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No.20011/2/86-EIV  
Government of India  
Ministry of Finance  
Department of Expenditure

New Delhi, the 23rd Sept. 1986

**OFFICE MEMORANDUM**

**Subject:- Construction Projects - Grant of Project Allowance**

The undersigned is directed to say that consequent upon the decision taken by the Government on the recommendations of the Fourth Pay Commission relating to the grant of Project Allowance vide this Ministry's Resolution No. 14(1)/IC/86 dated 13.9.1986, the President is pleased to decide that in modification of this Ministry's OM No.20011/5/73-E.IV(B) dated the 17th January, 1975 as amended from time to time on the subject noted above, the rates of project allowance shall be as follows:-

Pay range	Rates of Project Allowance per month (Rs.)
Basic Pay below Rs.950/-	75
Basic Pay of Rs.950/- and above but below Rs.1500/-	150
Basic Pay of Rs.1500/- and above but below Rs.2000/-	225
Basic Pay of Rs.2000/- and above but below Rs. 3000/-	300
Basic Pay of Rs.3000/- and above	375

2. Central Government employees of other Departments whose offices have been located in the project area not specifically for the work of project authorities shall be allowed Project Allowance at 50% of the above rates.

3. Pay means pay in the revised scales of pay introduced under the CCS (R.P) Rules 1986. In the case of those who retain the existing scale of pay, it will include, besides pay in the pre-revised scale of pay, appropriate dearness allowance, Additional D.A., Ad-hoc dearness allowance, Dearness pay and interim relief thereon at the rates in force on 31.12.1985. Where the application of revised rates results in a loss to an employee, who has been continuously drawing the allowance from a date prior to 1.10.1986 the amount drawn by him immediately prior to that date will be protected by treating the difference between the allowance so drawn and that admissible at the revised rates as personal to him. The protection will continue till the employee remains posted in the said region and becomes eligible to higher amount either on promotion or otherwise.

NOTE: Pay means pay as defined under F.R.9(21)(a)(i).

4. These orders will take effect from 1.10.1986. For the period from 1.1.1986 to 30.9.1986, the above allowance will be drawn at the existing rates on the notional pay in the pre-revised scale.

5. These orders will apply to Civilian employees of the Central Government belonging to Groups 'B', 'C' and 'D' only. The orders will also apply to the Groups 'B', 'C' and 'D' civilian employees paid from the Defence Services Estimates. In regard to Armed Forces personnel and Railway employees, separate orders will be issued by the Ministry of Defence and Department of Railways respectively.

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

7. Hindi version of the order is attached.

Sd/-  
( B.P. VARMA )  
Joint Secretary to the Govt. of India

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All Ministries/Departments of the Government of India etc.  
copy to

1. All State Governments and UTs.
2. Governors of All States/Lt. Governors of UTs.
3. Comptroller & Auditor General of India, New Delhi
4. Department of Personnel & Trg. (AIS Division)
5. UPSC, Supreme Court, Election Commission, Lok Sabha, Rajya Sabha Sectt., Commissioner MCD, Secretary Staff Side, National Council.