

New Delhi, the 29<sup>th</sup> August, 2008.

**OFFICE MEMORANDUM**

**Subject:- Decision of the Government on the recommendations of the Sixth Central Pay Commission relating to grant of House Rent Allowance (HRA) and Compensatory (City) Allowance (CCA).**

The undersigned is directed to say that, consequent upon the decisions taken by the Government on the recommendations of the Sixth Central Pay Commission, the President is pleased to decide that, in modification of this Ministry's O.M. No.2(37)-E.II(B)/64 dated 27.11.1965 as amended from time to time, O.M. No.2(30)/97-E.II(B) dated 03.10.1997 and O.M.No.2(21)/E.II(B)/2004 dated 18.11.2004, the admissibility of these allowances shall be as under:-

(i) **COMPENSATORY (CITY) ALLOWANCE:**

The Compensatory (City) Allowance (CCA) stands **ABOLISHED**.

(ii) **HOUSE RENT ALLOWANCE:**

2. Based on the recommendations of the Sixth Central Pay Commission, the earlier classification of cities has been revised viz. A-1 to "X"; A, B-1 & B-2 to "Y" and C & Unclassified to "Z". In determining the revised classification, the population of Urban Agglomeration area of the city has been taken into consideration. Accordingly, the rates of House Rent Allowance shall be as under:-

Classification of Cities/Towns	Rate of House Rent Allowance as a percentage of (Basic pay + NPA where applicable)
X	30 %
Y	20 %
Z	10 %

3. The term "basic pay" in the revised pay structure means the pay drawn in the prescribed pay band plus the applicable grade pay but does not include any other type of pay like special pay, etc. In the case of Government servants in the pay scales of HAG+ and above, basic pay means the pay in the prescribed scale.

4. In respect of those employees who opt to retain their pre-revised scales of pay, the pay for the purpose of these orders shall also include, in addition to the basic pay in the applicable pre-revised scales, Stagnation Increment(s), Dearness Pay and Non-Practising Allowance as per orders in force on 1.1.2006.

5. The list of cities/towns classified as 'X', 'Y' and 'Z' for the purpose of grant of House Rent Allowance is enclosed as Annexure to these orders.

6. The following orders have been issued by this Ministry in the past for grant of HRA/CCA at higher rates to the Central Government employees posted within the municipal area:-

- (i) O.M. No.2(4)-E.II(B)/65 dt. 05.11.74 (HRA/CCA at Delhi rates in Faridabad Complex)
- (ii) O.M. No.11023/9/E.II(B)/78 dt. 26.05.79 (HRA/CCA at Delhi rates in Ghaziabad municipal area).
- (iii) O.M. No.21011/20/89-E.II(B)-Vol.II dt. 31.01.90 (HRA/CCA at Delhi rates in NOIDA).
- (iv) O.M. No.11013/2/81-E.II(B) dt. 03.08.82 (HRA at Mumbai rates in Navi Mumbai).
- (v) O.M. No.11013/1/87-E.II(B) dt. 12.10.87 (HRA/CCA at Jalandhar rates in Jalandhar Cantt.).
- (vi) O.M. No.11023/1/86-E.II(B) dt. 09.12.86 (HRA/CCA at Delhi rates in Gurgaon).
- (vii) O.M. No.11018/6/87-E.II(B) dt. 29.12.88 (CCA at 'B-2' class rates in Jamnagar).
- (viii) O.M. No.11018/2/83-E.II(B) dt. 14.11.86 (HRA at 'C' class in Mahe).
- (ix) O.M. No.2(13)-E.II(B)/74-Vol.II dt. 16.04.92 (HRA at 'C' class rates in Goa and UT of Daman & Diu).
- (x) O.M. No.2(27)-E.II(B)/65 dt. 09.08.65 (HRA at 'C' class rates in Coonoor).
- (xi) O.M. No.2(54)-E.II(B)/73 dt. 29.08.79 and  
O.M. No. 11016/2/81-E.II(B) dt. 30.04.81 (CCA in cities mentioned in these orders on the basis of costliness).
- (xii) O.M. No.11014/1/E.II(B)/84 dt. 05.02.90 (HRA at 'A', 'B-1' & 'B-2' class rates in Shillong).
- (xiii) O.M. No.11021/1/77-E.II(B) dt. 06.04.78 (HRA at 'C' class rates in hill stations).
- (xiv) O.M. No.2(10)/91-E.II(B) dt. 05.02.98 (HRA at 'B-2' class rates in Jammu).
- (xv) O.M. No.2(30)/97-E.II(B) dt. 18.05.98 (classification of Kolkata and Chennai as 'A-1' class cities).
- (xvi) O.M. No.2(3)/E.II(B)/04 dt. 01.03.04 (HRA at 'B-1' class rates in Goa and Port Blair and at 'C' class rates in the rural areas of A&N and Lakshadweep Islands).

However, due to (i) inclusion of Navi Mumbai within the UA of Greater Mumbai as per 2001 census, (ii) placement of existing 'C' class cities/towns as well as Unclassified places under new category "Z", (iii) abolition of CCA and (iv) upgradation of Jammu, Kolkata & Chennai on account of inclusion of UA, the special dispensation shall continue to be extended only to the following cities:-

- (i) Faridabad, Ghaziabad, NOIDA and Gurgaon at "X" class city rates.
- (ii) Jalandhar Cantt., Shillong, Goa & Port Blair at "Y" class city rates.

7. All other conditions governing grant of HRA under existing orders shall continue to apply.

8. Special Compensatory Allowance @ 2.5% of basic pay admissible w.e.f. 01.08.97 to Group 'C', 'D' and Group 'B' non-gazetted employees whose pay scales correspond to or are lower than the pay scales of Group 'C' employees posted at Gandhinagar as per this Ministry's O.M. No.2(64)/97-E.II(B) dated 04.07.2001, also stands **ABOLISHED**.

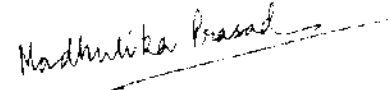
9. **These orders shall be effective from September 1, 2008.**

10. The orders will apply to all civilian employees of the Central Government. The orders will also be applicable to the civilian employees paid from the Defence Services Estimates. In respect of Armed Forces personnel and Railway employees, separate orders will be issued by the Ministry

of Defence and the Ministry of Railways, respectively.

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

12. Hindi version will follow.



(Madhulika P. Sukul)

Joint Secretary to the Govt. of India

To

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**ANNEXURE**

to O.M. No.2(13)/2008-E.II(B) dt.29 August 2008

**LIST OF CITIES/TOWNS WHERE HOUSE RENT ALLOWANCE  
IS ADMISSIBLE TO CENTRAL GOVERNMENT EMPLOYEES**

S. No.	STATES	CITIES CLASSIFIED AS "X"	CITIES CLASSIFIED AS "Y"
1.	Andhra Pradesh	Hyderabad (UA)	Vijayawada (UA), Warangal (UA), Visakhapatnam (UA), Guntur
2.	Assam		Guwahati (UA)
3.	Bihar		Patna (UA)
4.	Chandigarh		Chandigarh
5.	Chhattisgarh		Durg-Bhilai Nagar (UA), Raipur (UA)
6.	Delhi	Delhi (UA)	
7.	Gujarat		Ahmedabad (UA), Rajkot (UA), Jamnagar (UA), Bhavnagar (UA), Vadodara (UA), Surat (UA)
8.	Haryana		Faridabad*
9.	Jammu & Kashmir		Srinagar (UA), Jammu (UA)
10.	Jharkhand		Jamshedpur (UA), Dhanbad (UA), Ranchi (UA)
11.	Karnataka	Bengaluru(UA)	Belgaum (UA), Hubli-Dharwad, Mangalore (UA), Mysore (UA)
12.	Kerala		Kozhikode (UA), Kochi (UA), Thiruvananthapuram (UA)
13.	Madhya Pradesh		Gwalior (UA), Indore (UA), Bhopal (UA), Jabalpur (UA)
14.	Maharashtra	Greater Mumbai(UA)	Amravati, Nagpur (UA), Aurangabad (UA), Nashik (UA), Bhiwandi (UA), Pune (UA), Solapur, Kolhapur (UA)
15.	Orissa		Cuttack (UA), Bhubaneswar (UA)
16.	Punjab		Amritsar (UA), Jalandhar (UA), Ludhiana.
17.	Pondicherry		Pondicherry (UA)
18.	Rajasthan		Bikaner, Jaipur, Jodhpur (UA), Kota (UA)
19.	Tamil Nadu	Chennai(UA)	Salem (UA), Tiruppur (UA), Coimbatore (UA), Tiruchirappalli (UA), Madurai (UA)
20.	Uttarakhand		Dehradun (UA)
21.	Uttar Pradesh		Moradabad, Meerut (UA), Ghaziabad*, Aligarh, Agra (UA), Bareilly (UA), Lucknow (UA), Kanpur (UA), Allahabad (UA), Gorakhpur, Varanasi (UA)
22.	West Bengal	Kolkata (UA)	Asansol (UA)

\* Only for the purpose of extending HRA on the basis of dependency.

**NOTE**

The remaining cities/towns in various States/UTs which are not covered by classification as "X" or "Y" are classified as "Z" for the purpose of HRA.