

F.No.1(1)/2003-E.II(B)
Government of India
Ministry of Finance
Department of Expenditure

**

New Delhi, the 1st March, 2004

OFFICE MEMORANDUM

**Subject : Payment of Dearness Allowance to Central Government
Employees - Revised rates effective from 1.1.2004.**

The undersigned is directed to refer to this Ministry's Office Memorandum No.1(6)/2003-E.II(B)/654 dated 5th September, 2003 on the subject mentioned above and to state that the President is pleased to decide that the Dearness Allowance payable to Central Government employees shall be enhanced from the existing rate of 59% to 61% of the pay with effect from 1st January, 2004. From 1.4.2004, Dearness Allowance equal to 50% of basic pay would be converted to Dearness Pay. Consequently, Dearness Allowance from 1.4.2004 would be payable at the rate of 11%.

2. The provisions contained in paras 3, 4 and 5 of this Ministry's O.M. No.1(13)/97-E.II(B) dated 3.10.1997 shall continue to be applicable while regulating Dearness Allowance under these orders. However, with effect from 1.4.2004, Dearness Allowance will be computed on the basis of Basic Pay, Dearness Pay, Stagnation Increment and NPA. Provisions contained in para 3 of this Ministry's O.M. No. 1(13)/97-E.II(B) dated 3.10.1997 therefore stand amended to this extent.

3. The additional installment of Dearness Allowance payable under these orders shall be paid in cash (including cheque etc.) to all Central Government employees with salary for the month of March, 2004. Arrears for the months of January and February, 2004 on this account shall also be paid simultaneously, as usual.

4. These orders shall also apply to the civilian employees paid from the Defence Services Estimates and the expenditure will be chargeable to the relevant head of the Defence Services Estimates. In regard to Armed Forces personnel and railway employees, separate orders will be issued by the Ministry of Defence and Ministry of Railways, respectively.

5. The orders relating to Dearness Relief to pensioners will be separately issued by Department of Pension and Pensioners Welfare.

6. In so far as the persons serving in the Indian Audit and Accounts Department are concerned, these orders issue after consultation with the Comptroller and Auditor General of India.

(SUSHAMA NATH)
Joint Secretary to the Government of India

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