

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4512  
ANSWERED ON:20.08.2010  
BORROWING BY MUTUAL FUND SCHEMES  
Majumdar Shri Prasanta Kumar; Tirkey Shri Manohar

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of Mutual Fund Schemes which resorted to borrowing during the last two years;
- (b) whether investors of these Schemes were adversely affected due to such borrowings; and
- (c) if so, the Government's response thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): In financial year 2008-09, 25 Mutual Funds had borrowed Rs.77475.68 crore and in financial year 2009-10, 15 Mutual Funds had borrowed Rs. 13286.53 crore. The names of the mutual funds and amount borrowed are given in the Annexure.

(b): No, Sir. SEBI (Mutual Funds) Regulations, 1996 lay down the reasons and place limits on borrowing by mutual funds so as to protect the interest of investors. Borrowings help in averting sale of securities at fire sale prices by mutual funds, which may adversely affect the investors.

(c): Not applicable in view of reply to (b) above.