

**Instruction No.3400 /A/A**

No.834/PWCR/A/A  
Government of India,  
Ministry of Defence,  
Ordnance Factory Board,  
10-A, S. K. Bose Road,  
Kolkata – 700 001  
Dated: 11<sup>th</sup> March, 2014

To  
The Sr. General Managers/ General Managers


Sub : Correlation of Piece Work rates on implementation of 6<sup>th</sup> CPC pay scales  
Ref : MoD letter No. 46/(2)/2013-D(Estt/NG) dated 04.03.2014(copy enclosed)

The question of correlation of piece work rates in the Ordnance Factories Organisation to the revised pay scales, on the basis of recommendations of the 6<sup>th</sup> CPC has been under consideration of the Government for some time and the President has been pleased to decide on the implementation of the new scheme of correlation of piece work rates.

02. In pursuance of M of D letter under reference sanctioning correlation of piece work rates on implementation of 6<sup>th</sup> CPC pay scales, Order of O.F.Board is hereby conveyed for implementation of the new scheme of correlation of piece work rates w.e.f. 04-03-2014. Accordingly, piece workers in O.Fs are to be paid their piece work earnings as per the correlated rates under the new scheme from the month of March,2014 ( to be paid in April,2014) onwards.

- (i) As per above, P.W. rates would be correlated to the minimum of the pay band-I **plus** grade Pay Rs.1900/- i.e. Rs.5200/- + 1900/-= Rs.7100 for all categories/grades of workers deployed on piece work system.
- (ii) The difference between the actual basic pay of a worker and Rs 7100/- shall be paid to him as a separate element as 'incremental pay'
- (i) The production warrants will be issued in terms of times without 25% built in incentive. However, as per existing procedure relevant to preparation of wage rolls for piece workers and labour costing , output hours will be reckoned as Standard Man Hours (SMH) plus 25% built in incentive;
- (ii) The time estimates in all the existing labour rate forms will be reviewed as per production requirement
- (iii) The existing ceiling of 75% on piece work profit will continue

03. All out efforts should be made to absorb the additional cost to the extent possible by periodical revision in material estimate and labour estimate. Factories must scrupulously follow the practice of revision of rates whenever there is change in design, material composition and introduction of latest machines.

  
(Arti C Srivastava)  
Director/Admin  
For DGOF

Copy to :  
Pr. Controller of Accounts, Kolkata – *with the request to modify wage roll package accordingly & to issue instruction to all LAOs*

Director/IR  
Staff side members OFB JCM-III level Council

No. 46/(2)/2013-D(Estt./NG)  
Government of India  
Ministry of Defence  
Department of Defence Production

New Delhi, dated 4<sup>th</sup> March, 2014

To

The Secretary  
Ordnance Factory Board  
10A, S K Bose Road,  
Kolkatta-700001

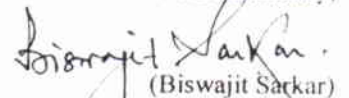
Sub: Correlation of Piece Work Rates after implementation of 6<sup>th</sup> CPC pay scales.

Sir,

I am directed to state that the question of Correlation of piece work rates in the Ordnance Factories Organisation to the revised pay scales, on the basis of recommendations of the 6<sup>th</sup> Central Pay Commission has been under consideration of the Government for some time and the President has been pleased to decide on the implementation of the new scheme of correlation of piece work rates as indicated below:

- i) Piece work rates would be correlated to the minimum of the pay band-1 + GP Rs. 1900 i.e. Rs. 5200+ Rs.1900 = Rs.7100/- for all category/grades of workers deployed on piece work system.
  - ii) The difference between the actual basic pay of a worker and Rs.7100/- shall be paid to him as a separate element as "Incremental Pay".
  - iii) The production warrants will be issued in terms of times without 25% built-in incentive. However, as per existing procedure relevant to preparation of wage rolls for piece workers and labour costing, output hours will be reckoned as Standard Man Hours (SMH) plus 25% built in incentive.
  - iv) The time estimates in all the existing labour rate forms will be reviewed as per production requirement.
  - v) The existing ceiling of 75% on piece work profit will continue .
2. The above orders will take effect from the date of issue of this letter.
  3. OFB should made all out efforts to absorb the additional cost to the extent possible by periodical revision in material estimate and labour estimate. OFB must scrupulously follow the practice of revision of rates whenever there is change in design, material composition and introduction of latest machines.
  4. Operational instructions will be issued by Ordnance Factory Board.
  5. This issue with the concurrence of the Defence Finance vide their Diary No. 97/IF/DP-1 dated 4.3.2014.

Yours faithfully,

  
(Biswajit Sarkar)

Under Secretary to the Govt. of India

Copy to: AFA(DP)