

Extension of Chairman of BHEL

2768. SHRI RAJ BABBAR: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that previous Government had given extension to the Chairman and Managing Director of Bharat Heavy Electricals Ltd. (BHEL) with a goal to improve the financial performance of the undertaking;

(b) whether it is also a fact that the financial performance of BHEL during the last three year quarter is far from satisfactory; and

(c) if so, action taken by Government against the erring officials for abysmally poor performance of BHEL?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI G.M. SIDDESHWARA): (a) Sir, the Chairman and Managing Director (CMD) of Bharat Heavy Electricals Limited (BHEL) was granted an extension for a period of 2 years beyond the date of his superannuation on 31.12.2013, as a special case, with the approval of the Competent Authority, keeping in view the difficult situation confronting the power sector as a whole and BHEL in particular at that time in the face of adverse economic situation, resulting in inadequate order booking; need to undertake accelerated diversification strategy in both core and non-core business, which entailed the need for continuity in top leadership at a crucial juncture.

(b) and (c) Financial performance of BHEL has come down since 2013-14, in view of the adverse business conditions on account of various external factors beyond the control of the Company, such as :

- contraction in new addressable opportunities/ orders maturing in the domestic power sector market due to issues/ bottle-necks related to non-availability/ acquisition/ lack of enabling requirements such as land, coal/fuel linkages, environmental clearances etc. ;
- orders getting deferred or being put on hold due to customer issues ;
- weak investment sentiments and financing constraints from the lending institutions ;
- customers constraints in releasing payments curtailing progress of some of the power projects ;
- lack of level playing field including infrastructure bottlenecks suffered by the domestic industry vis-à-vis foreign suppliers/ manufacturers ;

- global slowdown, political turmoil, armed conflict in countries like Syria and Yemen, resulting in lower demand for exports etc.

In order to overcome the situation of present shrinking market, BHEL crafted following major strategies:

- Expanding the offerings and provide total EPC solutions to customers
- Offer Fuel flexible Boilers capable of firing both imported & indigenous coals (in wide range of combinations)
- Leveraging enhanced manufacturing prowess (20,000 MW of power equipment p.a.) to shorten deliveries
- Work on Techno-commercial optimization
- Intensify Diversification in areas like Defence, Transportation, Transmission and Renewable Energy segments

Despite the unfavourable externalities, BHEL, by expanding its offerings, secured 89% of its total orders in Power Sector on EPC basis during 2014-15 and also maintained 72% market share for two consecutive years.

Opening of new trade route with Pakistan

2769. SHRI BAISHNAB PARIDA: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether it is proposed to open eight new trade routes with Pakistan across LOC in Jammu and Kashmir for cross-border trade with Pakistan, if so, the details with status of the project;

(b) whether all the security elements of the project have since been addressed, if so, the details thereof; and

(c) how far will this help to boost trade between the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS [GENERAL (RETD.) V. K. SINGH]: (a) to (c) The entire State of Jammu and Kashmir is an integral part of India, a part of the territory of the state is under the forcible and illegal occupation of Pakistan. With a view to enhance the welfare of the people of the state residing on both sides of the Line of Control (LC) in Jammu & Kashmir, Government continues to facilitate cross LC trade and travel activities; regular cross LC trade activities along the Srinagar-Muzaffarabad and Poonch-Rawalakot routes commenced in October