

[1 st March, 2005]

RAJYA SABHA

(d) by when a final decision in the matter is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The rate of interest on Employees' Provident Fund (EPF) accumulations is fixed by Government on the basis of the recommendation of the Central Board of Trustees of EPF (CBT). CBT has recommended an interim rate of 8.5% for the year 2004-05. The CBT has not recommended a final rate of interest for 2004-05 to the Government.

Permission to Private Provident Fund Trusts to tap equity markets

35. SHRIMATI SUKHBUNS KAUR:
SHRIDATTAMEGHE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to allow Private Provident Fund Trusts to tap equity markets and corporate debt for the benefit of the workers;

(b) if so, the details of the scheme; and

(c) the steps taken/proposed to be taken to secure and promote the interests of the workers and to shield it against risks of equity trading?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The pattern of investment has been revised with a view to providing wider avenues for investment by Non-government Provident Funds, Superannuation Funds and Gratuity Funds. As per the revised pattern, which is effective from 1.4.2005, an amount upto 5% of the total portfolio has been allowed to be invested in shares of those companies that have an investment grade debt rating from two credit rating agencies and upto 10% in debt instruments bearing investment grade rating and/or equity-linked schemes of mutual funds regulated by the Securities and Exchange Board of India.