

**Press Information Bureau
Government of India
Cabinet**

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Government approves proposal for Reclassification/ Upgradation of certain Cities/Towns on the basis of Census-2011

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, has given its approval to the proposal of Ministry of Finance, Department of Expenditure for reclassification/upgradation of certain cities/towns on the basis of Census-2011, for the purpose of grant of House Rent Allowance (HRA) and Transport Allowance to Central Government employees.

HRA and Transport Allowance are admissible to Central Government employees depending upon employees' Basic Pay (including NPA where applicable)/Grade Pay and the classification of the city/town where they are posted. The existing classification of cities/towns in different classes viz. 'X', 'Y' & 'Z' for the purpose of HRA and 13 specified cities classified earlier as 'A-1'/'A' and "Other Places" for the purpose of Transport Allowance, is as per the criterion recommended by the 6th Central Pay Commission. The existing qualifying limits of population for classification for HRA purpose is 50 lakhs and above for 'X', 5-50 lakhs for 'Y' & below 5 lakhs for 'Z' class city. Transport Allowance is payable at 'higher rates' in 13 specified cities classified earlier as 'A-1'/'A'(i.e. those cities having population of 20 lakhs and above) and at 'lower rates' in all Other Places.

The classification of cities/towns for this purpose is revised on the basis of their population as reflected in the decennial census report. The existing classification of various cities/towns is based on 2001 Census figures. The criterion of population for this purpose has been followed as recommended by the Central Pay Commissions.

On the basis of the final population figures of Census-2011, two cities have qualified for being upgraded from 'Y' class to 'X' class and 21 cities have qualified for being upgraded from 'Z' to 'Y' class for the purpose of HRA. Six cities have qualified for being upgraded from "Other Places" to specified higher class for the purpose of Transport Allowance.

As the Government continues to face a difficult fiscal situation and also as the 6th Central Pay Commission had recommended payment of revised allowances only with prospective effect, the date of effect of the revised classification of cities on the basis of Census-2011 is proposed as **01.04.2015**. The impact on the exchequer on account of upgradation of 29 cities, would be of the order of Rs. 128 crore per annum, for 2015-16.

Cities/towns to be upgraded on the basis of census-2011 for grant of House Rent Allowance

Cities to be upgraded/re-classified as "X"

Ahmadabad(UA)

Pune (UA)

Cities to be upgraded/re-classified as "Y"

Nellore (UA)

Gurgaon (UA)

Bokaro Steel City (UA)

Gulbarga (UA)

Thrissur (UA)

Malappuram (UA)

Kollam (UA)

Ujjain (M. Coprn.)

Vasai-Virar City (M. Corpn.)

Malegaon (UA)

Nanded-Waghala (M.Corp.)

Sangli (UA)

Raurkela (UA)

Ajmer (UA)

Erode (UA)

Noida (CT)

Firozabad (NPP)

Siliguri (UA)

Durgapur (UA)

Cities/towns to be upgraded on the basis of census-2011 for grant of Transport Allowance

Cities to be added for higher rates of Transport Allowance (i.e. which have population of more than 20 lakh to qualify for earlier classification as “A-1”/ “A” as stipulated in O.M. No. 21(2)/2008-E.II(B) dated 29.8.2008):

Patna (UA)

Kochi (UA)

Indore (UA)

Coimbatore (UA)

DSM/MAM/KA