

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

UNSTARRED QUESTION NO:941  
ANSWERED ON:28.07.2000  
POWER PROJECTS BY BHEL  
CHANDRA BHUSHAN SINGH

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

- (a) whether the Bharat Heavy Electricals Ltd. has sought the help of the Government to secure two power projects from abroad;
- (b) if so, the details thereof and the action taken by the Government in this regard;
- (c) whether the BHEL could not undertake massive capital intensive projects on its own by giving 100 percent credit on account of both the financial implications and risk factors; and
- (d) if so, the steps taken by the Government to make the BHEL competitive?

**Answer**

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) & (b) Yes, Sir. Recently the Government had taken up the matter with Ministry of External Affairs for expediting United Nations clearance in respect of two orders valued at Rs.870 crores which BHEL received from Iraq for supply of 2 x 159 MW (ISO rating) Gas Turbine Generating units with associated electro-mechanical plant auxiliaries. These purchases are covered by Oil for food programme of the United Nations.

(c) & (d) Considering that BHEL is basically a manufacturer and supplier of power plant equipment, it would not be prudent for BHEL to take on a large exposure on its own balance sheet by extending credit to a single massive project. To strengthen its sales efforts in the domestic market, BHEL has organised lines of credit from Financial Institutions like ICICI, IDBI and FCI. BHEL also helps in syndicating loans for customers in order to help them achieve financial closure.

BHEL has been given `Navaratna` status that allows it greater financial autonomy to face the competitive environment. The Board of BHEL has been strengthened by inducting professionals as part-time Directors. BHEL is constantly updating its manufacturing facilities, product technology and improving the delivery cycles to remain competitive.