

F.No. 1(2)/2004/D (Pay/Services)  
Government of India  
Ministry of Defence

New Delhi, the 28<sup>th</sup> March, 2018

To

The Chief of the Army Staff  
The Chief of the Air Staff  
The Chief of the Naval Staff

Subject: Payment of Dearness Allowance to Armed Forces Officers and Personnel Below Officer Rank including NCs(E) - Revised rates effective from 1<sup>st</sup> January, 2018.

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Sir,

I am directed to refer to this Ministry's letter No. 1(2)/2004/ D (Pay/Services) dated 3<sup>rd</sup> October 2017, on the subject cited above and to say that the President is pleased to decide that the Dearness Allowance payable to Armed Forces Officers and Personnel Below Officer Rank, including Non-Combatants (Enrolled), shall be enhanced from the existing rate of 5% to 7% of the basic pay with effect from 1<sup>st</sup> January, 2018.

2. The term 'basic pay' in the revised pay structure means the pay drawn in the prescribed Level in the Pay Matrix as per 7<sup>th</sup> CPC recommendations accepted by the Government, but does not include any other type of pay like special pay, etc
3. The Dearness Allowance will continue to be a distinct element of remuneration and will not be treated as pay within the ambit of Pay rules of Defence Force Personnel.
4. The payment on account of Dearness Allowance involving fractions of 50 paise and above may be rounded to the next higher rupee and the fractions of less than 50 paise may be ignored.
5. The payment of arrears of Dearness Allowance shall not be made before the date of disbursement of salary of March, 2018.
6. This letter issues with the concurrence of Finance Division of this Ministry vide their Dy. No. 79-PA dated 26.03.18 based on Ministry of Finance (Department of Expenditure) O.M. No. 1/1/2018-E.II (B), dated 15<sup>th</sup> March, 2018.

Yours faithfully,

*Prashanth*  
28-03-18  
(T.D. Prashanth Rao)

Under Secretary to the Government of India  
Tele. 23012739.

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Reference/Guard Folder