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**‘हर काम देश के नाम’**

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**Raksha Mantri reviews working of seven defence companies, carved out of OFB, on completion of one year of operations**

**Lauds them for recording profits while working with autonomy & accountability and protecting the interests of its employees**

**Shri Rajnath Singh exhorts DPSUs to develop/adopt latest technologies to make India a global defence manufacturing hub**

**Our aim is to achieve Rs 35,000 crore defence exports target by 2025; DPSUs must contribute to achieve the goal: RM**

Raksha Mantri Shri Rajnath Singh reviewed the working of the seven defence companies, carved out of erstwhile Ordnance Factory Board (OFB), at a meeting organised in New Delhi on September 30, 2022 to mark the completion of one year of their operations. The companies had commenced operations from October 01, 2021 before they were dedicated to the nation by Prime Minister Shri Narendra Modi on the occasion of ‘Vijayadashami’ on October 15, 2021.

During the meeting, the Raksha Mantri was briefed by the officials of Department of Defence Production on the progress made by these new DPSUs in the last one year. Addressing the officers and employees of the seven companies virtually, Shri Rajnath Singh stated that the corporatisation of OFB was a major reform in the direction of making the country ‘Aatmanirbhar’ by unleashing the true potential of these entities. He appreciated the fact that these companies are moving smoothly on the path of progress with full autonomy, efficiency and accountability, while protecting the interests of its employees, which were the base on which the Government took the decision to corporatise OFB.

“The erstwhile OFB, with its infrastructure and skilled manpower, was a strategic asset of the country, which made valuable contribution to national security. However, in the last few decades, there were concerns of the Armed Forces regarding high costs, inconsistent quality and delay in supply of

products. Being a Government department, the OFB had little accountability to show profits. There were age-old procedures, practices, paper works and rules & regulations, which had lost relevance. Getting rid of these practices was the need of the hour and corporatisation was the best way forward. The government has been handholding these companies since the beginning. It is heartening to see that they are making strides of progress,” said the Raksha Mantri.

An amount of Rs 2,953 crore has been released to these companies in the form of equity, during the Financial Years 2021-22 and 2022-23 for modernisation and further amount of Rs 6,270 crore is planned to be released to these companies up to 2026-27 for capital expenditure. In addition, an amount of Rs 3,750 crore has been released to these companies in form of Emergency Authorisation Fund.

The functional and financial autonomy provided to these new corporate entities, coupled with handholding by the Government, has started reflecting in their performance. Within a short span of six months *i.e.*, October 01, 2021 to March 31, 2022, these new companies have achieved the turnover of more than Rs 8,400 crore, which is significant considering the Value of Issue of erstwhile OFB during the previous financial years. For the Financial year 2022-23 also, the seven new DPSUs have projected cumulative sales target of approx. Rs 17,000 crore, which is significantly higher as compared to previous achievements of erstwhile OFB.

Against the production achievement of approx. Rs 5,028 crore for the period April 01, 2021 to September 30, 2021, the new DPSUs have reported production achievement of more than Rs 6,500 crore in first six months of financial year 2022-23. Post corporatisation, the new entities have shown marked improvement in productivity and quality in the changed corporate setup. In the Financial Year 2021-22, out of seven companies, six have indicated profits based on the provisional financial statements.

To further improve the functioning of these DPSUs, Shri Rajnath Singh listed out some of the key areas which need to be focussed on. Terming the present era as technology-driven, he exhorted the companies to develop or get acquainted with latest technologies, which are vital for the defence industry to make its mark at national and international levels. He urged them to lay special emphasis on modernisation through domestic research and development as it is the strongest and the safest way forward.

The Raksha Mantri stressed on the need to increase India's market share across the globe, describing it as the responsibility of the companies to contribute in the efforts towards achieving the objective. He called upon the companies to devise and implement strategies with an aggressive and progressive attitude to make their presence felt in the current time of competitive bidding.

Shri Rajnath Singh termed capital investment as another important aspect, in the context of which the Government is currently handholding the companies. He, however, stated that in this era of competition, the DPSUs should be able to raise capital from the market in the times to come, according to their aspirations.

Highlighting the emphasis being laid by Ministry of Defence to reduce import dependency to realise Prime Minister Shri Narendra Modi's vision of 'Aatmanirbhar Bharat', the Raksha Mantri said it should be the aim of the DPSUs to contribute towards increasing exports. "Defence manufacturing is an important sector to achieve the goal of self-reliance. Ministry of Defence has set a target of achieving a turnover of Rs 1.75 lakh crore in aerospace and defence goods and services by 2025, which includes exports of Rs 35,000 crore. The DPSUs must strive to achieve the goal and take the country to newer heights," he said.

Shri Rajnath Singh exuded confidence that in the times to come the companies will touch new milestones in turnover, profitability, market valuation and overall growth. He termed the companies as force multipliers that will take the defence production of the country forward and cement their position on the world stage.

"India is emerging as a global defence manufacturing hub. With active participation of the private sector, our aim is to bring India among the top countries in the world in the fields of design, production, exports. Today, as our country is moving fast towards becoming a 5 trillion dollar economy. Our defence exports have increased 5-6 times to Rs 13,000 crore as compared to the last 7-8 years. The new management must explore new opportunities abroad along with meeting the domestic needs," said Shri Rajnath Singh. He expressed hope that the new companies will play an important role in the strengthening the defence manufacturing ecosystem, but also contribute significantly to the overall development of the economy.

Since their inception, these DPSUs have started exploring avenues to expand their business and had adopted an aggressive approach towards diversifying their customer base and product profile. During the last one year, the new companies have obtained domestic orders of more than Rs. 7,200 crore value. Some of the significant achievements of the new companies are enlisted below:

- Munitions India Limited (MIL) has obtained export orders worth more than Rs 1,500 crore for various types of ammunition in last one year. Gliders India Limited (GIL) has also obtained orders for export of Parachutes.
- Yantra India Limited (YIL) has made significant progress in product and customer diversification. This has helped them to get orders worth more than Rs. 300 Crores from non-defence market like Indian Railways.

- Troop Comforts Limited (TCL) has developed items like Bullet Proof Jacket, Ballistic Helmets, ECWCS etc to enter a niche market and sustain its business in long run.
- Armoured Vehicles Nigam Limited (AVNL) has developed a new variant of Mine Protected Vehicle designed for CRPF, which may be useful for other Armed Forces also.
- Advanced Weapons & Equipment India Limited (AWEIL) has received an order for supply of JVPC carbines to Delhi Police.
- Munitions India Limited (MIL) has been able to successfully proof fire new variants of Pinaka Rocket i.e., Pinaka Mk-I (Extended Range) and DPICM.
- MIL has also successfully developed 40 mm UBGL ammunition, 500 Kg General Purpose Bomb and 76/62 SRGM HEDA Ammunition.
- India Optel Limited (IOL) has developed Driver Night Sights for Tanks which is a first in terms of technology of Fusion Imaging.

These new entities have initiated various measures towards optimal utilisation of their resources and cost reduction. They have also taken various cost saving measures like reduction in expenditure towards overtime and non-production activities and measures like use of solar power, water recycling, switch over to LED etc.

Chief of Defence Staff General Anil Chauhan, Chief of the Army Staff General Manoj Pande, Vice Chief of the Naval Staff Vice Admiral SN Ghormade and senior officials of Ministry of Defence were present on the occasion.

**ABB/Savvy**