GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS

LOK SABHA
UNSTARRED QUESTION No. 4627
TO BE ANSWERED ON 24.03.2021

REVIVAL OF BHARAT WAGON & ENGG. CO.

4627. SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH:
SHRI DINESH CHANDRA YADAV:

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Government has finally closed the Bharat Wagon & Engg. Co. in Mokama, Bihar and if so, the reasons therefor;

(b) whether all the employees have been given forced VRS;

(c) if so, whether all the dues of employees have been cleared or are still pending;

(d) if so, the details thereof;

(e) whether the Government has any proposal to revive the Bharat Wagon & Engg. Co. Mokama; and

(f) if so, the details thereof and the action plan chalked out in this regard?

ANSWER

MINISTER OF RAILWAYS, COMMERCE & INDUSTRY AND CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

(SHRI PIYUSH GOYAL)

(a) Cabinet Committee on Economic Affairs has approved closure of Bharat Wagon & Engg.Co. Ltd. on 23rd August, 2017.

BWEL was incorporated on 4th Dec.1978 as a Central Public Sector Enterprises (CPSE). The company was referred to BIFR
(Board for Industrial and Financial Reconstruction) in December, 2000 and was declared “sick” in the year 2002. The company continued as sick company since then. The administrative control of the company was transferred from Department of Heavy Industry (DHI) to the MoR in August 2008.

In view of the continued poor physical and financial performance of the company for more than 10 years, in spite of financial assistance and other support provided by Ministry of Railways combined with low probability of its revival in future, it was decided by CCEA to close the company.

This measure will stop flow of financial support from public funds for carrying on the operation of sick/loss making BWEL resulting in savings for the Government. The process of closure is at the verge of completion.

(b) Total 540 employees who opted for VRS/VSS were separated from service of the company on 31.10.2017 (AN).
Balance 30 employees who did not opt for VRS/VSS were retrenched from service of the company as per provisions of the Industrial Disputes Act, 1947 on 10.03.2021 (AN).

(c) All the dues of the employees have been cleared/paid.

(d) Total ₹ 82.02 Cr. has been paid to 540 employees against settlement VRS benefits such as Ex-gratia, Notice pay, gratuity and encashment value of leaves.
Total ₹ 3.18 Cr. has been paid to 30 employees for settlement of retrenchment benefits such as wages, retrenchment compensation, notice pay, gratuity, encashment value of leaves and bonus.

(e) No, Sir.

(f) Does not arise.

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