

Writing off of loans to State Govts.

1014. SHRI SHANKERSINH VAGHELA: Will the Minister of FINANCE be pleased to state:

(a) whether a number of State Governments have asked to write off loans given to them by the Union Government;

(b) if so, the details thereof; and

(c) the State-wise details of loan written off during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). information is being collected and will be furnished.

Inspection of UTI

1015. SHRI RAM NAIK : Will the Minister of FINANCE be pleased to state:

(a) whether the Securities and Exchange Board of India ordered the inspection of the workings of the Unit Trust of India;

(b) if so, the reasons therefor;

(c) whether the inspection report has been submitted by the Haribhakti and Company to the Government;

(d) if so, the details of the inspection report; and

(e) the action taken by the Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) Yes, Sir. At the instance of SEBI, an inspection of six schemes of UTI was carried by M/s Haribhakti & Co., a Chartered Accountant Firm.

(b) UTI has been brought under the regulatory purview of SEBI since July 1, 1994. The inspection was ordered by SEBI under the regulatory provisions which specifies that UTI's schemes would be subject to inspection by SEBI.

(c) The inspection report of M/s. Haribhakti & Co. has been submitted to SEBI.

(d) The inspection report, among other things, has pointed out the lack of adequate segregation between the asset management functions and the trust functions, violations of certain SEBI norms for mutual funds, inter scheme transfer of funds and delays in despatch of unit certificates and dividend warrants by UTI.

(e) The findings of the report are under discussion between SEBI and UTI.

Amount Raised by Mutual Funds

1016. MAJ. GEN.(RETD.) BHUWAN CHANDRA KHANDURI :

DR. LAXMINARAYAN PANDEYA :

Will the Minister of FINANCE be pleased to state:

(a) the total amount raised by various Mutual Funds in the capital market since the initiation of the liberalisation of economy in 1991;

(b) the details of the amount raised by each Mutual Fund and the total number of investors in each case;

(c) whether savings invested in these Mutual Fund are being discounted between 10 to 55 percentage resulting in huge losses to the small investors;

(d) if so, the reasons therefor;

(e) the Net Asset Value (NAV) for each Mutual Fund as on December 31, 1995; and

(f) the steps taken by the Government to protect the interest of investors in mutual funds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) As per information furnished by SEBI the amount raised by various Mutual Funds (including UTI) since liberalisation of the economy in 1991 till date is approximately Rs. 55,960 crores.

(b) The information is being collected and will be laid on the Table of the House.

(c) and (d). Close ended funds are listed on the Stock Exchanges and often these schemes are quoted at discounts to their net asset values. The average discount of 48 listed schemes, according to SEBI, ranges between 20-25%. The discounts among other factors arise on account of imperfections in the stock market, investors' expectations and the liquidity needs of investors.

(e) The information is being collected and will be laid on the Table of the House.

(f) The Mutual Funds are regulated by SEBI under SEBI (Mutual Funds) regulations 1993. SEBI has been