

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2980
ANSWERED ON:07.12.2001
NPAs OF UTI AND IDBI
ANANTRAO GUDHE

Will the Minister of FINANCE be pleased to state:

- (a) the non-performing assets of UTI and IDBI as per latest estimates; and
- (b) the details of steps taken/proposed for restructuring UTI and IDBI to bring them back to normal?

Answer

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

(a) According to UTI and IDBI respectively, the non-performing assets of UTI are Rs. 1784.98 crore (provisional) as on 30-09-2001 and the non-performing assets of IDBI are Rs.8370.57 crore as on 31.3.2001.

(b) The Corporate Positioning Committee constituted by UTI under the chairmanship of Shri Y.H. Malegam in July, 2000 has submitted its report to the UTI in October, 2001. The committee has recommended, inter-alia, that the structure of UTI should be in line with SEBI (Mutual Fund) Regulations. Accordingly, there would be (i) a sponsor, (ii) a Trustee Company, and (iii) an Asset Management Company (AMC).

The Board of Trustees of the UTI have in its meeting held on 30th October, 2001 decided to make the report public to elicit the views of all stake holders. Appropriate action would be considered once the response of UTI Board of Trustees on the Corporate Positioning Committee is received by the Government.

IDBI has intimated that measures taken/ proposed for restructuring include the move towards universal banking. IDBI would take steps to transform itself into a universal bank in order to develop a sustainable business model, reduce the cost of funds and diversify its business portfolio. .