

**No. 1(5)/2021/OF/DP(PIq-V)/01**  
**Government of India**  
**Ministry of Defence**  
**Department of Defence Production**

New Delhi, 24<sup>th</sup> September, 2021

**Office Memorandum**

**Subject: - Dissolution of Ordnance Factory Board and transfer of assets and liabilities of Ordnance Factory Board to new Defence Public Sector Undertakings and Directorate of Ordnance (Coordination & Services)**

In pursuance of the decision of the Union Cabinet on 16<sup>th</sup> June, 2021, the Government of India has decided to corporatise the functions of the 41 production units (Ordnance Factories) of the Ordnance Factory Board (“**OFB**”), functioning under the Department of Defence Production, Ministry of Defence (“**DDP**”). Accordingly, the undersigned is directed to state that the Government of India has decided to transfer, with effect from 1<sup>st</sup> October, 2021 (“**Appointed Date**”), the management, control, operations and maintenance of these 41 units to 7 Government companies (wholly owned by the Government of India), namely (i) Munitions India Limited, (ii) Armoured Vehicles Nigam Limited, (iii) Advanced Weapons and Equipment India Limited, (iv) Troop Comforts Limited, (v) Yantra India Limited, (vi) India Optel Limited, and (vii) Gliders India Limited (collectively “**New DPSUs**”) in respect of (a) production activities, viz production of arms, ammunitions, weapons, vehicles, defence equipment and non-defence equipment; and (b) identified non-production activities, as set out in **Annexure A**. The Government of India has also decided to transfer, with effect from the Appointed Date, the management, control, operations and maintenance of certain identified non-production units of OFB and identified surplus land at 16 production units of OFB to the Directorate of Ordnance (Coordination & Services) (“**Directorate**”) under the DDP, as set out in **Annexure B**. The New DPSUs have been incorporated as Government companies (wholly owned by the Government of India) with limited liability by shares under the Companies Act 2013 with registered office and corporate offices as set out in Annexure A.

2. Accordingly, on and with effect from the Appointed Date, OFB, which has been set up vide Ministry of Defence letter no. 1(82)/78/D(Fy.I) dated 09.01.1979, shall cease to exist as a body.

3. The Government of India has decided to transfer all assets and liabilities of OFB to the New DPSUs and the Directorate as per the structure set out in Annexures A and B, with effect from the Appointed Date. The transfer of assets

and liabilities to the New DPSUs and the Directorate will be subject to the following terms and conditions: -

- (i) The New DPSUs and the Directorate will carry out the duties and responsibilities regarding the objectives / businesses as set out in Annexures A and B, in accordance with rules and such other directions as may be given by the Government of India from time to time.
- (ii) The assets and liabilities of OFB functioning under the DDP will stand transferred to the New DPSUs and the Directorate as per the structure set out in Annexures A and B of this memorandum, with effect from the Appointed Date. The details of the assets and liabilities will be worked out as per records availability with the units and the DDP as on the Appointed Date after records and accounts are finalised upto this period.

It is clarified for the avoidance of doubt that the assets will stand transferred to the New DPSUs and the Directorate as per the structure set out in Annexures A and B of this memorandum, notwithstanding such assets as of date being reflected in the assets registers of different production units.

- (iii) A separate OM would be issued regarding sharing of such assets/facilities which are traditionally being used commonly by two or more production/non-production units (“Common assets”).
- (iv) The assets and liabilities in respect of the business currently being carried out on account of the Government shall stand transferred to the New DPSUs on the Net Asset Value thereof. The Net Asset Value of the assets comprising the business being transferred to the respective New DPSUs has been provisionally assessed as INR 79,271 Crores as on 31.03.2021 (**Annexure C**). The said sum will be treated as the provisional value of the business being transferred to and taken over by the New DPSUs subject to finalisation of the transfer value within **3 months** of the Appointed Date in consultation with the DDP.
- (v) The capital structure of the New DPSUs with effect from the Appointed Date shall be as set out in **Annexure D**.
- (vi) The New DPSUs and the Directorate as the successor shall be responsible for all assets and liabilities and for satisfactory execution of all agreement, contracts and/or obligations in force which pertains

to the respective businesses and responsibilities being transferred to them (as set out in Annexures A and B).

- (vii) The New DPSUs and the Directorate shall be solely responsible for honouring and performing all respective contracts / agreement and shall be liable for any defaults, delays or non-performance. The New DPSUs shall keep for all times the Government indemnified from all claims, in connection with their respective businesses (as set out in Annexure A).

4. DDP shall be the sole arbiter for resolving any issues regarding implementation of the aforesaid corporatisation exercise and related matters.

5. These orders will come into effect from 1<sup>st</sup> October, 2021 (Appointed Date).

6. A Compliance Report regarding implementation of the aforesaid decisions/directives would be submitted to DDP by the new DPSUs and the Directorate by 31.12.2021.

  
27/9/21

(Sandeep Jain)  
Director (P&C)  
Tel. No. 011-23011420

**To**

Secretary, Ministry of Home Affairs  
Secretary, Ministry of Labour & Employment  
Secretary, Department of Expenditure  
Secretary, Department of Economic Affairs  
Secretary, Department of Public Enterprises  
Secretary, Department of Investment and Public Asset Management  
Secretary, Department of Legal Affairs  
Secretary, Department of Personnel & Training  
Secretary, Department of Pension and Pensioners' Welfare  
Secretary, Department of School Education & Literacy  
Secretary, Ministry of Health & Family Welfare  
Secretary, Ministry of Corporate Affairs  
Deputy NSA and Secretary, National Security Council Secretariat

Copy to:

Prime Minister's Office  
Cabinet Secretariat

Copy also to:

Secretary, Department of Defence  
Secretary, Department of Military Affairs  
Secretary, DRDO  
FA (DS), MoD  
DGOF & Chairman, OFB  
CMDs of the new DPSUs

**Structure for Transfer of Production Units and identified Non-Production Units to the 7 New DPSUs**

#	Name of transferring production unit	Name of transferee New DPSUs and main objectives / business <sup>1</sup>
1.	Ammunition Factory Khadki	Munitions India Limited. This DPSU will be engaged in the business of manufacturing ammunition and explosives.  Registered and corporate office: Ammunition Factory Khadki, Pune, Maharashtra, India, 411003
	Cordite Factory Aruvankadu	
	High Energy Projectile Factory Tiruchirappalli	
	High Explosive Factory Khadki	
	Ordnance Factory Bhandara	
	Ordnance Factory Bolangir	
	Ordnance Factory Chanda Chandrapur	
	Ordnance Factory Dehu Road	
	Ordnance Factory Itarsi	
	Ordnance Factory Khamaria	
	Ordnance Factory Nalanda	
Ordnance Factory Varangaon		
2.	Engine Factory Avadi	Armoured Vehicles Nigam Limited. This DPSU will be engaged in the business of manufacturing vehicles.  Registered and corporate office: HVF Road, Bhaktavatsalapuram, Avadi, Chennai, Tamil Nadu, India, 600054
	Heavy Vehicle Factory Avadi	
	Machine Tool Prototype Factory Ambarnath	
	Ordnance Factory Medak	
	Vehicle Factory Jabalpur	
3.	Field Gun Factory Kanpur	Advanced Weapons and Equipment India Limited. This DPSU will be engaged in the business of
	Gun Carriage Factory Jabalpur	
	Gun and Shell Factory Cossipore	

<sup>1</sup> It is hereby clarified that the respective DPSUs may diversify their businesses in future as per commercial viability.

	Ordnance Factory Kanpur	manufacturing weapons and equipment. Registered and corporate office: Ordnance Factory Kanpur, Kalpi Road, Kanpur, Uttar Pradesh, India, 208009
	Ordnance Factory Project Korwa	
	Ordnance Factory Tiruchirappalli	
	Rifle Factory Ishapore	
	Small Arms Factory Kanpur	
4.	Ordnance Clothing Factory Avadi	Troop Comforts Limited. This DPSU will be engaged in the business of manufacturing troop comfort items. Registered and corporate office: C/o Ordnance Factory Equipment, Headquarter G T Road, Kanpur, Uttar Pradesh, India, 208013
	Ordnance Clothing Factory Shahjahanpur	
	Ordnance Equipment Factory Kanpur	
	Ordnance Equipment Factory Hazratpur	
5.	Grey Iron Foundry Jabalpur	Yantra India Limited. This DPSU will be engaged in the business of manufacturing Military Grade components and Ancillary products. Registered and corporate office: C/o The General Manager Ordnance Factory, Ambajhari Amravati Road Ambajhari, Nagpur, Maharashtra, India, 440021
	Metal and Steel Factory Ishapore	
	Ordnance Factory Ambarnath	
	Ordnance Factory Ambajhari	
	Ordnance Factory Bhusawal	
	Ordnance Factory Dumdum	
	Ordnance Factory Katni	
	Ordnance Factory Muradnagar	
6.	Ordnance Cable Factory Chandigarh	India Optel Limited. This DPSU will be engaged in the business of manufacturing opto-electronic items. Registered and corporate office: C/o Opto Electronic Factory, Raipur, Dehradun, Uttarakhand, India, 248008
	Ordnance Factory Dehradun	
	Opto-Electronics Factory Dehradun	
7.	Ordnance Parachute Factory Kanpur	Gliders India Limited. This DPSU will be engaged in

		the business of manufacturing parachutes. Registered and corporate office: C/o Ordnance Factory Equipment Headquarter, G T Road, Kanpur, Uttar Pradesh, India, 208005
#	Name of transferring non-production unit	Name of transferee New DPSUs
1.	Ordnance Factories Institute of Learning, Khamaria	Munitions India Limited
	National Academy of Defence Production, Ambajhari	
	Regional Controllerate of Safety Pune.	
	Regional Marketing Centre, Pune	
2.	Ordnance Factories Institute of Learning, Ambernath	Armoured Vehicles Nigam Limited
	Ordnance Factories Institute of Learning, Avadi	
	Ordnance Factories Institute of Learning, Medak	
	Regional Controllerate of Safety, Avadi	
	Regional Marketing Centre, Chennai	
	AV Head Quarter, Avadi	
	OFB Mumbai Office	
3.	Ordnance Factories Institute of Learning, Ishapore	Advanced Weapons and Equipment India Limited
	Regional Controllerate of Safety, Kanpur	
4.	Ordnance Factories Institute of Learning, Kanpur*	Troop Comforts Limited
	OEF Head Quarter, Kanpur	

5.	Ordnance Factories Institute of Learning, Ambajhari	Yantra India Limited
	Regional Controllerate of Safety, Ambajhari	
	Regional Controllerate of Safety, Ishapore	
	Ordnance Factory Recruitment Centre located in NADP premises at Ambajhari	
	Regional Marketing Centre, New Delhi	
6.	Ordnance Factories Institute of Learning, Dehradun	India Optel Limited
#	<b>Name of the asset</b>	<b>Name of transferee New DPSUs and % of paid-up equity share capital of the asset</b>
1.	Indo-Russia Rifles Private Limited (IRRPL)	Advanced Weapons and Equipment India Limited; 42.5% of the paid-up equity share capital of IRRPL
		Munitions India Limited; 8% of the paid-up equity share capital of IRRPL

\*Ordnance Factories Institute of Learning, Kanpur would continue to cater to the training needs of the staff of Gliders India Limited.



**Structure for Transfer of identified Non-Production Units and Surplus Land to the Directorate of Ordnance (Coordination & Services)**

#	Name of transferring non-production unit	
1.	OF Hospitals / independent dispensaries	Metal and Steel Factory Ishapore
		Ammunition Factory Khadki
		Ordnance Factory Kanpur
		Ordnance Factory Khamaria
		Gun and Shell Factory Cossipore
		Ordnance Equipment Factory Kanpur
		Ordnance Clothing Factory Shahjahanpur
		Gun Carriage Factory Jabalpur
		Vehicle Factory Jabalpur
		Heavy Vehicle Factory Avadi
		Ordnance Factory Ambernath
		Cordite Factory Aruvankadu
		Ordnance Factory Medak
		Ordnance Factory Muradnagar
		Ordnance Factory Bhandara
		Ordnance Factory Chanda Chandrapur
		Ordnance Factory Ambajhari
		Ordnance Factory Varangaon
		Ordnance Factory Dehradun
		Ordnance Factory Katni
Ordnance Factory Tiruchirappalli		
Ordnance Factory Itarsi		
Ordnance Factory Dehu Road		
Ordnance Factory Bolangir		
Ordnance Factory Bhusawal		
Ordnance Cable Factory Chandigarh		

		Ordnance Equipment Factory Hazratpur
		Ordnance Factory Project Nalanda
		Ordnance Factory Project Korwa
2.	OF schools	Ordnance Factory Bhandara
		Ordnance Factory Ambarnath
		Ordnance Factory Ambajhari
		Ordnance Factory Bhusawal
		Ordnance Factory Chandrapur
		Ordnance Factory Varangaon
		Ordnance Factory Itarsi
		Ordnance Factory Katni
		Gun Carriage Factory Jabalpur
		Ordnance Factory Khamaria
		Vehicle Factory Jabalpur
		Cordite Factory Aruvankadu
		Ordnance Factory Tiruchirappalli
		Ordnance Clothing Factory Avadi
		Ordnance Factory Badmal
		Gun and Shell Factory Cossipore
		Metal and Steel Factory Ishapore
		Rifle Factory Ishapore
		Ordnance Factory Dum Dum
		Ordnance Factory Muradnagar
		Ordnance Clothing Factory Shajahanpur
		Ordnance Equipment Factory Kanpur
		Ordnance Factory Kanpur
		Ordnance Factory Dehradun
3.	OFB Head Quarter Units	OFB Head Quarter (located at Kolkata) and OFB New Delhi Office
4.	Identified surplus land of 3152.11 acres located at 16 Ordnance factories, as follows: (a) Ordnance Factory Bhandara: 420 acres	

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| <ul style="list-style-type: none"><li>(b) Ordnance Factory Ambarnath: 168.32 acres</li><li>(c) Ordnance Factory Ambajhari: 552 acres</li><li>(d) Ordnance Factory Varangaon: 140 acres</li><li>(e) Ordnance Factory Itarsi: 585 acres</li><li>(f) Ordnance Factory Katni: 45 acres</li><li>(g) Gun Carriage Factory Jabalpur: 168 acres</li><li>(h) Ordnance Factory Khamaria: 307 acres</li><li>(i) High Energy Projectile Factory Tiruchirappalli: 288.55 acres</li><li>(j) Ordnance Factory Tiruchirappalli: 160 acres</li><li>(k) Heavy Vehicle Factory Avadi: 43.81 acres</li><li>(l) Ordnance Factory Medak: 36 acres</li><li>(m) Metal and Steel Factory Ishapore: 36.09 acres</li><li>(n) Ordnance Factory Muradnagar: 87.35 acres</li><li>(o) Ordnance Clothing Factory Shahjahanpur: 52.02 acres</li><li>(p) Ordnance Factory Kanpur: 62.97 acres</li></ul> |
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**Annexure C****Net Asset Value of New DPSUs as on 31.03.2021 (Provisional)**

#	New DPSU	Net Asset Value (in INR crore)
1.	Munitions India Limited	36,327
2.	Armoured Vehicles Nigam Limited	10,907
3.	Advanced Weapons and Equipment India Limited	12,217
4.	Troop Comforts Limited	3,658
5.	Yantra India Limited	10,912
6.	India Optel Limited	5,185
7.	Gliders India Limited	156
	<b>Total</b>	<b>79,271</b>

**Capital Structure of New DPSUs**

<b>#</b>	<b>New DPSU</b>	<b>Authorised share capital (in INR crore)</b>
1.	Munitions India Limited	40,500
2.	Armoured Vehicles Nigam Limited	12,500
3.	Advanced Weapons and Equipment India Limited	15,000
4.	Troop Comforts Limited	4,000
5.	Yantra India Limited	13,500
6.	India Optel Limited	5,500
7.	Gliders India Limited	200