

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2251

ANSWERED ON:12.08.2011

MAKING DA MORE REFLECTIVE OF INFLATION SITUATION

Bajirao Shri Patil Padamsinha ;Singh Shri Radhey Mohan;Singh Shri Uma Shanaker

**Will the Minister of FINANCE be pleased to state:**

- (a) the policy and directives of the Government regarding Dearness Allowance (DA) of the Central Government employees ;
- (b) the suggestions/proposals to make the DA more realistic and reflective of the actual food price inflation; and
- (c) the rate of DA proposed to be announced for the second half of the year and the time by which it is likely to be announced?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARA1N MEENA)

(a) & (b) Dearness Allowance to Central Government employees is granted in accordance with the recommendations of 6 Central Pay Commission. The increase in Dearness Allowance corresponds to an increase in 12 monthly average of AH India Consumer Price Index for Industrial Workers AICPI (IW) (base 2001 = 100) over the base index of 115.76 w.e.f. 1.1.2006. The AICPI inter-alia includes a component related to increase in food prices.

(c):- Dearness Allowance (DA) and Dearness Relief (DR) to Central Government Employees/ Pensioners is revised twice a year w.e.f. 1st January and 1st July and is normally released in the months of March and September respectively. An additional instalment of DA has become due with effect from 1.7.2011 for release in September 2011.