

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

in Settlement Application No.

4180 of 2020 filed by Nomura Singapore Limited [PAN: AADCN2750N]

in the matter of incorrect monthly ODI reporting

1. Nomura Singapore Limited (hereinafter referred to as the ‘applicant’), filed a *suo motu* settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as the ‘Settlement Regulations’) proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the probable enforcement proceedings that could be initiated against them, for the alleged violation of Regulation 21 of the SEBI (Foreign Portfolio Investors) Regulations, 2019 (hereinafter referred to as the “FPI Regulations”) and Guidelines dated November 05, 2019 issued by SEBI under FPI Regulations, in respect of their incorrect reporting of Offshore Derivative Instruments (hereinafter referred to as the “ODI”) in their monthly reports filed with SEBI.
2. The applicant, which is an ODI issuing Foreign Portfolio Investor registered with SEBI, informed SEBI about certain irregularities in the data provided by the them to SEBI in the ODI monthly reports during the months of March, July, August, October, November and December 2019, which are detailed as under: -
 - a. reporting discrepancies which had resulted in underreporting as well as over-reporting in ODI as well as AUM values under Annexure A, B and C of monthly reports; and
 - b. other ancillary discrepancies in Annexures A, B, D and E of the monthly reports, which inter-alia related to capturing the transaction dates, trade classification, USD values, registration numbers, number of trades, legal names of the

subscribers and replication of details of beneficial owners, which did not have any impact on the ODI or AUM values under the monthly reports.

Subsequently, the discrepancies were addressed by the applicant, and the revised monthly reports for the aforesaid months were filed on January 24, 2020.

3. Pursuant to filing of the settlement application, the authorized representatives of the applicant held a meeting with the Internal Committee of SEBI on December 17, 2020 and deliberated on the settlement terms. Thereafter, the applicant vide their e-mail dated December 24, 2020, proposed the revised settlement terms to settle the defaults as mentioned above.
4. The High Powered Advisory Committee (hereinafter referred to as the “HPAC”) in its meeting held on January 25, 2021 considered the proposed settlement terms made by the applicant and recommended the case for settlement upon payment of ₹25,35,000/- (Rupees Twenty Five Lakh and Thirty Five Thousand only) towards the settlement terms.
5. The applicant vide Cross Border Funds Transfer dated February 10, 2021 remitted ₹25,35,000/- (Rupees Twenty Five Lakh and Thirty Five Thousand only) towards the settlement terms as proposed by them for the settlement of the proceedings that could have been initiated against them and intimated SEBI about the same vide e-mail dated February 19, 2021. Upon verification, receipt of the above payment was confirmed.
6. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings that may have been initiated for the defaults as mentioned in paragraph 1 be settled *qua* the applicant and as per the following terms:

- i. SEBI shall not initiate enforcement action against the applicant for the said defaults;
 - ii. this order disposes of the proceedings that may be initiated for the said defaults as mentioned above, in respect of the applicant; and
 - iii. passing of this order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:
 - a. any representation made by the applicant in the present settlement proceedings is subsequently found to be untrue;
 - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - c. there was a discrepancy while arriving at the settlement terms.
7. This settlement order is passed on this 3rd day of March, 2021 and shall come into force with immediate effect.
8. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicant and also be published on the website of SEBI.

Sd/-
S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-
ANANTA BARUA
WHOLE TIME MEMBER