

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:2316  
ANSWERED ON:07.12.2006  
LOSS TO VIGNAYAN INDUSTRIES LIMITED  
Bauri Smt. Susmita;Khan Shri Sunil

**Will the Minister of DEFENCE be pleased to state:**

- (a) whether the Vignayan Industries Limited incurred an avoidable loss of Rs.1.42 crore due to abnormal rejection of steel casting;
- (b)if so, the details thereof; and
- (c)the action taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF DEFENCE PRODUCTION (RAO INDERJIT SINGH)

(a) to (c): Vignyan Industries Limited (VIL), a subsidiary of Bharat Earth Movers Limited (BEML), is engaged in the manufacture and supply of steel castings. There has been a cumulative loss of Rs.1.42 crore from 2001-2002 to 2004-2005, due to excess rejection over and above the accepted industry norm. VIL was under Bureau of Industrial Finance & Reconstruction (BIFR) and recently has been turned around by BEML through various initiatives including managerial and financial assistance. Further, VIL has also taken various initiatives towards process improvement and quality assurance including ISO certification, Total Quality Management and Statistical Quality Control. Due to these measures, the rejections have been brought down to 5% in 2004-2005 from around 10% in 2003-2004.