

AIM IS TO MAKE INDIA A MILITARY POWER ON ITS OWN STRENGTH: PM

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Guns and roses: Defence Minister Rajnath Singh at the formal launch of seven defence companies on Friday. PTI/MOD

Under the initiative of Atmanirbhar Bharat, the goal is to make India a military power globally on its own strength and also develop a modern indigenous defence industry, Prime Minister Narendra Modi said on Friday.

Formally launching seven new Defence Public Sector Undertakings (DPSU), incorporated after the dissolution of the Ordnance Factory Board (OFB), he stated, "As India enters 75 years of Independence, we are completing projects that were stuck for a long time. The decision to revamp 41 Ordnance Factories, the launch of seven new companies, is a part of that journey. This decision was pending for the last 15-20 years. I am confident that these seven companies will become a major base of India's military strength in the times to come."

Today, there was more transparency, trust, and technology-driven approach in the defence sector than ever before, the Prime Minister said. Defence exports have increased by 325% in the last five years. "While competitive cost is our strength, quality and reliability should be our identity," he asserted.

On June 16, the Union Cabinet approved a long-awaited reform to corporatise the OFB, following which effective October 1, all its assets, employees and management were transferred to the incorporated DPSUs.

The Ministry of Defence (MoD) has converted all pending orders with the 41 factories of the OFB into deemed contracts worth over Rs. 65,000 crore for the new companies. It has also decided that 60% of the annual price of the indents would be paid by the Services to the new DPSUs as mobilisation advance against the targets of FY 2021-22 amounting to Rs. 7,100 crore.

The over 70,000 employees of the OFB (Group A, B & C) belonging to the production units and also the identified non-production units have been transferred en masse to the new DPSUs on terms of foreign service without any deputation allowance initially for a period of two years.

'Strategic asset'

Speaking at the event, Defence Minister Rajnath Singh observed that the infrastructure and skilled manpower of the OFB were an important and strategic asset of the country, but in the last few decades, "concerns have been raised regarding high costs, inconsistent quality and delay in supply of OFB products by the armed forces".

"The new structure will help overcome these various shortcomings in the existing system of OFB and encourage these companies to become competitive and explore new opportunities in the market including exports," he noted.

The seven new companies are Munitions India Limited, Armoured Vehicles Nigam Limited, Advanced Weapons and Equipment India Limited, Troop Comforts Limited, Yantra India Limited, India Optel Limited, and Gliders India Limited.

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