

ALL INDIA DEFENCE EMPLOYEES' FEDERATION
INDIAN NATIONAL DEFENCE WORKERS' FEDERATION
BHARTIYA PRATIRAKSHA MAZDOOR SANGH
(RECOGNIZED FEDERATIONS OF DEFENCE CIVILIAN EMPLOYEES)

Joint Circular No. : 19/2019

Date : 03.09.2019

To,

All the affiliated Unions of

AIDEF, INDWF, BPMS

Copy also to CDRA

Forwarding of the Appeal submitted to the Hon'ble Prime Minister to not corporatize the Ordnance Factories.

As decided by the three Federations and CDRA we have prepared a detailed appeal to the Hon'ble Prime Minister against corporatization of Ordnance Factories and we have given all justifications to continue the OFB as a Departmental Organization in the present set up by providing all required support and empowerment. Copy of the appeal is also forwarded to all the Cabinet Ministers, Cabinet Secretary, NSA, Defence Secretary, Secretary (DP) and DGOF & Chairman. A copy of the joint appeal dated 03.09.2019 is enclosed as **Annexure-I** of this Joint Circular. We are translating the above appeal in Hindi also. As regards other areas the same may be translated in local languages and published as pamphlet for circulation amongst the Employees and also to the Press both Print and Electronic Media so that our movement against corporatization of Ordnance Factories get wide coverage and Public support.

Reply given to the Letter of IOFSA

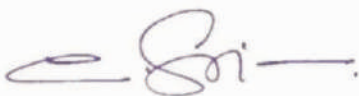
The Indian Ordnance Factories Service Officers' Association have written a Letter dated 30.08.2019 to the three Federations blaming the federations for some isolated incidents taken place in some Factories during the Strike period by ignoring the provocation behind such incidents. To set the records straight we discussed amongst ourselves and have decided that we should give a reply to their Letter conveying our views and insisting the requirement of united struggle against corporatization of the Ordnance Factories. Accordingly, we have written a Letter to the IOFSA on 03.09.2019. A copy of the same is enclosed as **Annexure-II** of this Joint Circular.

Complaint against an IOFS Officer who defamed the OFB Organization and its employees by posting derogatory languages in the Facebook.

One Junior IOFS Officer of Ordnance Factory Bhandara during the Strike period has posted a message in his Facebook Page which is derogatory and un-parliamentary. In this regard the three Federations have jointly complained to the DGOF & Chairman requesting him to take both Departmental and Legal Action against him. A copy of the joint Letter addressed to DGOF & Chairman dated 03.09.2019 is enclosed as **Annexure-III** of this Joint Circular. All the Unions and Associations are requested to file such complaints to the DGOF & Chairman through the General Manager of the respective Factories, with a copy to the concerned Federations.

MoD wanted urgently the information about the land holding by Ordnance Factories.

One of the hidden agenda for corporatizing the Ordnance Factories is the 60 thousand acres which Ordnance Factories are holding. As all of us know these lands are either taken from the farmer who were displaced and donated by the State Governments exclusively for the purpose of construction of Ordnance Factories for the Defence of our Country. What is the urgency for the Ministry of Defence asking for the information from all the Factories about the land holding by not even giving one day time for the Factories to submit all these details. OFB vide its Letter dated 02.09.2019 have asked all the Factories to forward the information by 16.00 hrs on the same day. We protest against this move of the Government and the entire workforce of the Ordnance Factories will oppose and fight back against the move of the Government for handing over the national assets to any Private Corporates. In this regards the three Federations have jointly submitted a protest Letter to the Ministry of Defence. A copy of the joint Letter addressed to Secretary (DP) dated 03.09.2019 is enclosed as **Annexure-IV** of this Joint Circular.



(C. SRIKUMAR)
GENERAL SECRETARY
AIDF
09444080885
defempfed@gmail.com



(R. SRINIVASAN)
GENERAL SECRETARY
INDWF
09444125799
indwfrsrinivasan@gmail.com



(MUKESH SINGH)
GENERAL SECRETARY
BPMS
09335621629
gensecbpms@yahoo.co.in

ALL INDIA DEFENCE EMPLOYEES' FEDERATION
INDIAN NATIONAL DEFENCE WORKERS' FEDERATION
BHARTIYA PRATIRAKSHA MAZDOOR SANGH
(RECOGNIZED FEDERATIONS OF DEFENCE CIVILIAN EMPLOYEES)

Ref. No. : 16/AIDEF/INDWF/BPMS/19

Date : 03rd September, 2019

To,

The Honourable Prime Minister

Government of India
 South Block,
 New Delhi – 110 001.

Subject : Appeal to not Corporatise the 41 Ordnance Factories under the OFB/Department of Defence production and to save the service life of 82,000 Defence Civilian Employees.

Reference : Assurance given by the Secretary (DP) during the Strike negotiation on 23-8-2019 to the 3 Recognised Federations of Defence Civilian Employees (AIDEF, INDWF, BPMS) and CDRA (Minutes of the meeting issued vide MoD ID NO.1(5)/2019/OFB/DP(Plg-V) dt.23-8-2019).

Respected Sir,

We the 3 Recognized Federations and CDRA of the Defence Civilian Employees take the liberty of inviting your kind attention to the above mentioned subject in the interest of Defence preparedness and also the 218 years old Industrial organisation under Ordnance Factory Board, Department of Defence Production, Government of India. We have come to know that a Cabinet note is under consideration before your honour to corporatize the Ordnance Factories ***and it is understood that in that Cabinet note many issues pertaining to the ill effects of corporatisation of Ordnance Factories is not mentioned and the previous assurances and agreements made by the Government with the Federations of the Defence Civilian Employees that Ordnance Factories would not be corporatized is also not brought to your kind notice.*** If it is so then we feel that it is an incompleated cabinet note where all stake holders views are not reflected. In this situation the 3 Recognised Federations and CDRA have decided to bring the entire facts and background of the case for your kind and favourable consideration please. **We also request your honour to kindly spare few minutes of your valuable time to us so that we can submit our submissions in person on the subject matter.**

Role of Ordnance Factories in Defence preparedness

The Ordnance Factories have been established to serve the Armed Forces and the Para Military Forces without any commercial consideration. The first Ordnance Factory was established in 1802 at Cossipore, Kolkata. At present there are 41 Ordnance Factories manufacturing wide range of products ranging from Strategic Battle Field Dress to our Soldiers, Extreme climate Clothing, Arms, All types of Ammunition including critical Ammunitions, Tanks, Weapons, Small Arms, Parachutes, Optical and other equipments. Being a multi technology / multi product organisation (***At present 381 items for Army, 143 items for Navy, 111 items for Air Force, 177 items for MHA & 64 items for other than Defence***) the Ordnance Factories have to be fully prepared like the Armed Forces to meet any external aggression. The Ordnance Factories are War Reserve and has to maintain required capacities to meet the requirement of Armed Forces at any point of crisis. Such an industry can be managed only by the Government since the customer is limited and the requirement of Armed Forces are always fluctuating. Moreover the secrecy of the design, drawings of the items have to be maintained and secured in the interest of security of our country. Therefore the Ordnance Factories are directly kept under the control of Government of India at par with the Armed Forces as a Government Department.

Proposal to corporatize the Ordnance Factories in the past and the reasons for Trade Unions opposing the same.

In the past many committees constituted by the Government of India viz. T.K.A. Nair Committee, Vijay Khelkar Committee and Raman puri Committee etc., have recommended to corporatize the Ordnance Factories. The workforce and their Trade Unions have opposed the recommendations to corporatize Ordnance Factories because of the following reasons :-

- 1) Due to the special nature of Defence Industry like volatility, non uniform demand from Armed Forces and Para Military Forces, uneconomic quantities to be produced to meet strategic needs etc. which a public sector / corporation will not be able to manage and sustain.
- 2) Excess capacities called "War Reserve" has to be maintained to take care of the surge demand in emergent war situation. This 'War Reserve' only came for the rescue of the country during the Kargil crisis and other operations of the Indian Army.
- 3) No PSU / Corporation can maintain spare capacity since the PSU's function in a purely commercial term, and hence to maintain spare capacity would be detrimental to the business interest of the Corporation / PSU.
- 4) Converting the Ordnance Factories into a PSU / Corporation is not a commercially viable option due to :

- a) Fluctuations in orders (recent example is the 40% reduction in Ammunition workload and reduction of workload in OEF Group of Factories and Small Arms Factories).
 - b) Orders after Long Gap.
 - c) Uneconomical Order Quantity.
 - d) Life Cycle support required for 30-40 years after introduction of equipment.
- 5) Risk to national security in case of growth of private players in the event of possible failure of the proposed OFB Corporation resulting in disinvestment, closure etc.,
 - 6) The so called private vendors are not able to supply even raw materials, spares and components in time to the Ordnance Factories, which affects the timely manufacturing of the allotted workload. Therefore, their ability to supply to the Armed Forces after the Ordnance Factories Corporation becomes sick due to withdrawal of placement of indent through nomination system is very minimal.
 - 7) The experience of BSNL even through it is a revenue earning service PSU which is struggling even to disburse the monthly salaries to their own employees, what will be the fate of the Ordnance Factories which totally depends on the orders from the Armed Forces and the Government. The present crisis being faced by DPSU, HAL is another living example.
 - 8) Market principles cannot be applied in the case of Ordnance Factories since the Defence Industry represents a genuine domain based on Government Orders as to what to produce, what resource to use, what price to charge and even to whom to sell and to whom not to sell.
 - 9) The experience for the past two decades is corporatization/ PSU is a route to privatization against the service conditions of the employees who are basically recruited as Central Government Employees / Defence Civilian Employees through All India Competitive / Selection process etc. in their Appointment Order, no where it is mentioned that at some point of time they will be converted to the employees of a Corporation / PSU during their service period as a Government Employee.
 - 10) More than 44 thousand employees are in the age group of 25 to 50 yrs., with lot of Family, social and financial commitments. Their future will become uncertain and will be completely ruined.

Assurances given in the past that OFB will continue as a Department organisation and that OFB would not be corporatized.

The Defence Ministers in the past after considering the above mentioned facts have decided not to corporatize the Ordnance Factories and to continue in the present structure / setup itself in the interest of National Security, Defence preparedness and self reliance. Some of the assurances given in the past are given below for your kind reference :

- 1) Defence Secretary's written assurance on 19-4-2002, through the minutes of the meeting held with the Federations, post Nair Committee's recommendation on corporatisation.
- 2) Assurance given by the then RM , late Shri. George Fernandez in the meeting held with the 3 Federations on 22-4-2002.
- 3) The then RM, Shri. Pranab Mukherjee's written assurance through the minutes of the meeting held on 18-9-2006 with the Federations to discuss Kelkar Committee's report.
- 4) Secretary (DP)'s written assurance through the minutes of the meeting held on 31-8-2006 with the Federations.
- 5) The then RM, Shri. A.K. Antony's written assurance through the minutes of the meeting held with the Federations on 26-6-2007.
- 6) The then RM, Shri. Manohar Parrikar's written assurance dated 15-4-2015, in reply to the AIDF representation dated 7-2-2015.
- 7) In reply to an unstarred question no. 833, raised by MP Shri. Tapan Kumar Sen, the then Hon'ble RRM, on 3-3-2015, informed Rajya Sabha that there is no proposal at present to corporatize the OFB.
- 8) The then RM Late Shri. Manohar Parrikar's Letter dated 07th February, 2015 addressed to BPMS has stated that there is no proposal for corporatizing the Ordnance Factories.

Present proposal to corporatize the Ordnance Factories

At present it is understood that the Government has decided to convert the Ordnance Factories into a corporation in violation of all the above assurances and without holding any discussions with us who are one of the major stake holders. The MoD vide its press release dated 14-8-2019, 16-8-2019 and 20-8-2019 has stated that the Government is considering a proposal to convert Ordnance Factories into a Corporation / DPSU, which is 100% owned by the Government for the following reasons and also to achieve certain goal / task to achieve the following :-

- i) To achieve operational freedom and flexibility.
- ii) To strengthen and functioning of OFB.
- iii) High cost of OFB product.
- iv) Inconsistent quality.
- v) Delay in supply.
- vi) Lack of innovation.
- vii) Low productivity.
- viii) Large underutilized capacities in the factories.
- ix) As a Government department OFB cannot retains profit and therefore has no incentive to make profits.
- x) OFB has largely remained as a production centre with transfer of technology from foreign Original Equipment Manufacturers.

- xi) As a Government Department OFB is subjected to Governmental financial regulations and control of DGQA resulting in reducing their ability to function as an Independent Developer, Producer of Arms, Ammunitions etc.,
- xii) Will have more freedom for export of its products.

Proposed goals set for the proposed Corporation / PSU.

It is also understood that the following goals have been set for the proposed corporation / PSU.

- i) To increase the current turnover of about Rs. 14,000 Crores in 2018-19 to Rs. 30,000 Crores by 2024-25.
- ii) To export 25% of their turnover by 2024-25.
- iii) To enhance self-reliance on technology from about 20% of the value of OFB production to 75% of entity / entities production by 2028-29, thereby reducing dependence on imported technology and ushering greater self - reliance.

Our considered views on the above proposals of the Government to corporatize the Ordnance Factories

- i) **To achieve operational freedom and flexibility.**
- ii) **To strengthen and functioning of OFB.**

Our Views

To achieve the above 2 goals Corporatisation is not the solution. Without converting into a corporation as a Government Organisation the Railway Board, ISRO and Department of Atomic Energy etc., are functioning with required financial powers, operational freedom and flexibility. On the same analogy if OFB structure is upgraded to that of the Railway Board, ISRO and Department of Atomic Energy, the OFB with its vast experience in Defence production will rise to a successful entity with the above upgradation in the present status of the OFB. The argument that by converting the OFB into a PSU, it can function on sound business principles, may at the first sight appears to be very attractive. However in the long run it will not happen since the Government demands dividends, cash buy back and are bound to follow the instructions from Department of PSE due to bureaucratic interference.

- (i) **High cost of OFB product.**

Our Views

One of the unrealistic criticism is that OFB products are overpriced. On an analysis it can be seen that it is only an imaginary criticism and not the fact. OFB is highly competitive in many items when compared with the International Arms Market. To quote certain examples, T-90 Tank, AK-630M Naval Gun, 84mm RL MK-III Gun, 84mm 551 ammunition, Bi-Modular Charge System for Artillery Guns, 125mm FSAPDS Ammunition for tank and various explosives, OFB prices are less by 25-100% as compared to international prices. With regard to Troop Comfort Items like, Battle Field Dress, Uniforms, Blankets, Boots etc., the cost only is discussed and the quality of the above items produced in the Ordnance Factories are not at all

considered. All these Troop Comfort Items are subjected to series of lab testings / Quality Control in the Ordnance Factories and the MGO himself has certified several times that the quality of the Troop comfort items supplied by the Ordnance Factories are of high nature.

Apart from the above there is a defect in the costing / fixation of the price system in the Ordnance Factories. While fixing the cost of the product the salary expenditure of the entire OFB organisation alongwith the Accounts department, the Government of India's contribution to the New Pension Scheme, Pension contribution to the employees governed under CCS Pension Rules 1972, many fixed and variable overheads and also the expenditure on health and education etc., are also added in the cost of the product and all these expenditure are recovered from the Army. Due to this a wrong impression is created that as if the cost of the products of Ordnance Factories are of a high order. Therefore the Federations have requested that the DDP / MOD should allot the salary expenditure budget separately and the various overhead expenditure, NPS contribution etc., should not be added to the cost. The DDP has agreed to consider this proposal and it is still under consideration of the Government. Apart from this many Ordnance Factories due to strategical, political and social reasons are located at very interior regions. Eventhough due to its location the increase in the logistic cost of the items produced in these factories, they have played a very important role in developing those interior regions and the District concerned. Therefore it is a fact that the OFB products are not overpriced and once the Government agrees with our above mentioned demand for separate allotment of salary budget, elimination of various overhead expenditure etc., OFB will be cost effective and Army will not have any concern in placing the indent to OFB including to those items numbering 275 which are declared as Non-Core and outsourced in the name of cost.

ii) **Inconsistent quality.**

Our Views

Majority of the products manufactured in the Ordnance Factories are subjected to inspection / quality control by the Directorate General of Quality Assurance which is an independent authority. The quality systems throughout the world are ascertained by certification of quality system by accredited agencies like ISO 9001:2001 etc., All the Ordnance Factories are being certified by these 3rd party International agencies for the last more than 2 decades continuously. Apart from this the laboratories in all Ordnance Factories have been accredited for quality system by National Accreditation Board of Laboratories (NABL). Previously the Army used to apply the OFB products only after a gap of more than 5 to 6 years from the date of manufacturing and hence immediate feedback of the quality of the product was not available. Therefore during the year 2013 it was decided that a part of the quantity of supplies of OFB products could be used by Army within the first year of supply itself. Due to this exercise it is observed that there were defects only in 0.18% of the total supply. OFB is trying to further reduce this percentage.

All Ordnance Factories have introduced online computerized quality data management system, which bring absolute transparency in sharing the performance of products with DGQA and Armed Forces. Accordingly, Customer Complaint Monitoring System (CCMS) is in place for online monitoring of quality feedback by Army and corrective action thereon.

iii) **Delay in supply.**

Our Views

The other criticism against Ordnance Factories is with regard to its delivery performance. In the present system eventhough Army indicates the targets for various items, unless the indent's are not placed simultaneously the factory managements are not in a position to take action for material procurement. Roll on indents / indents are placed by services for supply of items with indicative delivery schedule. However, year wise targets are finalized by the services during Annual target fixation meetings based on availability of Budget, priority of the requirements and capacity of OFB. All the equipment including ammunitions are supplied to Army as per mutually agreed annual targets. OFB has been making supplies to services to the satisfaction level beyond 95% with respect to mutually agreed targets. However for achieving 100% satisfaction limit indent for all the items may be given by the Army atleast 3 years in advance, that will ease the material procurement process since the materials for Defence items are not readily available in the market and it is made to order by the vendors both in public sector and in private sector which includes MSME's also.

iv) **Lack of innovation.**

Our Views

OFB is the only Defence industry in our country which has achieved average indigenization level of products being manufactured upto the level of 90%. OFB is the true example of "Make in India". In the past the Government has never allowed Ordnance Factories to have its own R&D wing to upgrade its products / develop new products on the plea that the mandate of R&D is entrusted with DRDO. However during the year 2006, OFB was given the mandate of R&D. Immediately after that OFB has taken many steps to upgrade various existing products and to develop new products in consultation with the user. A major platform like 155mm Dhanush Gun has been developed and many other weapons including Assault Rifle, Bullet Resistant Jacket and Vest etc., are also developed through in-house R&D. Ordnance Factory Bhandara supplied a special grade of RDX for stage separation in the launching of 'Chandrayaan - 1'. This was appreciated by the ISRO itself. Once again while launching the 'Chandrayaan - 2' the RDX GR 1B, PETN FA 956 and RDX Wax 95:5 was given to ISRO by Ordnance Factory Bhandara for launching of Chandrayaan. OFB has further developed the electronic users which the ECIL failed to produce. 135/155 mm Up gunning i.e "Sharang" is another success story like Dhanush.

OFB has achieved high degree of indigenisation, absorption of foreign technology through ToT for achieving self reliance. While the import content of DPSU's are in the range of 96% to 15% it is 11% so far as OFB is concerned. Majority of the imported items are pertaining to DPSU's and not OFB.

v) **Low productivity.**

Our Views

Indian Ordnance Factories is the world's largest and oldest Government Defence Industry supplying all equipments, Troop Comfort Items like Battle Field Dress, Uniforms, Boots, Tents, Blankets etc., Ammunitions, Weapons, Small Arms, Tanks, Vehicles, Parachutes etc., As per Stockholm Peace Research Organisation report on Top 100 Arms producers of the world, and also as per report, OFB is the largest arms producer from India (Rank 37), followed by Hindustan Aeronautics, Bharat Electronics, and Bharat Dynamics which appear in the top 100 Arms Producers. It is also a matter of fact that Ordnance Factories is the only Government Industrial Unit in which the direct production workers numbering more than 47,000 are deployed on a piece work system. Their wages are determined based on the output / production given by them even though they are Government employees. The labour estimates are prepared based on scientific time and motion study methods as per Industrial Engineering methods. Therefore the allegation that the OFB productivity is low is not acceptable.

vi) **Large underutilized capacities in the factories.**

Our Views

The capacities / infrastructure are established in the Ordnance Factories based on the futuristic requirement of the Armed Forces. These capacities are put to full utilisation depending upon the work load allotted by the Army / Government. Many of these capacities / infrastructure are special purpose which cannot be converted to other production line. Moreover spare / idle capacities are always maintained in the Ordnance Factories to stretch its capacity in all the critical items to meet any emergent situation. During the Kargil crisis the capacity was stretched mainly in critical items to the extend of 200%. In the foreword to ***"Arming the Indian Arsenal"***, former COAS Gen VP Malik has stated, ***"Indian Ordnance Factories, which could produce ammunition and some equipment for which they had the necessary technology, rose to the occasion. But we faced considerable problems in procuring items that had to be imported at short notice."*** While deposing before Nair committee in Dec 2000, the then MGO stated: ***"I Congratulate OFs for their commendable performance during and after the Kargil crisis. Supplies from overseas suppliers are unreliable during operations and OFs are the backbone of the efficiency of the Indian Armed Forces"***. In Aug 2000, DCOAS (P&S) stated: ***"Existence of OFB is essential for defence preparedness"***.

We also quote here the CAG report which has stated ***during Kargil conflict, out of 129 contracts worth Rs.2175.40 crore placed on other factories (other than Government owned), 81% of supplies could materialize only after Jan2000, i.e. six months after the operation was over. In contrast OFB delivered, gaining renewed confidence of Indian Armed Forces as a dependable supplier. Deserts to glaciers, valleys to hills, armaments supplied by OFs have delivered the requisite power, punch and force to our Armed Forces. It is a past experience that so long as there is no conflict, foreign vendors are willing to supply at low rates, whereas in case of any war-like situation or external aggression, most of the foreign vendors try to gain most out of the situation, either by not supplying or raising the prices to make mind-boggling profits.***

- vii) **As a Government department OFB cannot retain profit and therefore has no incentive to make profits.**

Our Views

Ordnance Factories are not basically established for earning profit. The surplus revenue generated is transferred to Government. Government can take a decision that the surplus generated by the Ordnance Factories can remain with them and can be utilised for further modernisation, development and growth of organisation etc.

- viii) **OFB has largely remained as a production centre with transfer of technology from foreign Original Equipment Manufacturers.**

Our Views

Remaining in the Government setup OFB in the past has adopted the route of ToT from foreign Original Equipment Manufacturers. T-72 and T-90 Tanks are examples. OFB as a Government department have already achieved high degree of indigenization.

- ix) **As a Government Department OFB is subjected to Governmental financial regulations and control of DGQA resulting in reducing their ability to function as an Independent Developer, Producer of Arms, Ammunitions etc.,**

Our Views

The Federations are repeatedly representing the Government that in case the Government wanted to empower the OFB, Government can change its structure / management setup / decision making process at par with Railway Board, ISRO and DAE. For achieving this purpose the organisation need not be corporatized.

- x) **Will have more freedom for export of its products.**

Our Views

At present the level of export by OFB is around Rs.400 Crores. Government wanted this to be enhanced to Rs.6000 – 7000 Crores by 2024-25. Export of

Defence products depends largely on international security, Geo political situation etc., Moreover export of Defence equipments depends upon the foreign policy of the Government. In the present setup itself with the support of the Government OFB can achieve the export target fixed for the proposed new entity.

Concerns of the employees with regard to their service matters.

All the existing employees working in Ordnance Factories are recruited through various competitive examinations / selection process as Central Government Employees / Defence Civilian Employees. The entire workforce do not wanted to change their status as a Central Government Employee / Defence Civilian Employee. They justifiably feel that they are being downgraded from Government Employee to Corporation Employee. They fought with other Central Government Employees for more than 6 decades and have achieved many rights / benefits which are not available to the PSU employees. Therefore the employees wanted to remain as Government Employees with all the available benefits and terms and conditions in the OFB as a Government department.

OUR PROPOSAL TO ACHIEVE THE SAME GOAL AND TASK SET BY THE GOVERNMENT TO THE NEW ENTITY BY REMAINING AS A GOVERNMENT DEPARTMENT ITSELF

- 1) Ordnance Factories with its inbuilt capacity and the highly motivated and trained skilled workforce can achieve the target level of Rs.30,000 Crores during 2024-25 by increasing its target from 2020-21 onwards by every year increasing by 15 to 20%. i.e (2020-21=Rs.17000, 2021-22=Rs.20000, 2022-23=Rs.23000, 2023-24=Rs.28000, 2024-25=Rs.30000). For achieving the same the following support is required from the Armed Forces / Government
 - i) 3 Years advance indent may be placed so as to enable the management to plan material procurement, setting up of the production lines depending upon the product profile etc.,
 - ii) The commitment of the Government to allot salary expenditure budget separately and not to add the salary element including that of the Accounts Department and other statutory expenditures like NPS contribution, Pension contribution, Overheads etc., to be delinked from the price of the product.
- 2) The above if implemented will help not only the Ordnance Factories but thousands of ancillary industries in the MSME's also. It will also generate employment opportunity both in the Ordnance Factories and in the MSME's also.
- 3) So far as export is concerned it depends upon the Order the OFB manage to get with the support of the Government from various Countries and the workforce accept the challenge to produce all those export items with world standard quality.

STRENGTH OF THE ORDNANCE FACTORIES

- i) Multi Technology / discipline infrastructure.
- ii) Highly trained and skilled manpower.
- iii) Leader in land systems.
- iv) Stretch during war times.
- v) Ability to restart production lines even after long gaps.
- vi) Supporting Operational capability of Army by supply of large number of spares to increase the life time of the equipments.
- vii) Overhauling capacity for major platforms like Tanks.
- viii) Unique facility for manufacturing Strategic Battle Dress, Artillery Guns, Ammunition, Vehicles, Small Arms, Armoured Vehicles, Parachutes, Tents and Optical Instruments etc.
- ix) Training thousands of unemployed youths as Apprentices as part of the "Skill India" Mission.
- x) Fulfilling the requirements of Para Military Forces and State Police Forces.
- xi) Steps taken recently to strengthen in house R&D, resulting in successful launch of new products including Bullet Proof Vest and Jackets.
- xii) Already started large scale export.
- xiii) All Factories are ISO 9000 Certified and all Labs are NABL accredited.
- xiv) Supporting and encouraging Ancillary Industries / MSME's etc.
- xv) Welfare practices as a modal employer with Integrated Residential Colonies, Schools and Hospitals.
- xvi) Some Factories are located in remote localities and they are playing a crucial role to the local development.
- xvii) An organisation with more than 200 years experience in taking care of all the requirements of Army.

CRITICISM ON LACK OF EFFICIENT MANAGEMENT IN THE ORDNANCE FACTORIES

One of the criticism we faced while discussing with Secretary (DP) was about the lack of efficiency in the management system of the Ordnance Factories and also about the inverted pyramid in the hierarchy. The management system of the Ordnance Factories was one of the best in the country till a decade before. However, over a period of time, the management system got diluted resulting in poor management skill which carried long lasting effects in the Organisation. Management needs to lead by example and create a positive working environment for employees to perform at their best capacities. We critically analysed this area and we have identified some of the areas which need immediate rectification.

- 1) Technical Managers in the past posted in the Ordnance Factories immediately after their appointment were placed in the various production shops / maintenance shops and they will remain in the shop floor to understand the problems in the manufacturing process and help / support the workers to

improve the quality and productivity by applying their engineering / technical knowledge. Now a days this system is completely stopped and young officers are allotted cabins with PCs and Internet Connections and majority of them remain in their cabins throughout the day and no initiative from them to learn the work and to maintain better interpersonal relations with the Workers, barring few exceptions.

- 2) The present managers do not recognize employees for their accomplishments, but the employees are only criticized for their shortcomings. Good Management skills which includes the ability to communicate effectively with the workers are lacking.
- 3) Behaves in an authoritarian manner with the employees and treat the employees as if they are not the stake holders of the Factories and take pleasure in threatening them with OT stoppage, arbitrary reduction of labour estimates, disciplinary action, etc. This leads to reduced morale of the workers resulting in mistrust.
- 4) Most of the time is wasted in the name of meetings without any result.
- 5) Blaming the employees for all failures and takes no responsibility to turn the failures into opportunities for growth. This ultimately results in negative environment.
- 6) Instead of becoming solution providers they become problem creators.
- 7) There is no transparent culture and hence lack of team work and missing of mutual respect.
- 8) Whenever employees take initiative for improvement of process, quality and productivity the ego of the shop floor managers suppress such initiative resulting in demoralisation and de - motivation of the employees. It is a well known fact that employees are likely to feel more motivated when they are given a healthy measure of control on the environment and the work they do as well as feeling like the leadership actively listens to them.
- 9) Another area is the managerial persons are mainly concerned about their own career progression in the organisation since at present promotions are based on seniority cum APAR grading. As the promotions are guaranteed no initiative taken to improve professional efficiency and accept challenges.
- 10) With regard to the existing pyramidal structure especially with regard to the ratio between employees and management needs to be reviewed by the MoD.
- 11) Posting of General Managers purely on seniority basis needs to be reviewed and there should be a merit based selection process.
- 12) At present DGOF and Chairman, Members of the Board are posted with 3 to 6 months of service left. This short tenure has resulted in dilution of the effectiveness and decision making process at the Apex level management (At the Board Level) and their short tenure is spend in farewell visits to the Factories. Therefore to all these top posts there should have a minimum tenure of 2 years and there should be a selection process for appointment to these top level post.

- 13) To accommodate some senior officers who cannot be posted as GM's due to various reason so many additional posts / offices are created in the name of Regional Safety Commissioner, Regional Marketing Centre etc., This adds to the overhead expenditure of the organisation. Therefore this needs to be reviewed.
- 14) Managers / Officers who are committed, devoted, takes initiatives, interact closely with the Workers to understand the problems are generally side lined resulting in their demoralization. This area needs to be attended and such Officers may be recognized, encouraged and rewarded.

Apart from these there are many shortcomings in the management system which needs to be rectified. If corrective measures are taken by MoD in the existing system itself the management can become effective, professional, committed and innovative etc.,

APPEAL TO THE HON'BLE PRIME MINISTER ON BEHALF OF THE 82 THOUSAND COMMITTED AND DEVOTED WORKFORCE OF ORDNANCE FACTORIES

All the committees which have recommended for corporatisation of Ordnance Factories have only considered converting the OFB into a commercial organisation by keeping the models of commercial businesses. The committee's also pursued that OFB as a corporation would be able to compete resulting in reduction in cost and more efficiency in the functioning of Ordnance Factories. These predictions are imaginary and not practical. OFB as a corporation will not be able to compete with private sector for getting the workload from the Army since private sector keep limited workforce and 90% of the work they extract through contract workers by exploiting them by giving less wages. In majority cases the contract workers work long hours and paid even less than the minimum wages. Government as a model / good employer should not encourage such type of open exploitation. From the experience of the past 2 decades is to privatise even huge profit making PSU's. We are convinced that the recommendation of all these committees dominated by serving / retired bureaucrats who wanted and propagated for privatising the Ordnance Factories in order to help / favour vested interest to get hold of all the national assets available with the 41 Ordnance Factories including more than 60,000 acres of prime land available which was either given by the poor farmers or the state government for constructing Defence Industry. Therefore corporatisation of Ordnance Factories is not going to help the National Security or the Defence preparedness of our country.

Instead of Jeopardizing the security of our country by the present exercise of corporatisation of Ordnance Factories, Government may formulate policies to enhance the capability of OFB to contribute immensely to Defence preparedness of the Country and encourage OFB to achieve its established objective of

indigenisation and self reliance. If the Government feels that radical change in the management system is required in the OFB it is for the Government to appoint such experts / advisors / consultants so as to make the management both in the factories and OFB more efficient, systematic and dynamic for which the workers are ready to extend their support and co-operation.

Sir, the workforce of the Ordnance Factories are confident that the Honourable Prime Minister who have a vision to achieve 'Make in India' in Defence will not allow the pioneer 'Make in India' Defence industry i.e the Ordnance Factories to be destroyed by converting this great Organization into a Corporation. We therefore appeal to your honour to direct the authorities to retain the Ordnance Factories as a Government department and formulate policies which can further strengthen the 218 years old Defence Industry of our country. Awaiting for your favourable action please.

Thanking you Sir,

Yours Sincerely,



(C. SRIKUMAR)
GENERAL SECRETARY
AIDEF
09444080885
defempfed@gmail.com



(R. SRINIVASAN)
GENERAL SECRETARY
INDWF
09444125799
indwfrsrinivasan@gmail.com



(MUKESH SINGH)
GENERAL SECRETARY
BPMS
09335621629
gensecbpms@yahoo.co.in

Copy to :

- 1) **All Hon'ble Cabinet Ministers**
Government of India
- 2) **The Cabinet Secretary**
Government of India
- 3) **National Security Advisor**
Government of India
- 4) **The Secretary to Government of India**
Ministry of Defence
South Block, New Delhi - 110 001.
- 5) **The Secretary (DP)**
Department of Defence Production
South Block, New Delhi - 110 001.
- 6) **The DGOB & Chairman**
Ordnance Factory Board
10-A, S.K.Bose Road,
Kolkatta, 700 001.

For kind information and favourable action please.

ALL INDIA DEFENCE EMPLOYEES' FEDERATION
INDIAN NATIONAL DEFENCE WORKERS' FEDERATION
BHARTIYA PRATIRAKSHA MAZDOOR SANGH
(RECOGNIZED FEDERATIONS OF DEFENCE CIVILIAN EMPLOYEES)

Ref. No. : 17/AIDEF/INDWF/BPMS/19

Date : 03rd September, 2019

To,

Shri. Umesh Singh IOFS

Honorary Secretary

Indian Ordnance Factories Service Officers' Association

10-A, S.K.Bose Road,

Kolkata – 700 001.

Dear Sir,

This is in response to your Letter dated 30.08.2019 addressed to the AIDEF, INDWF and BPMS. It is unfortunate that in your Letter you have taken pain to blame the Federations and the employees who participated in the Strike ignoring all the threatening of the Government and OFB like imposing ESMA, deployment of State and Central Police Force to use them against the strikers and efforts to declare the Strike illegal etc. The Federations and the employees stood like a rock in fighting against the policy decision of the Government to corporatize the Ordnance Factories. You have also stated in your Letter that it is the workforce which has breached the trust, forgetting the fact that it is the IOFSOA which has gone against the understanding reached between the Federations, CDRA and IOFSOA. In the joint meeting with IOFSOA held at Kolkatta on 06.08.2019 the Office Bearers of the IOFSOA gave the following assurances.

- 1) The IOFSOA oppose the proposed move of the Government to corporatize the Ordnance Factories.
- 2) Even though the IOFSOA supports all the action programme formulated by the Federations and CDRA against corporatization of OFB, the IOFS cadre being a Group "A" Officers they will not be able to directly participate in the Strike. However, a request was made that the General Manager's / HoD along with 3 or 4 Officers may be permitted to attend the Factory and other Officers will stay away from the Factory. This request was readily agreed by the Federations.

However, to our knowledge either this understanding was not communicated to the Factory level IOFSOA Branches, or even after communication of this understanding to the Branches they have not followed the decision of IOFSOA. This has resulted in total confusion amongst the IOFS Officers and the employees and all the IOFS Officers ultimately took a position against the Strike and attended the Factory. They also threatened the JWMs of dire consequences if they support the Strike and instigated them to come to the Factory with Police protection and thereafter to file complaints against the cadres of our Unions to the Police Station and also to the General Manager's in a vindictive manner.

We fail to understand that when the entire workforce stayed away from work and the production was zero, what contribution was made by the persons either Group "A" or Group "B" who attended the Factory and marked present and claiming wages for the Strike days without any output. In this regard your attention is drawn to the provisions of DOP&T OM No. 41016/1(S) 90-Estt (B) dated 01.05.1991 which is reproduced below :-

"It is not enough that the employee attended the place of work, it is for the work and not for mere attendance the wages / salaries are paid."

Is it justified to claim wages for the Strike days when the entire Workers have stayed away from work to save the Ordnance Factories from corporatization. Rather we were expecting that other than the General Manager's and 3 or 4 Officers others will stay away from work and subsequently apply for leave that due to Strike and disturbing situation they were not able to attend the Factory. Unfortunately this has not happened.

You will appreciate that whenever the Organization is under attack due to Government policies etc. even the senior most officers of the Banks, Insurance and other Establishments support and participate in the Strike by not going to their respective Offices and the Bank Managers don't even open the Branches. When this is the fact why our Group "A" Officers took a different position.

Apart from our united and committed struggle against corporatization in all the meetings convened by the DDP and also by the CLC the representatives of the Federations and the CDRA registered our strong protest against corporatization and pleaded vehemently with the Government that Ordnance Factories should not be converted into a Corporation. However, the Senior Officers who attended the meetings representing the OFB have not spoken one word opposing corporatization. In spite of all these situation we supported the IOFS Officers when the Senior

Officials of DDP were criticizing the role and functioning of the Officers of OFB which they stated as one of the reason for corporatization. We opposed the same.

You will appreciate that the Federations have always played a constructive role in saving OFB whenever different types of attack against Ordnance Factories came from the Government and Army. We fully believe that the entire workforce of OFB right from DGOF & Chairman to down below inspite of different role to be played in the Organization should unitedly fight back against corporatization of the Ordnance Factories. The Federations wanted a peaceful and voluntary Strike and we have communicated this to all our Unions and Associations. However, the provocation from some places from the overactive Officers was the reason for some isolated incident in some Factories, other than this the Strike was total and peaceful. While the IOFSOA has condemned the word "betrayed" even though it was against those people who betrayed the movement against corporatization of Ordnance Factories, the IOFSOA have completely ignored the statement made by one Shri. Lokesh Meena / AWM of Ordnance Factory, Bhandara. He has stated all the employees as "bastards". He has also stated that Industrial Employees work only for 3 hours and to Corporatize all the Ordnance Factories since according to him all the Ordnance Factories are sick Units. He being a member of the IOFSOA should have been condemned for his behavior which is unbecoming of not only of an officer but also a human being (A copy of the Facebook Page of Shri. Lokesh Meena is enclosed herewith).

Inspite of all these, the fact remains that all of us have to work together in the Organization and maintain our unity and strength which alone can save the OFB Organization which has given everything to all of us. Let us start a new chapter and maintain the cordial understanding, relationship, mutual respect and recognition which is being traditionally followed by all of us both at the Apex Level and Factory Level.

With regards,

Yours Sincerely,



(C. SRIKUMAR)
GENERAL SECRETARY
AIDF
09444080885
defempfed@gmail.com



(R. SRINIVASAN)
GENERAL SECRETARY
INDWF
09444125799
indwfrsrinivasan@gmail.com



(MUKESH SINGH)
GENERAL SECRETARY
BPMS
09335621629
gensecbpms@yahoo.co.in

ALL INDIA DEFENCE EMPLOYEES' FEDERATION
INDIAN NATIONAL DEFENCE WORKERS' FEDERATION
BHARTIYA PRATIRAKSHA MAZDOOR SANGH
(RECOGNIZED FEDERATIONS OF DEFENCE CIVILIAN EMPLOYEES)

Ref. No. : 18/AIDEF/INDWF/BPMS/19

Date : 03rd September, 2019

To,

The DGOF & ChairmanOrdnance Factory Board
10-A, S.K.Bose Road, Kolkatta, 700 001.

Subject : Complaint against Shri. Lokesh Meena / Assistant Works Manager of OF Bhandara for posting derogatory remarks against employees of Ordnance Factories.

Sir,

Shri. Lokesh Meena / Assistant Works Manager of Ordnance Factory Bhandara in his Facebook Account have posted a very derogatory remark against the employees of Ordnance Factories during the Strike period. Since, it is in the social media all the employees and general public have come to know about this and there is a total unrest amongst the employees in all the Ordnance Factories. This act on the part of a Group "A" Officer is not only unbecoming of an Officer but also a human being. He has defamed the entire workforce of the Ordnance Factories. He has also defamed the OFB Organization as a whole by terming all the Ordnance Factories as sick Units. He deserves departmental and legal action, since he has violated the Conduct Rules of the All India Service Officers.

We strongly condemn the above derogatory and un-parliamentary language used by Shri. Lokesh Meena in his Facebook Page. We hope that the DGOF & Chairman / OFB will view this matter very seriously and take appropriate action against the above Officer.

It is pertinent to mention here that OFB vide its Letter No. 01/Social Media/ICE(PR) dated 11.07.2018 have instructed all the Factories, Officials / Staff should not post derogatory comments against the Organization which portrays a negative image of the Organization. Since, the above message posted by Shri. Lokesh Meena has downgraded the image of the Organization it is once again reiterated that appropriate action may be taken against this person.

Awaiting for your earlier action in this regard.

Thanking you,

Yours Sincerely,



(C. SRIKUMAR)
GENERAL SECRETARY
AIDEF
09444080885
defempfed@gmail.com



(R. SRINIVASAN)
GENERAL SECRETARY
INDWF
09444125799
indwfrsrinivasan@gmail.com



(MUKESH SINGH)
GENERAL SECRETARY
BPMS
09335621629
gensecbpms@yahoo.co.in

Encl. : Copy of the Facebook Page of Shri. Lokesh Meena

Copy to :

The Secretary (DP)
Department of Defence Production
South Block, New Delhi - 110 001.

For kind information and
necessary action please.

ALL INDIA DEFENCE EMPLOYEES' FEDERATION
INDIAN NATIONAL DEFENCE WORKERS' FEDERATION
BHARTIYA PRATIRAKSHA MAZDOOR SANGH
(RECOGNIZED FEDERATIONS OF DEFENCE CIVILIAN EMPLOYEES)

Ref. No. : 19/AIDEF/INDWF/BPMS/19

Date : 03rd September, 2019

To,

The Secretary (DP)

Department of Defence Production

South Block, New Delhi - 110 001.

**Subject : Seeking information on land holding of Ordnance
Factories by MoD.**

Sir,

We are shocked to note the most urgent Letter No. 6168/LAND/MISC/E/B dated 02.09.2019 issued by Ordnance Factory Board to all the 41 Ordnance Factories, in which the details of the land holding of the Ordnance Factories were to be provided through Fax / Comnet by 16.00 hrs of the same day. We fail to understand the urgency in this matter and also for collecting such information in the backdrop of News Paper Reports that the Defence Ministry is planning to monetize these lands in Order to reduce the gap between funds allocated and funds required. You will appreciate that the land being held by the Ordnance Factories are either land which was taken away from the Farmers by displacing them and also the land donated by the State Governments exclusively for construction of Ordnance Factories for the purpose of Defence of our Country.

Any proposal to sell out these lands to the private sector is not in the national interest. We protest against any such move and we request you to kindly not sell out the lands being owned by the Ordnance Factories.

Thanking you,

Yours Sincerely,



(C. SRIKUMAR)
GENERAL SECRETARY
AIDEF
09444080885
defempfed@gmail.com



(R. SRINIVASAN)
GENERAL SECRETARY
INDWF
09444125799
indwfrsrinivasan@gmail.com



(MUKESH SINGH)
GENERAL SECRETARY
BPMS
09335621629
gensecbpms@yahoo.co.in

Copy to :

The DGOF & Chairman
Ordnance Factory Board
10-A, S.K. Bose Road,
Kolkatta, 700 001.

For kind information please.