

09<sup>th</sup> November 2024

Shri Narendra Modi  
Hon'ble Prime Minister of India,  
South Block, Raisina Hill,  
New Delhi – 110011.

**Subject :Reconsideration and Repeal of Corporatization Policy of Ordnance Factories and restoration of the status as Ordnance Factory Board : A necessary Step Towards Strengthening India's Indigenous Defence Manufacturing.**

Hon'ble Prime Minister,

We, the Joint Platform of 10 Central Trade Unions present for your kind reconsideration the Government's policy on the corporatization of Ordnance Factories under the Ministry of Defence, with the aim of re-emphasizing their pivotal role in India's indigenous defence production ecosystem. The legacy of our Ordnance Factories, dating back over two centuries, reflects a remarkable contribution to India's self-reliance in critical defence needs. Given the complex strategic environment today, preserving their traditional structure, expertise, and established frameworks could be crucial to achieving true Aatmanirbhar Bharat (self-reliance) in defence and for that purpose it is essential to restore the status of the 41 Ordnance Factories as a Government Organization under the Ordnance Factory Board as prevailed on 30<sup>th</sup> of September, 2021.

Sir, India stands at a critical juncture in strengthening its defence production capabilities. The Ordnance Factories have historically provided India's armed forces with reliable, customized solutions for our varied operational requirements. Their deep-rooted expertise, particularly in artillery, small arms, ammunition, all types of Troop Comfort Items including Bullet Proof Jacket, Ballistic Helmet and other essential equipment, has long contributed to India's national security in ways that extend beyond conventional metrics. The statement made by the Government that Corporatization of Ordnance Factories will result in efficiency and accountability has failed and today in more than 50% of the Ordnance Factories there is no fulfilled workload as the Armed Forces are placing the indents on Private Sectors. Government implemented the KPMG Consultant recommendations for splintering the Ordnance Factories into 7 Companies and now appointed SBI Cap Consultant for reducing the 7 Companies into 4. Within 3 years of Corporatization this development has taken place.

The Indian Ordnance Factories have been instrumental in supporting our nation during critical times of conflict, including the 1962 Indo-China confrontation, the 1965 and 1971 Indo-Pak wars, and the 1999 Kargil conflict. Their role in swiftly meeting the operational needs of our Armed Forces has underscored their importance as a backbone of India's defence preparedness. Given the current global scenario marked by geopolitical tensions and supply chain vulnerabilities, it is essential to reconsider the corporatization of these factories under the Ministry of Defence. Preserving their structure and mission-oriented focus can strengthen India's self-reliance and

readiness to respond to emerging threats effectively, aligning with our national security imperatives.

Several key concerns deserve thoughtful consideration. First, the transformation of Ordnance Factories into corporate entities may inadvertently shift their priorities towards profitability and competitiveness, which, while valuable in many sectors, could conflict with the primary objective of ensuring national security and supply resilience for our armed forces. Unlike commercial enterprises, the mandate of Ordnance Factories has always been to fulfill the unique, urgent, and sometimes unpredictable demands of the Armed Forces—an alignment that could be compromised under corporatization, since the Corporations will not keep Highly Skilled Workers as a “War Reserve” to meet any emergent situation like Kargil Crisis etc. In fact during the COVID-19 pandemic more than 50% of the Ordnance Factories worked day and night to meet the various requirements of the health care system of our Country during the Lockdown Period. All these are possible only if the Ordnance Factories are directly under the control of Government as a Government Organization.

Moreover, the existing structure has traditionally enabled a close, responsive relationship with the Armed Forces, allowing for rapid adjustments and customized production based on real-time needs. Corporatization could create procedural barriers that impact the responsiveness and agility that our defence sector critically depends upon, especially under conditions of urgency. Additionally, the transformation could potentially risk the employment security and welfare of the experienced workforce within these factories, who are both specialists and patriots committed to India's defence. Post Corporatization of Ordnance Factories within 3 years more than 10000 Highly Skilled Employees have retired and no replacement. The deficiency of manpower is met by the Corporation through fixed term employment, contractual appointments etc. resulting in more and more accidents and casualty of the employees and also compromising the quality of the products.

India has set commendable goals under the “Make in India” and Aatmanirbhar Bharat missions, yet realizing these ambitions requires sustained investment in R&D, particularly within the public defence sector. By bolstering our Ordnance Factories and enhancing their capacities within the current framework, we could secure substantial gains in areas such as artillery, armoured vehicles, and sophisticated munitions. A renewed policy focus on expanding the indigenous production of critical equipment would not only reduce our dependency on imports but would also enable us to meet the rising global demand for defence equipment, creating export opportunities and further strengthening India's position as a defence manufacturing leader. The Federations of Defence Civilian Employees of Ordnance Factories during their negotiations with the Ministry of Defence prior to Corporatization have submitted an alternative proposal and subsequently another robust proposal for further strengthening and improving the Ordnance Factories which the Ministry of Defence have completely neglected.

In this regard, we sincerely urge a re-evaluation of the corporatization policy to preserve the strategic autonomy, accountability, and operational readiness that our Ordnance Factories have always championed. Strengthening and modernizing them within their original mission-oriented

structure could help us achieve true self-reliance, not just in words but in spirit, ensuring that India's defence sector remains resilient, responsive, and focused on our national security imperatives.

We also would like to highlight here that post Corporatization of the Ordnance Factories the employees are totally demoralized and demotivated in all their service related issues are remaining unsettled and the Ministry of Defence is not taking any steps to redress their genuine grievances. We also request you to kindly Order for an independent inquiry to audit the entire performance of the Ordnance Factories, financial dealings, policy decisions taken by these 7 Ordnance Factory Corporations during the last 3 years period.

Sir, we are confident that you will look into all the above issues which we have brought to your kind notice through this Memorandum in the national interest and also the Defence preparedness of our country.

Thanking you,

Yours Sincerely,



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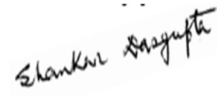
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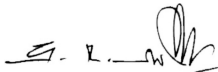
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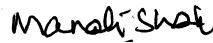
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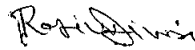
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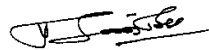
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