

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1633
ANSWERED ON:12.12.2003
INTERNAL ASSET RECONSTRUCTION FUND
KINJARAPU YERRANNAIDU

Will the Minister of FINANCE be pleased to state:

- (a) whether the Unit Trust of India has decided to set up an Internal Asset Reconstruction Fund (ARF);
- (b) if so, the details thereof alongwith its terms of reference; and
- (c) the steps taken to improve the Net Asset Value (NAV) of various schemes of UTI?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

(a) Yes, Sir.

(b) Administrator of Specified Undertaking of the Unit Trust of India has intimated that the objective of Internal Asset Reconstruction Fund is to acquire Non Performing Assets from various schemes of UTI MF and Specified Undertaking of the Unit Trust of India. ARF takes focused steps to recover dues from defaulting companies. The amount recovered is distributed in the ratio of 90:10 between the schemes who have transferred NPAs and ARF after deducting the expenses, if any, incurred by ARF.

(c) Managing the assets for improving NAVs of schemes is a continuous core function of UTI AMC.