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(b) & (c): Yes, Madam. Modernization of Ordnance Factories is an on-going process with an objective to create, maintain and modernize all the capital assets, with appropriate contemporary technology for indigenous production of Defence equipment.

(d) The annual production and turnover of Ordnance Factories across the country during each of the last three years and the current year, State-wise is enclosed as Annexure-I.

(e) & (f): Ordnance Factory Board has received complaints of supply of sub-standard material to Ordnance Factories during each of the last three years and the current year as brought out at Annexure-II.

(g) Ordnance Factory Board has been granted functional and financial powers for improving the functioning of Ordnance Factories.

ANNEXURE-I REFERRED IN THE REPLY GIVEN IN PART (d) OF LOK SABHA UNSTARRED QUESTION NO.3150 FOR ANSWER ON 14.03.2018
Annual Production and Turnover of the Ordnance Factories during the last three years and the current year, State -wise

Value in Crore

SL. NO.	YEAR	2014-15		2015-16		2016-17		2017-18 (upto 03-03-2018)	
	Factory	Production	Turnover	Production	Turnover	Production	Turnover	Production	Turn Over
	Union Teriotory : Chandigarh								
1	Ordnance Cable Factory Chandigarh	64.13	64.13	58.58	69.61	74.31	83.23	73.38	89.04
	STATE : UTTARAKHAND								
2	Ordnance Factory Dehradun	130.17	130.17	152.82	177.60	243.63	274.96	212.63	255.53
3	Opto Electronics Factory, Dehradun	222.89	222.89	434.97	490.40	726.77	816.87	785.52	927.89
	STATE : UTTAR PRADESH								
4	Ordnance Factory Muradnagar	203.35	203.35	232.73	262.88	249.12	282.17	242.63	271.68
5	Ordnance Clothing Factory Shahjahanpur	441.22	441.22	634.15	634.15	691.72	710.40	497.03	542.36
6	Ordnance Equipment Factory Hazratpur	111.46	111.46	150.16	150.16	200.68	207.14	161.33	170.52
7	Ordnance Factory Kanpur	561.13	561.13	643.07	713.81	718.15	801.41	370.86	425.54
8	Small Arms Factory, Kanpur	149.27	149.27	179.89	196.81	197.75	211.90	133.63	160.30
9	Field Gun Factory Kanpur	242.61	242.61	275.53	307.36	280.81	295.33	154.85	182.82
10	Ordnance Equipment Factory Kanpur	462.39	462.39	548.27	595.07	655.66	712.30	457.10	518.03
11	Ordnance Parachute Factory, Kanpur	166.49	166.49	234.79	240.21	289.45	295.14	150.03	169.96
12	Ordnance Factory Project Korwa	-	-	7.46	8.22	9.85	10.54	12.05	15.76

	STATE :BIHAR								
13	Ordnance Factory Nalanda	-	-	6.02	7.86	56.28	63.11	142.49	164.61
	STATE :MADHYA PRADESH								
14	Ordnance Factory Katni	252.00	252.00	284.04	314.72	244.28	276.04	157.90	176.85
15	Vehicle Factory Jabalpur	1288.28	1288.28	977.56	1057.85	1363.25	1529.14	1023.26	1307.20
16	Grey Iron Foundry,Jabalpur	95.72	95.72	150.11	169.54	175.00	198.97	129.67	152.86
17	Gun Carriage Factory,Jabalpur	513.23	513.23	605.08	658.34	623.06	687.89	489.03	592.83
18	Ordnance Factory Khamaria	1410.40	1410.40	1848.23	2071.37	1508.56	1645.35	1030.13	1204.35
19	Ordnance Factory Itarsi	223.66	223.66	274.11	286.84	213.92	240.48	208.16	244.63
	STATE :WEST BENGAL								
20	Rifle Factory Ishapore	303.53	303.53	295.80	321.43	319.02	350.14	253.05	296.22
21	Metal and Steel Factory	435.09	435.09	475.15	529.94	523.86	594.82	358.07	420.26
22	Gun and Shell Factory	517.48	517.48	599.15	666.92	710.59	789.93	482.28	575.97
23	Ordnance Factory Dumdum	130.78	130.78	133.19	148.92	143.16	162.25	119.18	139.54
	STATE :MAHARASHTRA								
24	Machine Tool Prototype Factory,Ambarnath	164.23	164.23	189.11	222.77	228.74	248.00	198.69	219.57
25	Ordnance Factory Ambarnath	567.00	567.00	527.78	585.40	477.37	539.42	388.15	454.04
26	Ammunition Factory Khadki	896.04	896.04	901.48	1036.90	1042.24	1143.47	745.96	870.19
27	High Explosive Factory,Khadki	193.39	193.39	231.86	253.09	236.30	274.20	129.27	151.48
28	Ordnance Factory Dehu Road	294.85	294.85	257.67	289.27	272.76	316.91	186.21	211.75
29	Ordnance Factory Bhandara	322.93	322.93	374.31	411.74	345.25	388.41	240.85	276.98
30	Ordnance Factory Chandrapur	1336.61	1336.61	1529.01	1680.29	1349.73	1511.41	967.17	1108.60
31	Ordnance Factory Varangaon	477.48	477.48	531.37	569.19	429.08	459.05	345.56	403.29
32	Ordnance Factory Bhusawal	131.94	131.94	143.99	160.87	177.72	200.89	154.17	180.26
33	Ordnance Factory Ambajhari	740.47	740.47	931.93	991.92	925.87	1041.27	718.94	838.04
	STATE :ODISHA								
34	Ordnance Factory Bolangir	819.82	819.82	911.60	997.79	1094.49	1180.27	782.62	914.13

	STATE :TELANGANA								
35	Ordnance Factory Project Medak	697.53	697.53	815.87	878.81	885.36	965.23	697.45	783.60
	STATE : TAMILNADU								
36	Heavy Vehicle Factory,Avadi	1118.13	1118.13	1357.22	1442.70	2275.92	2614.75	2265.95	2821.76
37	Ordnance Clothing Factory, Avadi	222.80	222.80	300.29	300.29	390.24	390.24	327.17	355.67
38	Engine Factory Avadi	320.35	320.35	396.24	437.22	511.87	571.00	411.00	503.92
39	Ordnance Factory Tiruchirapalli	136.53	136.53	101.67	111.71	150.31	165.02	104.61	122.32
40	Heavy Alloy Penetrator Project,Tiruchirapalli	143.86	143.86	164.88	181.33	169.06	198.92	110.13	127.61
41	Cordite Factory Aruvankadu	154.39	154.39	185.78	209.89	210.74	239.25	241.74	284.17
	OFB TOTAL	16663.63	16663.63	19052.92	20841.19	21391.93	23687.21	16659.90	19632.13

**ANNEXURE-II REFERRED IN THE REPLY GIVEN IN PARTS (e) & (f) OF LOK
SABHA UNSTARRED QUESTION NO. 3150 FOR ANSWER ON 14.3.2018**

Sl. No.	Year	Complaint	State	Remarks	Corrective Steps
1.	2014-15	Received from CVC vide O.M. dated 22.01.2015 regarding receipt of sub-standard material at inflated costs running into crores of rupees at Ordnance Factory Chanda, Maharashtra allegedly through some touts in league with some registered suppliers.	M A	Receipt of sub-standard material was not established in the investigation; but it was revealed that there were lacunae in the quality checks for which CVC advised for 'Counselling' to 03 officials and to issue 'Recordable Warning' to 22 officials. The CVC advice has been fully implemented.	CVO/OFB issued advisory circular dt. 28.09.2015 across the Organization regarding exercising of caution during acceptance of materials with respect to laid-down specifications & desist from deviations outside specified tolerance levels.
2.	2014-15	CAG Report No. 35 of 2014 - Para No. 8.7 regarding Acceptance of defective Stores before Bulk Production Clearance (BPC) at Ordnance Factory Chanda.	H A R A S H T R A	The investigation of CAG para was taken up by OFB/VIO during 2017. The investigation report revealed that 1000 nos. of Empties of Influence Mine Anti Tank Aadrushy MK-II were supplied and accepted at Ordnance Factory Chanda before the Bulk Production Clearance given by the User and the same were found to be defective. Further investigation is going on to find responsibility of officials, if any.	The vendor has agreed to replace the defective supplies.

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3.	2015-16	Forwarded by CBI/ACB Nagpur on 24.11.2015 regarding attempt by the vendor to re-supply the same rejected lot of Cotton Yarn NE 2/2.		Case was discovered by factory personnel and suitable disciplinary action taken on errant individual. Vendor was de-registered and Supply Order cancelled.	Nil
4.	2016-17	Forwarded by CBI/AGB Jabalpur on 28.07.2016 regarding alleged supply of duplicate spare parts (bearings) by M/s Sidh Sales Syndicate required for the manufacture of 155mm Dhanush to Gun Carriage Factory, Jabalpur.	M A D H Y A P R A D E S H	Investigation by CVO/OFB did not reveal any complicity of any officials in the supply of duplicate bearings to Gun Carriage Factory, Jabalpur. Case has been forwarded to CBI for investigation regarding supply of the duplicate Chinese bearings in place of bearings from Germany. CBI has registered FIR dated 19.07.2017, which is under the process of investigation.	OFB has decided to debar the vendor for 6 months.

5.	2017-18	Received. from CVC vide O.M. dt. 08.05.2017 regarding receipt of sub-standard and inferior critical input material required in the production of anti-personnel ammunition i.e. Hand Grenade at High Explosive Factory, Khadki, Maharashtra.	M A H A R A S H T R A	Investigation did not reveal that sub-standard and inferior critical input material was accepted. But it emerged that there were lacunae in quality checks and procedures.	CVC is yet to give its advice.
6.	2017-18	CTE-type inspection recommended by CVO/OFB in which it was found that prisms which were procured from trade sources were not tested at the Quality Control Section, rather acceptance was based on feedback from the User section after function/fitment trials.	U T T A R A K H A N D	The CTE-type inspection dt. 19.12.2017 found that the Quality Control Section, which has inadequate set-up, has been accepting the Prisms based on User feedback instead of carrying out mandatory quality checks.	The consolidated case is being sent to CVC.

7.	2017-18	Received from CVC vide O.M. dated 19.02.2018 regarding acceptance of same material which was earlier rejected by Ammunition Factory Khadki, Maharashtra.	M A H A R A S H T R A	Under investigation.	
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