

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:2869

ANSWERED ON:13.03.2015

ORDNANCE FACTORIES

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**Will the Minister of DEFENCE be pleased to state:**

- (a) whether the Government proposes to corporatize ordnance factories and convert these into Public Sector Undertakings to make them more accountable and increase their capabilities;
- (b) if so, the details thereof;
- (c) whether Vijay Kelkar Committee had also given recommendations to corporatize the ordnance factories;
- (d) if so, the details thereof; and
- (e) the steps being taken by the Government on research and development initiative for innovation and import substitution by ordnance factories during the last one year?

**Answer**

MINISTER OF STATE (RAO INDERJIT SINGH) IN THE MINISTRY OF DEFENCE

(a) & (b): No, Madam. There is no such proposal at present.

(c) Yes, Madam.

(d) Kelkar Committee had recommended that "Ordnance Factories should be corporatized into a single corporation under leadership of a competitive management. This corporation should be accorded the status of Navratna".

(e) The following steps have been taken by the Government on research and development initiative for innovation and import substitution in last one year:

(i) To avoid the delay in processing of R&D projects at Ordnance Factory Board Headquarters (OFBHQ), financial powers have been delegated to all levels.

(ii) Factories have been given target to increase the expenditure on R&D activities to 3% of their turnover by the year 2018-19 in a phased manner.

(iii) Factories are being encouraged to associate themselves with reputed Academic Institutes for Research Assistance.

(iv) Core technologies have been identified for 12 Ordnance Factories to put in more focused efforts to cope up with Technology denial regime.

(v) Joint working on some of the large projects with Defence Research Development Organization (DRDO) from the inception stage and to render manufacturing assistance, wherever required by DRDO is being encouraged.