

THE MINISTER OF PARLIAMENTARY AFFAIRS, SPORTS AND WORKS AND HOUSING (SHRI BUTA SINGH) : As you have kindly observed, the issue stands admitted, but we do not stand on that. The whole House and especially the government are at your disposal, in whatever manner you want to bring forward this issue in consultation with the Leaders of the Opposition...*(Interruptions)\*\**

MR. SPEAKER : That is what I had said and it is objected to.

*(Interruptions)*

MR. SPEAKER : You started it. We have nothing, this and that. This is our case; they are our people, this is a national issue. Please sit down. Calling Attention will come up.

श्री मनोराम बागड़ी : मेरी टेलीफोन की बात है।

अध्यक्ष महोदय : वह करवा दिया है।

श्री मनोराम बागड़ी : हमारा टेलीफोन खराब है।

अध्यक्ष महोदय : अब आप बैठ जाइये।

MR. SPEAKER : You started it. I will not allow this and that. That is how he had to put it. You started it. That is why I admonished you. You set the ball rolling.

*(Interruptions)*

MR. SPEAKER : Please sit down. Don't do like this. We have to solve everything by consensus.

*(Interruptions)*

MR. SPEAKER : Those words should be taken out.

## ORAL ANSWERS TO QUESTIONS

### Crisis in BHEL

+

\*41. SHRI E. BALANANDAN :  
SHRI KRISHNA CHANDRA HALDER :

Will the Minister of INDUSTRY be pleased to state :

(a) whether Government have taken note of the editorial of Economic Times dated 2 July, 1983 titled 'BHEL in doldrums';

(b) whether it is also a fact that the order book of the Company is all time low and the company is in serious danger;

(c) What is the amount of money due from the State Electricity Board to the company; and

(d) the steps being contemplated to improve the position?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI S.M. KRISHNA) : (a) Yes, Sir.

(b) No, Sir. The value of orders received by the BHEL has gone up from Rs. 1990 crores in March 1981 to Rs. 3550 crores in March 1983.

(c) The amount due to BHEL from State Electricity Boards was Rs. 261.68 crores in May, 1983.

(d) A statement is laid on the Table of the House.

### Statement

BHEL is closely following up with the State Electricity Boards for realisation of the dues. The matter has also been taken up with the concerned Government agencies.

Timely completion and successful operation of a power station depends

upon the combined efforts of the project authorities, their consultants, the main equipment manufacturers like BHEL, a number of other equipment suppliers, as well as skills and discipline of the operational staff. On the part of BHEL, determined efforts are being made to contribute its best to this joint endeavour. By adhering to sequential committed delivery, and providing integrated after-sale service, BHEL has been able to secure high levels of customer satisfaction. Its efforts in this direction are being further intensified.

The company has instituted a rigorous system of Quality Assurance both in its manufacturing plants and at project sites, and has undertaken a number of programmes for diversification and technological upgradation, so that its products may continue to compete effectively with the world's best.

Efforts are also being intensified to ensure that while fresh orders for new power plants in the country are placed on BHEL, the company also improves its market share in the industrial sector and secures export contracts too.

**SHRI E. BALANANDAN :** In reply to my question (a), the Minister has admitted that he has read the editorial of *Economic Times*. In reply to my question (b), it is stated that "The value of orders received by the BHEL has gone up from Rs. 1990 crores in March 1981 to Rs. 3550 crores in March 1983." But it is not clear for how many years this amount has been there. I want to know what is the capacity of BHEL? How many sets can be produced by them? What is the order book at the end of this year and for the next year? As per this report, the capacity of the BHEL is to produce 23 Hydel sets. The order for this year is only for 14 sets and for 1984, it is only for 16 sets. Out of them, for seven sets the order has been deferred by the people who ordered them. Therefore, it is evident that the order book is on the decrease and the company is facing a crisis. Will the Minister state

clearly the number of orders and the amount involved? Is it due to increase in the prices of the sets or due to increase in the number of orders got by the company.

**THE MINISTER OF INDUSTRY (SHRI NARAYAN DATT TIWARI) :** The Hon. Member must have seen the statement sent to him. The order book has steadily increased from the 1st April, 1980 from Rs. 1,972 crores to Rs. 3,350 crores on the 1st April, 1983.

As far as the number of sets goes, the total number of orders outstanding on 31-3-1983 is 45 in the case of thermal sets, which would be 9,295 Megawatts power of the value of Rs. 2,269 crores; in the case of hydro, the number being 40 which would be 1,860 Megawatt valued at Rs. 1,238 crores. Other miscellaneous orders amount to Rs. 1,043 crores.

I may assure the Hon. Member that the order book position for the coming two and a half years is satisfactory and as far as the capacity utilisation goes, we are sure that we can meet the orders for the next two and a half years, after which we want new orders. And it is expected that since the Planning Commission has cleared many other schemes and the only constraint is of resources with the State Electricity Boards and other authorities as soon as resources are available, further orders will be taken up and we hope that there would be no problem.

**SHRI E. BALANANDAN :** The State Governments have made certain complaints against BHEL about their inefficient servicing and inability to supply the machines in time. They are also not keeping themselves abreast with the latest developments in the technology of making transformers. Also, the Central Government and some State Governments also go in for foreign equipment while our indigenous equipment is available. Therefore, may I request Government to discourage the tendency being shown increasingly by the Central Ministries and the State

Governments to purchase capital goods from abroad, instead of procuring their heavy equipment from indigenous sources, because they do not have the savings with which they may buy the local equipment? That is one question. Another question is, will the Government see that the efficiency of BHEL is kept abreast with the developments in technology that are available today the world over. An efficient servicing of the machines can also give some satisfaction to the consumers.

**SHRI NARAYAN DATT TIWARI :** I want to assure the Hon. Member categorically that as far as technology goes BHEL has tried—has been and will continue to try in the future—to acquire the best of technology that is available in the field of power generation.

As I have stated earlier in this House many times; and I have laid statements and all that, our basic policy regarding foreign collaboration is that BHEL tries to acquire the appropriate technology so that BHEL can serve the nation properly. And, BHEL has taken all possible measures to improve quality. There are about 223 Energised circles today functioning in the various parts of the country where major undertakings are located and these qualitative surveys have been very effective in upgradation of quality as far as BHEL equipment is concerned.

There have been other measures taken in the organisational matters, from the plant level to the corporate level to upgrade quality and I agree that we have to do whatever is possible to maintain the highest quality and we have also to achieve more excellence. That is the policy of BHEL also.

As far as the question of imports goes, I do not think that the imports as yet have posed a serious danger to BHEL but we are trying our level best to improve the execution of the orders being placed on BHEL, but some times if there is some shortage or if there are bilateral agreements between friendly nations, then of course we have to

agree to import. But by and large, generally speaking, there is no policy of encouraging imports of power equipment.

**MR. SPEAKER :** Dr. Azmi.

**SHRI KRISHNA CHANDRA HALDER :** The Minister in reply to a supplementary put by our friend, Mr. Balanandan, has expressed satisfaction over the BHEL equipment. I quote from the editorial of 'The Economic Times' dated 2 July, 1983 :

"The Prime Minister the other day drew attention to the complaint made by the Gujarat Chief Minister, Mr. Solanki, that the power programme in the State had been held up because of dependence on indigenous equipment. Gujarat and West Bengal are not the only States which have taken up cudgels against BHEL."

This is not the only state of affairs. What is happening today? Due to acute power crisis, hundreds of industries have been closed down and lakhs of workers have either been laid off or lost their jobs. We are losing every year thousands of crores worth production. This is the position. We know from West Bengal as to what is happening there. BHEL has supplied sub-standard equipment for Santhaldih power project.

**DR. SUBRAMANIAM SWAMY :** He does not know that BHEL has Soviet equipment.

**SHRI KRISHNA CHANDRA HALDER :** Whether it is from Soviet Union or West Germany or America, it does not matter. We want better performance and we want that the public sector should contribute to the progress of the nation. The nation is losing thousands of crores every year. I would like to know from the Hon. Minister whether he will look into the complaint made by the Hon. Prime Minister and other State Governments. What are the remedial measures that you are going

to take to improve power plant equipment manufactured by BHEL, its servicing and quality so that we can tide over the power crisis of our country ?

**SHRI NARAYAN DATT TIWARI:** Well, it is correct that the Chief Minister of Gujarat did mention about the mal-functioning of two thermal plants at Ukai and Gandhinagar and he suggested import of power generation sets to meet the domestic demand. We went into the complaint in some detail. It was found that the rotor of the Ukai plant that was damaged, was an imported one. The BHEL got it repaired at its Bhopal workshop. Now the plant load factor attained after repairs, is 67 per cent which is quite satisfactory if you keep in view the Rajdakshya Committee's standard of plant load factor. Gandhi Nagar Plant after its repairs, has attained 72.8 per cent plant load factor. As far as West Bengal goes, perhaps, the Hon. Member has not been appraised of the facts correctly. The West Bengal Government do not have any major complaint regarding the equipment supplied to them. BHEL has supplied five turbo-generator sets at Santhaldih and Bendel. These sets have been commissioned. And the confidence re-imposed by the West Bengal Government in BHEL has been reflected by their latest request to BHEL asking them to execute on turnkey basis the Kolaghat extension project. Still I want to assure the Hon. Member that we do not want any quality mal-functioning. It is the endeavour of the BHEL that the customer's satisfaction is the quintessence of the matter. Therefore, BHEL has taken into confidence all the State Electricity Boards, other major public sector undertakings and customers. BHEL has been organising customers' conferences at different levels so that BHEL comes upto the standard and expectations of its customers.

**DR. KRUPASINDHU BHOI :** Sir, I would like to know from the Hon. Minister what is the gap between the requirement of power generation sets in the country in the Sixth Five Year Plan and what is the total installed capacity

of BHEL and whether in the Sixth Five Year Plan, the Government, to upgrade the technology with modern design parameter, is collaborating with the best design parameter in the world ?

**SHRI NARAYAN DATT TIWARI :** BHEL is fully geared up to meet all the requirements in the Sixth Five Year Plan. As far as equipment is concerned, I may assure the Hon. Member that there is no gap as far as BHEL is concerned.

**Accumulation of Finished Products Including Stainless Steel in Alloy Steel Plant, Durgapur**

+

**\*43. SHRI SUSHIL BHATTACHARYA :**  
**SHRI NIREN GHOSH :**

Will the Minister of STEEL AND MINES be pleased to state :

(a) whether he is aware that the Alloy Steel Plant in Durgapur is on the verge of closure and a majority of the 7000 workers could not be allotted jobs while the accumulated finished products, including stainless steel stood at 20,000 tonnes;

(b) if so, reasons for adopting a liberalised import policy in respect of special and stainless steel when the special steel producers in the country were in dearth of orders; and

(c) how Government are going to save the Alloy Steel Plant, Durgapur ?

**THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI N.K.P. SALVE) :** (a) to (c) A statement is laid on the Table of the House.

**Statement**

(a) to (c) The Alloy Steel Plant, Durgapur has a stock of finished products of about 14,000 tonnes (and not 20,000 tonnes) as on 1.7.1983. Though there has been accumulation of stocks, the plant is in regular production with full