

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**

**SETTLEMENT ORDER No. EAD/PM/GSS/24/2017-18
In the Application No. 3052 of 2016 Submitted by**

**Mr. Nandkumar Surti, (PAN No.: AALPS8105P) CEO, J P Morgan Asset
Management India Pvt. Ltd.**

1. Securities and Exchange Board of India (hereinafter referred as “SEBI”) initiated adjudication proceedings to inquire into and adjudge under section 15 I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act, 1992”) the 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 (hereinafter referred to as ‘Mutual Fund Regulations’) and SEBI Circular bearing no. SEBI/IMD/CIR No.5/126096/08 dated May 23, 2008 by JP Morgan, JP Morgan Asset Management India Pvt. Ltd. (hereinafter referred to as AMC) and its trustee viz. JP Morgan Mutual Fund India Pvt. Ltd. (hereinafter referred to as Trustee Company) and also to inquire into and adjudge the alleged violation of Regulation 25(6A) of the Mutual Fund Regulations by Shri Nandkumar Surti (hereinafter referred to as “Applicant”), Chief Executive Officer (CEO) of AMC.
2. Accordingly, a Show Cause Notice no. EAD-2/RG/34387/2015 (“SCN”) dated December 11, 2015 was issued to the Applicant under Rule 4 of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as Rules”) read with Section 15I of the SEBI Act, 1992 by the then Adjudicating Officer Shri D. Sura Reddy. Consequent to the transfer of Shri D. Sura Reddy, undersigned has been appointed as the Adjudicating Officer vide order dated March 26, 2018, in the present matter.

3. While the adjudication proceedings pursuant to the said SCN was in progress, the Applicant submitted application no. 3052/2016 dated February 05, 2016 with SEBI in terms of SEBI (Settlement of administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as the "Settlement Regulations, 2014") proposing to settle, through settlement order, the aforementioned adjudication proceedings for the alleged violations.
4. Pursuant to the filing of said consent application by the applicant, the applicant attended the meeting with Internal Committee (herein after referred to as "IC") held on July 07, 2016 and March 02, 2017 at SEBI Bhavan. During the IC meeting held on March 02, 2017 the settlement terms of Rs. 27,20,000/- (Rupees Twenty Seven Lakh Twenty Thousand only) were communicated to the applicant. The applicant vide letter dated March 17, 2017 proposed payment of of Rs. 27,20,000/- (Rupees Twenty Seven Lakh Twenty Thousand only) towards full and final settlement of all regulatory proceedings in relation to the facts contained in the SCN.
5. The revised settlement terms as proposed by the Applicant was placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') held on January 29, 2018. The HPAC, after considering the facts and circumstances of the matter and the settlement terms proposed by the Applicant, recommended that the aforesaid adjudication proceedings may be settled on payment of Rs 27,20,000/- (Rupees Twenty Seven Lakh Twenty Thousand Only) towards settlement charges. The Panel of Whole Time Members of SEBI approved the said recommendations of the HPAC on March 14, 2018 and the same was communicated to the Applicant vide e-mail dated March 14, 2018.
6. Accordingly, the Applicant vide letter dated March 21, 2018 has remitted a sum of Rs 27,20,000/- (Rupees Twenty Seven Lakh Twenty Thousand Only)

towards settlement charges through Demand Draft no. 190998 dated March 20, 2018 drawn on J.P.Morgan Chase Bank favouring SEBI.

7. In view of above, in terms of Regulation 15(1) of Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against the Applicant, namely Mr. Nandkumar Surti vide Show Cause Notice no. EAD-2/RG/34387/2015 dated December 11, 2015.
8. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which this settlement order was passed against the Applicant, if :
 - i. any representation made by the Applicant in the settlement proceedings is subsequently found to be untrue; or
 - ii. The Applicant breaches any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
9. In terms of Regulation 17 of Settlement Regulations, 2014, a copy of this order is being sent to the Applicant and for publication on the website of SEBI.

Date: 27.03.2018

Place: Mumbai

**PRASANTA MAHAPATRA
ADJUDICATING OFFICER**