



BHARATIYA PRATIRAKSHA MAZDOOR SANGH

(AN ALL INDIA FEDERATION OF DEFENCE WORKERS)

(AN INDUSTRIAL UNIT OF B.M.S.)

(RECOGNISED BY MINISTRY OF DEFENCE, GOVT. OF INDIA)

CENTRAL OFFICE: 2-A, NAVEEN MARKET, KANPUR – 208001, FAX : (0512) 2296229
MOBILE: 09415733686, 09235729390, 08765070982, WEB : www.bpms.org.in

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Dated: 10.02.2018

To

Smt. Nirmala Sitharaman,
Defence Minister,
Government of India,
South Block, New Delhi

Sub :- Drastic reduction in Budgetary support to Ordnance Factories

Hon'ble madam,

With due regards, I would like to bring the following for your kind personal intervention at the earliest please:-

We were not surprised on your statement speaking on the eve to mark 90 years of the setting up of leading industry body FICCI on 14.12.2017 when you said: "This may be a proper and suitable occasion to say that I am doing a major review of the ordnance factories, to make sure we understand where they are, what is it that they have to be given, are they going to be in a position to be joint venture partners for people trying to benefit from transfer of technology... so OFBs (ordnance factory boards) are also being looked into."

But we are consternated to note that all of a sudden the government has drastically cut down the Budgetary support of the Ordnance Factories, both for the Revised Estimates for the year 2017-18 and the Budgetary Estimates for the year 2018-19. In the current year Value of Issue for Army was planned at Rs. 14496 crore which has been reduced to Rs. 11419 crore (reduction by 21.22%). Budget Estimate for the year 2018-19 indicates reduction from Rs. 14872 crore to Rs. 11743 crore for issues to Army. Due to this, spares of 'A' Vehicles and Artillery Guns, sighting Systems and Electronics, General Stores and Clothing, Small Arms cannot be supplied to Army. This will have a cascading adverse effect on the capacity utilization of concerned 12 Ordnance Factories, pay pocket of employees and society at large.

As a major stakeholder, this development is being view with great concern as it directly and brutally affects not only the Defence Production sector per se, but the war preparedness of the Nation too.

In this connection we seek to bring to your kind attention various correspondence of this Federation wherein we have reiterated the fact that depending on the Private Sector on critical supplies have been a failure till date and will continue to be so in the future too, after all, this sector cannot just perform on the single point agenda of "return on investment", the mainstay of the private enterprises.

Suffice to mention once again that the **private sector can only make sound & fury but cannot deliver due to the vagarity of the situation prevalent in defence purchases.**

It is worth to mention here that erstwhile Defence Minister, Shri Manohar Parrikar had been encouraging the Ordnance Factories' employees/organization as they ensured defence production upto Rs 14,000 crore in the financial year 2015-16. He noticed that the output of the ordnance factory had improved for the first time by 17 per cent. It was stagnant for four to five years and hovering around Rs 10,000 to Rs 11,000 crore. He used to say, "Ordnance Factories have achieved new milestones in production of ammunition and defence weapons. These defence establishments have a bright future for feeding defence products for security of the nation. Now, ordnance factories are eyeing production of Rs 20,000 crore in near future,"

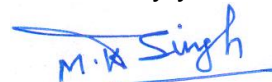
The drastic reduction in Budgetary support, it is apprehended, will entail stoppage of supplies of various critical spares, general items, electronic items and even small arms and ammunitions, directly affecting the work load of more than a dozen factories and thousands of workmen.

In view of the above, we seek your kind personal intervention in the matter with an request to restore the budgetary support to its original state to avoid a major collapse of supplies which may eventually cause impediment to the war preparedness of the Nation.

An immediate action in the matter is therefore solicited.

Thanking you in anticipation.

Sincerely yours

A handwritten signature in blue ink that reads "M. K. Singh". The signature is written in a cursive style with a horizontal line underneath.

(MUKESH SINGH)

Secretary/BPMS &

Member, JCM-II Level Council (MOD)