

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

in Summary Settlement Application No. SS – 34 of 2021

filed by Mr. Deepak Parekh [PAN: AAOPP9668B]

in the matter of non-compliance with the erstwhile Listing Agreement

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted an examination in the matter of non-compliance of the provisions of Clause 49(I) (D) (ii) of the erstwhile listing agreement by Mr. Deepak Parekh (hereinafter referred to as 'the applicant').
2. During the said examination, it was noted that an Inter-Corporate Deposit (hereinafter referred to as 'ICD') was advanced by HDFC Ltd. to Gliders Buildcon Realtors Pvt. Ltd. (hereinafter referred to as 'Gliders Buildcon') and then, in December 2014, an additional loan facility of ₹875 crore to Gliders Buildcon was approved. It was also noted that based on a request from Gliders Buildcon, the outstanding ICD was converted into a loan facility of ₹750 crore without any additional disbursement. It was also observed that the applicant was Chairman of HDFC Ltd. and a member of the committee which approved the ICD/loan mentioned at para 1 above. Gliders Buildcon is a group company of Piramal Realty Pvt. Ltd. (hereinafter referred to as 'Piramal Realty'). Further, the applicant was part of the advisory board of Piramal Group including Piramal Realty, for which he received fees for advisory services given to the group for the calendar years 2011 to 2015 and financial years 2017 and 2018. HDFC Ltd. has adopted a Code of Conduct for all its Directors and Senior Management Personnel in terms of Clause 49 (I) (D) of the erstwhile listing agreement. However, the applicant failed to comply with the Code of Conduct of HDFC Ltd., resulting in the violation of Clause 49 (I) (D) (ii) of the erstwhile listing agreement.

3. In view thereof, SEBI decided to issue a 'Summary Settlement Notice' dated December 04, 2020 (hereinafter referred to as 'notice'), to the applicant, intimating thereby that if the applicant so desired, the proceedings (to be initiated), may be settled and disposed of upon filing of a settlement application under Chapter-II of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as 'Settlement Regulations') along with remittance of the settlement amount of ₹9,37,500/- (Rupees Nine Lakh Thirty-Seven Thousand and Five Hundred only) to SEBI in terms of Regulation 16 (1) of the Settlement Regulations within 30 calendar days from the date of receipt of the notice.
4. In reply, the applicant filed an application for settlement, in terms of the Settlement Regulations, proposing to settle the defaults as discussed in para 2 without admitting or denying the findings of fact and conclusions of law, through a settlement order and remitted a sum of ₹9,37,500/- (Rupees Nine Lakh Thirty-Seven Thousand and Five Hundred only) towards the settlement charges, vide NEFT dated December 24, 2020. The receipt of the same was also confirmed upon verification.
5. 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 proposed proceedings to be initiated for the default as discussed in paragraph 2 are settled *qua* the applicant as per the following terms;
 - i. SEBI shall not initiate any enforcement action against the applicant for the said default;
 - ii. this order disposes of the proceedings that may be initiated for the default 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.
- 6. This settlement order is passed on this 5th day of February, 2021 and shall come into force with immediate effect.
- 7. 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