

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE PRODUCTION  
**LOK SABHA**  
**UNSTARRED QUESTION NO.2571**  
TO BE ANSWERED ON 10<sup>th</sup> March, 2021

**ORDNANCE FACTORIES**

2571. DR. VISHNU PRASAD M.K.:  
SHRI MAGUNTA SREENIVASULU REDDY:

Will the Minister of DEFENCE please be pleased to state:

- (a) whether the Government has taken action to improve the capability and production of ordnance factories during the last five years and of the current year, if so, the details thereof and if not, the reasons therefor;
- (b) whether any new ordnance factory has been set up during the said period and if so, the details thereof;
- (c) whether any factory is set up in Ludhiana, if so, the details thereof and if not, the reasons therefor; and
- (d) whether the Government has any plans to privatise or sell a minority stake in any of the ordnance factories and if so, the details thereof?

**A N S W E R**

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI SHRIPAD NAIK)

(a) to (d): A statement is attached.

\*\*\*\*\*

**STATEMENT REFERRED TO IN THE REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 2571 FOR ANSWER ON 10.03.2021 REGARDING 'ORDNANCE FACTORIES'**

(a) Yes, Sir. Government has taken following actions to improve capability and production of Ordnance Factory Board (OFB):

- (i) To reduce procurement process lead-time, OFB has been delegated with the enhanced financial powers for Revenue and Capital procurement in September, 2016 and July, 2020.
- (ii) Giving thrust on Modernisation, OFB has been granted around Rs. 2574 crore since September, 2018 for procurement of Plant and Machinery under New Capital and Renewal & Replacement categories for up-gradation of their production capacities.
- (iii) To streamline the purchase process of OFB, Procurement Manual-2018 (Stores Procurement) has been approved and made effective from September, 2018.
- (iv) To increase Research and Development (R&D) activities in OFB, enhancement of delegation of power up to Rs.10 crore has been accorded in July, 2020 for placement of Contracts for Acquisition of Research Assistance (CARs) from the government academic institutions and government owned laboratories.
- (v) Towards ease of doing business, revised Standard Operating Procedure (SOP) for vendor registration by OFB was approved in January, 2019, thereby making the vendor registration process simplified and more business friendly.
- (vi) To provide flexibility to OFB to bid in export enquiry in a time bound manner, powers have been delegated to Member/OFB (in March, 2019) to bid in export enquiry, provided the bidding cost covers the cost of production.
- (vii) Further, in order to improve autonomy, accountability, and efficiency in Ordnance supplies, the Government has decided to convert Ordnance Factory Board, a subordinate office of the Ministry of Defence, into one or more than one 100% Government owned corporate entity(ies).

(b) No new Ordnance Factory has been set up in the country during the last five years.

(c) There is no proposal under consideration for setting up any new Ordnance Factory anywhere in the country including Ludhiana.

(d) No, Sir.

\*\*\*\*\*