

F.No.105/1/2004-IC  
Government of India  
Ministry of Finance  
Department of Expenditure  
(Implementation Cell)

...  
New Delhi, dated the 7<sup>th</sup> June, 2004

OFFICE MEMORANDUM

Subject : Merger of 50% of Dearness Allowance/Dearness Relief with basic pay/pension to Central Government employees – clarification regarding.

The undersigned is directed to refer to this Department's OM of even number dated the 1<sup>st</sup> March, 2004 on the abovementioned subject and to say that subsequent to issue of these orders references have been received from ministries/departments with regard to (i) rectification of anomalous situation which has cropped up in respect of doctors on account of the ceiling of Rs.29500 imposed by the Government on basic pay plus NPA and (ii) the manner in which pay has to be regulated with effect from 1.4.2004.

2. The issues have been considered by the Government and it is clarified that Dearness Pay shall be excluded for purposes of determining the limit that Basic Pay + NPA can not exceed Rs.29500. Further, as in the case of all other Central Government employees, Dearness Pay will be computed @ 50% of the basic pay (excluding NPA) for Doctors also. Non Practicing Allowance shall, however, be paid on basic pay plus dearness pay. The computation shall be made in the manner illustrated below:-

Basic Pay	18000
DP @ 50% of basic pay	9000
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	27000
NPA @ 25% of 27000	6750
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	<b>33750</b>
DA @ 11% of 27000	3713
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Total	37463
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*M. Joshi*  
( Manoj Joshi )  
Officer on Special Duty(IC)

To All Ministries/Departments as per standard distribution list.