

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:4034
ANSWERED ON:03.08.2009
SETTING UP OF ORDNANCE FACTORY
Kumar Shri Kaushalendra

Will the Minister of DEFENCE be pleased to state:

- (a) the present status of the setting up of ordnance factory at Rajgir in Bihar;
- (b) the reasons for delay in the project; and
- (c) the revised time schedule for completion of the project?

Answer

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

(a) The present status of the project is given below:

(i) Contracts for procurement of the different plants to be set up in the factory have been concluded.

(ii) The administrative building of the factory and a few other buildings for a school and a hospital have been completed. Work for arrangement of bulk power supply of power has also been completed.

(b) The project was originally sanctioned by the Cabinet Committee on Security in 2001. Further steps for implementation could be taken only after the trials of the product (bio modular charge system for artillery guns) were completed by the Army in March 2003. When a global tender was issued it was found that the offers received were much higher than the sanctioned cost. The Ministry of Defence had then decided to put the project on hold and appoint an expert committee for reviewing the project. After examining the report of the expert committee it was finally decided in July 2007 to go ahead with the project. The revised project was approved by the Cabinet Committee on Security in January 2009.

(c) The project is scheduled to be completed by August 2011. However, in view of the case registered by CBI against Shri Sudipta Ghosh, former DGOF and some others, it has been decided by the Ministry of Defence to put on hold for the present all procurement cases with Israeli Military Industries (IMI), Israel, on whom the contract for supply of Bi Modular Charge System (BMCS) Plant has been placed till further orders.