

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE PRODUCTION  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO.17**  
TO BE ANSWERED ON 19th July, 2021

**CORPORATISATION OF OFB**

17 SHRI BINOY VISWAM:

Will the Minister of Defence be pleased to state:

- (a) the steps taken to safeguard the rights of the employees under the new corporatisation plan of Ordnance Factory Board (OFB);
- (b) whether Government made a redeployment plan for these employees;
- (c) whether there will be any changes in the service conditions of these employees, if so, the details of the changes made; and
- (d) whether Government has held any discussions with the workers federations of these factories regarding the ongoing corporatisation process, if so, the details of the outcomes of these discussions?

**ANSWER**  
MINISTER OF STATE IN THE MINISTRY OF DEFENCE  
SHRI AJAY BHATT

(a) to (c): The Government has ensured safeguarding the interests of the employees of Ordnance Factory Board (OFB) post corporatization of OFB, inter-alia, in the following manner:-

- (i) It has been decided that all the employees of OFB (Group A, B & C), belonging to the production units and also the non-production units being handed over to the new DPSUs (to be formed) would be transferred to these DPSU(s) on terms of foreign service without any deputation allowance (deemed deputation) initially for a period of two years from the appointed date.

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(ii) All the employees of OFB Head Quarter, OFB New Delhi Office, OF Schools and OF Hospitals, would be transferred to the Directorate of Ordnance Factories (to be formed) under the Department of Defence Production, initially for a period of two years from the appointed date.

(iii) Till such time the employees remain on deemed deputation to the new entities, they shall continue to be subject to all rules and regulations as are applicable to the Central Government servants. Their pay scales, allowances, leave, medical facilities, career progression and other service conditions will also continue to be governed by the extant rules, regulations and orders, as are applicable to the Central Government servants.

(iv) The pension liabilities of the retirees and existing employees will continue to be borne by the Government.

(d) Yes, Sir. Since the announcement of the Government to undertake corporatisation of OFB in May, 2020, the Government has held various discussions with the OFB employees' Federations regarding the corporatisation of OFB under Chairmanship of Secretary (Defence Production). Their concerns and suggestions were noted. Their main concern about safeguarding the interests of the employees of OFB has been adequately addressed as mentioned above. It is pertinent to mention that Chief Labour Commissioner (Central) also held discussions with Government & OFB Federations as part of the conciliation process under the ID Act 1947.

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