

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

Joint Circular No. : 21/2019

Date : 30.09.2019

To,

All the affiliated Unions of
AIDEF, INDWF, BPMS & CDRA

AIDEF, INDWF, BPMS, CDRA decides to oppose the terms of reference given by the Government to the High Level Official Committee (HLOC) to restructure Ordnance Factories

A meeting of the 3 Federation and CDRA was held on 30/09/2019 at 9.30 AM to discuss about the terms & reference given to the HLOC. The following were present in the meeting:-

AIDEF

Shri S.N. Pathak, President

Shri C. Srikumar, General Secretary

B. Guhathakurta, Addl. General Secretary

INDWF

Shri Gurudayal Singh, Vice President

Shri R. Srinivasan, General Secretary,

BPMS

Shri Sadhu Singh, Vice President

Shri Mukesh Singh, General Secretary

Shri Virender Sharma, Joint Secretary

CDRA

Shri B.K. Singh, President,

Shri Mohanty, General Secretary

The meeting discussed in detail about the term of reference given to the HLOC by the Government. After discussion it was unanimously decided to oppose and protest against the terms of reference as it is against the assurance given by the Secretary (DP) that government has not taken any decision to corporatize the Ordnance Factories. The terms of reference gives an indication that Government has already decided to corporatize the Ordnance Factories. Therefore it has been decided to give our protest in writing and also our considered views that as already stated by the Federations and CDRA, OFB should be allowed to work in the existing structure as a Government Organization and that the discussion should be to achieve Rs. 30,000 crores target / turn Over by OFB. Accordingly a joint note was prepared to be submitted to the Chairman of the HLOC. A copy of the same is enclosed as **Annexure – I** of this Joint Circular.

Meeting held with the HLOC on 30/09/2019 – 15.00 hrs at MOD, South Block

The following representatives attended the meeting:-

AIDEF

Shri S.N. Pathak, President

Shri C. Srikumar, General Secretary

INDWF

Shri Ashok Singh, President

Shri R. Srinivasan, General Secretary,

BPMS

Shri Sadhu Singh, Vice President

Shri Mukesh Singh, General Secretary

CDRA

Shri B.K. Singh, President,

Shri Mohanty, General Secretary

Apart from the Chairman (AS / DP), DGOF, JS (Army), JS (LS), Addl. FA and MGO representative participated as members of the HLOC.

Presiding over the meeting the Chairman of the HLOC stated the following:-

- 1) The Committee's mandate is to discuss about the concerns expressed by the Federations and CDRA due to Governments proposal to corporatize the Ordnance Factories.
- 2) The Employees Representatives may therefore place their views in this regard on the terms of References given to the High Level Official Committee

Responding to the above the Federations and CDRA in one voice stated the following after submitting the written note

- 1) The Federations and CDRA cannot accept the proposed decision of the Government to corporatize/restructure the Ordnance Factories, since corporatization / restructuring will never be a successful model for the Ordnance Factories due to the fact that OFB is a multi-technology/ multi Product organization, fluctuation of the requirement of Armed Forces, and has to maintain war reserve capacity etc. These things are not possible in a corporation / PSU / restructuring. Moreover it is proved that after conversion of Telecom Department as BSNL it has become a failed model and the employees are already struggling for its survival.
- 2) The Federations have submitted a detailed Appeal to the Hon'ble PM and all Cabinet Ministers to not Corporatize/restructure the Ordnance Factories
- 3) As already informed OFB should continue to remain as a Departmental Organizations and the way and means to achieve Rs.30,000 crores turn over / target is open for discussion.
- 4) If the Government wanted to empower the OFB then Government may consider to change the structure of OFB to that of Railway Board, ISRO and DAE etc
- 5) MGO has told the Federations that cost of the OFB products is the concern of the Army especially of the products declared as non-core. For reduction of cost as already agreed by the then Secretary / DP the salary expenditure may be allotted separately and delink the same and other overheads from the cost of the product.

- 6) A time limit of 3 to 5 years may be given to the OFB to achieve the task of Rs. 30,000 crores in the present set up / structure and also to implement the above proposals. A review can be conducted by MOD to monitor the functioning of OFB every year.
- 7) The Federations and CDRA are prepared to discuss the terms of reference given in b, c, d & e provided the terms of reference given in (a) is deleted
- 8) OFB should take the responsibility for improvement of the Ordnance Factories and Chairman OFB should hold periodical meetings with the Federations and CDRA to discuss the various short comings pointed out by the MOD / Army / CAG etc. like manpower, overheads, timely supply, delay in procurement etc. the Federations / CDRA are prepared to cooperate with the OFB in this direction.

Response of the Chairman of the Committee

After a patient hearing of the employee's representatives the Chairman stated that so far Government has not taken any decision to corporatize the Ordnance Factories. However the Committees mandate is to address the concerns of the employees due to conversion of OFB in to a Corporation / PSU. Since the Federations / CDRA are not in a position to discuss on the terms of Reference as given by the Government, he shall convey the stand of the Federations and CDRA to the higher authorities in the Government.

Thereafter the meeting concluded at 16.30 hrs.

Review of the discussions held with the HLOC by the Federations and CDRA

After the meeting with the HLOC, representatives of Federation and CDRA met separately and decided to continue the struggle / campaigning against the Corporatization/ restructuring of OFB and to decide a serious action programme throughout the Ordnance Factories and also in Delhi after Diwali depending upon the further response of the Government.

Yours Sincerely,



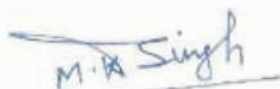
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Ref. No. : 018/AIDEF/INDWF/BPMS/CDRA/19

Date: 30.09.2019

To,

The Addl. Secretary (DP)

&

Chairman/High Level Official Committee

Department of Defence Production

South Block, New Delhi.

Subject : Protest against the Terms of Reference (TOR of the High Level Official Committee).

Sir,

In the Meeting held on 23/08/2019 with Secretary/DP with the 3 Federations & CDRA based on the recommendations of the Chief Labour Commissioner, Ministry of Labour & Employment, the Secretary/DP gave the following assurances.

- 1) The matter regarding Corporatisation of OFB is under the examination of the Government.
- 2) No final decision has been taken by the Government with regard to Corporatisation of OFB.
- 3) The concerns raised by the employees, Federations regarding the interest/benefits of the employees with regard to all their service matters, future workload, achieving Rs.30,000 Crores target in the present setup, budgetary support for salary etc., will be considered by a High Level Official Committee which will consult with the Federations, to examine these aspects and make suitable recommendations to the Government.
- 4) The Secretary/DP requested that considering the above assurances Federations may withdraw the ongoing strike and continue with the process of dialogue.

The 3 Federations after considering the statement /assurance of the Secretary/DP, that no final decision has been taken yet about converting the OFB into a Corporation and that all the concerns expressed by the Federations and CDRA, a High Level Official Committee will be constituted by the Government which will interact with the Federations and CDRA, it was decided to defer/postpone the one month strike w.e.f. 26/08/2019. This was communicated by the 3 Federations vide letter dated 24/08/2019.

The DDP has so far not finalised the minutes of the meeting held under your Chairmanship with the Federations and CDRA on 14/08/2019 and 16/08/2019. A copy of the constitution of the Committee also is not yet forwarded to the Federations and CDRA. What we have received is the meeting notice dated 24th Sept. 2019 in which the Terms of Reference of the HLOC has been given.

It is unfortunate that the Terms of Reference has been finalised without any consultation with us. The Terms of Reference (a) gives an impression that the Government has already decided to convert the OFB into a Public Sector entity, whereas the then Secretary (DP) has categorically stated that the Government has not taken any decision to corporatize the Ordnance Factories. This is a breach of trust and against the spirit of the discussion and understanding with the Ministry of Defence / DDP on 23.08.2019. The MoD is well aware that the entire workforce of Ordnance Factories, the Federations and CDRA are of the firm view that it is not in the interest of Nation and its defense preparedness to convert the Ordnance Factories into a PSU / Corporation. Therefore, the Ordnance Factories to continue as a Government Organization and we accept the guaranteed / task for developing the Ordnance Factories to reach the stage of Rs. 30,000 Crores turnover. In this regard we have already forwarded an appeal to the Hon'ble Prime Minister and to all the Cabinet Ministers. A copy of the same is enclosed with this letter.

As regard, the Terms of Reference given in (b) the then Secretary(DP) has already assured the Federations in writing that the proposal of the Federations and CDRA duly recommended by the OFB that the proposal for allotment of salary expenditure separately and to delink the same and various overheads from the cost of the products is under the positive consideration of the DDP. The same may be approved by the Government.

As regards the Terms of Reference given in (c) once the salary Expenditure and Overheads are delinked from the cost of the products, the Armed Forces and Paramilitary forces will be ready to place indent on the Ordnance Factories including the items declared as "Non-Core" and hence in the present setup itself, the OFB can continue to effectively function.

As regards the Terms of Reference given in (d) we have already informed the government that the workforce of the Ordnance Factories are prepared to accept to increase the production level to Rs.30,000 Crores and beyond in the present structure and setup as a Government organisation.

As regards the Terms of Reference given in (e) in view of our above views this Terms of Reference have got no relevant, since we are opposed to converting all the 41 Ordnance Factories in to a Corporation/PSUs.

Apart from the above we are of the view that the Governments proposed decision to corporatize the Ordnance Factories are not based on any considered views or thread bear study of the functioning and role of the Ordnance Factories. We also fail to understand that how the MoD will be able to arrange the Rs. 30,000 Crores workload, which they are not able to arrange today to the Ordnance Factories. We have reiterated our position repeatedly that OFB should be allowed to function for at least 5 years in the present setup and structure and allot Rs. 30,000 Crores workload to the Ordnance Factories and watch their performance. In case the Government feels that the present structure is not fully empowered then to enhance the financial and administrative powers of OFB the following proposal of the Federations and CDRA may be considered positively.

- i) Convert the OFB's structure at par with Railway Board with all powers and Government may extend all financial support as being given to the Railway Board.
- ii) Convert the structure of OFB at par with ISRO and Department of Atomic Energy etc.
- iii) The employees of Ordnance Factories were recruited as Central Government Employees / Defence Civilian Employees and hence as per their Terms and Conditions of Appointment Order they have to continue in the same status and arbitrarily their service conditions cannot be changed by converting them into employees of a Corporation / Public Sector Undertaking.
- iv) Government may take steps to ensure that the proper cadre structure of the OFB remains ideal and in-tact.

Sir, you are aware about the fate of more than 1.6 lakh erstwhile Central Government Employees who are now the employees of BSNL Limited. These employees are not getting their monthly salary even after 2 months. The employees are being pressurised to opt for taking voluntary retirement from service. A proposal for reduction of the retirement age of BSNL Employees is also under consideration. Therefore, with all these better experience of Government Departments becoming a PSU we appeal to the Government to not play with the life of 82 thousand Employees of Ordnance Factories who have devoted their life for the defence of our Country.


In view of all our above submissions, we will be able to cooperate with the Committee only if the government withdraw its decision to Corporatize the Ordnance Factories. We assure the committee that the workforce will extend all support and cooperation for any improvement in the functioning of the Ordnance Factories within the framework of OFB continuing as a Government Department.

Thanking you

Yours Sincerely,



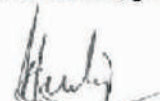
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