

30<sup>th</sup> Jun 2010

**7% Rise in DA/DR for Central Government Employees/Pensioners**  
**w.e.f 1<sup>st</sup> July 2011**

1. For all the Central Government Employees/pensioners, there would be a rise of 7% in DA /DR to, which would result in the overall DA / DR of 58% from 1.7.2011 - as per calculations below (as per Calculation based on All India Consumer Price Index Number for Industrial Workers (CPI-IW) on base 2001=100).

**2. HOW TO CALCULATE DEARNESS ALLOWANCE...**

Every month government has announced All India Consumer Price Index for Industrial workers, according to the price of commodities.

Month & year	Price Index with base year 2001 = 100
July 2010	178
August 2010	178
September 2010	179
October 2010	181
November 2010	182
December 2010	185
Jan 2011	188
Feb 2011	185
March 2011	185
April 2011	186
May 2011	187
June 2011	187 (Assumed) (considering MKT situation)
Total	2201/12
Average	183.416

3. With effect from 01.01.2006, Dearness allowance is granted to compensate the price increase above 536 points Base Year 1982=100),(115.763 points Base Year 2001=100).

4. The half yearly rise in DA/DR is granted on the basis of average price index of 12 months prior to 1<sup>st</sup> January/1<sup>st</sup> July

5. As per above table, the total of twelve month average price index prior to July 2011 =2199The twelve month average price index for the period as per above table.= 183.416

6. Subtract 115.763 from 183.416which works out to 67.653 It is a rise over 115.763 as on 31.12.2005 (with respect to base year 2001=100). Calculate the percentage rise by multiplying (67.653) with 100 / 115.763. It works out to 58.441

7. The fraction is to be ignored. The whole number only is to be considered. So the DA/DR admissible with effect from 1<sup>st</sup> July 2011 is 58% thus a rise of 7% over 51% already being paid

**8. DA / DR wef 1.7.11**

Average all India inflation index  $183.416 - 115.763 = 67.653 \times 100$  divided by  $115.76 = 58\%$

*Courtesy: Er. S.C.Maheshwari*