

[English]

Audit Inspection of UTI Funds By SEBI

939. SHRI R. SURENDER REDDY : Will the Minister of FINANCE be pleased to state :

(a) the approximate amount of funds presently managed under various schemes floated by Unit Trust of India and number of unit holders thereof;

(b) whether there is any independent authority which conducts audit of UTI funds and inspects functioning of its schemes;

(c) if so, the details thereof;

(d) whether there have been allegations of serious irregularities against UTI with regard to management, functioning and investment of funds particularly its Mutual Funds under its various schemes;

(e) if so, the details thereof indicating whether any investigations have been conducted into those allegations;

(f) if so, the outcome thereof;

(g) whether there is any proposal under the consideration of Securities and Exchange Board of India to undertake inspection and audit of management of funds under various schemes floated by UTI;

(h) if so, the details thereof;

(i) whether Securities and Exchange Board of India is legally empowered to conduct inspection of various schemes of UTI; and

(j) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) :

(a) As of June 30, 1995, the UTI's investible funds were around Rs. 61,000 crores with 482 lakhs unit holding accounts.

(b) and (c) The functioning of the Unit Trust of India is guided by the UTI Act, 1963 and The UTI General Regulations. As per Section 27 (1) of the UTI Act, the affairs of the Trust shall be audited by one or more auditors duly qualified to act as an Auditor under Section 226 of the Companies Act. The Trust is also required to furnish information under Section 29 of the UTI Act to the RBI or IDBI as and when called upon to do so. Since July, 1994, UTI has been brought under the regulatory jurisdiction of SEBI.

(d) to (f) Questions on the rationable of investments made by UTI have been raised from time to time. UTI has confirmed that its investments are based on commercial

considerations with due regard to prudential norms and subject to the scrutiny of the Board of Trustees and the Executive Committee.

(g) and (h) SEBI have appointed auditors of M/s Haribhakti & Co. for inspecting six schemes of UTI, namely, Grih Lakshmi Unit Plan, Retirement Benefit Plan, Monthly Income Plan, 1994 (III), Unit Scheme, 1995, Unit Scheme 1964 and Mastergain-1992.

(i) and (j) Since July, 1994 the Trust has come under the regulatory framework of SEBI. Further, SEBI have been empowered by the Securities Laws Amendment Act, 1995 to inspect any books registers and other documents of any intermediary including a mutual fund.

Meeting of Indo-American Commercial Alliance Board

940. SHRI PRAKASH V. PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether Indo-American Commercial Alliance Board has been constituted;

(b) if so, the areas on which two sides have initially agreed to focus at the meeting held on June 19, 1995 in California;

(c) whether commercial alliance is also sponsoring conference on Information Technology opportunities in India; and

(d) if so, how far this alliance will be useful to India and whether it will encompass trade associations as well as large and small business particularly in food processing, cotton (knitted) Yarn, iron ore and other factors?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) At the meeting of the Board of the Indo-US Commercial Alliance held on 19th June, 1995 at Santa Clara, California, USA, it was agreed to initially focus on four sectors, viz Agri-business, Information technology, power, and transportation infrastructure.

(c) Yes, Sir.

(d) The Indo-US Commercial Alliance provides a framework for increased interaction between private sector enterprises in both countries for expanding business relations. The main objective of the Alliance is to encourage interaction between Indian and US enterprises including large, medium and small business, initially in the sectors mentioned in part (b) above. Activities of the Alliance are expected to lead to stronger trade and commercial ties between India and USA.