- (a) whether the Government is considering merger of Bharat Heavy Plate and Vessels Ltd. (BHPV) with Bharat Heavy Electricals Limited (BHEL);
- (b) if so, the details thereof and the reasons therefor;
- (c) the time by which these two companies are likely to be merged; and
- (d) the steps taken by the Government to increase the profitability of BHEL?

Answer

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

(a) & (b): The Union Cabinet on 21.02.2013 has approved the merger of Bharat Heavy Plates & Vessels Limited (BHPV) with Bharat Heavy Electricals Limited (BHEL). Despite the fact that even after BHPV was taken over by BHEL as its 100% subsidiary in 2008, the performance of BHPV could not improve due to inadequate orders, low productivity, old machinery, low employee morale, financial problems etc. To address these issues, Union Cabinet has approved the merger of BHPV with BHEL.

(c): A definite time frame is not feasible in view of the several other agencies involved in implementation of the decision.

(d): Constant endeavour is made by BHEL to improve its performance and profitability. Some of the initiative taken are:-

1. Introduction of upgraded modules of sub-critical thermal sets of 150 MW, 270 MW, 300 MW, 525 MW and 600 MW, and also the super-critical thermal sets of 660 MW, 700 MW and 800 MW rating suiting the local conditions in order to competitively cater to the domestic market.
2. Scaling up the capability to deliver 20,000 MW of power equipment (main plant & machinery) per annum for manufacturing the supplying products with higher efficiencies and optimized designs.
3. Offering products and systems with state-of-the-art technology through tie-ups with global leaders/enhanced in-house R&D efforts.
4. Undertaking capability building and operation improvement measures to maintain competitiveness.
5. Pursuing initiatives in diversification, mergers & acquisitions (M&A) so as to expand offerings from the Company.
6. Augmentation of manpower through recruitment of over 20,000 people during the 11th plan period to cater to growth aspirations of the Company.