

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5025
ANSWERED ON:26.04.2002
AUDIT INSPECTION OF UTI
VINAY KUMAR SORAKE

Will the Minister of FINANCE be pleased to state:

- (a) whether the SEBI had undertaken an audit inspection of the UTI's market practices in 1998-99 ;
- (b) whether it was found during such an inspection that UTI has been deliberately not making full disclosures on its portfolios in its annual reports according to SEBI regulations; and
- (c) if so, the action taken by the SEBI on UTI's lapses as detected during the inspection?

Answer

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

- (a) According to SEBI, an inspection of UTI was conducted by chartered accountants appointed by SEBI to look into the regulatory compliance of UTI schemes which were under the regulatory purview of SEBI for 1998-99.
- (b) and (c) The inspection, inter-alia, revealed that UTI had disclosed only 75% of the portfolio of these schemes as on 30.6.1999. SEBI advised UTI to disclose the entire portfolio of the schemes, as required under the regulations. UTI disclosed the entire portfolio in their 1999-2000 Annual Report.