

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:795
ANSWERED ON:21.02.2003
UTI SET UP
ADHIR RANJAN CHOWDHURY

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Government have decided to make new UTI set up from February 1, 2003;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) whether the new management company will be successful in carving out of the trust with all the New Schemes;and
- (d) if soT the details in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) Under the provisions of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, the erstwhile Unit Trust of India has been bifurcated, with effect from 1st February, 2003, into (a) the `specified undertaking` viz. UTI-I, comprising of schemes mentioned in Schedule-I of the above Act and managed by government appointed Administrator and (b) the `specified company` viz. UTI-II, comprising of NAV based schemes mentioned in Schedule-I I of the above Act. Government decided to bifurcate UTI to ring fence the liabilities on government with regard to US-64 and assured return schemes of UTI; and to distance itself from the mutual fund activities of UTI which are regulated by SEBI.

(c) and (d) UTI-II has been set up as per SEBI regulations and will work accordingly.