

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:2981

ANSWERED ON:10.08.2000

PERFORMANCE OF ORDNANCE FACTORIES

ADHIR RANJAN CHOWDHURY; ALE NARENDRA; ANNA SAHEB M.K. PATIL; ASHOK KUMAR PATEL; CHELLAMELLA SUGUNA KUMARI; DAGGUBATI RAMANAIDU; JAIBHAN SINGH PAWAYIA; RAMPAL SINGH; SHEELA GAUTAM; SHYAMA SINGH

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Chief of the Army Staff has expressed its serious concern on the functioning of Ordnance factories and stressed the need for involving private sector in major armament programme;
- (b) if so, the steps proposed to be taken in that regard and to ensure that these factories produce all advanced surveillance system and weapon locating radars etc. indigenously;
- (c) the performance of each of these factories during 1999 and 2000 till date in physical and financial terms;
- (d) the steps to improve the functioning of Ordnance factories and to modernise them along with the allocation of funds made therefor;
- (e) whether the Government propose to involve private sector for manufacturing of advance weapon system;
- (f) if so, the details of items to be manufactured in private sector; and
- (g) the steps being taken to ensure that defence preparedness is not leaked out as a result thereof?

Answer

MINISTER OF STATE FOR DEFENCE PRODUCTION & SUPPLIES (SHRI HARIN PATHAK)

(a) to (g): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA UNSTARRED QUESTION NO. 2981 FOR 10.8.2000

The Chief of the Army Staff has expressed concern in respect of some specific items/stores, viz., T-72 Tanks, T-72 Tank Barrels and Grad rocket ammunition. Whilst appreciating the significant role played by Ordnance factories in meeting important requirements of the Army, he has made constructive suggestions on their cost effectiveness and optimal use of the capacities of Ordnance factories, Defence PSUs and the Private Sector. He has not specifically identified areas which could be opened up to the Private Sector and his ideas relating to advanced systems is in the context of the entire defence industrial complex in the country.

2. Ordnance factories neither produce surveillance system or any type of radars including weapon locating radars nor there is any plan to produce these items in the Ordnance factories.

3. Improvement in functioning and modernisation is an on-going process. It encompasses upgradation of technology, augmentation of capacities and replacement of old and obsolete plant and machinery, which has outlived its life as well as installation of new plant and machinery with a view to productionise various defence related items of newer technology in keeping with the requirement of services.

4. Turn over in Ordnance factories during 1999-2000 was higher by 34.6% compared to the turn over in the previous year. The financial performance of each of the Ordnance factory during 1998-99 and 1999-2000 has been furnished in the enclosed annexure. As regards physical performance, these factories produce a wide variety of items, which include small arms and its ammunition, transport vehicles, armoured personnel carrier, tanks, artillery and tank ammunition etc.

5. An amount of Rs. 1,241 crore has been earmarked in the IX plan period for modernisation of Ordnance factories. Till 1999-2000, a sum of Rs. 512 crore has been invested and the balance Rs. 729 crore is planned for investment in the remaining period of two years.

6. There is no proposal to hand over production of advance weapon system to private sector.

ANNEXURE REFERRED TO IN THE STATEMENT GIVEN IN REPLY TO PARTS (a) TO (g) OF LOK SABHA UNSTARRED QUESTION NO. 2981 FOR 10.8.2000

FINANCIAL PERFORMANCE ACHIEVED VALUE OF SALES/ISSUES

(Rs. IN CRORES)

SL.	1998-1999		1999-2000		
	ARMY	ALL INDENTOR	ARMY	ALL INDENTOR	
M&C			(excl. IFD)	(excl. IFD)	
1.	OFKAT		3.52	3.12	
2.	OFA		15.73	23.60	
3.	MSF	0.05	2.93	0.39	4.66
4.	OFM		0.02	0.05	
5.	OCFC	16.13	21.24	35.11	39.37
6.	OFBH		1.22	3.60	4.18
7.	OFAJ	6.58	10.95	3.18	7.43
8.	MPF	2.25	3.13	1.18	1.55
9.	HAPP		0.65		4.59
SUB-TOTAL:	25.01		59.40	43.46	88.5500

WV&E

1.	RFI	140.35	194.47	192.62	251.68
2.	SAF	19.7	75.09	38.32	88.61
6					
3.	OFT	12.7	67.32	9.67	42.54
3					
4.	GSF	5.56	12.05	11.13	19.9000
5.	OFC	1.01	5.67	2.72	5.8500
6.	FGK	0.71	10.87	2.73	15.6100
7.	GCF	5.05	12.96	27.04	54.0900
8.	OFDC	2.57	5.89	1.33	5.8300
SUB-TOTAL:	187.74		384.30	285.56	484.1100
B-VEHICLE:					
9.	VFJ	545.13	546.11	572.86	574.6200
10.	GIF		4.21		3.6200
SUB-TOTAL:	545.13		550.32	572.86	578.2400

SL.	1998-1999		1999-2000	
	ARMY	ALL INDENTOR	ARMY	ALL INDENTOR
A & E				

1.	CFA	30.22	38.29	30.48	36.30
2.	HEF	2.65	16.00	4.27	14.86
3.	OFI	0.79	4.37	10.14	14.71
4.	AFK	190.34	259.96	194.85	268.90
5.	OFV	55.36	119.67	115.86	222.55
6.	OFK	390.32	483.48	702.85	855.34
7.	OFCH	460.36	518.97	812.75	895.19
8.	OFDR	31.41	50.18	78.57	102.07
9.	OFBA		10.74	39.82	52.05
10.	OFBOL	72.49	72.69	164.52	168.52
	SUB-TOTAL:	1233.94	1574.36	2154.11	2630.4900

AV

1.	HVF	638.91	658.52	691.40	694.0600
2.	OFPM	278.96	291.67	325.35	335.6700
3.	EFA	11.47	12.09	8.37	8.6700
4.	OFDUN	11.73	17.97	14.02	29.1200
5.	OLF	1.51	1.85	7.00	7.3500
	SUB-TOTAL:	942.59	982.10	1046.14	1074.8700

OEF

1.	OEFK	132.67	146.21	166.82	179.1900
2.	OCFS	124.54	139.44	167.63	182.0400
3.	OCFAV	53.45	74.84	64.40	82.3300
4.	OPF	70.63	74.61	68.52	73.2900
5.	OEFHZ	23.76	26.49	22.21	27.5500
	SUB-TOTAL:	405.05	461.59	489.58	544.4000
	GRAND TOTAL:	3339.46	4012.07	4591.71	5400.6600