

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:767
ANSWERED ON:25.07.2003
UNIT 64 SCHEME
PRIYA RANJAN DASMUNSI

Will the Minister of FINANCE be pleased to state:

- (a) whether the Unit 64 investors throughout the country have made any complaint individually or through their associations for not been able to realise their required dividend and appreciation of their net asset value;
- (b) if so, the details thereof; and
- (c) the steps the Government have taken to ensure protection of Unit 64 Scheme investors and to arrange the return of the dividend with appreciation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) to (c). As per the information received from the Administrator of the Specified Undertaking of the Unit Trust of India, some individual investors and associations made representations seeking relief such as to pay dividend for the year 2002, to make good the capital loss on account of difference between the acquisition cost and repurchase price, and to waive 5000 units limit for small investors/senior citizens/charitable trusts for getting Rs.12 per unit repurchase price, etc.

Investors of US-64 were given option of 6.75 p.a. tax-free, interest payable half-yearly, Government guaranteed tradable bonds in lieu of cash payment as on 31.5.2003. These bonds have the features of safety, liquidity and superior returns compared to returns currently available in the market. The effective yield on these bonds works out to over 10% in respect of corporates and individuals with the marginal tax rate of 30% or above.