

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

UNSTARRED QUESTION NO:1921
ANSWERED ON:10.08.2006
REVIVAL OF BWEL .
Dhanaraju Dr. K.

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

- (a) Whether the Bharat Wagon and Engineering Company Ltd. (BWEL) was set up with an aim to manufacture railway wagons;
- (b) If so, whether the company has not been able to achieve its targets;
- (c) If so, the details and the reasons therefor;
- (d) The losses suffered by the company during each of the last three years; and
- (e) The steps the Government proposes to make it viable and profit making company?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a) to (c): Bharat Wagon and Engineering Company Limited (BWEL) was incorporated on 04.11.1978 as a Government Company vested with the assets acquired by the Government of India from the two closed companies, namely The Britannia Engineering Company (Mokameh unit) and The Arthur Butler and Company (Muzaffarpure) Limited to manufacture Railway wagons. The main reasons for the Company not being able to achieve its target for last few years are as under:-

- (i) Delayed and inadequate receipt of matching free supply items like Bogies, Couplers, Wheel Sets, Steel & Bearings;
 - (ii) Shortage of working capital for purchase of bogies and couplers from outside vendors;
 - (iii) Sudden fall in wagon prices due to adoption of open tender policy by the Railways making the PSEs incompetent due to high overheads coupled with increase in input price; and
 - (iv) Lack of consistent supply order by major consumers; etc.
- (d) The losses suffered by the Company during each of the last three years are as under:-

(Rs. in crore)

Year	Net Loss
2003-04	24.05
2004-05	28.10
2005-06 (Prov.)	24.39

(e) The Government of India, through Bharat Bhari Udyog Nigam Limited (BBUNL), the holding Company of BWEL is making all efforts to improve its performance by setting outstanding salaries and statutory dues, making available working capital, free supply items and orders from the Railways. A revival package of BWEL was placed before the Board for Reconstruction of Public sector Enterprises which has given its recommendations.