

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:105

ANSWERED ON:01.08.2011

DEFENCE PRODUCTION UNITS

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Will the Minister of DEFENCE be pleased to state:

- (a) the number of ordnance factories/defence public sector undertakings in the country at present;
- (b) the details of capacity utilization of these production units vis-à-vis installed capacity;
- (c) the break-up of indigenous production and import in order to meet the defence requirements;
- (d) whether the Government has constituted any committee to review the performance of the production units especially ordnance factories and if so, the details thereof and the measures being taken for modernization of the existing factories;
- (e) the proposal, if any, to set up new ordnance factories in various States in the country; and
- (f) the current status of setting up of the Nalanda ordnance factory in Bihar and the time by which the production system is likely to start?

Answer

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

- (a) At present, there are 39 Ordnance Factories and 9 Defence Public Sector Undertakings in the country. Two more ordnance factories are coming up at Nalanda (Bihar) and Korwa (UP).
- (b) & (c): The information is being collected and will be laid on the Table of the House.
- (d) Performance of the Ordnance Factories and Defence Public Sector Undertakings is regularly monitored by the Department of Defence Production. Based on the review, further necessary action is taken by both DDP and OFB/DPSUs. Modernisation plan of all the factories has been formulated and an investment of 18713 crore is planned during the 12th Five Year Plan.
- (e) At present, there is no proposal to set up new Ordnance factories.
- (f) Though the proposal for setting up an ordnance factory in Nalanda had been sanctioned by Government in 2001, the project had to be got reviewed by an Expert Committee due to substantial increase in cost. The revision in the project cost was sanctioned in 2009. However, implementation of the project could not proceed due to allegations of payment of illegal gratification by the supplier in a case registered by CBI against a former DGOF and others. A show cause notice has been issued to the supplier based on the information furnished by CBI and a final decision will be taken after examining the reply of the supplier in consultation with the Law Ministry.