

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

IN THE MATTER OF SURRENDER OF CERTIFICATE OF REGISTRATION OF DUNDEE MUTUAL FUND AND WITHDRAWAL OF APPROVAL GRANTED TO DUNDEE INVESTMENT MANAGEMENT AND RESEARCH PVT. LTD., TO ACT AS AN ASSET MANAGEMENT COMPANY.

MO/IMD/180/02/2006

- 1.0 Dundee Mutual Fund is a Mutual Fund (hereinafter 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/039/98/2. Dundee Investment Management And Research Pvt. Ltd. (hereinafter referred to as 'the AMC') is approved to act as the Asset Management Company for Dundee Mutual Fund vide SEBI's letter dated September 9, 1998.
- 2.0 It is noted that the said Mutual Fund has wound up all its schemes in accordance with SEBI (Mutual Fund) Regulations, 1996 and has transferred its unclaimed funds to another mutual fund i.e. Escorts Mutual Fund with Registration No. MF/028/96/4.
- 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 the AMC.
- 4.0 It has been confirmed by the Fund that the Fund and the AMC have no liabilities/obligations of any kind and/or any actions are pending against the said activities. Further, Escorts Asset Management Ltd. has undertaken and declared that it is liable to the obligations/liabilities to the unitholders of unclaimed amounts that have been transferred by the AMC to Escorts Asset Management Ltd. on 09.06.2005 from the date of such transfer. It is further undertaken by the Escorts Asset Management Ltd. that the amount transferred to it by the AMC is being dealt with in the interest of the unitholders in accordance with SEBI (MF) Regulations, 1996.
- 5.0 Vide letter dated July 5, 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 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, undertakings and representations by the Mutual Funds and the AMC and other material on record. I note that in terms of 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 the first proviso to regulation 16 of the Enquiry Proceedings Regulations, where a representation is received from an intermediary to dispense with the procedure laid down in 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 the 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 forgoing and in exercise of powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act, 1992") read with proviso to regulation 16(1) of the Enquiry Regulations, I hereby accept;-
- a) the surrender of Certificate of Registration granted to Dundee Mutual Fund and cancel the same and,
 - b) the withdrawal of approval granted to Dundee Investment Management And Research Pvt. Ltd.

Date : 02-02-2006

Place : MUMBAI

MADHUKAR

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA