

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

Joint Circular No. : 22/2019

Date : 07.10.2019

To,

**All the affiliated Unions of**  
**AIDEF, INDWF, BPMS**  
**Copy also to CDRA**

**JOINT REPRESENTATION SUBMITTED TO THE DEFENCE MINISTER**  
**REQUESTING HIM TO DELETE THE TERMS OF REFERENCE OF THE**  
**HIGH LEVEL OFFICIAL COMMITTEE GIVEN IN (A) AND (E).**

We have informed you about the position taken jointly by the three Federations and CDRA before the High Level Official Committee constituted to interact with the Federations / CDRA regarding the proposed restructuring of Ordnance Factory Board. We have categorically informed the Chairman of the Committee that we will be able to cooperate with the Committee only if the Government withdraw its decision to corporatize the Ordnance Factories for which the Terms of Reference given to the Committee in (a) and (e) has to be deleted.

The three Federations have now decided to submit a joint representation to the Hon'ble Defence Minister with an appeal to delete the Terms of Reference of the Committee given in (a) and (e) and also to reiterate our stand with regard to the structure of Ordnance Factories to continue as a Government Department. Accordingly a Joint Letter dated 07.10.2019 has been forwarded to the Defence Minister with copy endorsed to the Cabinet Secretary, Defence Secretary, Secretary (DP), Addl. Secretary (DP) & Chairman of the HLOC, DGOF & Chairman, Master General Ordnance and Joint Secretary (Army). A copy of the joint Letter addressed to the Defence Minister dated 07.10.2019 is enclosed as **Annexure-I** of this Joint Circular.

**OFB's instruction to issue show cause notice to the employees participated in the Strike from 20.08.2019 to 25.08.2019.**

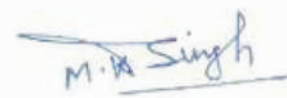
You are aware that the three Federations vide Letter dated 17.09.2019 have issued a joint representation to the DGOF & Chairman with regard to regularization of the Strike period from 20.08.2019 to 24.08.2019 (Since 25.08.2019 was a Sunday). In our representation we have demanded wages for the Strike period since the Strike is legal and justified and we have also stated that the Strike period cannot be treated as Dies-non since FR-17-A can be evoked only if the Strike is declared as illegal. Our Strike is not declared as illegal. In the mean time OFB vide its Circular No. 123/2019/PER/IR dated 04<sup>th</sup> October, 2019 have issued instructions to all the Ordnance Factories to issue Show Cause Notice under DOP&T dated 12.09.2008 to the employees who were absent during the Strike period. We are forwarding herewith a draft reply to be given by the concerned employees to the Show Cause Notice to be issued by the Factory Management. The draft reply is enclosed as **Annexure-II** of this Joint Circular.



**(C. SRIKUMAR)**  
GENERAL SECRETARY  
AIDEF  
09444080885  
defempfed@gmail.com



**(R. SRINIVASAN)**  
GENERAL SECRETARY  
INDWF  
09444125799  
indwfrsrinivasan@gmail.com



**(MUKESH SINGH)**  
GENERAL SECRETARY  
BPMS  
09335621629  
gensecbpms@yahoo.co.in



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

Ref. No. 19/AIDF/INDWF/BPMS/19

Date : 07.10.2019

To,

**Shri. Rajnath Singhji**

Hon'ble Defence Minister

Government of India,

South Block, New Delhi – 110 001.

**Subject : Discussions held with the High Level Official Committee on restructuring of Ordnance Factories constituted by the Hon'ble RM – Appeal to delete Terms of Reference of the Committee given in (a) and (e)**

Respected Sir,

At the outset we congratulate and thank you for taking an historical decision to enhance the monetary assistance for the next of kin of all categories of battle casualties in the Armed Forces from the existing Rs. 2 Lakh to Rs. 8 Lakh. We extend our support to this decision. We are confident that with the same human touch you will approach the situation thereby the 82 thousand Defence Civilian Employees of 41 Ordnance Factories will be relieved from the demoralization and frustration which they are subjected due to the proposed move of the Government to corporatize the 41 Ordnance Factories.

The 82 thousand Defence Civilian Employees of 41 Ordnance Factories, their Trade Unions, Federations and Associations have in one voice opposed the move of the Government to corporatize / convert OFB into a PSU, since it is not in the interest of the Defence preparedness of our Country. In this regard the three recognized Federations of the Ministry of Defence which represents the 4 lakh Defence Civilian Employees including the 82 thousand employees of Ordnance Factories have served a Strike notice on the Government and commenced a one month Strike w.e.f. 20<sup>th</sup> of August, 2019. After the serving of Strike Notice series of meetings were held with the Federations to discuss our single point Charter of Demand. Two meetings were held under the Chairmanship of Addl. Secretary (DP), one meeting with under the Chairmanship of the Chief Labour Commissioner (Central) / Ministry of Labour and based on the decision taken in the meeting held with the Chief Labour Commissioner (Central), Secretary (DP) convened a meeting with the Federations and the CDRA on 23.08.2019 to discuss about the Strike demand. In this meeting the representatives of the Federations placed their views / reasons for opposing the Government's move to convert the Ordnance Factories into a Corporation / Public Sector Undertaking Limited. After a patient hearing of the Workers representatives the Secretary (DP) expressed the following on behalf of the Ministry of Defence.



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

The Federations after considering the assurances and the request made by the Secretary (DP) have decided to defer the Strike and accordingly the three Federations jointly issued the Strike deferment Letter dated 24.08.2019 to the Secretary (DP). In our Letter dated 24.08.2019 we have categorically made the following statement.

**“After considering the statement/assurance of the Secretary DP that no final decision has been taken yet about converting the OFB in to a corporation and that all the concerns expressed by the Federations and CDRA a high level official committee will be constituted by the Government and the High Level Official Committee would interact with the Federations, the Federations and CDRA have taken a decision to defer / postpone the strike in good faith w.e.f. 6.00 AM of 26.08.2019. Accordingly employees will resume work from 06.00 AM of 26.08.2019 (since 25.08.2019 was a Sunday). In case of any breach of trust and violation of the assurance by the Government then the Federations and CDRA will be forced to revive our strike action immediately.**

**Sir we are confident that the MOD / DDP will consider all the issues raised by us in the meeting and the assurances given in the meetings held with Additional Secretary, CLC and Secretary (DP) and assurance given in the meeting held on 23.08.2019 will be implemented by the Government in its true spirit, by not taking any decision to corporatize the Ordnance Factories.”**

As assured by the Secretary (DP) a High Level Official Committee (HLOC) under the Chairmanship of Addl. Secretary (DP) has been constituted with the approval of the Hon'ble Defence Minister. We were not yet given a copy of the Constitution of the Committee and we were also not consulted before finalizing the Terms of Reference which is a deviation from the accepted principles of industrial democracy / JCM Scheme. However, the Terms of Reference given to the Committee are as under.

- a) To work out ways to safeguard the benefits / interests of employees in terms of wages, health facilities and other service matters etc. **due to converting OFB into a Public Sector entity.**
- b) To assess the requirement for budgetary support for salaries of employees of OFB.
- c) To assess the concerns regarding future orders for the proposed new entity in view of the difficulties being faced in the present setup.
- d) To work out the road-map for increasing the turnover of the proposed entity from the current levels of Rs. 30,000 crore.
- e) To assess the viability of some of the Factories as Public Sector entity.



The Terms of Reference at (a) and (e) clearly gives an indication and intention of the Government to convert the Ordnance Factories into a Corporation / PSU. Since, the employees went for the one month Strike only against the proposed move of the Government to corporatize the Ordnance Factories and hence the Federations are not in a position to accept the above two Terms of Reference. **Therefore, in the first meeting of the High Level Official Committee chaired by the Addl. Secretary (DP) we have stated the following, both in writing and in our oral presentation also.**

- 1) The Federations and CDRA cannot accept the proposed move of the Government to corporatize/restructure the Ordnance Factories, since corporatization / restructuring will never be a successful model for the Ordnance Factories due to the fact that OFB is a multi-technology/ multi Product organization, fluctuation of the requirement of Armed Forces, and has to maintain war reserve capacity etc. These things are not possible in a corporation / PSU / restructuring. Moreover it is proved that after conversion of Telecom Department as BSNL it has become a failed model and the employees are already struggling for its survival.
- 2) The Federations have also submitted a detailed Appeal to the Hon'ble PM and all Cabinet Ministers to not Corporatize/restructure the Ordnance Factories
- 3) As already informed OFB should continue to remain as a Departmental Organizations and the way and means to achieve Rs.30,000 crores turn over / target is open for discussion.
- 4) If the Government wanted to empower the OFB then Government may consider to change the structure of OFB to that of Railway Board, ISRO and DAE etc
- 5) MGO has told the Federations that cost of the OFB products is the concern of the Army especially of the products declared as non-core. For reduction of cost as already agreed by the then Secretary / DP the salary expenditure may be allotted separately and delink the same and other overheads from the cost of the product
- 6) A time limit of 3 to 5 years may be given to the OFB to achieve the task of Rs. 30,000 crores in the present set up / structure and also to implement the above proposals. A review can be conducted by MOD to monitor the functioning of OFB every year. However, what is the road map for ensuring the above workload and from where these workload will come should be made clear.
- 7) The Federations and CDRA are prepared to discuss the terms of reference given in b, c & d provided the terms of reference given in (a) & (e) is deleted.
- 8) OFB should take the responsibility for improvement of the Ordnance Factories and Chairman OFB should hold periodical meetings with the Federations and CDRA to discuss the various short comings pointed out by the MOD / Army / CAG etc. like manpower, overheads, timely supply, delay in procurement etc. the Federations / CDRA are prepared to cooperate with the OFB in this direction.

Sir, however the Chairman of the Committee stated that the mandate given to him is to conduct the proceedings of the meeting within the framework of the Terms of Reference given to him. We then requested him that our views may be conveyed to the Hon'ble RM so that the Hon'ble RM can consider the situation and the serious impact of corporatization of Ordnance Factories on the national security, Defence preparedness and the service conditions of the more than 82 thousand Defence Civilian Employees working in the Ordnance Factories who are basically recruited as Central Government Employees / Defence Civilian Employees.



Sir, being a major stake holder of the Ordnance Factories we are also equally concerned with the growth and development of the Ordnance Factories which is essential to achieve self reliance in Defence. Therefore, vide our appeal dated 03<sup>rd</sup> September, 2019 addressed to the Hon'ble Prime Minister we have submitted a detailed note in which we have submitted our arguments / valid reasons against the proposed move of the Government to Corporatize the Ordnance Factories. Apart from our opposition we have also given various suggestions to achieve the task set by the Government to the Ordnance Factories in the coming 5 years within the present setup as a Government Department. **We once again reiterate the following suggestions for the favourable consideration of the Hon'ble Raksha Mantri.**

- 1) The proposed move to corporatize the Ordnance Factories should be withdrawn and OFB should be allowed to continue as a Government organization in the present structure with more empowerment, delegation of more financial powers, total integration of finance and accounts functioning both at OFB and Factory Level so that it will continue to remain as a "War Reserve" playing its established role.
- 2) The statement given in the Cabinet note prepared for Corporatization of OFB is to augment the OFB target to Rs.30,000 Crore during 2024-25. The same target may be given to the Ordnance Factories in the present setup and the workforce will ensure that the above target is reached if Government extends all support including salary budget and indent for all the items including those items declared as Non-Core from Armed forces especially Army. However, Government may please come out with a road map about the planning of the Government to provide the above mentioned workload to the Ordnance Factories and the roadmap to achieve the same.
- 3) It is also proposed that in case DDP has identified certain Experts who can turn around OFB production to Rs. 30,000 crore by 2024-2025, once it become a corporation, then such experts may be posted to OFB in the present structure itself as a Government Organization so that he / they can guide / assist OFB to achieve the above target.
- 4) The Army should place at least 3 years indent in advance for all the items since delay in indent is the main cause for delay in supply since procurement of raw material and other components gets delayed as these are not readily available in the market. Sufficient time may be provided for material procurement.
- 5) After the above mentioned 4 policy decisions Government may closely monitor the performance of Ordnance Factories up to 2024-2025 and there after a review can take place. The Federations and CDRA assures that they will take all efforts to motivate the workforce and achieve the above task.
- 6) The assurance given by the Secretary (DP) in the meeting held with the Federations and CDRA on 17.12.2018, 11.01.2019 and subsequent meeting of the National Council JCM that steps are being taken to implement the proposal of the Staff side for separate allotment of Salary expenditure and to delink the same and various overheads from the cost of the products is under active consideration of the Government and a decision would be taken soon. Once this decision is taken then the Army would come forward to place indent on almost all the items to the Ordnance Factories including those items which are declared as "Non-Core" by the Ministry of Defence.



- 7) Government may also consider for further strengthening the Ordnance Factories by converting the structure of OFB at par with the Railway Board, ISRO and Department of Atomic Energy etc.

Sir, we are confident that you will consider all the above proposals given by us dispassionately and take a favourable decision to not corporatize the Ordnance Factories and to retain the same as a Government Department by further strengthening and empowering the Organization since it is a national asset with vast experience of 218 years as a Defence Equipments Manufacturing Unit. We are ready to extend all support and cooperation to the Government in this regard. The workforce are prepared to accept any challenge in this regard.

Finally we conclude with the observation that not even a single employee of the Ordnance Factories is prepared to become an employee of the proposed new entity / Corporation / PSU. They are all recruited through various stringent selection process for serving the Ordnance Factories and they all wanted to continue with the status of Defence Civilian Employees till their superannuation from service.

With kindest regard.

Yours Sincerely,



**(C. SRIKUMAR)**

GENERAL SECRETARY

AIDF

09444080885

defempfed@gmail.com



**(R. SRINIVASAN)**

GENERAL SECRETARY

INDWF

09444125799

indwfrsrinivasan@gmail.com



**(MUKESH SINGH)**

GENERAL SECRETARY

BPMS

09335621629

gensecbpms@yahoo.co.in

Copy to :

- 1) **The Cabinet Secretary**  
Government of India, New Delhi
- 2) **The Defence Secretary**  
Government of India, New Delhi
- 3) **The Secretary (DP)**  
Department of Defence Production  
South Block, New Delhi - 110 001.
- 4) **The Addl. Secretary (DP) & Chairman of the HLOC**  
Department of Defence Production  
South Block, New Delhi - 110 001.
- 5) **The DGOF & Chairman**  
Ordnance Factory Board  
10-A, S.K.Bose Road,  
Kolkatta - 700 001.
- 6) **The Master General Ordnance**  
MGO Branch  
Army Headquarters  
Sena Bhavan, New Delhi
- 7) **The Joint Secretary (Army)**  
Ministry of Defence  
South Block, New Delhi - 110 001.

For kind information and favourable action as requested above.

Date : \_\_\_\_\_

From

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To

**The General Manager,**

\_\_\_\_\_

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**Through : Proper Channel****Subject : Reply to Show Cause Notice - regularization of Strike Period.****Reference : Letter No. \_\_\_\_\_ dated \_\_\_\_\_.**

Respected Sir,

With reference to the above Show Cause Notice I wish to submit that I am a member of \_\_\_\_\_ Union which is a registered Trade Union under the Trade Union Act, 1926 and affiliated to \_\_\_\_\_ Federation which is a recognized Federation. Our Factory is also an Industrial Establishment. Based on the call given jointly by the three recognized Federations which was subsequently endorsed by the Executive Committee of our Union the following procedures under the Recognitions Rules of the Trade Unions of MoD and also under the provisions of Industrial Dispute Act, 1947 were followed.

- 1) Strike Ballot was taken on 30.07.2019 in which more than 75% of the members voted there at and also that 3/4<sup>th</sup> of the vote cast were in favour of the Strike.
- 2) The Strike Notice was given to the Management on 01.08.2019 thereby giving sufficient notice required under the Rule in support of the following demand :-

**"To withdraw the unilateral decision taken to corporatize the Ordnance Factories in violation of the agreement and assurances given by the Government of India."**

In view of the above the 5 days Strike on 20<sup>th</sup>, 21<sup>st</sup>, 22<sup>nd</sup>, 23<sup>rd</sup> and 24<sup>th</sup> of August, 2019 in which I participated was a legal and justified Strike, since in the meeting held with CLC (Central) on 21.08.2019 with the recognized Federations and CDRA, the CLC desired that there should be bilateral discussions at the level of Senior Officers i.e. Secretary (DP) so that all the concerns expressed by the



Federations can be properly heard and discussed and hence he requested the Ministry of Defence to arrange a meeting under the Chairmanship of Secretary (DP) on priority basis. Accordingly, a meeting was held under the Chairmanship of Secretary (DP) on 23<sup>rd</sup> August, 2019 and based on the written Minute issued by the DDP on 23<sup>rd</sup> August, 2019 the Strike was deferred by the Federations.

Apart from the above I wish to submit that in my case FR-17-A cannot be evoked since the Strike is conducted as per provisions of Industrial Dispute Act, 1947 and Recognition Rules. FR-17-A can be evoked only if the Strike is declared as illegal. The above Strike was not declared as illegal.

Your attention is also drawn to the judgment of the Hon'ble High Court of Delhi in **All India Central Government Health Scheme Employees' Association (Delhi Branch) Vs Union of India & others** (ILR (2009) V Delhi 771). According, to this judgment **the period of Strike cannot be treated as dies-non**. The above judgment of the Hon'ble High Court was implemented by the Ministry of Health and Family Welfare in consultation with Ministry of Law and Justice.

In view of all the above facts since the Strike is legal and justified I am entitled for wages for the above mentioned Strike period as per Judgment of Hon'ble Supreme Court in the case of Syndicate Bank and Anr verses K.Umesh Nayak and others dated 13.09.1994 reported in 1995 AIR(SC) 319. The Supreme Court in this Judgment has clearly mentioned that for entitlement of wages the strike period has to be both legal and justified. In our case the strike was legal and justified as already mentioned above the CLC intervened in the matter and as per his direction the Secretary(DP) held discussions with the Federations and based on his assurance given in writing, the strike was deferred. Therefore, I request you to release me the payment due to me from 20.08.2019 to 24.08.2019 and the Strike days may be regularized accordingly. In this regard your attention is also drawn to the Joint Letter No. 016/AIDF/INDWF/BPMS/CDRA/19 dated 17.09.2019 submitted jointly by the three recognized Federations on the subject matter to the DGOF & Chairman / OFB.

Awaiting for your earlier and favourable decision please.

Thanking you,

Yours Faithfully,

(\_\_\_\_\_)