

08-Sep-2010

BHEL and Govt. of Kerala form JV for manufacture of products for Railways and Industries. Strategic move to enhance BHEL presence in the Transportation, Industrial and Renewable Energy Sectors

In a strategic move aimed at enhancing its presence in the transportation, industry and renewable energy sectors, Bharat Heavy Electricals Limited (**BHEL**), the largest engineering and manufacturing enterprise in India in the energy-related infrastructure sector and Govt. of Kerala entered into a Joint Venture Agreement here today. The Joint Venture Agreement has been entered into with the purpose of acquiring the Kasaragod Unit of Kerala Electrical and Allied Engineering Company Limited (KEL), a Govt. of Kerala undertaking, which manufactures various ratings of Alternators and power packs of ratings upto 1500 KVA. The agreement was signed by Mr. B.P. Rao, Chairman and Managing Director, **BHEL**, and Mr. Alkesh Kumar Sharma, Secretary, Industries (IP), Govt. of Kerala in the presence of Sh. B.S. Meena, Secretary (HI), Ministry of Heavy Industries and Public Enterprises. Cdr. (Retd.) K. Shamsuddin, MD, KEL; Directors on the Board and other senior officials of **BHEL**, KEL, Ministry of Heavy Industries and Public Enterprises and Govt. of Kerala, were also present on the occasion. As per the JV agreement, KEL Kasaragod will be converted into an independent business entity with **BHEL** taking the majority stake of 51% and Govt. of Kerala retaining 49%. Aimed at synergising the strengths of the two public sector engineering companies, the JV will cater to core sectors like transportation, industries and renewable energy by manufacturing a specific range of products. The JV shall harness the talents of both the companies for upgrading the present unit to ensure full utilisation of capacities. In addition to the existing products, new products will be introduced in the factory to meet the growing requirements of Indian Railways, Industries and non-conventional energy sources. The new products proposed to be introduced include wind energy generators, induction motors, permanent magnet alternators and high capacity power cars. **BHEL** shall bring in the necessary technological and managerial support as well as investments for carrying out the expansion for introducing these products. The JV is expected to become functional by the end of the year and expected to reach its peak manufacturing capacity by the end of the fifth year. The turnover is expected to grow to 3 to 4 times the present turnover. With this, **BHEL** will be entering Kerala for the first time with a manufacturing setup. **BHEL** has been committed to the nation's infrastructure development programme and has reaffirmed its commitment to the Indian infrastructure sector by equipping itself for the future, by way of technology, facilities and trained manpower. In the area of transportation, **BHEL** is the leading supplier of traction equipment and electric locomotives to Indian Railways. The company is gearing up to meet the emerging demand in the transportation segment, which is expected to grow exponentially due to the Railways' plans for capacity enhancements both in rolling stocks as well as Rail network. KEL's Kasaragod unit is manufacturing brushless alternators since 1990 under technical collaboration with Leroy Somer, France and has a very good market share in supply of brushless alternators for use in DG sets for power cars. KEL has also designed and manufactured Brushless Alternators for traction and industrial applications. **BHEL** sees a strategic fit with KEL Kasaragod, particularly for the requirement of Alternators for DEMUs, oil rigs and shunting locomotives.

You are visiting a pop on the www.bhel.com

Powering Progress... Brightening Lives Touching Every Indian Home