

No.1/(1)/2005-E-II(B)/263  
Government of India  
Ministry of Finance  
Department of Expenditure

New Delhi, the 31<sup>st</sup> March, 2005

**OFFICE MEMORANDUM**

Subject: Payment of Dearness Allowances to Central Government employees -  
Revised rate effective from 01.01.2005.

The undersigned is directed to refer to this Ministry's Office Memorandum No. 1(2)/2004 – E-II (B)/625 dated 22<sup>nd</sup> September, 2004 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 14% to 17% with effect from 1.1.2005.

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 instalment of Dearness Allowance payable under these orders shall be paid in cash to all Central Government employees.

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. 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.

To

All Ministries/Departments to the Government of India.