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BHPV Merged with BHEL; Becomes Seventeenth Unit of BHEL

With the Board for Industrial and Financial Reconstruction's (BIFR) sanction of the Modified Draft Rehabilitation Scheme envisaging merger of Bharat Heavy Plate and Vessels Limited (BHPV) with the Maharatna company Bharat Heavy Electricals Limited (**BHEL**), BHPV has become the 17th manufacturing unit of **BHEL**. The unit will hereafter be named as Heavy Plates and Vessels Plant (HPVP), Vishakhapatnam. The Appointed date for the merger is 1st October 2011. Till now, BHPV was a wholly owned subsidiary of **BHEL**. After the Union cabinet's approval in February 2013, the merger scheme was filed with BIFR in March 2013 and the entire merger exercise was completed in a record time of 5 months thereafter. The merger will pave the way for **BHEL** in further diversifying its product portfolio. HPVP derives strength from numerous esteemed references in the Oil, Steel, Cement & Fertilizer sectors. Compact Heat Exchangers for the Light Combat Aircraft "Tejas" meeting all technical requirements mandated by the relevant Military Standards of Govt. of India will continue to be manufactured at HPVP. Based on past experience and capabilities for manufacture of its legacy products like High Pressure Heat Exchangers, Pressure Vessels, Columns, Reactors, Air Separation Units, Nitrogen Plants etc., **BHEL** will be able to address forthcoming business from various process industries. This will also facilitate **BHEL's** entry into the Oil & Gas Sectors for products like Group Gathering Stations, Gas Processing Units etc., as **BHEL's** presence in process industries like Refineries, Petrochem, and Fertilizers has earlier been limited to supply of individual products like boilers, turbines, motors etc. After merger, **BHEL** will be in a position to bid for entire systems / sub-systems & progress to qualify for EPC contracts in these sectors and **BHEL** expects an additional business of over Rs.54,000 Million in the next 5 years. In addition, HPVP shall be developed as a hub for industrial boilers. There is a business potential of Rs.90,000 Million in the next 5 years for industrial boilers upto 500 TPH and **BHEL** would strive for major share of this business through HPVP. HPVP would become **BHEL's** first strategically located coast-based plant which has a sea front facility for fabrication and transportation of heavy equipment through barge and shall be used by **BHEL** in transportation of heavy over dimensional consignments (ODC) for domestic and international orders. Furthermore, HPVP has already made an ODC of 442 tons for an export order of 2x135 MW Koniombo Project in New Caledonia & shipped from the sea side facility, bringing competitive advantage to **BHEL**. BHPV was established in the year 1966 as a public sector undertaking under the Department of Heavy Industry, Government of India. It catered to the specialized equipment & plants required for oil refineries, fertilizer plants, steel plants, defence sector etc., and has contributed more than Rs.6,500 Million to the National exchequer in the last 20 years. BHPV achieved a turnover of Rs 2402.7 Million in Financial Year 2012-13 and has crossed the Rs.2,000 Million turnover mark, after a period of 10 years. The net profit during the same period was Rs.350.4 Million. The merger will pave the way for a new phase of growth at HPVP. In **BHEL's** fold, the Vizag plant will regain its past glory by modernizing its strategically located manufacturing base to deliver world class equipment and systems by inculcating the strong performance driven culture of **BHEL**. In this regard, capital expansion is already underway at HPVP with an investment of Rs 2,300 Million to provide the technological edge.

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