

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On

Application Nos. **3046 and 3049** filed by **JP Morgan Mutual Fund**

Application Nos. **3047 and 3050** filed by **JP Morgan Asset Management India Pvt. Ltd.**

Application Nos. **3048 and 3051** filed by **JP Morgan Mutual Fund India Pvt. Ltd.**

In the matter of NCD of Amtek Auto Limited

1. JP Morgan Mutual Fund, JP Morgan Asset Management India Pvt. Ltd. and JP Morgan Mutual Fund India Pvt. Ltd. (hereinafter referred to as 'applicants') filed applications dated February 05, 2016 in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 ('Settlement Regulations'), proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, pending enquiry and adjudication proceedings. The enquiry proceedings initiated vide Show Cause Notice (SCN) dated December 10, 2015 had alleged violation of regulation 18(15A), 25(3), 25(16), 25(19) read with Clause 4, 6, 8 and 9 of the Code of Conduct as specified in the Fifth Schedule and regulation 47 read with Clauses (a) & (c) of the Principles of Fair Valuation as specified in the Eighth Schedule of the SEBI (Mutual Fund) Regulations, 1996. The adjudication proceedings initiated vide Show Cause Notice dated December 11, 2015 had alleged violation of regulation 18(15A), 25(3), 25(16) read with Clause 6, 8 and 9 of the Code of Conduct as specified in the Fifth Schedule, regulation 50(1) and Clause 1 of the Seventh Schedule of the SEBI (Mutual Fund) Regulations, 1996 and SEBI Circular bearing no. SEBI/IMD/CIRNo.5/126096/08 dated May 03, 2008.
2. The authorised representatives of the applicants had meetings with the Internal Committee of SEBI on July 07, 2016, March 02, 2017, June 14, 2017 and December 13, 2017 wherein the settlement terms were deliberated. Thereafter, the applicants, vide letter dated December 19, 2017, proposed the revised settlement terms to settle the defaults mentioned above.
3. The High Powered Advisory Committee ('HPAC') in its meeting held on February 26, 2018 considered the settlement terms proposed and recommended the case for settlement upon payment of a total of ₹8,07,02,400/- (Rupees Eight Crore Seven Lakh Two Thousand Four Hundred Only) by the applicants (₹2,69,00,800/- (Rupees Two Crore Sixty Nine Lakh Eight Hundred only by each applicant) towards settlement charges for the aforementioned defaults.

The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC and the same was communicated to the applicant vide e-mail dated March 14, 2018.

4. The applicants vide Demand Draft number no. 191000 (for ₹ 2,69,00,800/-), Demand Draft no. 190997 (for ₹ 2,69,00,800/-) and Demand Draft No. 190999 (for ₹ 2,69,00,800/-) all dated March 20, 2018, drawn on JP Morgan Chase Bank N.A. have remitted a total of ₹8,07,02,400/- (Rupees Eight Crore Seven Lakh Two Thousand Four Hundred Only) towards the settlement charges.
5. Accordingly, the pending enquiry and adjudication proceedings for the alleged defaults as discussed in paragraph 1 above, are settled *qua* the applicants as per the above terms, by way of this order and SEBI shall not initiate any enforcement action against the applicants for the said defaults.
6. In view of the above, in terms of regulations 15 and 19 of the Settlement Regulations, it is hereby ordered that:
 - i. this order disposes of the said pending enquiry and adjudication proceedings in respect of the applicants as mentioned above and;
 - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicants, if SEBI finds that:
 - a. any representation made by the applicants in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
7. This settlement order is passed on this 26th day of March, 2018 and shall come into force with immediate effect.
8. In terms of regulation 17 of the Settlement Regulations, a copy of this order shall be sent to the applicants and shall also be published on the website of SEBI.

-Sd-

G. MAHALINGAM
WHOLE TIME MEMBER

-Sd-

MADHABI PURI BUCH
WHOLE TIME MEMBER