



Complaint seeking audit of UTI AMC Debt Fund Manager's transactions connected with recent down grades / defaults.

1 message

UTI Officers Association <utiofficersassociation@gmail.com>

Sun, Jan 19, 2020 at 7:34 PM

To: chairman@sebi.gov.in

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Respected Sir,

Loss in UTI Treasury Advantage Fund (TAF) investment amounting to Rs.50,000/- approx.

Folio No.:522302478597- Investor - All India UTI AMC Officers Association

All India UTI AMC Officers' Association a registered Association representing vast majority of the Officers of UTI AMC Ltd which is the Investment Manager of UTI Mutual Fund , had logged a formal complaint with Chairman of SEBI on 01-11-2019 (with a follow up mail on 03-11-2019) seeking :

1. Compensation for the losses which we have incurred because of wrong investment decision of the fund manager, which was highlighted in the media, and which resulted in capital erosion.
2. **Disclosure of action taken on the delinquent fund managers / research team members whose commissions / omissions have resulted in wide spread losses to investors of Debt Funds of UTI MF.**

While we have not received any reply from SEBI till date, we had however received a letter from UTI AMC treating it as an ordinary complaint lodged in SCORES system of SEBI, which we **strongly object**.

As an investor , we now offer our views / comments:

1. As an investor in UTI-TAF , we are not convinced on the rationale of the investment by Fund Management team of UTI AMC specifically in **DHFL** and it was subsequently highlighted in the media that the company had shady financial transactions which are being investigated. Against this backdrop our association once gain seeks investigation / audit of the transactions involving original investment / inter scheme switches which resulted in losses in various schemes of UTIMF including UTI TAF.
2. UTI AMC has been the only AMC which has faced most down grades / defaults of debt securities (including downgrade in Vodafone last week) during last one year, affecting the performance of several open ended / close ended debt funds , hybrid

funds and calls for review of entire fund management / performance management process including action against delinquent fund managers.

3. Fund Management and Senior Management team had not only failed to disclose the risks relating to such securities but also continued to compel our members forming part of sales team of UTI AMC to actively push these debt funds in the name of KRAs / Targets and performance scores and even deprived / continue to deprive part of their compensation for not pushing these debt funds. While our members have mostly refrained from mis-selling such funds, it is our view that the above omissions / commissions of senior management / fund management team would amount to "mis-selling" under SEBI Regulations and such practice is against the interest of investors.

4. It was always our contention that UTI AMC had been maintaining two Corporate Identity Numbers (CIN) which was used on its official documents – one with CIN indicating GOI status and the other with PLC status.

It is observed that the DRHP filed with SEBI recently mentioned the CIN as U65991MH2002PLC137867 while the enclosed letter head received recently from UTI AMC indicates CIN as U65991MH2002_GOI_137867 which in fact is the correct and original CIN as registered with Registrar of Companies during 2007. It is clear that UTI AMC uses two Corporate Identity numbers.

It is now important that there is clarity in CIN of UTI AMC LTD before the DRHP which is pending with SEBI for proposed IPO is cleared by SEBI.


Copies of our earlier complaint and the letter received from UTI AMC are enclosed for necessary action.

Thanking You,
Yours Sincerely,

(P K ABROL)
General Secretary
All India UTI AMC Officers Association.

Dt 19-01-2020

2 attachments

 **Complaint regarding loss in UTI MF scheme on account of wrong investment decision of UTI AMC Debt Fund Manager.pdf**
60K

 **Reply from UTI AMC on DHFL Complaint.pdf**
315K