

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:203
ANSWERED ON:01.03.2002
HEADING PRIVATISATION OF MUTUAL FUND
GANGASANDRA SIDDAPPA BASAVARAJ;GOWDAR MALLIKARJUNAPPA

Will the Minister of FINANCE be pleased to state:

- (a) whether the privatization of India's largest mutual fund, the Unit Trust of India has clearly been put on the backburner;
- (b) if so, whether the Government are considering various measures whereby the ownership would remain in the hands of the Government-owned undertakings;
- (c) if so, whether the UTI Board has already rejected the Malegam Committee recommendations, which has favoured privatisation by roping in a strategic partner with 60 percent equity in the sponsoring company;
- (d) if so, whether the Government have considered the report of the Board of UTI which was presented to them in the month of December, 2001; and
- (e) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASHEB VIKHE PATIL)

(a) to (e): Government is examining various options to restructure UTI with a view to enabling it to fully meet with mutual fund regulations of SEBI and enhancing the competitive positioning of UTI.

UTI has intimated that the UTI Board has not rejected the recommendations of the Malegam Committee. The Board has discussed the various issues raised in the report.