

No. 1(5)/2021/OF/DP(PIq-V)/02
Government of India
Ministry of Defence
Department of Defence Production

New Delhi, 24th September, 2021

Office Memorandum

Subject: - Dissolution of Ordnance Factory Board and transfer of employees (Group A, B & C) of Ordnance Factory Board to new Defence Public Sector Undertakings and the Directorate of Ordnance (Coordination & Services).

In pursuance of the decision of the Union Cabinet on 16th June, 2021, the Government of India has decided to corporatise the functions of the 41 production units (Ordnance Factories) of the Ordnance Factory Board (“**OFB**”), functioning under the Department of Defence Production, Ministry of Defence (“**DDP**”). Accordingly, the undersigned is directed to state that the Government of India has decided to transfer, with effect from 1st October, 2021 (“**Appointed Date**”), the management, control, operations and maintenance of these 41 production units and identified non-production units to 7 Government companies (wholly owned by the Government of India), namely (i) Munitions India Limited, (ii) Armoured Vehicles Nigam Limited, (iii) Advanced Weapons and Equipment India Limited, (iv) Troop Comforts Limited, (v) Yantra India Limited, (vi) India Optel Limited, and (vii) Gliders India Limited (collectively “**New DPSUs**”) in respect of (a) production activities, viz production of arms, ammunitions, weapons, vehicles, defence equipment and non-defence equipment; and (b) identified non-production activities, as set out in **Annexure A**. The Government of India has also decided to transfer, with effect from the Appointed Date, the management, control, operations and maintenance of certain identified non-production units of OFB and identified surplus land at 16 production units of OFB to the Directorate of Ordnance (Coordination & Services) (“**Directorate**”) under the DDP, as set out in **Annexure B**. The New DPSUs have been incorporated as Government companies (wholly owned by the Government of India) with limited liability by shares under the Companies Act 2013 with registered office and corporate offices as set out in Annexure A.

2. Accordingly, on and with effect from the Appointed Date, OFB, which has been set up vide Ministry of Defence letter no. 1(82)/78/D(Fy.I) dated 09.01.1979, shall cease to exist as a body. Further, the Board position of Member (Finance), OFB shall also cease to exist on and with effect from the Appointed Date.

3. The Government has decided that all the employees of OFB (Group A, B & C) belonging to the production units and also the identified non-production units (as per the structure set out in Annexure A) shall be transferred *en masse* to the New DPSUs on terms of foreign service without any deputation allowance (deemed deputation) initially for a period of two years from the Appointed Date, in accordance with Rule 37A of the Central Civil Services (Pension) Rules 1972.

4. Each of the new DPSUs is required to frame rules and regulations related to service conditions of the absorbed employees and seek an option for permanent absorption from the employees on deemed deputation to that respective DPSU, within a period of two years. The service conditions of the absorbed employees would not be inferior to the existing ones. A Committee would be constituted by DDP for guiding the new DPSUs in this regard so that the absorption package given is attractive.

5. Till such time the employees remain on deemed deputation to the new DPSUs, they shall continue to be subject to all the extant rules, regulations and orders as are applicable to the Central Government servants, including related to their pay scales, allowances, leave, medical facilities, career progression and other service conditions.

6. The Government has also decided that all the employees of OFB (Group A, B & C) belonging to OFB HQ (at Kolkata), OFB New Delhi Office, OF Schools and OF Hospitals (Group A, B & C), shall be transferred *en masse* to the Directorate under DDP, initially for a period of two years from the Appointed Date. However, all such employees would be liable to be transferred/sent on deputation at any time as per the requirement.

7. The pension liabilities of the retirees and existing employees will continue to be borne by the Government from the Ministry of Defence ("MoD") budget for Defence Pensions. For the employees recruited after 01.01.2004, National Pension Scheme applicable to the Central Government employees is in vogue and the same may be adopted by the New DPSUs, including continuation of all special provisions applicable to Central Government employees under the National Pension System.

8. The conditions of payment of pensionary benefits to the employees of OFB on absorption to the New DPSUs would be regulated in accordance with Rule 37-A of the Central Civil Services (Pension) Rules, 1972.

9. These orders will come into effect from 1st October, 2021 (Appointed Date).

10. Separate orders would be issued by the Directorate in compliance to the aforesaid decisions/directives and a compliance report would be submitted to DDP.

Sandeep Jain
24/9/24

(Sandeep Jain)
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To

Secretary, Ministry of Home Affairs
Secretary, Ministry of Labour & Employment
Secretary, Department of Expenditure
Secretary, Department of Economic Affairs
Secretary, Department of Public Enterprises
Secretary, Department of Investment and Public Asset Management
Secretary, Department of Legal Affairs
Secretary, Department of Personnel & Training
Secretary, Department of Pension and Pensioners' Welfare
Secretary, Department of School Education & Literacy
Secretary, Ministry of Health & Family Welfare
Secretary, Ministry of Corporate Affairs
Deputy NSA and Secretary, National Security Council Secretariat

Copy to:

Prime Minister's Office
Cabinet Secretariat

Copy also to:

Secretary, Department of Defence
Secretary, Department of Military Affairs
Secretary, DRDO
FA (DS), MoD
DGOFF & Chairman, OFB
CMDs of the new DPSUs

Structure for Transfer of Production Units and identified Non-Production Units to the 7 New DPSUs

#	Name of transferring production unit	Name of transferee New DPSUs and main objectives / business ¹
1.	Ammunition Factory Khadki	Munitions India Limited. This DPSU will be engaged in the business of manufacturing ammunition and explosives. Registered and corporate office: Ammunition Factory Khadki, Pune, Maharashtra, India, 411003
	Cordite Factory Aruvankadu	
	High Energy Projectile Factory Tiruchirappalli	
	High Explosive Factory Khadki	
	Ordnance Factory Bhandara	
	Ordnance Factory Bolangir	
	Ordnance Factory Chanda Chandrapur	
	Ordnance Factory Dehu Road	
	Ordnance Factory Itarsi	
	Ordnance Factory Khamaria	
	Ordnance Factory Nalanda	
Ordnance Factory Varangaon		
2.	Engine Factory Avadi	Armoured Vehicles Nigam Limited. This DPSU will be engaged in the business of manufacturing vehicles. Registered and corporate office: HVF Road, Bhaktavatsalapuram, Avadi, Chennai, Tamil Nadu, India, 600054
	Heavy Vehicle Factory Avadi	
	Machine Tool Prototype Factory Ambarnath	
	Ordnance Factory Medak	
	Vehicle Factory Jabalpur	
3.	Field Gun Factory Kanpur	Advanced Weapons and Equipment India Limited.
	Gun Carriage Factory Jabalpur	

¹ It is hereby clarified that the respective DPSUs may diversify their businesses in future as per commercial viability.

	Gun and Shell Factory Cossipore	This DPSU will be engaged in the business of manufacturing weapons and equipment. Registered and corporate office: Ordnance Factory Kanpur, Kalpi Road, Kanpur, Uttar Pradesh, India, 208009
	Ordnance Factory Kanpur	
	Ordnance Factory Project Korwa	
	Ordnance Factory Tiruchirappalli	
	Rifle Factory Ishapore	
	Small Arms Factory Kanpur	
4.	Ordnance Clothing Factory Avadi	Troop Comforts Limited. This DPSU will be engaged in the business of manufacturing troop comfort items. Registered and corporate office: C/o Ordnance Factory Equipment, Headquarter G T Road, Kanpur, Uttar Pradesh, India, 208013
	Ordnance Clothing Factory Shahjahanpur	
	Ordnance Equipment Factory Kanpur	
	Ordnance Equipment Factory Hazratpur	
5.	Grey Iron Foundry Jabalpur	Yantra India Limited. This DPSU will be engaged in the business of manufacturing Military Grade components and Ancillary products. Registered and corporate office: C/o The General Manager Ordnance Factory, Ambajhari Amravati Road Ambajhari, Nagpur, Maharashtra, India, 440021
	Metal and Steel Factory Ishapore	
	Ordnance Factory Ambernath	
	Ordnance Factory Ambajhari	
	Ordnance Factory Bhusawal	
	Ordnance Factory Dumdum	
	Ordnance Factory Katni	
	Ordnance Factory Muradnagar	
6.	Ordnance Cable Factory Chandigarh	India Optel Limited. This DPSU will be engaged in the business of manufacturing opto-electronic items. Registered and corporate office: C/o Opto Electronic
	Ordnance Factory Dehradun	
	Opto-Electronics Factory Dehradun	

		Factory, Raipur, Dehradun, Uttarakhand, India, 248008
7.	Ordnance Parachute Factory Kanpur	Gliders India Limited. This DPSU will be engaged in the business of manufacturing parachutes. Registered and corporate office: C/o Ordnance Factory Equipment Headquarter, G T Road, Kanpur, Uttar Pradesh, India, 208005
Non-Production Units merged with the New DPSUs		
#	Name of transferring non-production unit	Name of transferee New DPSUs
1.	Ordnance Factories Institute of Learning, Khamaria	Munitions India Limited
	National Academy of Defence Production, Ambajhari	
	Regional Controllerate of Safety Pune.	
2.	Ordnance Factories Institute of Learning, Ambernath	Armoured Vehicles Nigam Limited
	Ordnance Factories Institute of Learning, Avadi	
	Ordnance Factories Institute of Learning, Medak	
3.	Ordnance Factories Institute of Learning, Ishapore	Advanced Weapons and Equipment India Limited
4.	Ordnance Factories Institute of Learning, Kanpur*	Troop Comforts Limited
5.	Ordnance Factories Institute of Learning, Ambajhari	Yantra India Limited

6.	Ordnance Factories Institute of Learning, Dehradun	India Optel Limited
Non Production units handed over to New DPSUs and their employees shall be transferred to the OF units, as under:		
#	Name of transferring non-production unit	Name of transferee Unit and New DPSUs
1.	Regional Marketing Centre, Pune	Ammunition Factory Khadki; Munitions India Limited
2.	Regional Controllerate of Safety, Avadi	Heavy Vehicles Factory, Avadi;
3.	Regional Marketing Centre, Chennai	Armoured Vehicles Nigam Limited
4.	AV Head Quarter, Avadi	
5.	OFB Mumbai Office	Machine Tool Prototype Factory, Ambarnath; Armoured Vehicles Nigam Limited
6.	Regional Controllerate of Safety, Kanpur	Ordnance Factory Kanpur; Advanced Weapons and Equipment India Limited
7.	OEF Head Quarter, Kanpur	Ordnance Equipment Factory, Kanpur; Troop Comforts Limited
8.	Ordnance Factory Recruitment Centre	Ordnance Factory, Ambajhari;
9.	Regional Controllerate of Safety, Ambajhari	Yantra India Limited
10.	Regional Controllerate of Safety, Ishapore	Metal & Steel Factory, Ishapore: Yantra India Limited
11.	Regional Marketing Centre, New Delhi	Ordnance Factory, Muradnagar; Yantra India Limited

Annexure B**Structure for Transfer of identified Non-Production Units and Surplus Land to the Directorate of Ordnance (Coordination & Services)**

#	Name of transferring non-production units	
1.	OF Hospitals / independent dispensaries	Metal and Steel Factory Ishapore
		Ammunition Factory Khadki
		Ordnance Factory Kanpur
		Ordnance Factory Khamaria
		Gun and Shell Factory Cossipore
		Ordnance Equipment Factory Kanpur
		Ordnance Clothing Factory Shahjahanpur
		Gun Carriage Factory Jabalpur
		Vehicle Factory Jabalpur
		Heavy Vehicle Factory Avadi
		Ordnance Factory Ambernath
		Cordite Factory Aruvankadu
		Ordnance Factory Medak
		Ordnance Factory Muradnagar
		Ordnance Factory Bhandara
		Ordnance Factory Chanda Chandrapur
		Ordnance Factory Ambajhari
		Ordnance Factory Varangaon
		Ordnance Factory Dehradun
		Ordnance Factory Katni
		Ordnance Factory Tiruchirappalli
		Ordnance Factory Itarsi
		Ordnance Factory Dehu Road
Ordnance Factory Bolangir		
Ordnance Factory Bhusawal		
Ordnance Cable Factory Chandigarh		
Ordnance Equipment Factory Hazratpur		

		Ordnance Factory Project Nalanda
		Ordnance Factory Project Korwa
2.	OF schools	Ordnance Factory Bhandara
		Ordnance Factory Ambarnath
		Ordnance Factory Ambajhari
		Ordnance Factory Bhusawal
		Ordnance Factory Chandrapur
		Ordnance Factory Varangaon
		Ordnance Factory Itarsi
		Ordnance Factory Katni
		Gun Carriage Factory Jabalpur
		Ordnance Factory Khamaria
		Vehicle Factory Jabalpur
		Cordite Factory Aruvankadu
		Ordnance Factory Tiruchirappalli
		Ordnance Clothing Factory Avadi
		Ordnance Factory Badmal
		Gun and Shell Factory Cossipore
		Metal and Steel Factory Ishapore
		Rifle Factory Ishapore
		Ordnance Factory Dum Dum
		Ordnance Factory Muradnagar
		Ordnance Clothing Factory Shajahanpur
		Ordnance Equipment Factory Kanpur
		Ordnance Factory Kanpur
		Ordnance Factory Dehradun
3.	OFB Head Quarter Units	OFB Head Quarter (located at Kolkata) and OFB New Delhi Office
4.	Identified surplus land of 3152.11 acres located at 16 Ordnance factories	