



# भारतीय ट्रेड यूनियन केन्द्र *CENTRE OF INDIAN TRADE UNIONS*

A. K. PADMANABHAN

President

TAPAN SEN, M.P.

General Secretary

28<sup>th</sup> November 2011

Dear Shri Patel,

You are aware in most of the Central Public Sector Enterprises (CPSEs), the employees wages were revised in the seventh round with effect from 1-01-2007 for a period of 10 years. While doing so entire DA as on 31-12-2006 was merged with basic pay making DA equal to zero as on 1-1-2007 based on which new pay scales were drawn.

It may also recalled that prior to the pay revision for the seventh round from 1-1-2007, i.e., well before the expiry of the tenure of sixth round wage settlement in CPSEs, the Department of Public Enterprises (DPE) under your Ministry had allowed and quite rightly so, the merger of an amount from the then prevalent DA (equal to 50% of basic pay) into basic pay in view of the amount of DA crossing the 50% mark of the basic pay of the employees at all levels. You will appreciate such step by DPE had been a response to the pace of movement of consumer price index leading to DA exceeding the boundary of 50% of the basic pay on which DA is calculated for the respective employees. This had been a step in the right direction to protect the process of full neutralization from being undermined and/or overshadowed by price-movement.

I draw your pointed attention to the fact that more than four years have passed since the tenure of the seventh round wage settlement commenced on 1-1-2007 and already the amount of DA has crossed the 50% mark reaching 52% of basic pay as on 1-11-2011. I strongly feel, the time has come for your ministry to kindly intervene again to provide for merger of the DA equivalent to half of the basic into basic pay to maintain the right balance between the DA and the basic pay on which DA is calculated for the purpose of neutralization.

The employees trade unions and officers associations of the CPSEs have already raised the demand for the merger of DA into basic pay to the tune of 50 per cent.

I request you to please appreciate the justness of the demand and intervene appropriately so that steps are initiated for issuance of appropriate office memorandum for merger of DA equivalent to 50% of the basic into basic pay in the interests of all concerned.

Awaiting early response from your end,  
With regards,

Yours sincerely,

  
( TAPAN SEN )  
General Secretary

Shri Praful Patel  
Minister of Heavy Industries and Public Enterprises  
Govt of India  
Udyog Bhawan  
New Delhi