

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:415  
ANSWERED ON:25.02.2000  
SUGGESTIONS BY FICCI  
ALE NARENDRA

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

- (a) whether FICCI has urged the Government to cut Provident Fund rates and to facilitate mergers and acquisitions through suitable changes in the Income Tax Act, 1961;
- (b) if so, the details thereof; and
- (c) the reaction of the Government in regard thereto?

**Answer**

FINANCE MINISTER  
SHRI YASHWANT SINHA

(a) & (b) Yes, Sir. The Federation of Indian Chambers of Commerce and Industry (FICCI) has urged the Government to cut Provident Fund rates. They have also made a number of suggestions on corporate restructuring requiring changes in Income Tax Act, 1961 in their pre-budget memorandum.

(c) The review of the interest rates on General Provident Fund and Employees' Provident Fund is done and notified annually. The interest rates for 2000-01 are yet to be finalized. Secondly, the Finance Bill, 2000 to be presented in the Parliament will contain the reaction of the Government to the proposals in regard to corporate restructuring.