

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

UNSTARRED QUESTION NO:85

ANSWERED ON:15.11.2007

PARLI AND PARAS PLANTS

Gaikwad Shri Eknath Mahadeo; Mane Smt. Nivedita

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

(a) whether the State-owned power generating company, Maharashtra Power Generation Company Ltd., is likely to impose a fine on Bharat Heavy Electricals Ltd., of the Parli and Paras Plants in Maharashtra;

(b) if so, the details thereof; and

(c) the time by when these plants are likely to be completed?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) to (c): The State-owned power generating Company, Maharashtra Power Generation Co. Ltd., (MahaGenco) has expressed their intentions for imposing liquidated damages on Bharat Heavy Electricals Ltd. (BHEL) for Parli-1 and Paras-1 projects. BHEL is in disagreement with MahaGenco as there were substantial delays by the latter in providing critical inputs and delay in civil works carried out by contracting agency. The issue is under discussion between BHEL and MahaGenco.

For both the projects, the scope of BHEL contract was limited to Boiler and Turbine Generator package along with Electricals, which constituted about 55-60% of the total project work. The civil works and Balance of Plant (BOP) packages are being executed by MahaGenco through other contractors and the commissioning of the units depends on availability of inputs to be provided by MahaGenco. There were substantial delays ranging from 8 to 28 months in providing critical inputs to BHEL by MahaGenco. There were some also some delays in supply of few items from BHEL, mainly due to non-availability of imported raw materials. Despite delays by MahaGenco, BHEL compressed the site activities and achieved synchronization of Parli-1 in Feb'07 during the 10th Plan against contractual schedule of July'06. Paras-1 was commissioned in May'07 against contractual schedule of November'06, thereby containing delays by about 6 months time.

Parli Unit-1 started generating power from 2nd April'07 and achieved full load on 19th May'07 and is presently running under full load and trial operation is also under progress. Coal firing of Paras-1 was done in October'07 and full load is expected to be achieved by December'07 as lube oil Unit (Mill 2) foundations by customer is expected to be received by 17th November, 2007.