

**Fourteenth Loksabha**

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**Participants :** [Pal Shri Rupchand](#), [Narendra Shri Ale.](#), [Pal Shri Rupchand](#), [Kurup Shri Suresh](#), [Dasgupta Shri Gurudas](#), [Chandrappan Shri C.K.](#), [Chatterjee Shri Somnath](#), [Narendra Shri Ale.](#)

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Title : Shri Rupchand Pal called the attention of the Minister of Labour and Employment to the situation arising out of reduction in the Employees' Provident Fund.

SHRI RUPCHAND PAL Sir, I call the attention of the Minister of Labour and Employment to the following matter of urgent public importance and request that he may make a statement thereon:

“The situation arising out of reduction in the interest rate of Employees' Provident Fund. ”... (*Interruptions*)

MR. SPEAKER: Silence Please. Otherwise, I will adjourn the House and go away.

THE MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT Sir, declaration of the rate of interest is governed by the provisions of the Employees' Provident Fund Scheme, 1952, according to which the interest is required to be credited on the balance available in the accounts of the members of the Fund at such rate as may be determined by the Central Government in consultation with the Central Board of Trustees, Employees' Provident Fund. In determining the rate of interest, the Central Government shall satisfy itself that there is no overdrawal on the Interest Suspense Account.

The Central Board of Trustees (EPF), in its meetings held on 21.11.2005 and 7.12.2005, had deliberated upon the issue of rate of interest for the year 2005-06. In the meeting held on 07.12.2005, the Board authorised the Chairman, CBT to take a decision

in the matter. The Chairman, CBT, EPF has accordingly declared the rate of interest for the financial year 2005-06 at the rate of 8.5 per cent.

Thereafter, the central trade unions and others have raised the demand that the rate of interest should not be reduced from 9.5 per cent to 8.5 per cent. This demand was also raised during the Indian Labour Conference held on 9-10 December, 2005.

\* Placed in Library. See No. LT 3512/05

The recommendation of the CBT, EPF has been received in the Ministry of Labour and Employment, and the matter is under consideration in the Ministry, at present.

SHRI RUPCHAND PAL Sir, this statement of the hon. Minister is not at all satisfactory. I want to know from the hon. Minister the rationale behind this steep reduction of one per cent in respect of the interest rate. Secondly, I would also like to know whether it is a fact that the Government is seriously considering or reconsidering, on the basis of or in view of the countrywide protests by employees' organisations, against this reduction[[reporter26](#)].

Thirdly, there is a huge amount, and if that be so, what is the total amount accumulated in the Special Deposit Scheme and how is it being used?

Lastly, Employees' Provident Fund is the only sort of social security in respect of a large number of employees, whose number may be more than four crores. In such a situation, when there is hardly any other social security available to the employees of the country and when a huge amount has been accumulated, is the Government not prepared to consider the interest of the employees and just bring the interest rate to the original level that has been existing?

MR. SPEAKER: I am thankful to you. This is how the Calling Attention notices should be dealt with. I wish to compliment you, Shri Rupchand Pal for this.

SHRI BASU DEB ACHARIA You are complimenting him for the first time, Sir.

SHRI SURESH KURUP Sir, the country has witnessed large-scale protests against the decision of the Government to reduce the interest rate on EPF. Sir, the 12 per cent interest which was available was reduced by the previous NDA Government. It was because of such policies pursued by the NDA Government, the people of this country have voted them out. This Government is doing this against the mandate of the people of this country. The people have given them a mandate not for doing these type of things. If they are insisting or continuing the very same policies of the previous Government, the same fate awaits this Government also. This is a social security scheme.

MR. SPEAKER: Please put your question first and after that, the threat can be given.

SHRI SURESH KURUP EPF is a covenant between the Government and the workers of this country. The workers have entrusted the amount with them. The Government has no right to reduce the interest rate unilaterally. This is a scheme which helps the workers when they retire. Therefore, the Government is not supposed to betray the trust reposed by the workers on this Government.

Sir, the Finance Minister says that he is not capable of finding Rs. 1,300 crore towards EPF interest. However, Sir, the Finance Minister can very well find Rs. 700 crore for the corporate and elite members of this country, and the Government can pay millions of dollars as compensation to multinational companies concerning Dabhol, when they took over it. But the Government is not able to find Rs. 1,300 crore towards EPF interest. This interest rate was reduced as per the recommendation of the Reddy Committee Report.

MR. SPEAKER The Minister has said that the matter is under consideration.

SHRI SURESH KURUP At that time, Sir, the inflation was three per cent only and now the inflation has touched eight per cent, and it is natural that the Government should retain at least 9.5 per cent interest rate.

The interest rate on the Special Deposit Scheme where the major part of the corpus fund is deposited has also been reduced. If only you increase the interest rate of the Special Deposit Scheme, you can increase the interest rate of the EPF also.

So, I would like the Government to give a categorical reply that considering the demand of the workers all over the country, the interest rate on the EPF should be retained at least at 9.5 per cent. I would also like to know whether the Government will consider increasing the interest rate on the Special Deposit Scheme also.

MR. SPEAKER: Shri Hemlal Murmu is not present; Shri Gurudas Dasgupta:

SHRI GURUDAS DASGUPTA: The question has to be prefaced, as I understand from your deliberations in Parliament, when you were not in the Chair...

MR. SPEAKER I was a bad Member, do not follow me.

SHRI GURUDAS DASGUPTA Sir, I cannot use harsh language because the Minister is new.

MR. SPEAKER He is not the Minister concerned. He is trying to be a stop-gap or is deputising for a sick Minister.

SHRI GURUDAS DASGUPTA I cannot be hard on him.

MR. SPEAKER: You should not be hard on anybody [\[R27\]](#).

SHRI GURUDAS DASGUPTA Sir, I can be hard on untruth, and untruth is not an unparliamentary word.

MR. SPEAKER: No, I am not saying that.

SHRI GURUDAS DASGUPTA The last part of the statement says that the recommendation of the Central Board of Trustees (CBT) has been received. It is an incorrect statement, absolutely incorrect. The Central Board of Trustees is composed of employers, the State and Central Governments and the trade unions. I have with me the joint statement of all the trade unions of the country including INTUC, BMS, CITU, AITUC and others. All of them have opposed. The point is, the hon. Minister in his statement has not been truthful.

Is it true that the trade unions have collectively opposed it? It is a multilateral Committee. There cannot be a decision by majority. If the trade unions have opposed it, how can the hon. Minister say that they have received recommendations of the CBT?

The most important question is, the National Common Minimum Programme says: "The UPA Government will never take a decision on Employees Provident Fund without having considerations with and approval of EPF Board."

MR. SPEAKER: The Government has not yet taken a decision.

SHRI GURUDAS DASGUPTA : The EPF Board has not given any recommendation.

MR. SPEAKER: Very well, you have said that.

SHRI GURUDAS DASGUPTA : Sir, you are an eminent parliamentarian. You know that the EPF Board cannot take a unilateral decision.

MR. SPEAKER: You have said it already.

SHRI GURUDAS DASGUPTA : Therefore, it is an infringement of the Common Minimum Programme by the Government.

\*m06

MR. SPEAKER I always pointed out, Mr. Dasgupta, the statement says that the matter is under the consideration of the Ministry. Therefore, no decision has been taken. That is what I am saying.

SHRI GURUDAS DASGUPTA : Sir, the point is, this is the normal way to avoid this issue. 'Under consideration' does not mean the Government makes a commitment. It is a unique way of parliamentary evasion. The Minister is indulging in parliamentary evasion not to lead the Parliament properly - I cannot say mislead.

Sir, I am raising a few more questions. Nearly five crore people are involved in the Provident Fund. If we take at least three members per family, 15 crore people are



involved. It is the largest and the oldest social security scheme of the country. The Government seeks to play with it! I have a statement of the Prime Minister.

MR. SPEAKER: This is not a debate. You are such a senior Member. This is a question of seeking clarification.

SHRI GURUDAS DASGUPTA Sir, I am seeking a clarification. Hon. Prime Minister is reported to have said, and the hon. Finance Minister is reported to have said, that they can do it if they earn. That means, if the accumulation of Provident Fund is Rs.1,60,000 crore and if the Provident Fund earns Rs.1,60,000 crore, they can pay. That does not need the Government's approval. My basic question is, out of this amount of Rs.1,60,000 crore, rupees one lakh crore are deposited with the Government under the Special Deposit Scheme. That is the crux of the matter.

The NDA Government had reduced the interest rate on Special Deposit Scheme from 12 per cent to 8 per cent. This Government has come into power defeating the NDA. How can the same policy continue? NDA had been defeated because of their policies.

MR. SPEAKER: That is not the matter here. You cannot say whether he should be defeated or not defeated.

SHRI GURUDAS DASGUPTA Sir, at least with regard to Special Deposit Scheme, Government must be prepared to increase the interest rate. That is my second question. Will the Ministry of Labour in all its seriousness take up with the Ministry of Finance and Prime Minister the question of increasing the interest rate on Special Deposit Scheme?

Sir, my third point is, this is a double-edged weapon. As an eminent person, you are aware of it.

MR. SPEAKER: Why do you bring the hapless Speaker into all this? You go on and put your question.

SHRI GURUDAS DASGUPTA Sir, I have to address you.

MR. SPEAKER: You address me.

SHRI GURUDAS DASGUPTA I cannot address somebody invisible[\[KMR28\]](#)! You are the first visible person for my eyes. I have to address you. I cannot close my eyes.

[\[p29\]](#)

MR. SPEAKER: I do not want you to close your eyes. You please think of me and the time!

SHRI GURUDAS DASGUPTA Hon. Speaker, Sir, you are the only eminent visible personality in the House and I have to address you. ... (*Interruptions*) After retirement, people put in all their funds in a fixed deposit and get the return. During all these years, the interest rates on fixed deposits, whether in a bank or elsewhere, that is, post offices, have been reduced by the present Government. It has come to nine per cent in some cases. In most of the cases, it is eight per cent. Just imagine that I am earning less because you are paying me less. After retirement, my benefit is becoming less because the Government is paying less. After retirement, I take the money and go to a post office. The interest rate is reduced there. Therefore, the provident fund holders are under the threat of reduction of interest rate by the Government.... (*Interruptions*)

MR. SPEAKER: The question is only one, whether the rates should be increased. That is the only question. What else is there?

SHRI GURUDAS DASGUPTA No, Sir. The Government is gradually withdrawing social security. I can accuse them because there is a talk of the pension scheme being withdrawn. There is a talk in the background of that. If the Pension Scheme is being withdrawn, the provident fund is being reduced, what will happen to the older generation of the country? What will happen? The Government is having a commitment towards the common people. I would like to know whether the Government can disown the responsibility of having the social security. Social security cannot be abandoned in a welfare State. It cannot be abandoned. There cannot be any market rate. Social security has to be continued by the Government by making a provision in the Budget. It is necessary to have it. A sum of Rs.700 crore is given. You can bail out UTI. This

Government has bailed out UTI by paying thousands of crores of rupees....

*(Interruptions)*

MR. SPEAKER: These are not questions that he can answer. How can he answer these questions?

SHRI GURUDAS DASGUPTA He has to. He has to because he is in the Government. He represents the Government.

MR. SPEAKER: No, sorry.

... *(Interruptions)*

SHRI GURUDAS DASGUPTA While the Government can bail out UTI by paying thousands of crores, while they can bail out Enron, while they can bail out the stock market brokers, why can they not provide Rs.700 crore to 15 crore people of this country? That is my basic question. If the Government goes the way it is doing, there are going to be serious consequences. ... *(Interruptions)*

MR. SPEAKER: That is not the question. It is a threat.

SHRI GURUDAS DASGUPTA I am not holding any threat. I am telling the truth.

MR. SPEAKER: You are entitled to it.

Shri Chandrappan to speak.

SHRI C.K. CHANDRAPPAN Sir, you said that he, the Minister was not sure whether they would be defeated or not.

MR. SPEAKER: Who said that?

SHRI C.K. CHANDRAPPAN It was your reaction, when somebody was threatening, pointing out the fate of NDA Govt., you said that he was not sure whether he would be defeated or not. I am not accusing anybody. I am saying that they should see the writing on the wall.... *(Interruptions)* When people sitting on this side, the NDA friends were



there in the Govt. and when they were doing things which were unpardonable, they were rejected by people. This Govt. by reducing the interest of EPF has betrayed to a great extent, the support extended by the working people of this country. I would like now to ask my question.

As a part of the implementation of the UPA programme, this Government is spending Rs.75,000 crore and introduced the Rural Employment Guarantee Programme for the uplift of rural poor. Now, the Government is going to abandon or to abdicate its special responsibility of paying higher EPF interest to of the workers. I would like to know from this Government whether they would evolve a scheme with the Budget support to provide the kind of assistance to the workers so that the workers would have been receiving the benefits, as if 9.5 per cent interest had been paid [p30] to them.

**13.00 hrs.**

That is to say this. May I know whether you would start a new scheme for the workers so that they would get this much of money which they were losing otherwise?

MR. SPEAKER That is a good question.

... (*Interruptions*)

MR. SPEAKER No. Sorry.

... (*Interruptions*)

MR. SPEAKER No. I am sorry.

... (*Interruptions*)

MR. SPEAKER: I am sorry; please excuse me. Now, the hon. Minister.

... (*Interruptions*)

MR. SPEAKER: I am sorry. Otherwise, I will adjourn the House.

... (*Interruptions*)

MR. SPEAKER: Sorry. What is all this?

... (*Interruptions*)

MR. SPEAKER: Your names have not come out in the ballot for Calling Attention.

... (*Interruptions*)

MR. SPEAKER: Very well; Mr. Minister, you need not answer. Hon. Members, do you not want an answer?

... (*Interruptions*)

MR. SPEAKER: It is not a discussion under Rule 193. You should have said that Calling Attention is not needed and you wanted a discussion under Rule 193. Now, I cannot convert the Calling Attention into a discussion.

... (*Interruptions*)

MR. SPEAKER: Then, this will be converted as a discussion under Rule 193 and it will go to the next Session. I will allow you; you may give a notice for a discussion under Rule 193. Very well, then, let us adjourn.

... (*Interruptions*)

SHRI GURUDAS DASGUPTA : Sir, we want an answer. ... (*Interruptions*)

MR. SPEAKER: A demand is being made from responsible Members.

... (*Interruptions*)

SHRI GURUDAS DASGUPTA : Let him answer. ... (*Interruptions*)

MR. SPEAKER: Everybody wants to put a question now. Is it Calling Attention or a discussion?

... (*Interruptions*)

MR. SPEAKER: Is it Calling Attention? Can anybody stand up at any moment of time, can any question be put and can any demand be made?

... (*Interruptions*)

SHRI GURUDAS DASGUPTA : We are sorry; please allow the answer. ... (*Interruptions*)

SHRI C. KUPPUSAMI (MADRAS NORTH): Sir, I would like to say one thing on the EPF interest rate. ... (*Interruptions*)

MR. SPEAKER: I will not allow. If you are not satisfied, you can do whatever you like. You can move a simple motion for getting rid of me.

... (*Interruptions*)

MR. SPEAKER: You cannot blow hot and cold.

श्री ए. नरेन्द्र चैयरमैन साहब को सीबीटी ने इंटरेस्ट रेट पर डिसिज़न लेने के लिए अथौराइज़ किया है। इंटरेस्ट रेट पर डिसिज़न इसलिए लेना पड़ा due to reduction in interest and various investments, the net income has come down. The Corpus of EPF is Rs.79,764 crore and the interest cannot be paid from the Corpus Fund. Interest has to be paid within the current income, for the recent years.

Sir, the Corpus Fund up to 31.3.05, of the EPF is Rs.79,764.48 crore.

SHRI GURUDAS DASGUPTA : Sir, I am on a point of order.

MR. SPEAKER: What is the point of order?

SHRI GURUDAS DASGUPTA He is quoting the figures, which I believe is not true.

MR. SPEAKER: Very well, if he is misleading the House, you can bring a privilege motion against him; I do not mind. You are welcome to bring a privilege motion. How do I know that he is right or wrong?

SHRI A. NARENDRA The figure for employees' pension is Rs.66,445 crore; employees' insurance deposit is Rs.4,518 crore. In the case of contingency fund, it is Rs.133 crore; for special reserve fund, it is Rs.205 crore; for additional recoveries, it is Rs.27 crore, totalling Rs.365 crore.

SHRI GURUDAS DASGUPTA : Sir, is it an answer?

MR. SPEAKER: That is why I told you at the beginning. But you made a comment. I told you that the Minister concerned is ill; I made a mistake in admitting this Calling Attention. I requested you, but you wanted it and you made a comment that the Minister is not present here.

... (*Interruptions*)

SHRI GURUDAS DASGUPTA I did not make any comment. ... (*Interruptions* [\[R31\]](#))

MR. SPEAKER: Shri Acharia, Shri Gurudas Dasgupta, all of you are hon. Members of this House. You all know that I hold you in high respect. If the hon. Minister, who is obviously deputising the hon. Minister of Labour, is not able to satisfy you, what can be done?

... (*Interruptions*)

SHRI BASU DEB ACHARIA : Sir, he is not replying to our questions. So, we are walking out.... (*Interruptions*)

SHRI GURUDAS DASGUPTA : Sir, the Government should have been represented by an able Minister who could answer all our questions. The Government is making him a scapegoat. So, we are walking out.... (*Interruptions*)

**13.06 hrs.**

*(At this stage, Shri Basu Deb Acharia, Shri Gurudas Dasgupta  
and some other hon. Members left the House.)*

MR. SPEAKER: You may complete your reply.

... (*Interruptions*)

MR. SPEAKER: This is the result of my mistake. I made a mistake by admitting this Calling Attention.

SHRI A. NARENDRA: In the Indian Labour Conference, the Prime Minister told that the available EPF... (*Interruptions*)

प्रो. रासा सिंह रावत (अजमेर) आप सरकार के साथ हैं फिर भी वाक-आउट कर रहे हैं।... (व्यवधान)

श्री मोहन सिंह (देवरिया) अध्यक्ष महोदय, मंत्री जी सही जवाब नहीं दे रहे हैं, इसलिए हम भी अपने दल के साथ हैं।... (व्यवधान)

**13.06 ½ hrs.**

(Shri Mohan Sisng and some other Hon. Members then left the House)

श्री चंद्रकांत खैरे (औरंगाबाद, महाराष्ट्र) अध्यक्ष महोदय, कर्मचारियों के भविष्य के लिए 9.5 प्रतिशत इंटरेस्ट चाहिए।  
... (व्यवधान)

**MR. SPEAKER: Nothing will be recorded.**

(*Interruptions*) ... \*

SHRI A. NARENDRA: Decision will be taken by the Government at the appropriate time.... (*Interruptions*)

MR. SPEAKER: Shri Khere, this is not the way. Do not disturb the House.

\* Not Recorded.

... (*Interruptions*)

MR. SPEAKER: If you want to go out, you can also walk out.



श्री चंद्रकांत खैरे : आप बोलने नहीं देना चाहते, इसलिए हम भी जा रहे हैं।...(व्यवधान)

**13.07 hrs.**

(Shri Chandrakant Khaire then left the House)

MR. SPEAKER: You may complete your reply.

SHRI A. NARENDRA: Sir, this matter is under consideration of the Government.

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