

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1296
ANSWERED ON:08.03.2002
NAV OF US-64
RAM JEEVAN SINGH

Will the Minister of FINANCE be pleased to state:

- (a) whether the Unit Trust of India, fixed Net Asset Value (NAV) of its US-64 scheme of Rs. 5.94 per unit of the face value of Rs. 10.00;
- (b) if so, the manner in which such a low NAV has been arrived at;
- (c) its overall impact on the investors; and
- (d) the measures taken by the Government to safeguard the interests of the investors?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

- (a) The US-64 Scheme of the Unit Trust of India (UTI) has become Net Asset Value (NAV) based with effect from January 01, 2002. The NAV per unit of US-64 as on 01-01-2002 was Rs. 6.09 per unit.
- (b) The NAV of units of mutual fund schemes are determined on the basis of income and market valuation of assets after providing for the liabilities and expenses on a particular day. A below par NAV indicates that the value of assets of the scheme has depreciated below its cost of acquisition. The NAV changes in accordance with changes in the value of the underlying assets.
- (c)&(d) UTI has recorded Rs. 52.25 crore worth of sales and Rs. 12.87 crore worth of repurchases at NAV related prices up to January 31, 2002. UTI, with financial support from Government of India, has declared a special repurchase package enabling existing investors to redeem up to 5000 units per unit holder at pre-determined progressively increasing prices upto May, 2003. This package covers 99% unitholding accounts of US-64 Further, UTI has also offered to repurchase units at an assured price of Rs. 10/- for units not covered under the special package on 31st May, 2003.