

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

**IN THE MATTER OF SURRENDER OF CERTIFICATE OF REGISTRATION OF SUN F&C MUTUAL FUND AND
WITHDRAWAL OF APPROVAL GRANTED TO SUN F&C ASSET MANAGEMENT (I) PVT. LTD TO ACT AS AN ASSET
MANAGEMENT COMPANY**

WTM/IMD/07/08/2005

- 1.0 SUN F&C Mutual Fund is a Mutual Fund (herein after referred to 'the Mutual Fund') registered with the Securities and Exchange Board of India (hereinafter referred to as "SEBI") having the Certificate of Registration No.MF/024/95/7. SUN F&C Asset Management (I) Pvt. Ltd. (hereinafter referred to as 'the AMC') is approved to act as the Asset Management Company for SUN F&C Mutual Fund vide SEBI's letter dated October 9,1995.
- 2.0 It is submitted by the said Mutual Fund that the various schemes floated by it and the full responsibilities for management and administration of the said schemes have been handed over to the Principal Mutual Fund (SEBI Registration No.MF/019/94/0). Further the schemes which are not being handed over to Principal Mutual Fund have been closed as per the procedure. The Asset Management Company in respect of the schemes of Principal Mutual Fund have become Asset Management Company for those schemes of SUN F&C Mutual Fund which have been handed over to the Principal Mutual Fund. They have also submitted that all the conditions specified by SEBI, vide its letter no. IMD/MHS/4634/2004 dated March 05, 2004 whereby SEBI had issued no objection to the takeover, merger and closures of the schemes of SUN F&C Mutual Fund have been complied with.
- 3.0 In view of the above, the Mutual Fund has surrendered its Certificate of Registration for cancellation and has requested for withdrawal of approval granted in respect of AMC.
- 4.0 It has been undertaken and declared by the Mutual Fund and AMC that no complaints / claims of the unit holders of the Mutual Fund are pending against the Mutual Fund and the AMC and that no litigation is pending against the Mutual Fund and AMC in any Court / Tribunal or any other Forum, in so far as the schemes of the Mutual Fund are concerned. It is further undertaken by the said Mutual Fund and AMC that any claims pending before the Hon'ble High Court of Calcutta or any other claim that may arise or come in future in respect of units of the Mutual Fund would be settled by the Mutual Fund or the AMC as per their respective legal obligations.
- 5.0 Vide letter dated March 29, 2005 the Mutual Fund has further made representation under the first proviso to regulation 16(1) of the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 (hereinafter referred to as "Enquiry Proceedings Regulations") and has submitted that no Enquiry Proceedings may be conducted nor an Enquiry Officer may be appointed for the purpose of surrender of registration of Mutual Fund and withdrawal of approval of the AMC.
- 6.0 I have considered the submissions, declarations, under takings and representations by the Mutual Funds and the AMC and other material on record. I note that, in terms of the regulation 15 (i) of the Enquiry Proceedings Regulations, it is not necessary to hold an enquiry under Chapter II of the said Regulations, where an intermediary surrenders its certificate to the Board. As per first proviso to regulation 16 of the Enquiry Proceedings Regulations, where a representation is received from an intermediary to dispense with the procedure under regulation 16 i.e. the summary procedure, the procedure of regulation 16 need not be followed and appropriate order after considering the representation of the intermediary can be passed. Under the above facts and circumstances of this case, I am of the view that there are reasonable grounds to accept the surrender of certificate of the Mutual Fund and withdrawal of approval of AMC.

7.0 In view of the foregoing and in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act,1992 read with proviso to regulation 16(1) of the Enquiry Proceedings Regulations, I hereby accept;-

a) the surrender of Certificate of Registration granted to SUN F&C Mutual Fund and cancel the same and,

b) the withdrawal of approval granted to SUN F&C Asset Management (I) Pvt. Ltd. ,

subject to the following :-

- (i) that the said SUN F&C Mutual Fund / SUN F&C Asset Management (I) Pvt.Ltd. shall continue to be liable to meet all the liabilities and obligations (including liability for monetary penalty, if any,) incurred with respect to violations, if any, of the SEBI Act,1992 and the Rules and Regulations made thereunder committed by them prior to the date of cancellation of certificate of registration / withdrawal of approval, and
- (ii) they shall ensure compliance of the declarations and undertakings given by them to SEBI.

The order shall come into force with immediate effect.

DATE : 5.8.2005

PLACE : MUMBAI

MADHUKAR

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA