

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Consent Order. IMD/WLB/AO/DRK/AS/EAD-3/CO- 48/09 – 09/2010**

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**CONSENT ORDER**

(Consent Application No.1650/2009)

ON THE APPLICATION SUBMITTED BY

WESTLB MELLON COMPASS FUND

SEBI REG. NO-IN-LU-FD-0579-99

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated October 05, 2007 had initiated adjudication proceedings against WestLB Mellon Compass Fund (hereinafter referred to as the '**Noticee**'), to inquire into and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), the violation of the provisions of Regulation 10 (c) of Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 alleged to have been committed by the noticee on account of the delay in intimating SEBI about its name change. Show cause notice dated November 28, 2007 was served on the noticee.
2. I was subsequently appointed as the Adjudicating Officer vide order dated December 10, 2008 under section 15 I of the SEBI Act read with Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.
3. Pending adjudication proceedings, the Noticee made application dated October 29, 2009 (Consent application Regn. No. 1650 of 2009) and undertakings in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Pursuant to the said application, the Noticee submitted its revised consent

terms vide its letter dated January 21, 2010 wherein it proposed an amount of Rs. 5,00,000/- (Rupees Five lakhs only) towards settlement charges, Rs. 25,000/- (Rupees Twenty Five Thousand only) towards administrative expenses and an undertaking to put all the procedures in place to avoid any delays in future to intimate SEBI of any material change under Regulation 10(c) of Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.

4. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) on March 30, 2010 and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the Noticee and the other material brought before the HPAC. HPAC after deliberation recommended the case for settlement on the consent terms proposed by the Noticee and the same was communicated to the noticee vide SEBI's letter dated 21.04.2010.
5. In terms of the revised proposal of the Noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the findings of fact or conclusions of law, the Noticee has remitted a sum of Rs.5,25,000/- (Rupees Five lakh twenty five thousand only) favouring Securities and Exchange Board of India vide Pay order no. 036509 dated 05/05/2010 drawn on HDFC Bank, payable at Mumbai, towards the terms of consent in the matter.
6. In view of the above, it is hereby ordered that:
  - i. this consent order disposes of the said adjudication proceedings initiated against the Noticee under SEBI Act, 1992, and
  - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that:
    - a. any representations made by the Noticee in the consent

proceedings are subsequently discovered to be untrue.

- b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

7. This consent order is passed on the 13<sup>th</sup> day of May, 2010 and shall come into force with immediate effect.

8. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to WestLB Mellon Compass Fund and also to the Securities and Exchange Board of India, Mumbai.

**Place: Mumbai**  
**Date: May 13, 2010**

**D. RAVI KUMAR**  
**CHIEF GENERAL MANAGER &**  
**ADJUDICATING OFFICER**