

DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

FINAL ASSESSMENT

INDIAN ORDNANCE FACTORIES

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	0/8
2. Internal Controls	6	1/12
3. Support to Employees	7	1/14
4. Conflict of Interest	4	0/8
5. Customer Engagement	7	0/14
6. Supply Chain Management	5	3/10
7. Agents, Intermediaries and Joint Ventures	10	0/20
8. Offsets	4	0/8
9. High Risk Markets	4	1/8
10. State-Owned Enterprises	5	1/10
TOTAL		7/112
BAND		F


*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
0
Comments
There is no evidence of a publicly stated anti-bribery and corruption commitment, which is authorised by the company's leadership.
Evidence
No evidence found.

Question
<p>1.2 Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</p> <p>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</p> <p>b) All board members, including non-executive directors.</p>
Score
0
Comments
<p>While there is some evidence that the company adopts Integrity Pacts in its procurement processes, there is no evidence that the company has an anti-bribery and corruption policy.</p>
Evidence
<p>[3] Pre-contract Integrity Pact (Document) Accessed 17/04/2020 https://ofb.gov.in/uploads/unit/0/integrityPact.pdf</p> <p>[p.1] Objectives</p> <p>3. Now, therefore, the Buyer and the Bidder agree to enter into this pre-contract agreement, hereinafter referred to as Integrity Pact, to avoid all forms of corruption following a system that is fair, transparent and free from any influence / unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:</p> <p>3.1 Enabling the Buyer to obtain the desired defence stores at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and</p> <p>3.2 Enabling bidders to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and the Buyer will commit to prevent corruption, in any form, by their officials by following transparent procedures.</p>

Question
1.3 Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
Score
0
Comments
There is no evidence that the company has a designated board committee or individual board member responsible for an anti-bribery and corruption programme.
Evidence
No evidence found.

Question														
1.4 Is responsibility for implementing and managing the company’s anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company’s programme?														
Score														
0														
Comments														
Based on publicly available information, there is evidence that a managerial-level individual has been assigned ultimate responsibility for managing vigilance at the company. However, there is no clear publicly available evidence that the role of this individual includes implementing and managing an anti-corruption programme.														
Evidence														
<p>[4] CVO Vigilance (Webpage) Accessed 17/04/2020 https://ofbindia.gov.in/pages/cvo-vigilance-1</p>  <p>CVO (Vigilance)</p> <p>Chief Vigilance Officer</p> <table border="1"> <thead> <tr> <th colspan="2">Chief Vigilance Officer</th> </tr> <tr> <th>Name and Designation of the Officer</th> <th>Contact Information</th> </tr> </thead> <tbody> <tr> <td rowspan="4"> Shri Subrat Das, Chief Vigilance Officer </td> <td>Phone (O)</td> <td>+91-33-22485486</td> </tr> <tr> <td>Phone (R)</td> <td></td> </tr> <tr> <td>Fax</td> <td>+91-33-22483359</td> </tr> <tr> <td>Email</td> <td>cvo.ofb@nic.in</td> </tr> </tbody> </table>		Chief Vigilance Officer		Name and Designation of the Officer	Contact Information	Shri Subrat Das, Chief Vigilance Officer	Phone (O)	+91-33-22485486	Phone (R)		Fax	+91-33-22483359	Email	cvo.ofb@nic.in
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2. Internal Controls

Question
2.1 Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?
Score
0
Comments
There is no evidence that the company has a formal risk assessment procedure which is used to inform the company's anti-corruption programme.
Evidence
No evidence found.

Question
2.2 Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?
Score
0
Comments
There is no publicly available evidence to indicate that the company reviews or audits its anti-corruption programme.
Evidence
No evidence found.

Question
2.3 Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?
Score
1
Comments
<p>There is some evidence the company publicly commits to investigating incidents. On its website the company publishes a statement indicating that the Central Vigilance Commission, a government agency, is responsible for investigating allegations of corruption at state-owned companies.</p> <p>The company scores '1' as there is no evidence it commits to providing whistleblowers with updates on the outcome of investigations, nor does it publish information on the whole investigation process. There is also no evidence that a central body within the company reviews summary information on investigations.</p>
Evidence
<p>[6] GOI Resolution on Public Interest Disclosure and Protection of Informer (Document) Accessed 17/04/2020 https://www.cvc.nic.in/sites/default/files/PubNot14022012_0.pdf</p> <p>[p.1] The Government of India has authorized the Central Vigilance Commission (CVC) as the ' Designated Agency ' to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action.</p> <p>[p.2] The jurisdiction of the Commission in this regard would be restricted to any employee of the Central Government or of any corporation established by or under any Central Act, government companies , societies or local authorities owned or controlled by the Central Government. Personnel employed by the State Governments and activities of the State Governments or its Corporations etc. will not come under the purview of the Commission.</p> <p>3. [...] the Commission, which will accept such complaints, has the responsibility of keeping the identity of the complainant secret. Hence, it is informed to the general public that any complaint, which is to be made under this resolution should comply with the following aspects.</p> <ul style="list-style-type: none"> i) The complaint should be in a closed / secured envelope. ii) The envelope should be addressed to Secretary, Central Vigilance Commission and should be superscribed "Complaint under The Public Interest Disclosure". If the envelope is not superscribed and closed, it will not be possible for the Commission to protect the complainant under the above resolution and the complaint will be dealt with as per the normal complaint policy of the Commission. The complainant should give his/her name and address in the beginning or end of complaint or in an attached letter. iii) Commission will not entertain anonymous/pseudonymous complaints. iv) The text of the complaint should be carefully drafted so as not to give any details or clue as to his/her identity. However, the details of the complaint should be specific and verifiable. v) In order to protect identity of the person, the Commission will not issue any acknowledgement and the whistle-blowers are advised not to enter into any further correspondence with the Commission in their own interest. The Commission assures that , subject to the facts of the case being verifiable , it will take the necessary action, as provided under the Government of India Resolution mentioned above. If any further clarification is required, the Commission will get in touch with the complainant.

Question
2.4 Does the company have appropriate arrangements in place to ensure the quality of investigations?
Score
0
Comments
There is no publicly available evidence to indicate that the company assures itself of the quality of its internal investigations.
Evidence
No evidence found.

Question
2.5 Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?
Score
0
Comments
There is no publicly available evidence to indicate that there is an investigative procedure which includes a commitment to report material findings from investigations to the board.
Evidence
No evidence found.

Question
2.6 Does the company publish high-level results from incident investigations and disciplinary actions against its employees?
Score
0
Comments
There is no publicly available evidence to indicate that the company publishes any data on ethical and corruption investigations or disciplinary actions involving its employees.
Evidence
No evidence found.

3 Support to Employees

Question
3.1 Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?
Score
0
Comments
There is no publicly available evidence to indicate that the company provides anti-bribery and corruption training to all employees.
Evidence
No evidence found.

Question
<p>3.2 Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</p> <ul style="list-style-type: none"> a) Employees in high risk positions, b) Middle management, c) Board members.
Score
0
Comments
There is no publicly available evidence to indicate that the company provides anti-bribery and corruption training to all employees.
Evidence
No evidence found.

Question
3.3 Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?
Score
0
Comments
There is no publicly available evidence to indicate that the company measures or reviews the efficacy of an anti-bribery and corruption communications or training programme.
Evidence
No evidence found.

Question
3.4 Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
Based on publicly available information, there is no evidence that the company's incentive schemes incorporate ethical or anti-bribery and corruption principles.
Evidence
<p>[5] Monthly Remuneration of each of the Officers and Employees. Piece Work System & Overtime Working etc (Document) Accessed 17/04/2020 https://ofb.gov.in/uploads/unit/0/7.pdf</p> <p>[p.1] The employees of the Ordnance Factories are categorized in four groups for the purpose of compensation in regard to their work viz.</p> <ol style="list-style-type: none"> 1. Group 'A' & 'B' Gazetted Officers 2. Group 'B' & 'C' Non Gazetted Officers 3. Group 'C' & 'D' Non Industrial Employees and 4. Group 'C' & 'D' Industrial Employees <p>[p.2] 4. Other allowances which are paid to the specific category of employees are:</p> <p>(i) Group 'A' Medical Officers - Non-practicing allowance (ii) Group 'B' Gazetted & Non Gazetted Officers - Risk Allowance (iii) Group 'C' non-Gazetted Officers and Group 'C' & 'D' non-Industrial Employees – Risk Allowance, Overtime Allowance and Night Duty Allowance. (iv) Group 'C' & 'D' Industrial Employees - Risk Allowance, Overtime Allowance and Night Duty Allowance, Night Shift Bonus, Piece-work profit to Production worker and Incentive Bonus to Maintenance worker.</p> <p>5. Remuneration to the employees of Ordnance Factories is paid on monthly basis. All category of employees are paid on last day of the month while wages to the Industrial Employees are paid up to tenth day of the following month as prescribed in the Factories Act.</p> <p>[p.38] Incentive Bonus to Essential Maintenance Workers : An incentive bonus is paid to essential maintenance workers of skilled and semi skilled category employed in the maintenance of plant and services within the factory. This category of bonus is linked with the profit earned by the piece workers and paid at the @ 50% of the piece work profit earned in the month by all the piece workers, both individual and gang workers of the production section, if he is attached to a production section or @ 50% of the average piece work profit earned in the month by all the piece workers both individual and gang piece workers in the factory, if he is not attached to a specific production section.</p>

Question
3.5 Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?
Score
0
Comments
There is no publicly available evidence to indicate that the company commits to support or protect employees who refuse to act unethically, even when it might result in a loss of business.
Evidence
No evidence found.

Question
3.6 Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?
Score
0
Comments
There is no evidence the company has a publicly available policy of non-retaliation against whistleblowers or employees who report bribery and corruption incidents.
Evidence
No evidence found.

Question
3.7 Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?
Score
1
Comments
<p>On its website the company publishes a statement indicating that the Central Vigilance Commission, a government agency, is responsible for investigating allegations of corruption at state-owned companies. There is evidence indicating the agency acts as an external whistleblowing channel for employees and third parties.</p> <p>However, the company scores '1' as there is no evidence that it offers internally operated or explicitly anonymous channels, nor that it offers an external channel operated by an independent third party.</p>
Evidence
<p>[6] GOI Resolution on Public Interest Disclosure and Protection of Informer (Document) Accessed 17/04/2020 https://www.cvc.nic.in/sites/default/files/PubNot14022012_0.pdf</p> <p>[p.1] The Government of India has authorized the Central Vigilance Commission (CVC) as the ' Designated Agency ' to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action.</p> <p>4. [...] the Commission, which will accept such complaints, has the responsibility of keeping the identity of the complainant secret. Hence, it is informed to the general public that any complaint, which is to be made under this resolution should comply with the following aspects.</p> <ul style="list-style-type: none"> vi) The complaint should be in a closed / secured envelope. vii) The envelope should be addressed to Secretary, Central Vigilance Commission and should be superscribed "Complaint under The Public Interest Disclosure". If the envelope is not superscribed and closed, it will not be possible for the Commission to protect the complainant under the above resolution and the complaint will be dealt with as per the normal complaint policy of the Commission. The complainant should give his/her name and address in the beginning or end of complaint or in an attached letter. viii) Commission will not entertain anonymous/pseudonymous complaints. ix) The text of the complaint should be carefully drafted so as not to give any details or clue as to his/her identity. However, the details of the complaint should be specific and verifiable. x) In order to protect identity of the person, the Commission will not issue any acknowledgement and the whistle-blowers are advised not to enter into any further correspondence with the Commission in their own interest. The Commission assures that , subject to the facts of the case being verifiable , it will take the necessary action, as provided under the Government of India Resolution mentioned above. If any further clarification is required, the Commission will get in touch with the complainant.

4 Conflict of Interest

Question
4.1 Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
Score
0
Comments
There is no publicly available evidence to indicate that the company has a conflicts of interest policy.
Evidence
No evidence found.

Question
4.2 Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?
Score
0
Comments
There is no publicly available evidence to indicate that the company has procedures to manage conflicts of interest.
Evidence
No evidence found.

Question
4.3 Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
Score
0
Comments
There is no publicly available evidence to indicate that the company has a policy regulating the employment of current or former public officials.
Evidence
No evidence found.

Question
4.4 Does the company report details of the contracted services of serving politicians to the company?
Score
0
Comments
There is no publicly available evidence to indicate that the company reports details of the contracted services of serving politicians.
Evidence
No evidence found.

5 Customer Engagement

5.1 Contributions, Donations and Sponsorships

Question
5.1.1 Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
There is no publicly available evidence to indicate that the company has a policy on corporate political contributions.
Evidence
No evidence found.

Question
5.1.2 Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?
Score
0
Comments
There is no publicly available evidence to indicate that the company discloses details of its political contributions.
Evidence
No evidence found.

Question
5.1.3 Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?
Score
0
Comments
There is no publicly available evidence to indicate that the company has a policy or procedure covering charitable donations and sponsorships.
Evidence
No evidence found.

5.2 Lobbying

Question
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
Score
0
Comments
There is no publicly available evidence to indicate that the company has a policy or procedure on lobbying.
Evidence
No evidence found.

Question
5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?
Score
0
Comments
There is no publicly available evidence to indicate that the company publishes any information on its lobbying aims, topics or activities.
Evidence
No evidence found.

Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
0
Comments
There is no publicly available evidence to indicate that the company provides details about its global lobbying expenditure.
Evidence
No evidence found.

5.3 Gifts and Hospitality

Question
5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?
Score
0
Comments
There is no publicly available evidence to indicate that the company has a policy or procedure on gifts or hospitality.
Evidence
No evidence found.

6 Supply Chain Management

Question
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
Score
1
Comments
<p>There is some evidence that the company's procurement department is involved in the establishment of supplier relationships.</p> <p>However, the company scores '1' as, based on publicly available evidence, it is not clear that the procurement department is the main body responsible for oversight of the supplier base. There is also no evidence that the involvement of the procurement department is required for establishing any new suppliers over a certain threshold. In addition, there is no evidence that the company assures itself of the procurement department's involvement at least every three years.</p>
Evidence
<p>[7] OFB Procurement Manual 2018 Stores Procurement (Document) Accessed 17/04/2020 https://ofb.gov.in/uploads/unit/0/OFBPM2018.pdf</p> <p>[p.14] 1.6 Transparency in Purchase Procurement by the Ordnance Factory Board and its units are Public Procurement, and accordingly, should be conducted in a transparent manner to bring competition, fairness and eliminate arbitrariness in the system.</p> <p>[p.16] (i) The e-procurement system, available at www.ofbeproc.gov.in, will be used for all procurement processes in excess of Rs. 2 lakh (or revised time to time). The maximum threshold value of the procurement would be determined based on the estimated value (landed cost) of the procurement duly considering the option quantities also, if any. The system supports all modes of tendering like OTE, LTE, GTE, and STE. There may be instances where considering the type of product (or services)/procurement, e-procurement may not be the appropriate procurement process, in such cases manual tendering process may be followed with the prior approval of the Operating Member of OFB, in consultation with finance and duly recording the reasons for the same.</p> <p>[p.33] 2.14 Purchase from Trade through Purchase Committee</p> <p>As provided in Rule 155 of GFR-2017(or amended time to time), purchase of stores (goods & services) costing above Rs.25,000(Rupees twenty five thousand only) and up to Rs.2,50,000(Rupees two lakh fifty thousand only) on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications; and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under: "Certified that we, members of the purchase committee are jointly and individually, satisfied that the goods/services recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods /services in question, and it is not debarred by Department of Commerce or Ministry of Defence or DDP or OFB/OFs."</p> <p>[p.34] 2.15 Purchase from Trade by Obtaining Tenders</p> <p>a) Procurement of stores by obtaining tenders shall be done by adopting the following standard methods. These standard methods shall also apply for procurement of services, subject to other instructions contained in this Manual being followed.</p> <p>(i) Advertised Tender Enquiry (OTE/ GTE) (ii) Limited Tender Enquiry (LTE) (iii) Single Tender Enquiry (STE)</p>

b) In stores procurement bids shall be obtained through e-procurement if the estimated value is above the prescribed threshold limit, else through conventional tender method, on single or two bid system (refer paragraphs 2.31 and 2.32, respectively).

[p.47] 2.28 Identification of Suppliers

Good awareness and identification of right suppliers capable of fulfilling the product qualitative requirements is a very vital function in competitive procurement of quality goods. Further, ensuring transparency, equal opportunity and fair play are fundamental in procurement. Therefore, transparent, equitable and fair procedure for selection, registration, performance appraisal, etc., of firms is absolutely necessary, which should also be disseminated.

[8] OFB Supplier's Quality Manual (Document)

Accessed 17/04/2020

<https://ofb.gov.in/uploads/unit/0/OFB%20Suppliers%20quality%20manual.pdf>

[p.12] Completed concession forms shall be submitted to the procurement representative indicated on the purchase order.

Question
6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?
Score
0
Comments
There is no publicly available evidence that the company conducts risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers.
Evidence
No evidence found.

Question
6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?
Score
1
Comments
<p>There is some evidence that the company ensures that its suppliers have adequate anti-corruption policies in place. There is evidence that the company requires that supplies comply with its Supplier Code of Conduct, which prohibits bribery.</p> <p>However, the company scores '1' as there is no evidence that it requires suppliers to have in place policies that prohibit facilitation payments and that cover conflicts of interest, gifts and hospitality or whistleblowing. There is also no evidence that the company conducts assurance regarding its suppliers' policies when onboarding new suppliers and when there is a significant change in the business relationship.</p>
Evidence
<p>[8] OFB Supplier's Quality Manual (Document) Accessed 17/04/2020 https://ofb.gov.in/uploads/unit/0/OFB%20Suppliers%20quality%20manual.pdf [p.16] 15. Supplier Code of Conduct Suppliers shall ensure operations are being performed in a manner that is appropriate, as it applies to</p> <p>[p.17] their ethical, legal, environmental, and social responsibilities. Below is a listing of the basic requirements:</p> <p>15.1 Compliance with Local Laws and Regulations Suppliers must adhere to the laws and regulations in the locality in which they reside. This includes all local, state, and federal laws/regulations in the country of origin.</p> <p>[p.18] 15.6 Ethics Evidence of corruption, bribes, improper advantage, or any other form of illegal practice by the Supplier or associated operations will terminate all relations with OFs. Suppliers will conduct their business in a manner that meets the Code of Ethics.</p> <p>15.7 Code of Conduct and Policy Enforcement This policy applies to Suppliers and their sub-tier sources. It is the responsibility of the Supplier to verify and monitor compliance of this code at their operations and sub-tier source operations.</p> <p>[7] OFB Procurement Manual 2018 Stores Procurement (Document) Accessed 17/04/2020 https://ofb.gov.in/uploads/unit/0/OFBPM2018.pdf [p.139] PRE-CONTRACT INTEGRITY PACT (for cases valuing above Rs. 100 Cr)</p> <p>[...]</p> <p>Objectives</p> <p>3. Now, therefore, the Buyer and the Bidder agree to enter into this pre-contract agreement, hereinafter referred to as Integrity Pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence / unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:-</p> <p>3.1 Enabling the Buyer to obtain the desired defence stores at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and</p>

3.2 Enabling bidders to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and the Buyer will commit to prevent corruption, in any form, by their officials by following transparent procedures.

Question
6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?
Score
1
Comments
Based on publicly available information, there is some evidence that the company takes steps to ensure that the substance of its anti-corruption standards is required of sub-contractors throughout the supply chain. However, this evidence is in the form of a simple statement and it is unclear how the company does this in practice.
Evidence
<p>[8] OFB Supplier’s Quality Manual (Document) Accessed 17/04/2020 https://ofb.gov.in/uploads/unit/0/OFB%20Suppliers%20quality%20manual.pdf [p.18] 15.7 Code of Conduct and Policy Enforcement</p> <p>This policy applies to Suppliers and their sub-tier sources. It is the responsibility of the Supplier to verify and monitor compliance of this code at their operations and sub-tier source operations.</p>

Question
6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or anti-bribery and corruption investigations or associated disciplinary actions relating to its suppliers.
Evidence
No evidence found.

7 Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

Question
7.1.1 Does the company have a clear policy on the use of agents?
Score
0
Comments
There is no publicly available evidence to indicate that the company has a clear policy covering the use of agents.
Evidence
No evidence found.

Question
7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?
Score
0
Comments
There is no publicly available evidence to indicate that the company conducts anti-bribery and corruption due diligence on its agents or intermediaries.
Evidence
No evidence found.

Question
7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?
Score
0
Comments
There is no publicly available evidence to indicate that the company aims to establish the beneficial ownership of its agents.
Evidence
No evidence found.

Question
7.1.4 Does the company’s anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?
Score
0
Comments
There is no publicly available evidence to indicate that the company includes anti-bribery and corruption clauses in its contracts with agents and intermediaries.
Evidence
No evidence found.

Question
7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
There is no publicly available evidence to indicate that the company mentions incentive structures as a risk factor in agent behaviour.
Evidence
No evidence found.

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for or on behalf of the company.
Evidence
No evidence found.

Question
7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption related investigations, incidents or associated disciplinary actions involving agents.
Evidence
No evidence found.

7.2 Joint Ventures

Question
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
Score
0
Comments
There is no publicly available evidence to indicate that the company conducts anti-bribery and corruption due diligence on its joint ventures.
Evidence
No evidence found.

Question
7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?
Score
0
Comments
There is no publicly available evidence to indicate that the company commits to establishing or implementing anti-bribery and corruption policies or procedures in its joint ventures.
Evidence
No evidence found.

Question
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
Score
0
Comments
There is no publicly available evidence to indicate that the company commits to take an active role in preventing bribery and corruption in all of its joint ventures.
Evidence
No evidence found.

8 Offsets

Question
8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?
Score
0
Comments
There is no publicly available evidence to indicate that the company addresses the corruption risks associated with offset contracting. There is also no evidence that a dedicated body, department or team is responsible for monitoring the company's offset activities.
Evidence
No evidence found.

Question
8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?
Score
0
Comments
There is no publicly available evidence to indicate that the company has a formal procedure in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations.
Evidence
No evidence found.

Question
8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?
Score
0
Comments
There is no publicly available evidence to indicate that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of the company's offset programme.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
0
Comments
There is no evidence that the company publishes any details of its offset obligations or contracts.
Evidence
No evidence found.

9 High Risk Markets

Question
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
Score
0
Comments
There is no publicly available evidence to indicate that the company acknowledges the corruption risks of operating in different markets.
Evidence
No evidence found.

Question										
9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?										
Score										
0										
Comments										
The company publishes a list of its factories but there is no evidence it publishes a list of its corporate subsidiaries.										
Evidence										
<p>[10] About us (Webpage) Accessed 17/04/2020 http://ofbindia.gov.in/index.php?wh=aboutus&lang=en About Us</p> <p>The Indian Ordnance Factories organisation - a family of 41 Ordnance Factories under the aegis of its corporate headquarters Ordnance Factory Board, Kolkata - possesses the unique distinction of over 200 years experience in defence production. We are engaged in production, testing, logistics, research, development and marketing of a comprehensive product range in the area of land, sea and air systems.</p> <p>The patronage we receive both in India and abroad speaks of our quality of products and services. Undoubtedly, we are the force behind armed forces.</p> <p>Indian Ordnance Factories is the oldest and largest industrial setup which functions under the Department of Defence Production of the Ministry of Defence. The ordnance factories form an integrated base for indigenous production of defence hardware and equipment, with the primary objective of self reliance in equipping the armed forces with state of the art battlefield equipments.</p> <p>[11] OFB in Brief (Webpage) Accessed 17/04/2020 https://ofbindia.gov.in/pages/ofb-in-brief Introduction Indian Ordnance Factories is a giant industrial setup which functions under the Department of Defence Production of the Ministry of Defence. Indian Ordnance Factories, headquartered at Kolkata, is a conglomerate of 41 Factories, 9 Training Institutes, 3 Regional Marketing Centres and 4 Regional Controller of Safety. Today OFB along with its 41 factories spread over India provide</p> <ul style="list-style-type: none"> • a broad and versatile production base with multi-technology capabilities • state of the art manufacturing facilities • large reservoir of skilled and professionally qualified manpower and managerial personnel • strict adherence to quality standard (all the units are ISO-9000 certified) • original as well as adaptive research & development to make need based refinement and modifications • project engineering capability • a strong base for industrial training facilities • ready market access due to convenient location <p><i>Geographical Spread</i> There are 41 Ordnance Factories geographically distributed all over the country at 24 different locations. A visual idea of how our factories and headquarters are distributed can be had from our location map.</p> <table border="1"> <thead> <tr> <th>Name of State/ Union Territory</th> <th>Number of factories</th> </tr> </thead> <tbody> <tr> <td>Maharashtra</td> <td>10</td> </tr> <tr> <td>Uttar Pradesh</td> <td>9</td> </tr> <tr> <td>Madhya Pradesh</td> <td>6</td> </tr> <tr> <td>Tamil Nadu</td> <td>6</td> </tr> </tbody> </table>	Name of State/ Union Territory	Number of factories	Maharashtra	10	Uttar Pradesh	9	Madhya Pradesh	6	Tamil Nadu	6
Name of State/ Union Territory	Number of factories									
Maharashtra	10									
Uttar Pradesh	9									
Madhya Pradesh	6									
Tamil Nadu	6									

West Bengal	4
Uttaranchal	2
Andhra Pradesh	1
Chandigarh	1
Orissa	1
Bihar	1

[14] Our Factories (Webpage)

Accessed 17/04/2020

<https://ofbindia.gov.in/pages/our-units2>

Our Factories

[...]

Headquarters

1. Armoured Vehicle Head Quarters (AVHQ)
2. Ordnance Equipment Factories Head Quarters (OEFHQ)
3. Ordnance Factory Board (OFBHQ)
4. Ordnance Factory Board, Mumbai Office (OFBMO)
5. Ordnance Factory Board, New Delhi Office (OFBNDO)
6. Ordnance Factories Recruitment Centre (OFRC)

Factories

1. Ammunition Factory Khadki (AFK)
2. Cordite Factory Aruvankadu (CFA)
3. Engine Factory Avadi (EFA)
4. Field Gun Factory Kanpur (FGK)
5. Gun Carriage Factory (GCF)
6. Grey Iron Foundry (GIF)
7. Gun and Shell Factory (GSF)
8. Heavy Alloy Penetrator Project (HAPP)
9. High Explosive Factory (HEF)
10. Heavy Vehicle Factory (HVF)
11. Machine Tool Prototype Factory (MPF)
12. Metal and Steel Factory (MSF)
13. Ordnance Clothing Factory Avadi (OCFAV)
14. Ordnance Cable Factory Chandigarh (OCFC)
15. Ordnance Clothing Factory Shahjahanpur (OCFS)
16. Ordnance Equipment Factory Kanpur (OEFK)
17. Ordnance Equipment Factory Hazratpur (OEFHZ)
18. Ordnance Factory Ambarnath (OFA)
19. Ordnance Factory Ambajhari (OFAJ)
20. Ordnance Factory Bhandara (OFBA)
21. Ordnance Factory Bhusawal (OFBH)
22. Ordnance Factory Bolangir (OFBOL)
23. Ordnance Factory Kanpur (OFC)
24. Ordnance Factory Chandrapur (OFCH)
25. Ordnance Factory Dumdum (OFDC)
26. Ordnance Factory Dehu Road (OFDR)
27. Ordnance Factory Dehradun (OFDUN)
28. Ordnance Factory Itarsi (OFI)
29. Ordnance Factory Khamaria (OFK)

30. Ordnance Factory Katni (OFKAT)
31. Ordnance Factory Muradnagar (OFM)
32. Ordnance Factory Project Nalanda (OFN)
33. Ordnance Factory Project Korwa (OFPKR)
34. Ordnance Factory Project Medak (OFPM)
35. Ordnance Factory Tiruchirapalli (OFT)
36. Ordnance Factory Varangaon (OFV)
37. Opto Electronics Factory (OLF)
38. Ordnance Parachute Factory (OPF)
39. Rifle Factory Ishapore (RFI)
40. Small Arms Factory (SAF)
41. Vehicle Factory Jabalpur (VFJ)

Question
9.3 Does the company disclose its beneficial ownership and control structure?
Score
1
Comments
<p>There is evidence indicating the company falls under the control of the Indian Ministry of Defence. However, the company receives a score of '1' because there is no evidence that it publishes specific details concerning its control structure, nor is there evidence that it provides clear information to indicate that the Ministry is its sole beneficial owner.</p>
Evidence
<p>[1] Particulars of the Indian Ordnance Factories Organization Accessed 17/04/2020 https://ofb.gov.in/uploads/unit/0/1.pdf</p> <p>[p.1] The Indian Ordnance Factories Organisation is the largest and oldest departmentally run production organisation in the country. The organisation comes under the Department of Defence Production under Ministry of Defence.</p> <p>[10] About us (Webpage) Accessed 17/04/2020 http://ofbindia.gov.in/index.php?wh=aboutus&lang=en About Us [...] Indian Ordnance Factories is the oldest and largest industrial setup which functions under the Department of Defence Production of the Ministry of Defence. The ordnance factories form an integrated base for indigenous production of defence hardware and equipment, with the primary objective of self reliance in equipping the armed forces with state of the art battlefield equipments.</p>

Question
9.4 Does the company publish a percentage breakdown of its defence sales by customer?
Score
0
Comments
The company publishes some information on its defence sales by customer. However, there is no evidence that this information is provided as a percentage and it is therefore unclear whether this constitutes at least 50 percent of its defence sales.
Evidence
<p>[11] OFB in Brief (Webpage) Accessed 17/04/2020 https://ofbindia.gov.in/pages/ofb-in-brief Customers</p> <p>The prime customers of Indian Ordnance Factories are the Indian Armed Forces. Apart from supplying armaments to the Armed Forces, Ordnance Factories also meet the requirement of other customers viz. Central Paramilitary Forces and State Police Forces in respect of Arms, Ammunition, Clothings, Bullet Proof Vehicles and Mine Protected Vehicles etc. Increase in volume of Export, as an extension to its functioning remains an important objective of Ordnance Factories.</p> <p>[13] Customers (webpage) Accessed 17/04/2020 https://164.100.77.100/pages/customers</p> <p>Ordnance Factories are departmental factories of Ministry of Defence, Government of India. Hence, we primarily produce defence goods for the Armed Forces, i.e. for internal consumption within the MOD. However, we also produce products for sale to various customers within and outside India. Sale of civilian products within India is called civil trade.</p> <p>Civil Trade</p> <p>We have a large number of customers in the civil sector-central/ state government departments, PSUs, private companies and individuals, etc.-who purchase industrial chemicals, explosives, arms and ammunition, brass ingots, aluminium alloy products for aircrafts, steel castings and forgings, vehicles, clothing and leather goods, cables and opto-electronic instruments.</p> <p>Exports</p> <p>Arms and Ammunition, Weapon Spares, Chemicals & Explosives, Parachutes, Leather and Clothing items are being exported to more than 30 countries world-wide e.g. Thailand, Malaysia, Indonesia, Sri Lanka, Bangladesh, Germany, Belgium, Turkey, Egypt, Oman, Israel, Kenya, Nigeria, Botswana, Chile, Surinam and USA.</p>

10 State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
0
Comments
There is no evidence that the company publishes details of its shareholder voting rights. Although there is evidence to indicate that the company is government-owned, it is not clear from this evidence that the government is the sole entity that holds shares or voting rights in the company.
Evidence
No evidence found.

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
1
Comments
The company publishes some information about its public policy objectives. However, there is no evidence that these are updated on at least an annual basis.
Evidence
<p>[12] Our Mission and Vision (Webpage) Accessed 17/04/2020 https://ofbindia.gov.in/pages/our-mission-and-vision</p> <p>Mission</p> <p>Production of State of the Art Battle Field Equipments</p> <p>Vision</p> <ul style="list-style-type: none"> • To Equip our Armed Forces with Modern Defence and Battle Field Equipments • To Continuously Modernise our Production Facilities • To Train and Motivate Personnel • To equip ourselves with Technologies through Acquisition, Synergy and In-house R&D • To Continuously Improve Quality • To improve operational efficiency and communications by extensive use of information technology • To improve highest level of customer satisfaction • To increase customer base in Defence, Non-Defence and Export markets and establish Global Presence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
0
Comments
There is evidence that the company publishes an incomplete list of its board members. There is no evidence that the company publishes information on whether each board member is a financial beneficiary, an executive, a state representative or an independent director and therefore it cannot satisfy the requirements of score '1'.
Evidence
<p>[2] Apex Board (Webpage) Accessed 17/04/2020 https://ofbindia.gov.in/pages/apex-board</p> <p>The Apex Board is headed by Director General Ordnance Factories (DGOF) as Chairman and has 9 Members in the rank of Additional DGOF. Ordnance Factories are divided into 5 operating divisions, depending upon the type of the main products/technologies employed. These are :</p> <ol style="list-style-type: none"> 1. Ammunition and Explosives (A&E) 2. Weapons, Vehicles & Equipments (WV&E) 3. Materials and Components (M&C) 4. Armoured Vehicle (AV) 5. Ordnance Equipment Group of Factories (OEF) <p>Each of the above group of factories is headed by a Member/Additional DGOF. The four remaining Members are responsible for staff functions, viz Personnel (Per), Finance(Fin), Planning & Material Management (P&MM), Technical Services (TS) and they operate from Kolkata.</p> <p>DGOF & Chairman, OFB Name : Hari Mohan Joined IOFS on 1983-08-19 Chairman since 2019-12-01 Email : chairman.ofb@nic.in</p> <p>Shri Hari Mohan, I.O.F.S. has taken over charge as Chairman of Ordnance Factory Board w.e.f. 1st December 2019 from Shri Saurabh Kumar, I.O.F.S. who superannuated from services. A 1982 batch officer of the Indian Ordnance Factories' Service with Post Graduate Degree in Mechanical Engineering, he had been a topper of University of Allahabad & University of Pune; while obtaining his Bachelor & Masters in Mechanical Engineering. Further, he holds an M. Phil in Public Administration. In a career spanning 39 years, he has contributed significantly in various positions in BHEL Hardwar, Vehicle Factory Jabalpur, Engine Factory Avadi, Heavy Vehicle Factory Avadi, Ammunition Factory Khadki, Ordnance Factory Bolangir, Ordnance Factory Chanda, Ordnance Factory Dehu Road, OFB New Delhi Office & Ministry of Steel & Mines. He has versatile experience in the field of manufacture of Armoured Vehicles, Artillery, Tank and Ammunition, Small Arms Ammunition, Projects Management and Corporate Governance, among other areas. He has made significant contributions in improving the production of Armoured Fighting Vehicles like Ajeya Tanks, MBT Arjun, Bridge Layer and Trawls Tanks. Shri Hari Mohan made significant contribution to the modernisation of steel plants of the Steel Authority of India limited (SAIL) during his tenure in ministry of steel and mines. During his 39 years of career, Shri Hari Mohan has visited Vietnam, Japan, Russia, Australia, New Zealand, Thailand, South Korea, Singapore, Malaysia, Indonesia, France, Italy, Switzerland & Nepal during various tours/delegations / assignments. Shri Hari Mohan has held various senior positions as General Manager, Dehu Road (Pune, Senior General Manager, Heavy Vehicles Factory, Avadi (HVF, Chennai). He was also awarded the 'Ayudh Ratna' award in 2018 for his services at the HVF. Before taking over as DGOF and Chairman, he was holding charge as Member of the OFB and was in charge of the Weapons, Vehicles and Equipment (WV&E) division of the OFB.</p>
Member/Finance

Name : Dr. Marella Anjaneyulu, IDAS

Joined IDAS on 1985-12-24

Member since 2018-04-09

Email : mem-fin.ofb@nic.in

Dr. M. Anjaneyulu has taken over as Member/Finance, Ordnance Factory Board w.e.f. 09-04-2018. Dr. Anjaneyulu joined IDAS with a Masters in Zoology in the year 1983 from Andhra University. He has done M.A. from Potti Sriramulu Telugu University. Besides Masters, he also possess a Ph.D (2017) on the subject '**A study of Big Bang Theory in the light of Sanskrit Scriptures**' from SCSVM - Kanchipuram University. Dr. Anjaneyulu has extensive knowledge on '**International Procurement**'. He has done Diploma from International Law Institute, Washington DC, USA.

During his 32 years service, he has worked in various capacities in VFJ, CGDA Delhi, HQ Eastern Naval Command, Vizag, PAO, Secunderabad, IFA HQ SWAC(AF), Gandhinagar, CofA, Avadi, CDA Chennai, PCA(Fys), Kolkata and PCDA, Bangalore.

Dr. M. Anjaneyulu has also worked as Under Secretary, Ministry of Surface Transport, N Delhi and Dy. Secretary & Director in the Deptt. of Fertilizers, N.Delhi.

Before taking over as Member/Finance, Ordnance Factory Board, Dr. Anjaneyulu was in the capacity of PCDA, Bangalore.

Addl. DGOF/AVHQ**Name : C S Vishwakarma**

Joined IOFS on 1984-09-15

Member since 2018-07-02

Email : addldg_av.ofb@nic.in

Shri C.S. Vishwakarma, IOFS has assumed the charge as Member/OFB, Kolkata on 2nd July 2018 and subsequently has taken over as Addl. DGOF, Armoured Vehicles HQrs, Avadi on 5th July 2018. In his 34 years' career since 1984, Shri C.S.Vishwakarma has made significant contribution in various capacities while posted at Gun Carriage Factory Jabalpur, Ordnance Factory Trichy, Ordnance Factory Dehradun, Ordnance Factory Kanpur, Ammunition Factory Khadki and Machine Tool Prototype Factory, OEF HQrs amongst other places.

Shri Vishwakarma looked after the development of 155mm Dhanush Gun at GCF, Sighting system at OF Dun, 40mm Grenade at AFK, Pune and also 40mm UBGL at OFT.

Shri Vishwakarma holds a Masters Degree in Technology and a Bachelor Degree in Mechanical Engineering with Hons.

He was also looking after M&C and divisions as Sr. DDG at OFB, Kolkata before assuming the post of Member/OFB.

Member/Export & Marketing, additional charge of P&MM, M&C, TS & Engg**Name : Arun Kumar Jain**

Joined IOFS on 1984-05-08

Member since 2018-07-04

Email : mem-export.ofb@nic.in

Shri Arun Kumar Jain, I.O.F.S. has taken over as Addl. DGOF & Member/Export & Marketing, Ordnance Factory Board with effect from 04 July, 2018. After having a Masters in Civil Engineering, Shri Jain joined Indian Ordnance Factories in 1984. In his 34 years' career, he has made significant contribution in various capacities at Ordnance Factory Kanpur, Ordnance Factory Khamaria, Ordnance Factory Ambajhari, Opto Electronics Factory from Green Field Opto Project & Heavy Alloy Penetrating Project. He has also led the team at Engine Factory Avadi as General Manager.

Shri Jain holds an M. Phil in Public Administration from IIPA, New Delhi and had undergone Management Education Programme from the prestigious IIM, Ahmedabad. Shri Jain has extended his knowledge domain with course on Project Planning, among others.

Before joining Ordnance Factory Board as Member, Shri Jain was Senior General Manager at Ordnance Factory Kanpur.

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
0
Comments
There is no publicly available evidence to indicate that the company has an audit committee.
Evidence
No evidence found.

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
0
Comments
There is no evidence that the company publishes any details about its management of asset transactions.
Evidence
No evidence found.

List of Evidence & Sources

No.	Type (Webpage or Document)	Name	Download Date	Link
01	Document	Particulars of the Indian Ordnance Factories Organization	17/04/2020	https://ofb.gov.in/uploads/unit/0/1.pdf
02	Webpage	Apex Board	17/04/2020	https://ofbindia.gov.in/pages/apex-board
03	Document	Pre-Contract Integrity Pact	17/04/2020	https://ofb.gov.in/uploads/unit/0/integrityPact.pdf
04	Webpage	CVO Vigilance	17/04/2020	https://ofbindia.gov.in/pages/cvo-vigilance-1
05	Document	Monthly Remuneration of each of the Officers and Employees. Piece Work System & Overtime Working etc	17/04/2020	https://ofb.gov.in/uploads/unit/0/7.pdf
06	Document	GOI Resolution on Public Interest Disclosure and Protection of Informer	17/04/2020	https://www.cvc.nic.in/sites/default/files/PubNot14022012_0.pdf
07	Document	OFB Procurement Manual 2018 Stores Procurement	17/04/2020	https://ofb.gov.in/uploads/unit/0/OFBPM2018.pdf
08	Document	OFB Supplier's Quality Manual	17/04/2020	https://ofb.gov.in/uploads/unit/0/OFB%20Suppliers%20quality%20manual.pdf
09	Document	Standard Operating Procedure (SOP) for OFB Vendor Registration SOP as on 15-07-2019	17/04/2020	https://ofb.gov.in/uploads/unit/0/OFB%20Vendor%20registration%20SOP.pdf
10	Webpage	About us	17/04/2020	http://ofbindia.gov.in/index.php?wh=aboutus&lang=en
11	Webpage	OFB in Brief	17/04/2020	https://ofbindia.gov.in/pages/ofb-in-brief
12	Webpage	Our Mission and Vision	17/04/2020	https://ofbindia.gov.in/pages/our-mission-and-vision
13	Webpage	Customers	17/04/2020	https://164.100.77.100/pages/customers
14	Webpage	Our Factories	17/04/2020	https://ofbindia.gov.in/pages/our-units2