Common Terms of Absorption

(Terms of absorption for employees who opt for absorption in new DPSUs)

Applicability:

All the employees of erstwhile Ordnance Factory Board on deemed deputation in DPSU and employees on deputation including those on central deputation/non-CSS deputation, and all other employees on the strength of DoO(C&S) (excluding employees of OF Hospitals & Schools) shall be given option to opt for permanent absorption in 7 new DPSUs.

Terms of absorption:

1. **Seniority & Promotion**:

   Seniority list after absorption will be prepared in following manner: -

   a. Executive – Central Seniority (DPSU Level)
   b. Non-Executive (All Categories) – Factory/Unit Level Seniority, Cadre/Stream Wise

   Promotions will be as per Company Promotion Policy of each DPSU.

2. No lien of a Government servant shall be retained in the relieving department as contained in sub Rule-8 of Rule-36 of the CCS (Pension) Rules, 2021.

3. An absorbed employee shall be liable to be transferred to any factory/unit under the respective DPSU.

4. All employees of DPSU after absorption will be governed by the rules of the concerned DPSU.

5. Any other service conditions of optee employees, not covered in terms of absorption, shall not be changed to their disadvantage.

6. The effective date of absorption for employees shall be the date of absorption as notified by the Govt. of India.

7. Pay Scale & Allowances of Executive & Non-Executive: The Revised Pay Scales shall be adopted as per DPE guidelines contained in OM No. W-02/0028/2017-DPE(WC)-GL-XIII/17, dated 3rd August 2017 as amended from time to time. The proposed pay scales, for the employees who will be absorbed in the DPSU, are stipulated below:

PROPOSED PAY SCALES & FITMENT CHART (EXECUTIVE POSTS)				
PRE-ABSORPTION			**ON-ABSORPTION**	
Existing Designation/Pay Levels for Fitment	**Existing Pay Level**	**Existing Pay Scale**	**Grade**	**New Pay Scales**
Sr. General Manager & above/General Manager/ Additional General Manager/ L-14 & above ***(For Schedule 'A' DPSUs only)***	L-14 & above	144200-218200 182200 – 224100 & above	E9	150000 - 300000
Joint General Manager (SAG-NFU)/L-14 (NFU) & Joint General Manager/L-13	L-14 (NFU) & L-13	123100 - 215900	E-8	120000 - 280000
Deputy General Manager with More than 2 Years in the Grade /L-12	L-12	78800 - 209200	E-7	100000 - 260000
Deputy General Manager with More than 1 Year and Less than 2 Years in the Grade /L-12	L-12	78800 - 209200	E-6	90000 - 240000
Deputy General Manager with Less than 1 Year in the Grade /L-12	L-12	78800 - 209200	E-5	80000 - 220000
Works Manager, PPS, Staff Officer/ L-11 or higher pay levels	L-11	67700 - 208700	E-4	70000 - 200000
Assistant Works Manager, Assistant Director (OL) /L-10 & JWM(SG-NFU) / Sr.PS (NFU) /L-9 or higher pay levels	L-10 & L-9	56100 – 177500 (L-10) 53100-167800 (L-9)	E- 3	60000 - 180000
Junior Works Manager (SG), Sr.PS/ L-8 or higher pay levels	L-8	47600 - 151100	E-2	50000 - 160000
Junior Works Manager, Personal Secretary, Senior Translation Officer, ASO / L-7 or higher pay levels	L-7	44900 - 142400	E-1	40000 - 140000
Chargeman, Office Superintendent, Personal Assistant, Junior Translation Officer, Assistant (HQ) / L - 6 or higher pay levels	L-6	35400 - 112400	E-0	30000 - 120000

8. Non-Executives:

The proposed pay scales of new DPSUs for the Non-Executive cadres are given below:

NON-EXECUTIVE POSTS - TECHNICAL				
PRE-ABSORPTION			ON-ABSORPTION	
Existing Designation/Pay Levels for Fitment	Existing Pay Level	Existing Pay Scale	Grade	New Pay Scales
Master Craftsman/L-6 pay levels	L - 6	35400 - 112400	W-SG	30000 - 120000
Highly Skilled-I/L-5 pay levels with more than 05 years of holding the post	L-6 (MACP) & L - 5	35400 – 112400 (L-6) 29200 – 92300 (L-5)	W-9	29800 - 115000
Highly Skilled-I/L-5 pay levels with less than 05 years of holding the post	L - 5	29200 - 92300	W-8	29500 - 100000
Highly Skilled-II/L-4 and Higher pay levels with more than 04 years of holding the post	L-5(MACP) & L - 4	29200 – 92300 (L-5) 25500 – 81100 (L-4)	W-7	29200 - 95000
Highly Skilled-II/L-4 pay levels with less than 04 years of holding the post	L - 4	25500 - 81100	W-6	26000 - 90000
Skilled/L-2 and Higher pay levels with more than 09 years of holding the post	L-4 (MACP) & L - 2	25500 – 81100 (L-4) 19900 - 63200 (L-2)	W-5	25500 - 85000
Skilled/L-2 pay levels with more than 06 years but less than 09 years of holding the post	L - 2	19900 - 63200	W-4	23000 - 80000
Skilled/L-2 pay levels with more than 03 years but less than 06 years of holding the post	L - 2	19900 - 63200	W-3	22000 - 75000
Skilled L-2 Pay levels with less than or equal to 03 years of holding the post Semi-Skilled/L-2(MACP) with 10 Years or more in the Grade	L - 2	19900 – 63200	W-2	21000 - 70000
Semi-Skilled Labourers/L-1 pay levels	L - 1	18000 - 56900	W-1	20000 - 65000

NON-EXECUTIVE POSTS - NON-TECHNICAL

PRE-ABSORPTION			ON-ABSORPTION	
Existing Designation/Pay Levels for Fitment	**Existing Pay Level**	**Existing Pay Scale**	**Grade**	**New Pay Scales**
FED-SG & CMD-SG/Sup-Gr.I/Canteen Supervisor/L-6	L - 6	35400 - 112400	A-SG	30000 - 120000
UDC/SUP(NT)/SUP(NTS)/STENO/Data Entry Operator/Sup-Gr.II/L-4 and higher pay levels with more than 09 years of holding the post. FED-I&CMD-I/ L-5 and higher pay levels with more than 05 years of holding the post as on date of absorption. Sr. Data Entry Optr/L-5, Sr. Cook/L-4 with more than 09 Years of holding the post.	L -5 & L -4	29200 – 92300(L-5) 25500-81100(L-4)	A-9	29800 - 115000
UDC/SUP(NT)/SUP(NTS)/STENO/Data Entry Operator / Sup-Gr.II/L-4 and higher pay levels with more than 06 years but less than 09 years of holding the post. FED-I&CMD-I/ L-5 and higher pay levels with less than 05 years of holding the post as on date of absorption. Sr. Cook/L-4 with more than 06 Years and less than 09 Years of holding the post.	L -5 & L -4	29200 – 92300(L-5) 25500-81100(L-4)	A-8	29500 - 100000
UDC/SUP(NT)/SUP(NTS)/STENO/Data Entry Operator / Sup-Gr.II/L-4 and higher pay levels with more than 03 years but less than 06 years of holding the post. FED-II&CMD-II/L-4 and higher pay levels with more than 05 years of holding the post as on date of absorption. Cook/L-2 and higher pay levels with more than 15 years of holding the post. Sr. Cook/L-4 with more than 03 Years and less than 06 Years of holding the post.	L – 4 & L - 2	25500-81100(L-4) 19900 – 63200(L-2)	A-7	29200 - 95000

NON-EXECUTIVE POSTS - NON-TECHNICAL				
PRE-ABSORPTION			**ON-ABSORPTION**	
Existing Designation/Pay Levels for Fitment	**Existing Pay Level**	**Existing Pay Scale**	**Grade**	**New Pay Scales**
UDC/SUP(NT)/SUP(NTS)/STENO/Data Entry Operator/ Sup-Gr.II/L-4 and higher pay levels with less than 03 years of holding the post. FED-II&CMD-II/ L-4 and higher pay levels with less than 05 years of holding the post as on date of absorption. Cook/ L-2 and higher pay levels with more than 12 years but less than 15 years of holding the post. Sr. Cook/L-4 with less than and 03 Years of holding the post.	L – 4 & L - 2	25500 – 81100 (L-4) 19900 – 63200 (L-2)	A-6	26000 - 90000
LDC/SK/Tele. Optr/Hindi Typist/ACCS/Supr-III/L-2 and higher pay levels with more than 09 years of holding the post. FED-A &CMD-OG/L-2 and higher pay levels with more than 09 years of holding the post. Leading Fireman/L-3 and higher pay levels with more than 05 years of holding the post. Cook/L-2 and higher pay levels with more than 09 years but less than 12 years of holding the post.	L - 3 & L - 2	21700 – 69100 (L-3) 19900 – 63200 (L-2)	A-5	25500 - 85000
LDC/SK/Tele. Optr/Hindi Typist/ACCS/Supr-III/ Cook/L-2 and higher pay levels with more than 06 years but less than 09 years of holding the post. FED-A &CMD-OG/ L-2 and higher pay levels with more than 06 years but less than 09 years of holding the post. Leading Fireman/L-3 and higher pay levels with less than 05 years of holding the post .	L - 3 & L - 2	21700 – 69100 (L-3) 19900 - 63200(L-2)	A-4	23000 - 80000

LDC/SK/Tele.Optr/Hindi Typist/ACCS/Supr-III/ Cook/L-2 and higher pay levels with more than 03 years but less than 06 years of holding the post. Subedar Durwan/L-1 is upgraded. FED-A & CMD-OG/ L-2 and higher pay levels with more than 03 years but less than 06 years of holding the post. Fireman/ L-2 and higher pay levels with more than 03 years of holding the post	L - 2 & L -1	19900 – 63200(L-2) 18000 – 56900(L-1)	A-3	22000 - 75000
LDC/SK/Tele.Optr/Hindi Typist/Asst. Cashier-cum-Supervisor/Supr-III/Cook/L-2 and higher pay levels with less than or equal to 03 years of holding the post. Jemadar Durwan/L-1 is upgraded. Fireman/FED-A & CMD-OG/L-2 and higher pay levels with less than or equal to 03 years of holding the post.	L - 2 & L -1	19900 – 63200(L-2) 18000 – 56900(L-1)	A-2	21000 - 70000
MTS, Daftary, Record Supplier, Durwan, Female Searcher, Jr./Sr. Gestener Operator, ZR Operator, Server/Bearer, Kitchen Assistant, Salesman(or) Vendor, Canteen Safaiwala, Dry Sweeper, Masalchi, Washerman, Lady Washer, Lab Attendant A&B, /L-1 pay level.	L -1	18000 - 56900	A-1	20000 - 65000

9. Revised Pay and Emoluments:

(i) Protection of Pay

Every absorbed employee shall be fitted into the corresponding new pay scale, such that the **revised Basic Pay Plus IDA** is not less than the **current Basic Pay Plus CDA**.

(ii) Safeguarding of Total Emoluments:

Every employee, to be fitted into the corresponding new pay scale, shall be assured that the revised Basic Pay+ IDA + HRA + Cafeteria Allowances is not less than the current Basic Pay+ CDA + HRA + Other Allowances, which is presently being drawn by the employees. During fixation of new pay cycle, if any employee receives total emoluments less than what is paid currently i.e., as per Central Government Pay (CDA scale), then the same shall be compensated by granting **Personal Pay** to meet the shortfall, to be adjusted in future pay.

The Personal Pay shall not count for any service matters like pay fixation on promotion, retirement benefits or any other allowances like HRA, cafeteria allowance etc. or any other purpose incidental to the service such as drawing of seniority for allotment of quarters etc.

The Personal Pay amount shall be reviewed annually or upon any structural revision for appropriate adjustment.

10. Increment:

- **Annual Increment**: At the rate of 3% of Revised Basic Pay (both Annual and Promotion increment) as per DPE guidelines.

- **Stagnation Increment**: As per DPE guidelines issued from time to time.

11. Dearness Allowance and House Rent Allowance:

As per DPE guidelines issued from time to time.

12. Other Allowances – Cafeteria approach:

As per DPE guidelines, the Board of Directors of the CPSEs would decide on the allowances and perks admissible to the different categories of employees, under the concept of 'Cafeteria Approach.' Further, Cafeteria allowance is subject to the paying capacity (affordability), profitability and sustainability of the concerned DPSU.

Initially, the DPSU shall offer 26 percent cafeteria allowance to all its employees, executives as well as non-executives. The cafeteria allowance shall be examined for revision from time to time in view of extant DPE guidelines and profitability of the DPSU.

13. Performance Related Pay (PRP):

The admissibility, quantum and procedure for determination of PRP, shall be regulated as per the guidelines contained in the DPE OM No. W-02/0028/2017-DPE (WC)-GL-XIII/17, dated 3rd August 2017 as amended from time to time.

14. Productivity based incentives scheme: As per DPSU policy

15. Superannuation Benefits: Reference DPE OM No. W-02/0028/2017-DPE(WC)-GL-XIII/17, dated 3rd August 2017:

As per the DPE OM(s), the superannuation benefits have the following components:

(i) Pension
(ii) Gratuity
(iii) Provident Fund
(iv) Post-Retirement Medical Benefits (PRMB).

DPE guidelines stipulate that CPSEs can contribute maximum up to 30% of Basic Pay Plus IDA for superannuation benefits.

The schemes with respect to pension and Post-Retirement Medical Benefits, would be subject to the factors like paying capacity (affordability) and sustainability of the DPSU.

All the absorbed employees of DPSUs shall be covered under National Pension System (NPS)/Unified Pension Scheme (UPS) as adopted by the DPSUs, for the period served in DPSU.

16. Pension & Gratuity:

The three categories of employees of erstwhile Ordnance Factory Board (OFB) are covered under:

(A) Old Pension Scheme (OPS) employees (Erstwhile Ordnance Factories Employees recruited before 1.1.2004).

(B) National Pension System (NPS) employees (Erstwhile Ordnance Factories Employees recruited after 1.1.2004):

(C) Employees who have opted for Unified Pension Scheme (UPS) within the stipulated date (Erstwhile Ordnance Factories Employees recruited after 1.1.2004)

Terminal Benefits for the service rendered in Central Government as on the date of absorption will be paid to the employees subject to the following provisions:

(A) For Old Pension Scheme (OPS) employees:

The conditions of payment of pensionary benefits to the above category, on absorption, shall be regulated in accordance with the Rule 37 of the CCS (Pension) Rules 2021. They shall be deemed to have retired from Government service from the date of such absorption.

Key provisions of the Rule 37 of CCS Pension Rules, 2021 are as follows:

a. **Sub rule (11):** Subject to the provisions of sub-rule (12) to sub-rule (17), the employees including temporary employees but excluding casual labourers, who opt for permanent absorption in the public sector undertaking shall, on and from the date of absorption, be governed by the rules and regulations or bye-laws of the public sector undertaking.

b. **Sub rule (12):** A Government servant who has been absorbed as an employee of a public sector undertaking shall be entitled to exercise option either, -

   (a) to receive pension or service gratuity, as the case may be, and retirement gratuity from the Government for the service rendered under the Central Government in accordance with rule 44 and rule 45; or

   (b) to count the service rendered under the Central Government in that public sector undertaking for pension and gratuity.

c. **Sub rule (15) (a):** On retirement from the public sector undertaking or on death of an absorbed employee who has exercised option under clause (b) of sub-rule (12), the amount of pension or family pension shall be calculated in the same manner as calculated in the case of a Central Government servant retiring or dying, on the same day.

Explanation. - The emoluments or average emoluments for this purpose shall be based on the pay drawn in the public sector undertaking as per Industrial Dearness Allowance pattern.
(15) (b): The pensionary benefits of such employee shall be drawn and paid in the manner specified in sub-rule (18) to sub-rule (26) of CCS Pension rule 2021.

d. **Sub rule (16):** In addition to pension or family pension, as the case may be, the employee who opts for pension on the basis of combined service shall also be eligible to dearness relief as per Industrial Dearness Allowance pattern.

e. **Sub rule (17):** If a Permanent Government servant absorbed in a public sector undertaking or a temporary Government servant, who has been confirmed in the public sector undertaking subsequent to his absorption therein, had exercised option under clause (b) of sub-rule (12), he shall be eligible to seek voluntary retirement after completing ten years of qualifying service with the Government and the public sector undertaking taken together, and such person shall be eligible for pensionary benefits on the basis of these rules.

f. **Sub rule (21) (a):** The Government shall discharge its pensionary liability in respect of employees who have exercised option under clause (b) of sub-rule (12) of the rule 37 of CCS Pension Rules 2021, by paying in lump sum as a one-time payment to the Pension Fund.

g. **Sub rule (23):** In respect of the employees who have exercised option under clause (b) of sub-rule (12), the public sector undertaking shall make pensionary contribution to the Pension Fund for the period of service to be rendered by the concerned employees under that undertaking at the rates as may be determined by the Board of Trustees so that the Pension Fund shall be self-supporting.

h. **Sub rule (24):** If, for any financial or operational reason, the Trust is unable to discharge its liabilities fully from the Pension Fund and the public sector undertaking is also not in a position to meet the shortfall, the Government, through the administrative Ministry for the public sector undertaking, shall be liable to meet such expenditure and such expenditure shall be debited to either the Fund or to the public sector undertaking.

i. **Sub rule (29)(C) :** Upon conversion of a Government Department into a public sector undertaking - The dismissal or removal from service of the public sector undertaking of any employee after his absorption in such undertaking for any subsequent misconduct shall lead to forfeiture of the retirement benefits for the service rendered under the Government also and in the event of his dismissal or removal or retrenchment the decisions of the undertaking shall be subject to review by the Ministry administratively concerned with the undertaking.

j. **Sub rule (30):** In case the Government disinvests its equity in any public sector undertaking to the extent of fifty-one per cent or more, it shall specify adequate safeguards for protecting the interest of the absorbed employees of such public sector undertaking.

k. **Sub rule (31):** The safeguards specified under sub-rule (30) shall include option for voluntary retirement or continued service in the undertaking or retirement benefits on terms applicable to Government employees or employees of the public sector undertaking as per option of the employees and assured payment of earned pensionary benefits with relaxation in period of qualifying service, as may be decided by the Government.

Pension and Gratuity: As per sub Rule-12 of Rule-37 of the CCS (Pension) Rules, 2021:

A Government servant who has been absorbed as an employee of the DPSU shall be entitled to exercise option either;

(i) To receive Pro-Rata Pension or service gratuity, as the case may be, and retirement gratuity from the Government for the service rendered under the Central Government in accordance with rule 44 and rule 45; or

(ii) To count the service rendered under the Central Government in that DPSU for Pension and gratuity.

Option once exercised shall be treated as FINAL and IRREVOCABLE.

Explanation I: Pensionary benefits including family pension and gratuity, for those employees who opt for (i) above, shall be paid from Consolidated Fund of India through Defence Pensions Grant, Ministry of Defence.

Explanation II: Pensionary benefits including family pension and gratuity, for those employees who opt for (ii) above, shall be paid out of the pension fund created by the Central Government in the form of a trust (Sub-rule 18 to Sub-rule 26 of Rule 37 of CCS Pension Rules 2021).

Note I. The receipt of pro-rata pension would not affect pay fixation after absorption. Payment of Dearness Relief on Government Pension after their absorption will be regulated by the GoI Rules and DOPT instructions.

Note II. The Old Pension Scheme (OPS) employees, who opt for (i) above, on absorption in the DPSU shall be covered under the National Pension System (NPS) as adopted by the DPSUs, for the period served in DPSU.

Note III. The Old Pension Scheme(OPS) employees, who opt for (i) above, payment of Gratuity for service rendered in the DPSU after absorption will be regulated as per DPE OM No. W-02/0036/2018-DPE(WC)-GL-XIX/18 dated 10th July 2018 subject to limit on maximum gratuity as per Central Civil Services (Payment of Gratuity under NPS) Rules 2021.

(B) National Pension System (NPS) employees:

Key provisions of the Rule 15 of CCS (INPS) Rules,2021 are as follows

a. **Sub rule (1):** A Subscriber who has been permitted to be absorbed in a service or post in or under a Corporation or Company wholly or substantially owned or controlled by the Central Government or a State Government or in or under a Body controlled or financed by the Central Government or a State Government, shall be deemed to have retired from service from the date of such absorption and shall be eligible to receive benefits under the National Pension System in accordance with the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under National Pension System) Regulations, 2015 as admissible in the case of exit of Subscriber on superannuation: Provided that the Subscriber shall continue to subscribe to the National Pension System with the same Permanent Retirement Account Number in the new organisation if the same system exists in the new organisation and in that case he shall not receive any benefit under the National Pension System at the time of such absorption but shall receive benefits after exit from the new body or organisation, etc. where Subscriber has been absorbed : Provided further that where the employees of such autonomous or statutory body or public sector undertaking are not covered by the National Pension System, such subscriber may, at his option, continue to subscribe to the National Pension System with the same Permanent Retirement Account Number as a non-Government subscriber, in accordance with the regulations notified by the Authority.

b. **Sub rule (2):** The provisions under sub-rule (1) shall also apply to the Subscribers who, on conversion of the Government Department in which they were working, into a public sector undertaking or autonomous body controlled or financed by the Central Government, are absorbed in such public sector undertaking or autonomous body.

c. **Sub rule (3):** The provisions under sub-rule (1) shall also apply to the Subscribers who are permitted to be absorbed in joint sector undertakings, wholly under the joint control of Central Government and State Governments or Union territory Administrations or under the joint control of two or more State Governments or Union territory Administrations.

Pension: As per Government Orders for NPS.

They will be continued to be covered under NPS. National Pension System (NPS) shall be adopted by the Company. All the special provisions (current as well as future), as applicable to Central Government Employees under CCS (Implementation of NPS) Rules 2021 shall remain applicable after the absorption of such employees. Pension Fund Regulatory and Development Authority of India (PFRDA) has introduced 'Corporate NPS' model to enable corporates to offer NPS investment benefit to all employees.

Accordingly, in the event of death or discharge on the ground of disablement/invalidation, the employee can avail the benefits under

CCS(Pension) Rules or CCS(EoP) Rules. If the employees exercise this option, then the benefits under such rules shall be paid by the PSU and the Government contribution and returns thereon, in the accumulated Pension Corpus under NPS, shall be transferred to PSU Fund/Trust and the employee contribution with returns thereon shall be returned to the employee/nominee/legal heir in accordance with the provisions of CCS (implementation of National Pension System) Rules, 2021.

Gratuity:

(i) Employees shall have option either;

a) to receive the Gratuity for the service rendered under the Government at the time of absorption; or

b) to receive the Gratuity for the combined Service rendered in the Government and the DPSU on their Final retirement from DPSU in accordance with the Central Civil Services (Payment of Gratuity Under NPS) Rules 2021.

The one-time option shall be submitted to the DPSU within one year of notification of the terms of absorption.

(ii) To receive the retirement gratuity from the Government for the service rendered under the Central Government in accordance with Central Civil Services (Payment of Gratuity Under NPS) Rules 2021.

(iii) For service rendered in the DPSU after absorption, payment of Gratuity will be regulated as per DPE OM No. W-02/0036/2018-DPE (WC)-GL-XIX/18 dated 10th July 2018 subject to limit on maximum gratuity as per Central Civil Services (Payment of Gratuity under NPS) Rules 2021.

(C) Employees who have opted for Unified Pension Scheme (UPS):

The conditions of payment of pensionary benefits to the above category, on absorption, shall be regulated in accordance with the Rule 16 of the CCS (Implementation of the Unified Pension Scheme under the National Pension System) Rules 2025.They shall be deemed to have retired from Government service from the date of such absorption.

17. Provident Fund:

OPS employees, at the time of absorption, will have the following two options for General Provident Fund:

(i) GPF balance along with interest of General Provident Fund Amount in the account of OPS employees shall be credited to the employee account on the date of absorption. In other words, OPS employees will have the option to withdraw the GPF amount with interest as applicable at the time of retirement from Central Government Service as per GPF Rules 1960 revised from time to time; or,

(ii) As per Sub-rule 29 of Rule 37 of CCS (Pension) Rules, 2021, i.e., the balance of provident fund standing at the credit of the absorbed employees on the date of their absorption in the DPSU shall, with the consent of such undertaking, be encashed and credited to the NPS account of the absorbed employees.

18. In-Service Medical Benefits Scheme:

To be offered by the DPSU in line with DPE guidelines. However, if an absorbed employee avails CGHS facility, he/she will not be eligible for company Medical Benefits simultaneously.

19. Post- Retirement Medical Benefits (PRMB):

There will be an option for absorbees to either opt for CGHS or the company Medical Benefit Scheme. Selection shall be limited to one option only. Only one change in option in the life time of an absorbee shall be allowed.

Contribution by the Company shall be restricted within the overall ceiling of 30% of (Revised Basic Pay + IDA) as mentioned in the clause no. 12 of DPE O.M. no. W-02/0028/2017-DPE (WC)-GL-XIII/17 dated 03^{rd} August 2017. There shall be option for creation of a DPSU PRMB Fund and formation of a Trust to manage the Fund or alternatively Group Health Insurance Scheme may be adopted by the employees for this purpose.

Three percent of Revised Basic Pay Plus IDA shall be earmarked for PRMB within the overall ceiling of 30% which has initially been fixed at 21.81% of (Revised Basic Pay + IDA) for Superannuation Benefits for employees of 7 new DPSUs.

20. Group Insurance:

- The saving component of CGEGIS, due to the employee, will be paid to the employee on absorption, as per CGEGIS Rules.
- **For absorbed employees:** The Company shall engage Insurance Services, for providing further Group Insurance benefits to the absorbed employees.

21. Leave Salary:

Earned leave and half pay leave at the credit of the employees on the date of absorption shall stand transferred to the concerned DPSU in terms of sub Rule -29(b) of Rule 37 CCS (Pension) Rules, 2021.

22. Job Security:

As per Sub-Rule 29(c) & Sub-Rule 30 of Rule-37, CCS (Pension) Rules, 2021.

23. Service Rules/Policies:

Service Rules/Policies shall be governed by the broad guidelines issued by DPE and modelled on the lines of HR Rules/policies of *other* CPSEs/DPSUs.

24. Accommodation:

As per company rules, within DPE guidelines.

25. Industrial Relations Mechanism:

DPSU shall form Industrial Relations Mechanism as per the provisions of The Industrial Relations Code 2020 & The Industrial Relations (Central) Rules, 2026, as applicable and subsequent amendments thereon.

26. Compassionate Appointment:

DPSUs may consider their own policies for families in distress due to death in harness of their earning member.

27. Voluntary Retirement Scheme (VRS):

The Company may offer a VRS on the basis of DPE Consolidated guidelines on VRS dated 20th July 2018 and subsequent amendments thereon.

28. No adverse change in service conditions:

Any other service condition, not covered in the above terms of absorption, shall not be changed to disadvantage of absorbed employees.

29. All such government employees who opt for permanent absorption in new DPSUs, shall be deemed to have retired from Government service.

30. Periodicity:

The pay scales of the Executives and Non-Executives, perks, allowances covered under cafeteria concept, advances and other allowances not under Cafeteria concept are all co-terminus with the DPE Guidelines. The same shall be subject to review based on DPE guidelines, issued from time to time.

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Note: The above provisions are only for the purpose of absorption of employees of erstwhile Ordnance Factory Board (OFB) to 7 new DPSUs as per approval of the Cabinet dated 16.06.2021 and future recruitment/promotion and other service matters in 7 new DPSUs will be as per HR policies of new DPSUs as per extant guidelines, unless otherwise specifically mentioned in this common terms of absorption.