

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE PRODUCTION  
LOK SABHA

STARRED QUESTION NO.51  
TO BE ANSWERED ON THE 18<sup>TH</sup> NOVEMBER, 2016

ORDNANCE FACTORY BOARD

\*51. SHRI ARVIND SAWANT:

Will the Minister of DEFENCE ज़कक ea=h  
be pleased to state:

- (a) whether the Government has made any assessment of the contribution made by the Ordnance Factory Board (OFB) in meeting the requirements of the defence sector, and if so, the details thereof;
- (b) the supply target vis-a-vis achievement of OFB during the last three years;
- (c) whether OFB has achieved the production targets during the above period;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the corrective measures taken by OFB in this regard?

A N S W E R

MINISTER OF DEFENCE  
ज़कक ea=h

(SHRI MANOHAR PARRIKAR)  
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**(a) to (e): A Statement is laid on the Table of the House.**

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**STATEMENT REFERRED TO IN REPLY TO PARTS OF (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 51 FOR ANSWER ON 18.11.2016**

(a) Yes, Madam. Ministry holds regular production review meetings in respect of Ordnance Factory Board (OFB), which supplies various items like Ammunitions, Armament, Logistic Vehicles, Armoured Vehicles, Troop Comfort Items, etc. to the Services based on the demands placed by them.

**(b) & (c): Overall Production Targets along with achievements during last three years are as below:**

Year	2013-14	2014-15	2015-16
Target (RE) (Rs. in Crore)	11860	11900	13515
Achievement (Rs. in Crore)	11123	11364	13047
Achievement (in % age)	93.8	95.5	96.5

As against the mutually agreed targets, OFB has made supplies to Defence Services during the last three years as below:

Year	2013-14	2014-15	2015-16
Target (RE) (Rs. in Crore)	10010	10393	11710
Achievement (Rs. in Crore)	9295	9824	11442
Achievement (in % age)	92.86	94.5	97.7

From the above, it is seen that OFB has improved its performance in terms of percentage of the target met during last three years.

(d) The major reasons for slippage in meeting the targets are supply constraints in respect of certain imported / indigenous input materials and delay in placement of Indents on OFB.

(e) A number of corrective measures have been taken by Ministry of Defence and OFB to minimize the slippages in meeting the supplies targets:

- (i) Authorization given to OFB to procure input materials and undertake production for 50% of the quantity against Letter of Intent (LOI).

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- (ii) Enhanced delegation of financial powers to OFB for minimizing procurement delays in respect of input materials.**
- (iii) Permission to OFB to create advance stock of difficult to procure raw materials.**
- (iv) Modernization of the production facilities and in-house R&D to improve quality and productivity.**
- (v) Efforts to hive-off non-core activities so as to concentrate on core activities like manufacture of ammunitions, weapons, armoured vehicles etc.**
- (vi) Regular meetings being held with Army and Ministry of Home Affairs to assess their demands for future supplies.**

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