

Privatisation of UTI

* 34. SHRIV.V.RAGHAVAN:
SHRI NAGENDRA NATH OJHA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering a proposal to privatise the Unit Trust of India (UTI); and

(b) if so, the detail thereof and the steps being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The Corporate Positioning committee constituted by Unit Trust of India (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.

The sponsor should be a sponsoring company which could be owned upto 40% by the sponsoring institutions (*i.e.*, the institutions which presently hold the initial capital) and 60% by a strategic partner. The UTI should convert itself into an AMC which could be owned upto 40% by the sponsoring company and 60% by die public.

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 hodlers.

Production of depositors' interests in Krushi Bank of Andhra Pradesh

* 35. DR. Y. LAKSHMI PRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Andhra Pradesh has refused to stand guarantee for funds pumped in by bankers in revival of Krushi Bank; and

(b) if so, the manner in which investors will be compensated or their interest watched?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Reserve Bank of India (RBI) has reported that there was no proposal to revive die Krushi Co-operative Urban Bank Ltd.,

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Hyderabad by the banks. It also does not have any information regarding any bank showing willingness to pump in money for the revival of the said bank.

(b) RBI has further reported that Deposit Insurance and Credit Guarantee Corporation (DICGC) would settle the claims of depositors upto Rs. 1 lakh, as per DICGC Act, 1961 after receipt of claims from the liquidator.

Flying of aircrafts over strategic installations and historic structures

*36. SHRIMATI JAYAPRADA NAHATA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether in view of attacks of bomber aircrafts in U.S., Government have issued fresh guidelines to prohibit flying of aircraft over strategic installations and historic structures in the form of aviation as a weapon for terrorist activity; and

(b) if so, the details in this regard?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN): (a) No fresh guidelines have been issued.

(b) Does not arise.

Impact of terrorists attack in US on aviation industry

* 37. SHRI K.M. KHAN:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) what, according to the assessment made by Government, is the overall impact of the recent terrorists attack on the U.S. cities on the aviation industry stating the estimated loss suffered and on the process of disinvestment of Air India; and

(b) what steps are being taken to improve the situation and also for the safety of the passengers going to and coming from abroad?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN): (a) and (b) Even though no comprehensive study has been made so far to assess the overall impact of the recent terrorists attack on the U.S. cities on the aviation industry, international Air Transport Association (IATA) has estimated the loss to be around USD 7 billion (Rs. 35,000 crores) on international