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**HOUSING & URBAN DEVELOPMENT DEPARTMENT**

**RESOLUTION**

The 9th July 2008

**Sub : Sanction of D.A. to the employees of Bhubaneswar Municipal Corporation & Cuttack Municipal Corporation.**

Consequent upon the revision of scales of pay of the employees of Bhubaneswar Municipal Corporation & Cuttack Municipal Corporation vide Housing & Urban Development Department Resolution No.22994, dated the 13th October 2006 read with Corrigendum No: 795, dated the 11th January 2007, the Orissa Municipal Employees Federation demanded to allow them Dearness Allowances (D.A) with effect from 1st July 2005, 1st January 2006, 1st July 2006 and 1st January 2007 as given to the State Government employees.

2. The matter was on active consideration for some time past. After careful consideration, Government have been pleased to allow the benefits of Dearness Allowances (D.A) to the employees of Bhubaneswar Municipal Corporation & Cuttack Municipal Corporation with effect from the date as given under : —

01-07-2005 — 71%

01-01-2006 — 74%

Further D.A. equal to 50% of the existing basic pay shall be merged with the basic pay and shown distinctly as Dearness Pay (DP) which would be counted for the purposes like payment of allowances wherever applicable, contribution to CPF, licence fee and various advances etc. The entitlement of TA/DA while on tour and transfer, accommodation provided by ULBs shall, however, continue to be governed on the basis of the basic pay alone without taking into account the Dearness Pay.

After merger of 50% D.A. with the Basic Pay with effect from the 1st April 2006 two doses of D.A. sanctioned subsequently shall be as under : —

01-07-2006	—	29%
01-01-2007	—	35%

3. Sanction of these D.A. is applicable to the employees of Bhubaneswar Municipal Corporation & Cuttack Municipal Corporation who are drawing the pay in the regular scale of pay in pursuance of the stipulation laid down at Para-2 (vii) of this Department Resolution No:22994, dated the 13th October 2006 under Revised Scale of Pay 2006 to the employees of the Corporations.

4. At present, the Corporation employees are being paid Dearness Allowances (D.A) @ 67% with effect from the 1st January 2005. Taking into consideration of the D.A. as sanctioned earlier in para-5 (ii) of the said resolution, the D.A. now payable will be enhanced from 67% to 85% on account of this revision. The employees of the Corporations are entitled to get financial benefit on account of this revision of D.A. with effect from the 1st January 2006 subject to the following conditions.

- (i) No additional grant-in-aid shall be provided by the State Government on account of this revised D.A. granted to the employees of the Corporations with effect from the 1st January 2006.
- (ii) The additional financial implication shall be borne by the Bhubaneswar Municipal Corporation & Cuttack Municipal Corporation from out of their own non-debt income without sacrificing the developmental needs of the public and in no case the grant/grants given to the Corporations for various developmental works including grants given/to be given under 12th Finance Commission Award and Road Maintenance, Incentive linked grant under the Award of the 2nd State Finance Commission etc. will be diverted/encroached to meet the additional expenditure arising out of extending the revised D.A.
- (iii) The concerned Corporations will have to raise their own resources to meet the additional expenditure liabilities on account of the D.A. revision and in case, they are not able to meet the additional liabilities, the benefits of this revised D.A. will not be applicable to them.
- (iv) The salary and establishment expenditure should not exceed 35% of the own revenue of the Corporations. Accordingly, sanction of D.A. would be regulated to keep the expenditure within this limit.

- (v) This revised D.A. is applicable to those employees who have been recruited against valid approved sanctioned posts and who are in position as on 1st Jan, 1996 and not applicable to the NMRs/DLRs/J.C. Workers who are not on the regular pre-revised scales of pay or those who have been irregularly appointed without any valid sanctioned post nor following any recruitment process prescribed under the provision of Law.
- (vi) In case, there is any excess payment intentionally or otherwise on any account compared to the notional D.A. that will be fixed from time to time with effect from the 1st January 1996 to 31st December 1996, the differential amount would be recovered / adjusted from the differential pay and allowances with effect from the 1st January 2006 arising out of fresh pay fixation notionally with effect from the 1st January 1996 and actual financial benefit with effect from the 1st January 2006.

No D.A. shall be payable on the revised scale of pay after 1st January 2007 until further clearance obtained from Government.

5. This revision of D.A. of the employees of the Corporations have been concurred in by the Finance Department vide their UOR No.92 (CS-I), dated the 27th May 2008.

**ORDER**

Ordered that this Resolution be published in the Extraordinary Issue of *Orissa Gazette* & forwarded to all Departments of Government/ Heads of Department/ RDCs/ District Magistrates/B.M.C./C.M.C.

By order of the Governor.

Dr. A. K. PANDA

Commissioner-*cum*-Secretary to Government