

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:3757
ANSWERED ON:19.04.2010
NALANDA ORDNANCE FACTORY
Kumar Shri Kaushalendra;Patel Shri Bal Kumar

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government proposes to complete the construction of Nalanda ordnance factory in Bihar during the current financial year;
- (b) if so, the details thereof including the percentage of construction work of this factory which is still incomplete and the time by which factory is likely to be started;
- (c) the details of cost escalation of the project indicating the revised cost;
- (d) the number of staff and officers entrusted with this job who are sitting idle; and
- (e) the action plan to complete the project without further delay?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI M.M. PALLAM RAJU)

(a) & (b): No, Madam. In accordance with the original schedule the project was to be completed by 4.8.2011. For the Bi-Modular Charge System (BMCS) plant the contract had been awarded to M/s IMI Israel after a global tender. In May 2009 the Government had decided to put the contract on hold as there were allegations of payment of illegal gratification in a case registered by the CBI against a former DGOF and others. Contracts with some other companies were also put on hold for the same reason. In an order on writ petitions filed by some of the companies, the Hon'ble Delhi High Court has set-aside the order putting on hold the above contracts. The Hon'ble High Court has directed that penal action against the aforesaid companies may be taken only after giving them an opportunity for representation and following the principles of natural justice. Accordingly show cause notices have been issued to the companies concerned and a decision will be taken after examining their replies and giving them a hearing. The same procedure has to be followed regarding the contract for the BMCS plant.

Apart from the BMCS Plant the production facility includes three other plants. Contracts for these plants have been placed after global tenders. The present status of these plants is as under:

(i) Nitro Glycerine (NG) Plant:- Civil Work for factory buildings is nearing completion. Most of the equipment has been received. 35% of the construction work remains to be completed.

(ii) Sulphuric Acid/Nitric Acid (SAC / NAC) Plant:- 55% of the civil work for factory buildings remains to be completed.

(iii) Nitro Cellulose (NC) Plant:- 20% of civil work for factory buildings remains to be completed.

(c) The Cabinet Committee on Security (CCS) approved the revision of the cost of the project from Rs.941.13 crore to Rs.2160.51 crore in January 2009.

(d) At present the total manpower deployed is 128. The staff is monitoring activities such as on-going construction of the plants mentioned above, maintenance of infrastructure, coordination with civil authorities and security.

(e) As explained above a decision on the contract has to be taken as per the directions of the Hon'ble Delhi High Court before an action plan for completing the project can be drawn up.