

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1754
ANSWERED ON:06.03.2000
CLOSURE OF ABL
IQBAL AHMED SARADGI

Will the Minister of POWER be pleased to state:

- (a) whether the Government have received representations regarding the survival of ABL in Shahbad, Karnataka;
- (b) if so, the details thereof and the reaction of the Union Government thereto;
- (c) whether the said factory is at the verge of closure;
- (d) if so, the reason therefor; and
- (e) the remedial measures proposed to be taken by the Government for the survival of this factory?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir.

(b) : A representation was received in July, 1999 from the ACC-Babcock General Workers' Union, District Gulbarga, Karnataka, expressing concern about future of their Boiler Manufacturing facility at Gulbarga due to lack of sufficient orders. Shri Iqbal Ahmed Saradgi, hon'ble Member of Parliament (Lok Sabha), had also written to the Minister of State for Power on 30.12.1999 regarding the same matter. The representations, in particular, raised the issue of securing boiler orders for the Talcher Thermal power project in Orissa of the National Thermal Power Corporation.

(c) & (d) : The promoters of M/s. ABB-ABL Ltd., have informed that there is no workload in both the boiler manufacturing units owned by them including the factory at Gulbarga, Karnataka. The company has also stated that as a result of continuing low workload situation, the Company is likely to turn sick unless corrective steps are taken.

(e) : So far as placement of orders is concerned, in an era of global competition, it is neither possible nor desirable for the Central Government to ask a project developer to award any contract to ABB-ABL Ltd., in preference to another. Thus, ABB-ABL like any other manufacturer/supplier, has to compete with others on a level playing field. As regards award of boiler package for the Talcher power project of NTPC, which has been awarded to BHEL, the Allahabad High Court, in its recent judgement, has upheld award of the contract to BHEL. Meanwhile, the company has been advised to consider exploring the vast opportunities available under renovation and modernisation schemes of thermal plants with funding from the Power Finance Corporation.