



UPSC & STATE PCS CURRENT AFFAIRS · UJIYARI.COM

DAILY CURRENT AFFAIRS

Yantra India's Miniratna Status — Early Dividends from India's Ordnance Factory Corporatisation

2 February 2026

SUBJECTS COVERED**ECONOMY****SECURITY & DEFENCE****CURATED & WRITTEN BY****Bharat Choudhary**

UPSC Educator & Content Creator •

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

Free UPSC & State PCS Resources

ujjari.com

Yantra India's Miniratna Status — Early Dividends from India's Ordnance Factory Corporatisation

2 February 2026

WHY IN NEWS

Defence Minister Rajnath Singh approved Miniratna Category-I status for Yantra India Limited (YIL) on February 2, 2026 — the ammunition and explosives DPSU created through the October 2021 corporatisation of the Ordnance Factory Board. Yantra India's revenue grew from Rs 956 crore (H2 FY22) to Rs 3,108 crore (FY25), and exports surged from zero to Rs 321.77 crore in the same period.

THE OFB: 246 YEARS OF CENTRALISED CONTROL

The **Ordnance Factory Board (OFB)** was India's oldest industrial enterprise — with roots in the **Gun Carriage Factory, Cossimbazar (1775)** during British India. By the time of its corporatisation in 2021, it comprised:

41 factories across India, employing **~80,000 workers**

Annual turnover of approximately **Rs 15,000–18,000 crore**

Products ranging from ammunition and explosives to tanks, artillery, clothing, and optical equipment

Despite its size, the OFB had persistent problems:

Cost overruns: Prices quoted to the armed forces were higher than imports for comparable quality

Technology lag: Limited R&D investment; 1970s-80s era designs for many products

Low worker productivity: Parliamentary Standing Committee found productivity metrics far below comparable private manufacturers

Accountability deficit: As a government department, OFB faced no commercial discipline; the armed forces had to buy its products regardless of cost or quality

THE 2021 CORPORATISATION DECISION

In **October 2021**, the Cabinet approved the conversion of OFB's 41 factories into **7 new Defence PSUs (DPSUs)**, organised by product cluster:

DPSU	Products	Headquarters
Armoured Vehicles India (AVNL)	Tanks, armoured vehicles, engines	Chenani, J&K
Advanced Weapons and Equipment India (AWEIL)	Small arms, infantry weapons	Delhi
Munitions India (MIL)	Artillery ammunition, bombs	Nagpur
Yantra India (YIL)	Bulk propellants, explosives, medium ammunition	Yeddumailaram, Telangana
India Optel (ITOL)	Optical instruments, night vision devices	Dehradun
Gliders India (GIL)	Parachutes, textile-based defence items	Kanpur
Troop Comforts (TCL)	Army clothing, leather goods, boots	Shahjahanpur

Worker protections: The government assured that all **80,000+ OFB employees** would be absorbed into the 7 new DPSUs with equivalent service conditions. Despite protests from recognised unions (who feared privatisation), the merger happened through executive order under the **Companies Act, 2013**.

YANTRA INDIA'S PERFORMANCE — A TEST CASE

Of the 7 DPSUs, **Yantra India** has emerged as one of the stronger performers. The Miniratna Category-I grant reflects several criteria being met:

Miniratna Category-I criteria (for CPSEs):

- Net profit for **3 consecutive years**
- Net worth of **more than Rs 300 crore**
- No reliance on government guarantees for borrowing
- No dependence on budgetary support from Ministry

Yantra India met all these by FY25 — a significant achievement for an entity only three years old as a company.

Revenue trajectory:

- H2 FY22 (partial year): Rs 956 crore
- FY23: Rs 1,800+ crore (estimated)
- FY24: ~Rs 2,500 crore (estimated)
- FY25: Rs 3,108 crore**

Export growth:

FY22: Zero exports — OFB factories had no export orientation, no marketing capability

FY25: Rs 321.77 crore — primarily bulk propellants and specialty explosives

This growth happened because corporatisation created a sales and marketing function that the OFB never had

Miniratna Category-I significance: The new status allows Yantra India's board to approve **capital expenditure up to Rs 500 crore** without Ministry of Defence approval. For a manufacturing company needing continuous equipment upgrades, this autonomy is operationally significant — it removes months-long bureaucratic delays.

THE BROADER DPSU ECOSYSTEM

The 7 DPSUs are not privatised — the **Government of India holds 100% equity** in all of them. The key change is governance: each DPSU now has:

An **independent board of directors** (with non-executive and government nominee directors)

Annual revenue targets against which performance is assessed

Internal pricing mechanisms replacing OFB's cost-plus model

Access to **external capital markets** (can raise commercial debt)

This creates accountability without privatisation — a “corporatisation” model rather than disinvestment.

DEFENCE EXPORTS CONTEXT

India's defence export target: **Rs 35,000 crore by 2025**. Achievement in FY25: approximately **Rs 21,000–23,000 crore** (up from Rs 686 crore in FY14). Major contributors:

HAL: ALH helicopters, Tejas components, MRO services

BEL, BDL: Radars, missiles, underwater systems

Private sector: Tata, L&T, Mahindra Defence Systems

DPSUs including Yantra India: Ammunition, propellants, armoured components

The DPSU exports are growing from near-zero — Yantra India's Rs 321.77 crore is a meaningful addition to this ecosystem.

POLICY ARCHITECTURE BEHIND THE TRANSFORMATION

SRIJAN Portal: A government initiative to create a “negative import list” for defence items — items that must be procured domestically. The armed forces are required to source listed items only from Indian companies (private or government). This creates guaranteed domestic demand for DPSUs like Yantra India, reducing the risk of new investments.

Defence Acquisition Procedure (DAP 2020): Categorises procurements from “Buy Indian-IDD” (highest preference) to “Buy Foreign.” Yantra India’s products are typically in the “Buy Indian” categories, ensuring captive domestic customers.

Aatmanirbhar Bharat in Defence: The overarching policy context — India’s goal to reduce defence imports (currently ~60% of defence needs are imported) through indigenous production. The OFB corporatisation is a central pillar of this strategy.

UPSC RELEVANCE

*OFB corporatisation: **October 2021**; 41 factories → 7 DPSUs; Yantra India (ammunition, explosives; Miniratna Cat-I Feb 2, 2026; capex Rs 500Cr; revenue Rs 3,108Cr FY25; exports Rs 321.77Cr FY25); other 6 DPSUs: AVNL, AWEIL, MIL, ITOL, GIL, TCL; Miniratna Cat-I criteria (3yr net profit, net worth >Rs 300Cr, no govt guarantee); SRIJAN Portal (defence negative import list); DAP 2020 (Defence Acquisition Procedure); India defence exports target Rs 35,000 Cr; FY25 achievement ~Rs 21,000-23,000 Cr (vs Rs 686 Cr in FY14); OFB origin 1775 (Gun Carriage Factory, Cossimbazar).*

Defence manufacturing reform — from OFB to DPSUs; Aatmanirbhar Bharat in defence (targets, achievements, gaps); private sector in defence vs DPSUs; Defence Acquisition Procedure 2020 and its impact on indigenisation; India’s defence export trajectory.

★ FACTS CORNER — KNOWLEDGE PEDIA

YANTRA INDIA LIMITED (YIL):

Established: **October 2021** (OFB corporatisation)

Products: Bulk propellants, explosives, medium ammunition, artillery charges

HQ: Yeddumailaram, Telangana

Status (Feb 2, 2026): **Miniratna Category-I** DPSU; Schedule 'A' CPSE

Capex authority: Up to **Rs 500 crore** without Ministry approval

Revenue: Rs 956 Cr (H2 FY22) → **Rs 3,108 crore** (FY25)

Exports: **Nil** (FY22) → **Rs 321.77 crore** (FY25)

7 DPSUS (FROM OFB):

AVNL — Armoured vehicles, tanks

AWEIL — Small arms, infantry weapons

MIL — Artillery ammunition, bombs

YIL — Propellants, explosives

ITOL — Optical instruments, night vision

GIL — Parachutes, textiles

TCL — Clothing, leather goods

MINIRATNA CATEGORY-I CRITERIA:

Net profit for **3 consecutive years**

Net worth **above Rs 300 crore**

No government guarantees for borrowing

No budgetary support from ministry

(Navratna criteria additionally require Rs 2,000 Cr profit + Rs 10,000 Cr turnover for 3 years)

INDIA'S DEFENCE EXPORTS:

FY14: **Rs 686 crore**

FY25: **~Rs 21,000-23,000 crore**

Target: **Rs 35,000 crore by 2025** (partially achieved)

Key contributors: HAL, BEL, BDL, Tata, L&T, Mahindra, DPSUs

OTHER RELEVANT FACTS:

OFB origin: **Gun Carriage Factory, Cossimbazar (1775)** — oldest industrial enterprise in India

OFB employees absorbed into DPSUs: **~80,000+** with equivalent service conditions

SRIJAN Portal: Negative import list for defence items — mandatory domestic procurement

DAP 2020 (Defence Acquisition Procedure): Replaced DPP 2016; highest preference = Buy Indian-IDDMM

India's defence import dependence: **~60%** of defence needs met through imports (being reduced)

HAL revenue (FY25): **~Rs 30,000 crore** (for comparison with Yantra India)

Sources: PIB, Business Standard, Defence Research

CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

 [linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

Published on ujjyari.com · Free UPSC & State PCS Current Affairs