

Chapter – 4

History of Unit Trust of India

Content

- 4.1) Introduction
- 4.2) Objectives of UTI.
- 4.3) UTI Mission.
- 4.4) Management of the Trust.
- 4.5) The Organisation structure.
- 4.6) Saving Schemes of UTI
- 4.7) Statutory Regulations Governing LIC investments.
- 4.8) References

4.1 Introduction

In the early thirties the need for establishing Unit type of Investing Institution was felt when the Indian Central Banking Enquiry committee submitted its report.

According to this report 'Manu Subedar' observed that "an unlimited benefit to India is bound to grow from the establishment and proper working of Unit Trust and the assistance which they will give to the investor in the creation of intermediate securities which do not exist now, in providing a channel for investment in industrial and other fields where the primary investor would be too scared or too ignorant."

Later on, various committees suggested that both public and private sectors should set up such financial Institution. So in the year 1963, the Government undertook very aggressive programme to mobilize long-term savings of the people and direct them into productive channels so as to foster industrial growth in the country.

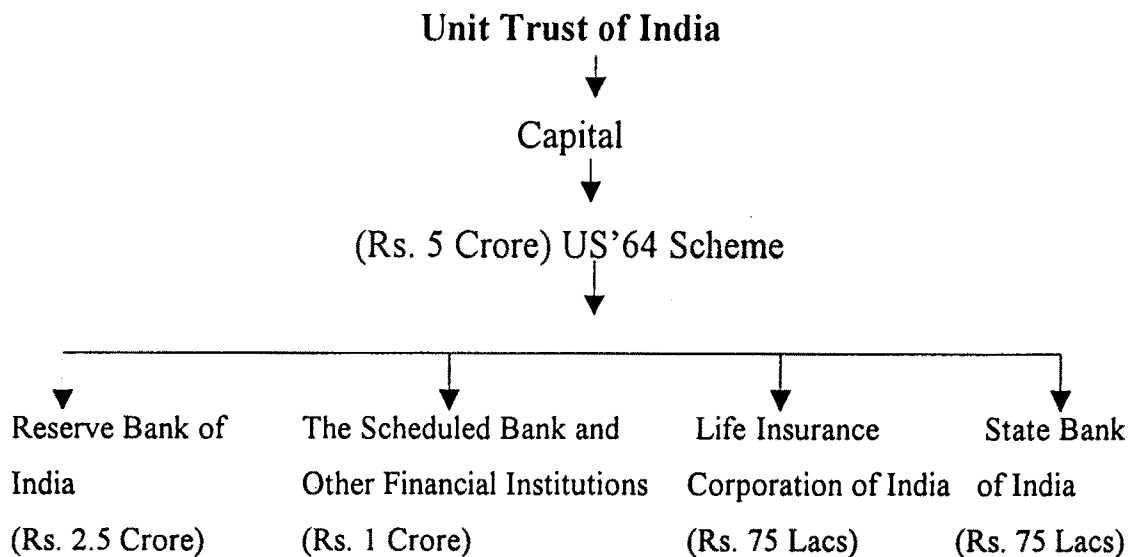
The Government of India made a financial set up i.e. 'The Unit Trust of India' by passing special Unit Trust of India Act 1963, on 1st of February 1964.

But it started functioning with effect from 1st July, 1964 as an intermediary that connects people with the Capital and financial markets of the country.

The trust has been organized largely on the lines of unit trusts in the U.K. Its basic objective is to provide a fill up to the small savings campaign of the Government by offering them the benefit of diversified investment in industry at the minimum risk of capital and a reasonable return. It is also meant to strengthen the capital market – both the new issues market and the stock exchange.

The Unit Trust of India has been set up in the public sector with an initial capital of Rs. 5 Crores subscribed as shown in (Chart No. 23)

Chart – 23



4.2 Objectives of Unit Trust of India.

According to the preamble to the Unit Trust of India Act, The Trust was established ‘with a view to encourage savings and investment and participation in the income, profit and gains accruing to the corporation from the acquisition, holding, management, and disposal of securities.’”

The main objectives of the trust are as follows :

1. To transform household savings into corporate investment so as to develop the Indian Industries.
2. To encourage regular and orderly development of the capital market.
3. To give chance to the investors, to own securities indirectly in a large number of selected companies and thus help them to share in the widening prosperity of Industrial growth.
4. To enable common investors to participate in the prosperity of the capital market through port folio Management, which aimed at reasonable return, liquidity and safety.

The Unit Trust of India offers a variety of saving and investment instruments in the form of Units, which are sold primarily to the household savers assuring them safety, liquidity, regular return and capital appreciation.

In a complex financial market, it gives investors the opportunity for a simpler, more secured and convenient method of pooling their resources as it operates on the principle of spreading the risk by investing its fund in a wide spectrum of securities.

Diversification of investment and professional expertise are the two important attributes of the Trust.

4.3 UTI – Mission

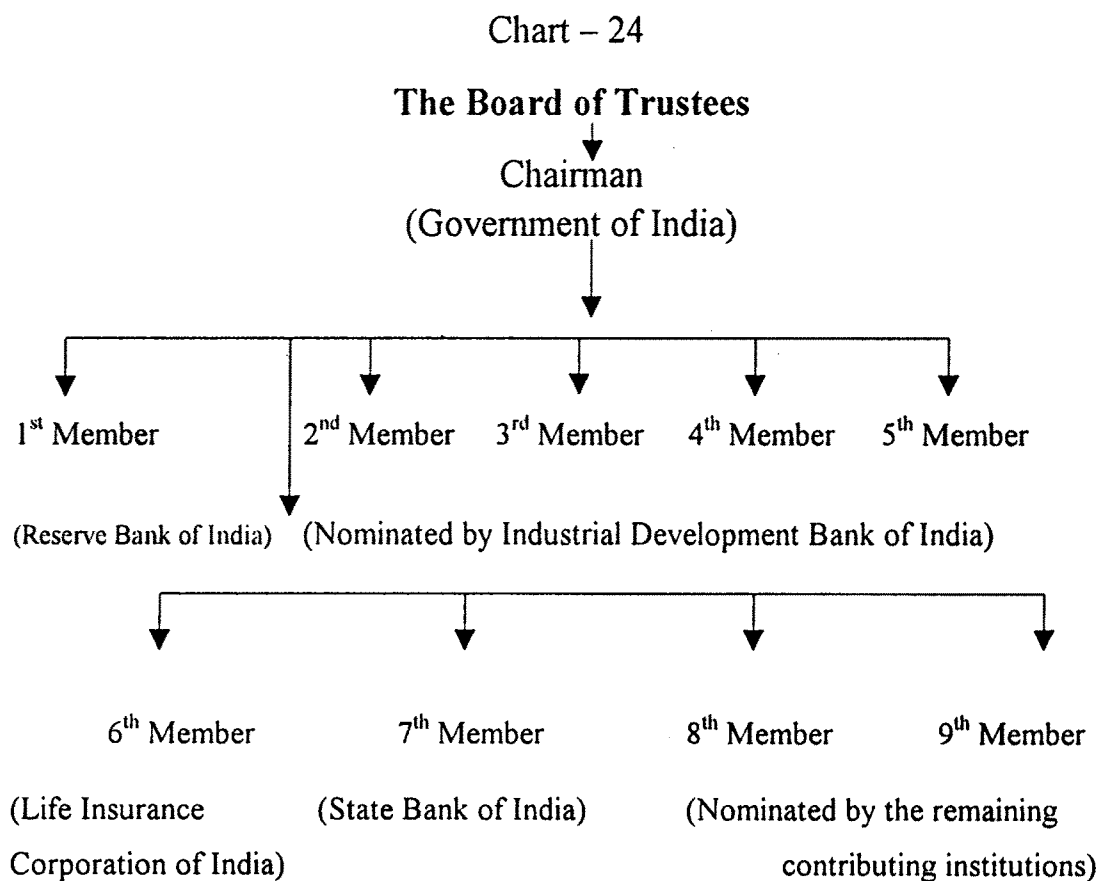
- ❖ To meet Investor's diverse income and liquidity needs by creation of appropriate schemes : to act as his one-window investment institution, to offer best possible returns on his investment, and render him prompt and efficient service, beyond normal customer expectations.
- ❖ To keep the common man into sharper focus, to encourage savings and investment habits among them, to bring to the common man the prosperity of the capital market at minimum risk, through the habit of investing in Units.
- ❖ To pursue excellence in performance in all areas relating to sale of Units, investments of funds and services to investors, to having abiding concern and utmost care for the saving of investors.

- ❖ To develop in each and every member of UTI the highest degree of self esteem and pride that we are fortunate to be in this Institution to offer our best services to investors.

[Source : UTI – handbook]

4.4 Management of The Trust :

The management of the affairs and business of the trust are vested in the Board of trustees, which consists of 11 trustees including a full-time chairman appointed by the Government of India, in consultation with The Industrial Development Bank of India as shows in the Chart 24



(Note : Executive Trustee is appointed by IDBI.)

Of the remaining nine trustees, four are nominated by the Industrial Development Bank of India, one each is nominated by the Reserve Bank of India and Life Insurance Corporation of India, one trustee by the State Bank of India (SBI) and the other two are elected to represent the remaining contributing institutions. Besides the Board, there is a Statutory Executives Committee comprising the Chairman, the Executive Trustees nominated by the Industrial Development Bank of India. All the matters decided by the Executive Committee are reported to the Board, for ratification. But Board of Trustees does not include any employee. Thus, the Board Consists mainly of representatives / Nominees of the investors to the initial Unit Capital of the US'64 Scheme.

4.5 The Organisation Structure :

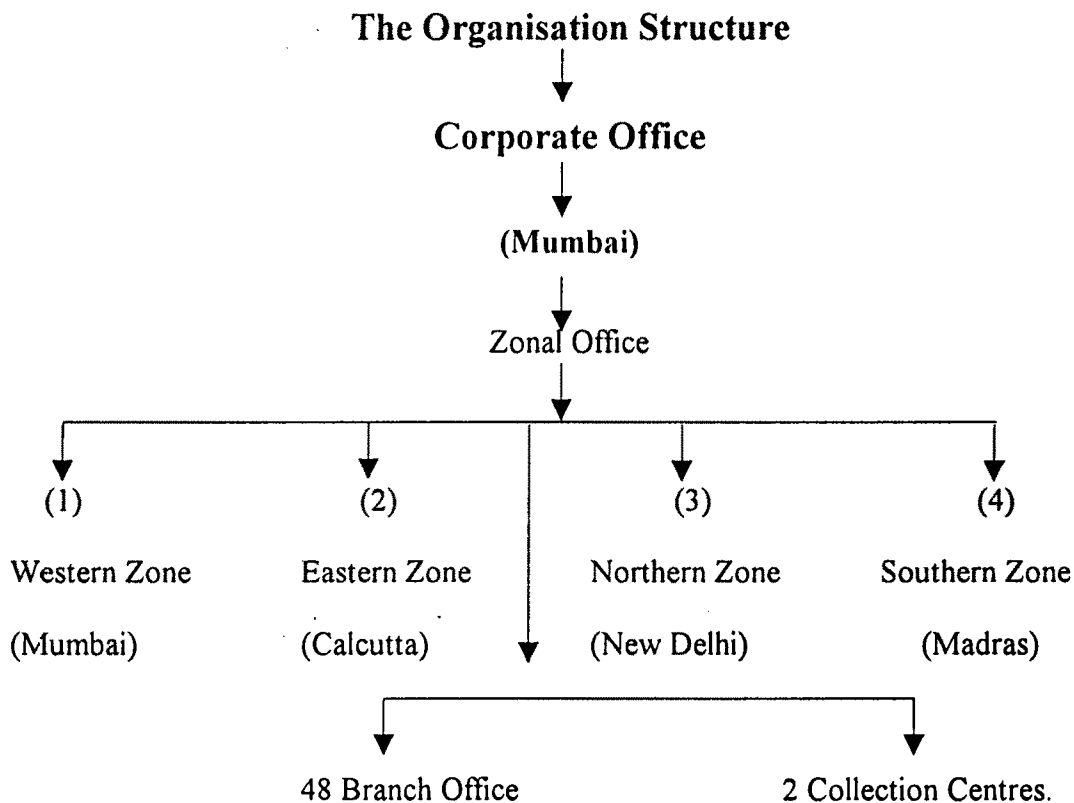
An essential function of trust management is to invest the money subscribed by Unit holders so that the aims of the fund are fully met and Unit holders receive the benefits of good husbandry. This is not always so easy as it sounds nevertheless Unit trust managers are professionals and are in a position to draw on the best possible independent advice as well as their own experience and contacts.

Investment is their business and investors in Unit trusts are therefore entitled to expect all the relevant factors to be taken into account in seeking the best possible performance.

Another important function of the management is to ensure that there is always a market in the Units. It must always be prepared to buy from and sell to the public, Units in whatever quantity is required.

Running a trust involves managers in expenses. Staff have to be employed to carry out buying and selling operations, value the fund, prepare and sent-out half yearly reports to Unit holders and of course, provide the necessary investment judgments to ensure that the fund invests in the right shares at the right time. All this has to be paid for and it is done on a fixed basis; that is known to the Unit holder before he invests in the fund.

Chart – 25



The Organisational structure of the trust is based on three-tier system as shown in Chart 25. The Apex body is the corporate office which decides all the policies of the trust and ensures proper implementation of the same. The Corporate Office of the Trust is situated in Mumbai.

The middle tier is the Zonal Offices, which are mainly responsible for implementing various decisions taken by the Corporate Office. They also supervise, guide and also monitor the functions of the Branch Offices under their jurisdiction.

The last and the lowest tier comprises of the Branch Offices. There are 48 Branch Offices and two Collection Centres. Each office has certain districts under its jurisdiction. Their main functions are the sale of Units under all schemes; processing of application and issue of Unit certificates etc. Besides this services, it provides training to the agents, appointments, Organising periodic sales promotion meetings and refresher courses for the agents in the districts assigned to the Branch, render pre and post sales services to investors in respect of all schemes/plan decentralized at Branch Office Level.

4.6 Saving Schemes of Unit Trust of India :

As I explained in one of the previous topic, the Unit Trust of India was established in 1964 with the objective of making available the benefits of industrial growth to small savers. The Unit Trust of India collects investible resources from investors through the sale of securities called “Units”. These funds are then invested by Unit Trust of India in various financial assets. ‘Unit’ holder will receive dividends from Unit Trust of India.

Since its inception, UTI has offered various schemes to cater to the needs of different classes of investors. Most of these schemes are income-oriented, though, of late, UTI also offers growth Oriented Schemes.

It offers both open – ended schemes of UTI through out the year at prices stipulated by UTI. But the important aspect of the trust is that the trust stands ready to repurchase these Units throughout the year at prices stipulated by the trust.

On the other hand subscriptions to the close-ended schemes of Unit Trust, however are open only during a stipulated period of time and investors in these schemes have to lock their funds in the schemes for the period of the scheme some closed ended funds of UTI are trade on the stocks markets thus providing liquidity to the investors.

In its attempt to pool savings of people, the Trust has introduced a number of saving schemes from time to time.

We shall discuss in brief each of these schemes along the following lines.

1. Unit Scheme 1964

This schemes was introduced from July 1, 1964, so as to offer the unit holders a regular and growing income consistent with safety and security of investment, and also easy encashability and a reasonable capital appreciation.

Unit under this schemes have face value of Rs. 10/- and they are sold in multiple of hundred units subject to a minimum of hundred units. A unit certificates as shown in ANNEXURE-1 is issued to the Unit Holder.

Non-residents who are Indian or persons of Indian origin can purchase units singly or jointly with a resident provided that the application money is either remitted from abroad or paid by debit to non – resident account (Ordinary or external). For a resident to buy units jointly with a non – resident, special permission of Reserve Bank of India is necessary.

All applications are to be in multiples of hundred units with a minimum of 100 units of the face value of Rs. 10/- each. There is no maximum limit. Like shares, units issued under the Unit Scheme, 1964 can be transferred. The transfer form can be obtained from the offices of the trust.

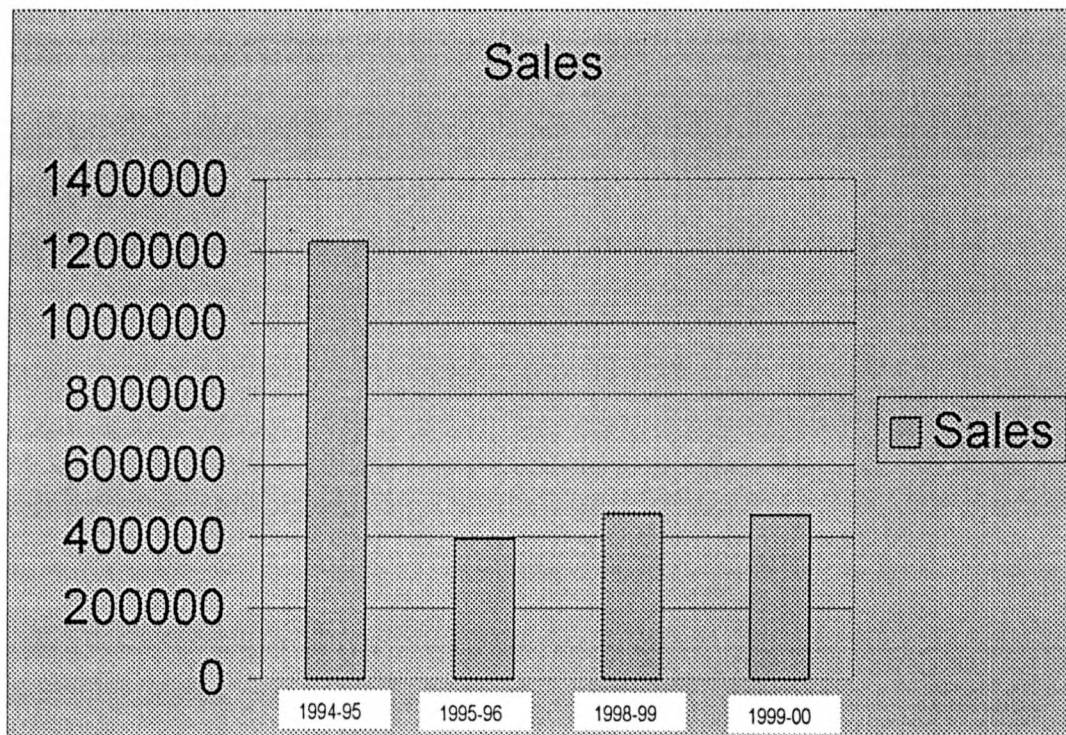
As a result of prudent investment policy and control on expenditure, the trust has been able to declare a growing rate of dividend on Unit Scheme 1964.

Table 4.1

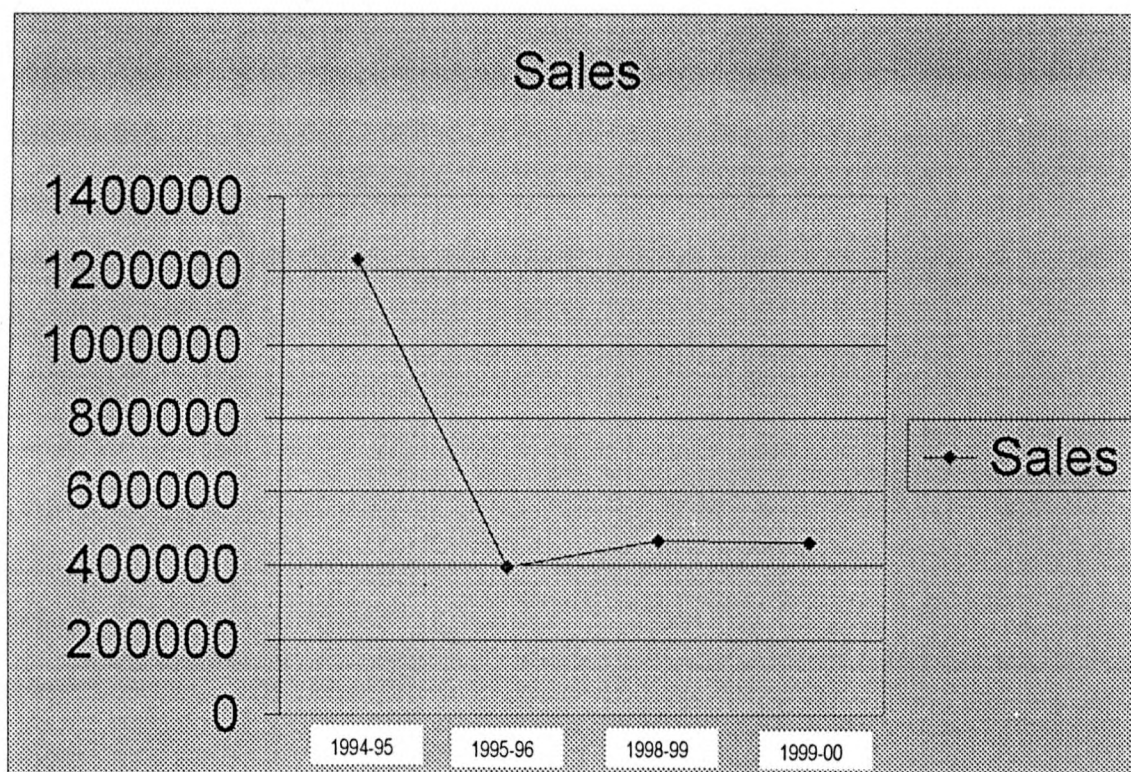
Performance of Unit Scheme 1964 (Rs. Lakhs)

Year	Sales	Repurchase	Outstanding Unit capital
1994 – 1995	1229729.12	79242.74	15281.73
1995 – 1996	393568.52	682620.73	13514.46
1998 – 1999	463828.54	776969.21	1354418.70
1999 – 2000	459437.38	225770.26	1514625.96

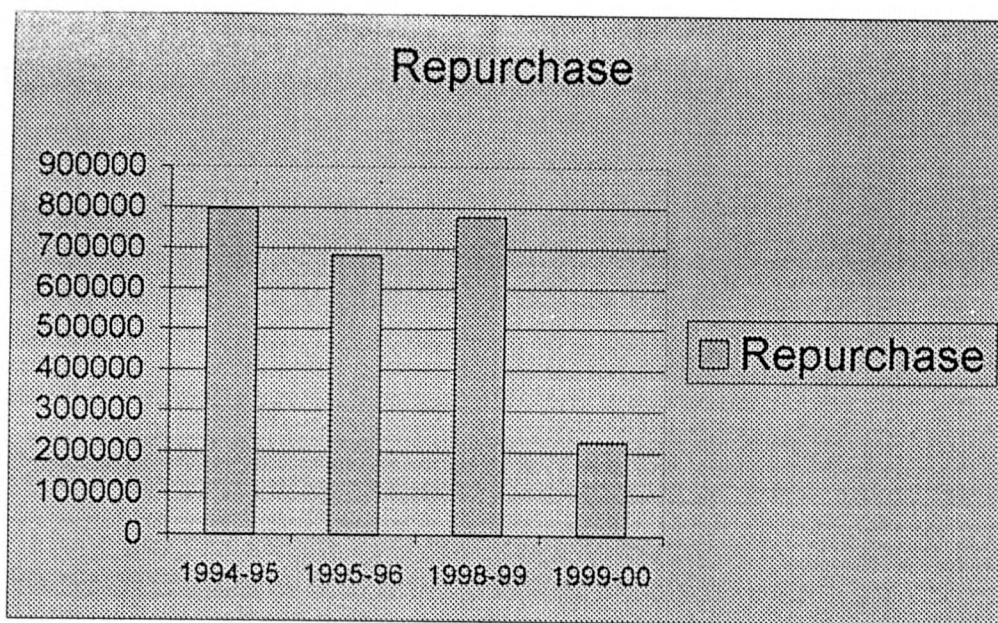
[Source : Annual Report]



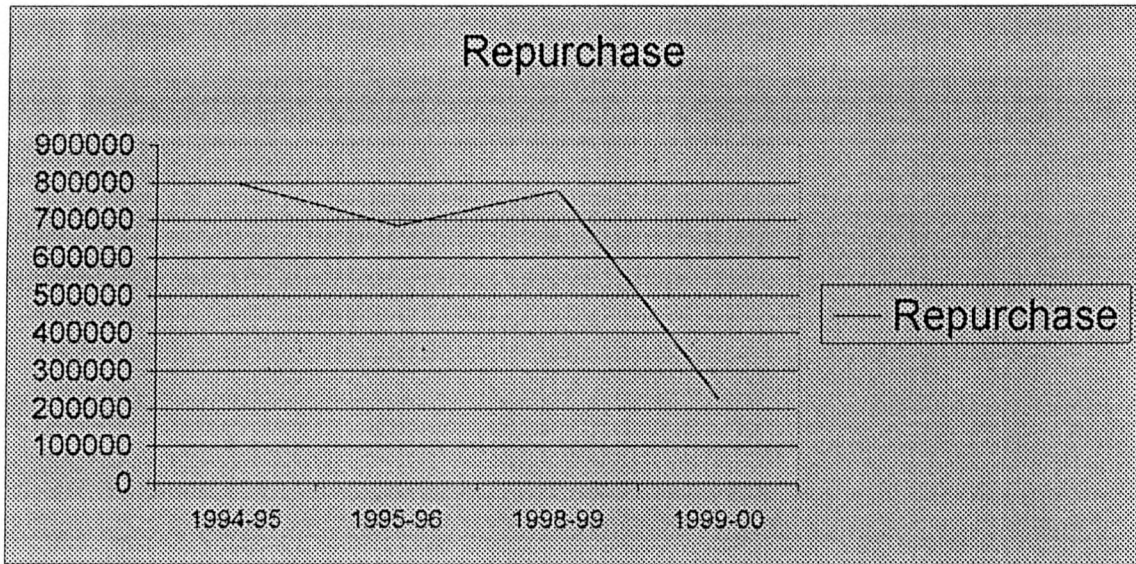
Year – Sales Graph



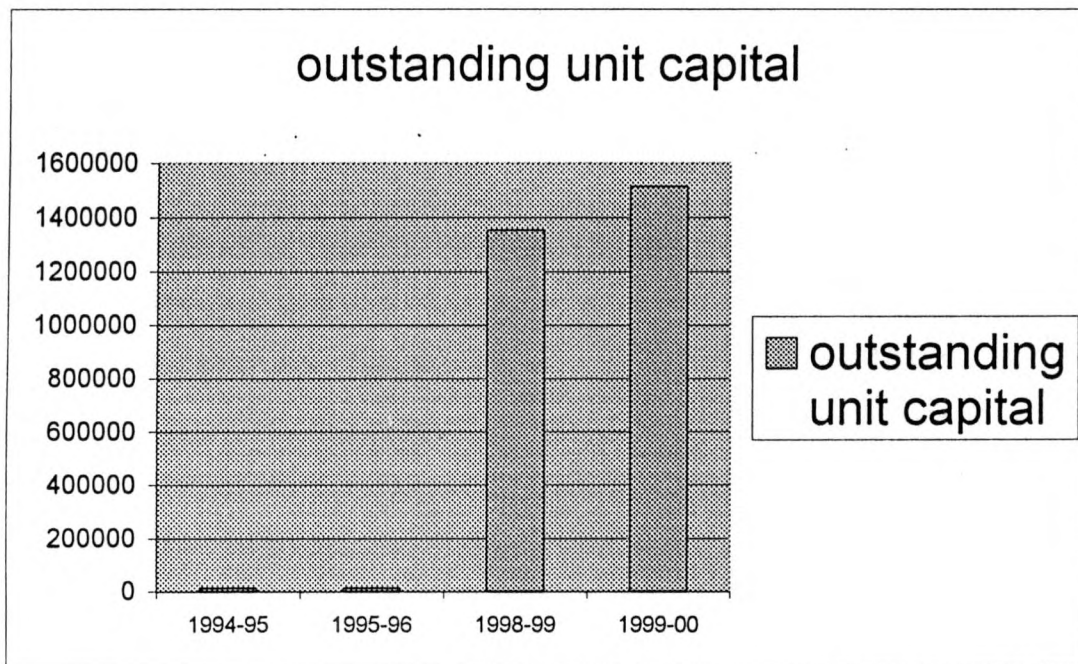
Year – Sales Graph



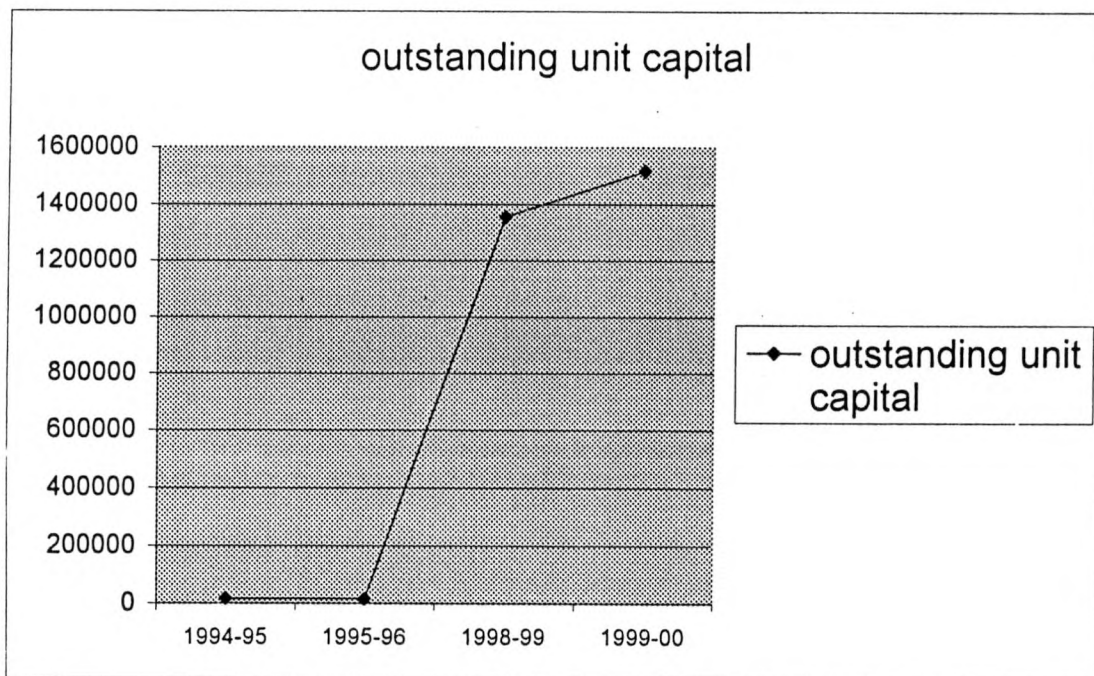
Year – Repurchase Graph



Year – Repurchase Graph



Year – Outstanding Unit Graph



Year – Outstanding Unit Graph

Table 4.2

Performance of Unit Scheme 1964 (Rs. Lakhs)

Year	Sales of Units		Repurchase of Units	
	Face Value	Cash Value	Face Value	Cash Value
1994 – 1995	770413.43	1229729.12	444200.90	797242.74
1995 – 1996	251604.44	393568.52	423831.98	682620.73
1998 – 1999	328562.13	463828.54	537113.76	776969.21
1999 – 2000	322556.31	459437.38	162349.05	225770.26

[Source : Annual Report]

The rate of dividend declared during the latest year 1985 – 1986 to 1994 – 1995 are as under :

Table – 4.3

Year Ended 30 th June	Rate of Dividend (%)
1985 – 1986	15.25 (14.75 + 0.50)
	Bonus dividend
1986 – 1987	16.00
1987 – 1988	16.50
1988 – 1989	18.00 (includes 1% silver jubilee year dividend)
1989 – 1990	18.00
1991 – 1991	19.50
1991 – 1992	25.00
1992 – 1993	26.00
1993 – 1994	26.00
1994 – 1995	26.00

Sales and repurchase Prices (in rupees) under unit Scheme 1964 for the years 1990 – 91 to 1994 – 1995 are as follows :

Table – 4 .4

[U.S.' 64] Sales & Repurchase Price

Month	1990 – 1991		1991 – 1992		1992 – 1993		1993 – 1994		1994 – 1995	
	Sales	Repurch-	Sales	Repurch-	Sales	Repurch-	Sales	Repurch-	Sales	Repurch-
	Price	ase	Price	ase	Price	ase	Price	ase	Price	ase
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
July	13.75	13.00	14.10	13.20	14.90	13.90	16.00	15.00	16.50	15.50
August	14.20	13.45	14.25	13.45	15.15	14.10	16.15	15.15	17.50	16.30
September	14.50	13.70	14.40	13.50	15.40	14.35	16.35	15.35	18.50	17.25
October	14.00	13.80	14.50	13.55	15.65	14.60	16.60	15.55	-	-
November	14.90	13.90	14.60	13.65	15.90	14.85	16.90	15.80	18.90	17.60
December	15.00	13.95	14.70	13.75	16.15	15.10	17.25	16.15	19.05	17.75
January	15.10	14.00	14.80	13.85	16.40	15.35	17.75	16.65	19.15	17.85
February	15.20	14.10	15.00	14.05	16.70	15.65	18.25	17.05	19.20	17.90
March	15.30	14.20	15.30	14.35	17.10	16.00 *	19.00	17.70	19.25	17.95
April	15.05	14.35	15.35	14.60	17.50	16.40	19.30	18.00	19.30	18.00
May	15.60	14.50	15.75	14.85	18.00	16.80	-	-	19.35	18.05

[Source : "A handbook for reference"]

(*) Sales were open upto 07.30.1994

- National Sale price for transfer cases.

2. The Reinvestment Plan 1966 :

The reinvestment plan introduced in 1966 offers the facility of automatic reinvestment of the dividend income payable to the unit holders in further units of the Trust at a special offer price prevailing at the beginning of each accounting year in July.

All persons who hold or apply for units of Unit Scheme 1994 are eligible to participate in the Plan. It provides a convenient facility to unit holders whereby the dividend on their holdings is automatically reinvested every year in more units of Units Scheme 1964 at a July Sale Price or at such other price as may be determined by the Trust.

Units held under this plan receive the same dividends as units of Unit Scheme 1964. The Units held under this dividend due on units acquired under the plan is also reinvested in further units.

3. Children's Gift Plan (CGP – 1970)

This plan is specially designed for people who care for children. But the sales under the scheme were suspended from 1st July, 1986.

4. Children's Gift Growth Fund Unit Scheme 1986 (CGGF –1986)

It is the revised version of CGP-1970 with fixed rate of dividend and provision for bonus Dividend. It is mainly designed for people who want

to give a special gift to children below 15 years of age. It provides an excellent opportunity to build up a safe investment in the name of a child. The gift remains safe because no one – neither the donor nor the donee child can touch it till maturity. So the child gets money when he needs it most i.e. to pay for higher education, to set up a home.

Unit can be gifted to any child who is below 15 years of age. A child to whom the units are gifted is known as donee child. The donee child need not be a relative of the donor. The donee child can be a resident or a non-resident.

Applications are to be made in multiples of 100 Units with a minimum of 200 Units of the face value of Rs. 10/- each. There is no maximum ceiling on holding. Units will be sold at par at Rs. 10/- throughout the year except when the books are closed during the month of June.

Under the Scheme, there is an assured dividend of 14 % per annum from 1992-1993. The dividend is automatically reinvested in units, so that gift grows at a compound rate. As shown in Table 4.5 money more than doubles in years and becomes more than 15 ½ times the original amount in 2 years. There is a bonus dividend every 3 years which will also be reinvested therefore growth is expected to be even better than shown in

the Table-4.5. The first bonus dividend of 5 % was paid on 30.06.1991. Second bonus dividend at the rate of 3 % was paid on 30.06.1994. Third bonus dividend declared in 1996-97.

Table : 4.5
Children's Gift Growth Fund – Growth
Initial Investment : 200 Units
Dividend : 14 % p.a.
Sales price : Rs. 10.00

Year	Dividend (Rs.)	Units Alloted Out of Dividend	Total Unit Holding At The Year End
1.	280.000	28.000	228.000
2.	319.200	31.920	259.920
3.	363.888	36.389	296.309
4.	414.832	41.483	337.792
5.	472.909	47.291	385.083
6.	539.116	53.912	438.995
7.	614.592	61.459	500.454
8.	700.635	70.064	570.517
9.	798.724	79.872	650.390
10.	910.546	91.872	741.444
11.	1038.022	103.802	845.246
12.	1183.345	118.335	963.581
13.	1349.013	134.901	1098.482
14.	1537.875	153.788	1252.270
15.	1753.178	175.318	1427.588
16.	1998.623	199.862	1627.450
17.	2278.430	227.843	1855.293
18.	2597.410	259.741	2115.043
19.	2961.047	296.105	2411.139
20.	3375.594	337.559	2748.698
21.	3848.177	384.818	(3133.516)

Repurchase value of 3133.516 + units at the assumed repurchase price of Rs. 10/- will be Rs. 31335.16 i.e. more than 15 ½ times of original investment. Plus the bonus dividends every 3 years will be added to this.

There are many schemes under this Trust. Some of them are explained in the previous pages. And others are shown in table- 4.6

Table : 4.6

Scheme in Operation (Open ended)

Sr. No.	Open-End Unit Scheme Acronym	Scheme Name	Date of Introduction	Fresh Sales Closed on
1.	Unit Scheme 64	Unit Scheme – 1964	01-Jul-1964	
2	RIP 66	(a) Re-investment Plan – 1966	01-Jul-1966	
3.	CGP 70	(b) Children’s Gift Plan – 1970	01-Jul-1970	June, 86
4.	Unit Scheme 71	Unit Scheme – 1971	01-Oct-1971	
5.	C R T S 81	Unit Scheme for Charitable & Religions Trust and Registered Societies – 1981	01-Oct-1981	
6.	C G G F 86	Children’s Gift Growth Fund – 1986	14-Apr-1986	
7.	OMNI Plan 91	Omni Unit Plan – 1991	16-Aug-1991	
8.	Mastershare Plus 91	Mastershare Plus Unit Scheme – 1991	09-Dec-1991	
9.	C G U S 92	Capital Growth Unit Scheme – 1992	02-Apr-1992	
10.	H U S 92	Housing Unit Scheme – 1992	25-Jun-1992	31-Jun-1992
11.	R U S 92	Rajlakshmi Unit Scheme – 1992	02-Oct-1992	31-Oct-1993
12.	B G V M I P	Bhopal Gas Victims Monthly Income Plan – 1992	25-Jan-1993	
13.	Mastergrowth 1993	Mastergrowth Unit Scheme – 1993*	18-Jan-1993	
14.	Grandmaster 1993	Grandmaster Unit Scheme – 1993	29-Apr-1993	
15.	S C U P 93	Senior Citizen Unit Plan – 1993	03-May-1993	

16.	C C C F 93	Children's College & Career Fund Unit Plan – 1993	12-Jul-1993	
17.	R U P II	Rajlakshmi Unit Plan (II) – 1994	01-Jul-1994	
18.	G U P 94	Grihalakshmi Unit Plan – 1994	06-Aug-1994	
19.	R B U P 94	Retirement Benefit Plan – 1994	26-Dec-1994	
20.	U S 94	Unit Scheme – 1995	02-Jan-1995	
21.	P E F 95	PEF Unit Scheme – 1995	04-Apr-1995	
22.	M M F 97	Money Market Fund – 1997	23-Apr-1997	
23.	U B F 98	UTI Bond Fund – 1998	04-May-1998	
24.	S I Fund	UTI Small Investors Fund – 1998	25-May-1998	
25.	M I F 98	Mater Index Fund – 1998	01-Jun-1998	
26.	C G G F 99	Children's Gift Growth Fund – 1999	01-Feb-1999	
27.	R U P 99	Uajlakshmi Unit Plan – 1999	08-Feb-1999	
28.	GSF Brand Value	Growth Sector Fund – Brand Value	27-May-1999	
29.	GSF Pharma	Growth Sector Fund – Pharma & Healthcare	27-May-1999	
30.	GSF Software	Growth Sector Fund – Software	27-May-1999	
31.	GSF Service	Growth Sector Fund – Service	27-May-1999	
32.	GSF Petro	Growth Sector Fund – Petro	27-May-1999	
33.	Gsec	G-Sec Fund – 1999	23-Aug-1999	
34.	ETSP 99	Equity Tax Saving Plan – 1999	15-Nov-1999	
35.	NIF 2000	Nifty Index Fund – 2000	14-Feb-2000	

Became Open – End with effect from December 03, 1993

The sales and repurchase under the above schemes are open (as per the Scheme/Plan provisions) throughout the year except during the book closure period.

The close-ended schemes of the trust are given in Table : 4.7

Table : 4.7

Close – Ended Schemes

Sr. No.	Scheme	Sales Open between	Date of Termination
1.	New 7 year Monthly Income Unit Scheme with yearly Bonus and Growth 90 – MISG 90	April & May 1990	1 st April/ 1 st May/ 1 st June 1997
2.	Deferred Income Unit Scheme 1990 – DIUS – 90	16 th August to 31 st October 1990	Aug – Oct 1985/ Aug – Oct 1997
3.	Unit Growth Scheme 2000 UGS – 2000	1 st September to 15 th November 1990	31 st Dec. 2000
4.	7 year Monthly Income Unit Scheme with Bonuses and Growth 90 (II) – MISG 90 (II)	November 1990 to January 1991	1.11.1997/ 16.11.1997/ 1.12.1997/ 16.12.1997/ 1.1.1998
5.	Master Equity Plan 1991 – MEP – 91	15 th Feb. 1991 to 31 st March 1991	1.4.2001
6.	7 year Monthly Income Unit Scheme with Bonuses and Growth 91 – MISG – 91	April 1991 to June 1991	1.7.1998
7.	Capital Growth Unit Scheme 1991 – (Master gain 91)	15.4.91 to 30.6.91	1.7.1998

8.	Deferred Income Unit Scheme 1991 – DIUS – 91	August 1991	September 1996
9.	Unit Growth Scheme 5000 UGS – 5000	1 st Sept. 1991 to 5 th Oct. 1991	31.12.2001
10.	Growing Monthly Income Unit Scheme – 1991 GMIS – 91	October to November 1991	1.12.1996
11.	Mastershare Plus Unit Scheme 1991 (Masterplus)	9.12.1991 to 31.12.1991	March 1999
12.	Master Equity Plan 1992 – MEP – 92	1.1.1992 to 31.3.1992	1.4.2002
13.	Growing Monthly Income Unit Scheme – 1992 GMIS – 92	3.2.1992 to 16.3.1992	1.4.1997
14.	Growing Monthly Income Unit Scheme – 1992 GMIS – 92 (II)	16.4.1992 to 15.6.1992	1.7.1997
15.	Capital Growth Unit Scheme 1991 – (Master gain 92)	20.4.1992 to 18.5.1992	1.8.1999
16.	Deferred Income Unit Scheme 1992 – DIUS – 92	10.8.1992 to 27.8.1992	31.8.1997
17.	Growing Monthly Income Unit Scheme with Bonus – 1992 GMIS - B - 92	7.9.1992 to 17.10.1992	1.11.1997
18.	Unit Scheme 1992 US – 92	2.11.1992 to 23.11.1992	1.11.1997

19.	Growing Monthly Income Unit Scheme with Bonus – 1992 (II) GMIS - B – 92 (II)	16.12.1992 to 28.1.1993	1.2.1998
20.	Master Equity Plan 1993 – MEP – 93	15.1.1993 to 31.3.1993	1.4.2003
21.	Mastergroth Unit Scheme 1993	18.1.1993 to 16.2.1993	15.4.2000
22.	Monthly Income Scheme with Bonus 1993 – MSIB – 93	05.04.1993 to 18.05.1993	01.07.1998
23.	Grandmaster Unit Scheme 1993	29.04.1993 to 29.05.1993	01.08.2000
24.	Deferred Income Unit Plan 1993 (DIUP 93)	02.08.1993 to 14.09.1993	30.09.1998
25.	Monthly Income Unit Plan with Bonus 1993 (MIP 93)	16.09.1993 to 26.10.1993	01.11.1998
26.	Master Equity Plan 1994 (MEP94)	27.12.1993 to 31.03.1994	01.04.2004
27.	Monthly Income Unit Plan 1994 (MIP 94)	03.01.1994 to 15.02.1994	28.02.1998
28.	Growing Corpus Growing Income Plan 1994 (GCGI 94)	02.04.1994 to 05.05.1994	30.06.2004
29.	Monthly Income Unit Plan 1994 (II) (MIP 94 II)	23.05.1994 to 06.06.1994	30.06.1998
30.	Monthly Income Unit Plan 1994 (III) (MIP 94 III)	10.11.1994 to 07.12.1994	31.12.1999

31.	Monthly Equity Plan 1995 (MIP 95)	26.12.1994 to 31.03.1995	31.03.2005
32.	Monthly Income Plan 1995 (MIP 95)	27.04.1995 to 08.06.1995	30.06.2002
33.	Monthly Income Plan 1995 (II) (MIP 95 II)	07.08.1995 to 28.08.1995	31.08.2000
34.	Deferred Income Plan 1995 (DIP – 95)	01.09.1995 to 25.09.1995	30.09.2000

Further offer for sale shall be decided by the trust from time to time through Rights or Fresh offer.

❖ [Source UTI Institute of capital Mkt. Mumbai]

○ UTI Institute of Capital Markets (UTI, ICM)

It established in 1989, is devoted to continuous education of capital market participants and is the only one of its kind in the Asian Pacific region. The main activities of the Institute are training, research and consultancy in the capital markets, area. The institute has an international class training and research facility at Vashi, Navi Mumbai.

This institute has structured and conducted more than 600 training programmes for executives in the area of corporate finance and capital markets. The institute has trained a vast spectrum of capital market

participants numbering over 8000. Participants include policy makers and bureaucrats from the Govt. of India and Common Wealth Countries, executives from Indian and foreign banks and financial institutions, fund managers from Indian and foreign mutual funds, merchant bankers and brokers, analysts and research officers, marketing and sales personnel from the financial service industry and a wide range of practicing professionals in the capital markets. The institute also conducts a number of investor education programmes in major metros and state capitals.

The research initiative involves a series of monographs, working papers, and research papers that have been published by the Institute's faculty team. The Institute faculty have published 7 books and over 75 research papers and articles, representing one of the largest concentrations of capital market research in the country. The institute also conducts an annual capital market conference, which brings together researchers and practicing professionals in the capital markets to discuss and deliberate on ongoing capital market research.

The Institute has executed a no. of consultancy projects for ADS, USAID and World Banks in the Indian markets as well as neighbouring markets such as Indonesia, Sri Lanka, Nepal, Mauritius and Egypt.

❖ **Consultancy Projects**

- UTI ICM has been involved as the prime consultant in prestigious international projects sponsored by Asian Development Bank and Capital Market Development Bank for Capital Market Development in India and neighbouring countries such as Indonesia and Bangladesh.
- The Institute executed the dealer selection process for the, “Over the Counter Exchange of India.”
- UTI, ICM was retained by the National Housing Bank for a USAID project on financial instrument design and retail investor survey.
- UTI, ICM was involved in the IRIS project funded by USAID for the development of capital market Institutions and intermediaries at Nepal and Sri Lanka.
- The Institute executed a World Bank funded project for Development of training Modules for Indian Venture Capital Association.
- UTI, ICM has organized a training programme for the fund managers of Cairo funds Management, Egypt.
- UTI, ICM is also organizing a training programme for the Bank of Etheopea during June, 1998.

❖ **Research & Publication :**

- UTI, ICM is at the forefront of empirical and policy research in the capital market area.
- The Institute has published several monographs its research findings are disseminated through working paper series.
- Empirical research at the Institute focuses on emerging issues it includes.
 - Over reaction in Indian stock markets.
 - Behaviour of stock returns.
 - Fractal and chaos theory.
 - Money supply and stock prices relationship.
 - Corporate valuation.
 - International diversification.
 - Index futures.
- Policy Research in areas of corporate governance, role of institutional share holders, under pricing of public issues, impact of foreign portfolio investment and mutual fund marketing have contributed significantly to the understanding of the dynamic changes in India capital markets.
- The Institute hosts an Annual capital Markets Conference where in a large number of researchers in Indian capital markets present their research findings.

- The Institute faculty have published papers in various research journals and magazines, apart from presenting their research papers in national and international conferences.

4.7 Statutory Regulation Governing UTI Investment :-

In order to protect the interests of small investors, insure prudent investment practices by investments into desired sectors, avoid concentration of power and ensure orderly growth of the capital market, the government of India and associate regulatory bodies have laid down certain regulations and guidelines to be followed by investment companies while framing their investment policies.

According to the statutory regulations governing investments by UTI, UTI's investments in a single company should not exceed 5 % of the total value of securities issued and outstanding of the company which ever is lower.

Again, investments in initial issues of new companies should not be more than 15 % of UTI's investible funds.

4.8 References :

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4. Avadhani, V.A., “Securities Analysis and Portfolio Management”, Himalaya Publication House.
5. An Authorised Weekly of Securities and Exchange Board of India (SEBI).
6. Report of the Social Audit Committee (Submitted in October 1994).
7. Annual Reports of UTI.
8. Study Material of Indira Gandhi National Open University School of Management Studies, titled “ Security Analysis and ‘Portfolio Management’.
9. Websites :

www.sebi.com

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