

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[SETTLEMENT ORDER No. SO/NH/RJ/2024-25/7921]**

In respect of:

Settlement Application No.	Name of the Applicant	PAN
7921/2024	SBI-SG Global Securities Services Private Limited	AAMCS4727R

In the matter of inspection of SBI-SG Global Securities Services Private Limited

BACKGROUND

1. SBI-SG Global Securities Services Private Limited (hereinafter referred to as **“Applicant”**) has been registered with the Securities and Exchange Board of India (hereinafter referred to as **“SEBI”**) as a Designated Depository Participant (hereinafter referred to as **“DDP”**). SEBI had undertaken an inspection of the Applicant for the period from April 01, 2021 to March 31, 2023 (hereinafter referred to as **“Inspection Period”/ “IP”**).
2. Post the culmination of the aforesaid inspection, an inspection report (hereinafter referred to as **“IR”**) was prepared. The findings of the said inspection were communicated to the Applicant vide letter dated February 09, 2024. In response to the findings in the inspection report, the Applicant submitted its response vide letter dated February 23, 2024.
3. Based on the findings of the inspection conducted by SEBI and the response of the Applicant submitted to SEBI, certain non-compliances of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (hereinafter referred to as **“SEBI (FPI) Regulations”**), Operational Guidelines to FPIs and DDPs under SEBI (Foreign Portfolio Investors), Regulations 2019 and for Eligible Foreign Investors dated November 19, 2019 (hereinafter referred to as **“Operational Guidelines to FPIs and DDPs dated November 19, 2019”**) and

SEBI Circular SEBI/HO/IMD/FPI&C/ CIR/P/2021/045 dated March 30, 2021 (hereinafter referred to as “**SEBI Circular dated March 30, 2021**”) were alleged.

4. The extracts of the violations alleged to have been committed by the Applicant and the corresponding provision of the securities law are tabulated below:

Table 1

Sr. No.	Charges	Violations
1.	Noticee has granted Foreign Portfolio Investors (hereinafter referred to as “ FPIs ”) registration to seven FPIs without ascertaining whether such applicant was under common ownership or control to form an investor group with any other registered FPI.	Regulation 31(2)(a) of SEBI (FPI) Regulations.
2.	The Operation Manual of the Noticee did not contain any procedures to be followed by Noticee to ascertain if the applicant/FPI was in common control or ownership with any other FPI registered with it or, forms part of any investor group.	Clause 8(ii) of Part A of the Operational Guidelines to FPIs and DDPs dated November 19, 2019.
3.	Noticee did not process the surrender applications of seven FPIs within the stipulated timelines.	SEBI Circular dated March 30, 2021.
4.	Noticee did not maintain the true and fair records (electronic) for 13 FPIs in the NSDL portal.	Regulation 32(1) of SEBI (FPI) Regulations.

APPOINTMENT OF THE ADJUDICATING OFFICER

5. SEBI had appointed the undersigned as the Adjudicating Officer (hereinafter referred to as “**AO**”) in the matter vide communique dated May 06, 2024, under Section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”), read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**Adjudication Rules**”), to inquire into and adjudge under the provisions of Section 15HB of the SEBI Act read with Regulation 43 of SEBI (FPI) Regulations for the aforementioned violations of the provisions of law alleged to have been committed by the Applicant.

SHOW CAUSE NOTICE

6. A Show Cause Notice ref no. SEBI/HO/EAD2/NH/RJ//2024/16240 dated May 08, 2024 (hereinafter referred to as “**SCN/Notice**”) was served upon the Applicant in terms of Rule 4 of the Adjudication Rules read with Section 15-I of the SEBI Act to show cause as to why an inquiry should not be held against the Applicant and why a penalty, if any, not be imposed on it in terms of the provisions of Section 15HB of the SEBI Act read with Regulation 43 of SEBI (FPI) Regulations for the violations alleged to have been committed by the Applicant.
7. Consequent to the receipt of the SCN, the Applicant requested the inspection of documents vide letter dated May 21, 2024. The Applicant was granted an opportunity for inspection of documents on May 28, 2024. The authorized representative (hereinafter referred to as “**AR**”) of the Applicant conducted an inspection of the documents on May 28, 2024.
8. Thereafter, the Applicant, vide email dated June 14, 2024, submitted replies to the SCN.
9. The Applicant, vide email dated July 04, 2024, submitted that a settlement application had been filed by the Applicant, requesting for settlement of the adjudication proceedings under the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”).

SETTLEMENT PROCEEDINGS

10. Based on material available on record, it is noted that, pursuant to receipt of the Settlement Application, the ARs of the Applicant had meetings with the Internal Committee of SEBI (hereinafter referred to as “**IC**”) on September 19, 2024. The IC recommended Rs. 29,25,000/- (Rupees Twenty-Nine Lakhs Twenty-Five Thousand only) as the indicative amount. Thereafter, the Applicant, vide email dated September 29, 2024, submitted the revised settlement terms.

11. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”), in its meeting held on October 28, 2024, considered the revised settlement terms proposed by the Applicant. The HPAC recommended that the matter may be settled upon payment of Rs. 29,25,000/- (Rupees Twenty-Nine Lakhs Twenty-Five Thousand only) as the settlement amount.
12. In terms of Regulation 14(3) of the Settlement Regulations, the recommendations of the HPAC were placed before the Panel of Whole Time Members (hereinafter referred to as “**WTMs**”). The recommendations of the HPAC were accepted by the Panel of WTMs on December 12, 2024.
13. The terms of the settlement as accepted by the Panel of WTMs were informed to the Applicant, vide email dated December 13, 2024. Subsequently, the Applicant, vide email dated December 20, 2024, informed SEBI about the remittance of the aforesaid settlement amount. The said email also provided relevant details regarding the remittance of the said settlement amount. The material on record confirms the receipt of the said settlement amount.

ORDER

14. Therefore, in view of the acceptance and the compliance of the settlement terms by the Applicant, the instant adjudication proceedings initiated against the Applicant vide Show Cause Notice ref no. SEBI/HO/EAD2/NH/RJ//2024/16240 dated May 08, 2024 is disposed of in terms of Section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations.
15. This Settlement Order is, however, without prejudice to the right of SEBI to take actions under Regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect to which the settlement order was passed against the Applicant, if –
- 15.1. Any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
 - 15.2. The Applicant have breached any of the clauses/conditions of undertakings/waivers filed during the present settlement proceedings;

15.3. There was a discrepancy while arriving at the settlement terms.

16. This Settlement Order is passed on this day of December 27, 2024, and shall come into force with immediate effect.

17. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

Date: December 27, 2024

Place: Mumbai

**N HARIHARAN
CHIEF GENERAL MANAGER
AND ADJUDICATING OFFICER**