

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5381
ANSWERED ON:28.04.2000
FUNDS INVESTED BY UTI
SHRINWAS DADASAHEB PATIL

Will the Minister of FINANCE be pleased to state:

- (a) the details of funds invested and disinvested by UTI during 1999 in comparison to each of the last three years alongwith the details of equities of companies purchased and disposed of by the UTI during the above period;
- (b) whether the Government have provided various incentives to UTI to write off the losses incurred before 1999; (
- (c) if so, the total profit earned by UTI as a result thereof during each of the last two years, particularly when the Government have announced the dividend in hand of investors and the income of Mutual Funds totally tax free; and (
- (d) the steps taken by the Government to protect the interests of investors of UTI?

Answer

MINISTER OF STATE IN THE MENISTRY OF FINANCE

(SHRI BALASAHEB VIKHE PATIL)

- (a) The details of funds (equity) invested and disinvested by UTI for the last three years are given below:

(Rs. Crore)

Year	Equities Purchased	Equities Disposed of
1997-98	4424.80	3039.83
1998-99	5875.47	5487.11
1999-00	10110.90	12262.30

For the period 1.07.1999 to 31.03.2000.

- (b) & (c) On the recommendation of the Deepak Parekh Committee, appointed by UTI in October 1998 to undertake a comprehensive review of the functioning of the Unit Scheme 1964, a Special Unit Scheme 99 (SUS 99) was created. The Government of India subscribed to the entire unit capital of Rs.3300 crores of the scheme against which PSU holdings of US-64 were transferred as on 28th June 1999.

A number of tax reliefs were granted to mutual funds, including UTI, in the Budget for 1999-2000. The benefit of these measures has accrued to investors.

- d) To help investors make informed investment decisions, the market regulator, the Securities and Exchange Board of India (SEBI) has framed regulations, which, inter-alia provide for disclosures on risk factors. All domestic schemes introduced by UTI after July 1, 1994 adhere to SEBI regulations.