

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**SETTLEMENT ORDER**

**IN RESPECT OF**

| <b>Settlement Application<br/>No.</b> | <b>Name of the application</b> | <b>PAN</b> |
|---------------------------------------|--------------------------------|------------|
| 8629/2025                             | HDFC Property Fund             | AAATH4956Q |
| 8630/2025                             | HDFC Capital Advisors Limited  | AADCH6113R |

(The aforementioned entities are hereinafter collectively referred to as “**Applicants**”)

**IN THE MATTER OF HDFC PROPERTY FUND**

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1. HDFC Property Fund (hereinafter referred to as the “**Fund**”) and HDFC Capital Advisors Limited (hereinafter referred to as the “**Investment Manager**”) filed *suo motu* settlement applications with the Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) under the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as the “**Settlement Regulations**”) proposing to settle by neither admitting nor denying the findings of facts and conclusions of law, the enforcement proceedings that may be initiated against them for the violations of regulation 24(2) of the SEBI (Venture Capital Funds) Regulations, 1996 (hereinafter referred to as “**VCF Regulations**”).

2. Brief facts of the case are as follows:

2.1. HDFC Property Fund had launched two schemes – HDFC India Real Estate Fund (hereinafter referred to as “**HIREF**”) and HDFC IT Corridor Fund (hereinafter referred to as “**HITCF**”). The aforementioned schemes are hereinafter collectively referred to as “**Schemes**”. The Schemes were constituted with an initial tenure of seven years commencing from July 18, 2005 for HIREF and July 29, 2005 for HITCF, with a provision for extension by two one-year periods.

- 2.2. It was noted that in case of HIREF, the end date of the extended tenure was June 17, 2014. However, it was noted that the Fund completed the process of liquidation of assets and distribution of proceeds on March 31, 2021 i.e. with a delay of about 7 years. Further, the Fund had retained an amount of INR 5.33 crore for contingent liabilities which the Fund distributed to its investors on March 25, 2025.
- 2.3. Similarly, in respect of HITCF, the end date of the extended tenure was June 28, 2014. It was noted that the Fund completed the process of liquidation of assets and distribution of proceeds on March 28, 2014. However, the Fund had retained a residual amount of INR 0.89 crore for contingent liabilities which the Fund distributed to its investors on March 25, 2025.
- 2.4. Thus it was noted that there was a delay in winding up of the Schemes which is in non-compliance with regulation 24(2) of the VCF Regulations.
- 2.5. It was also noted that HDFC Capital Advisors Limited assumed the role of the investment manager of the Fund from May 2, 2023.
3. The applicants filed the present applications for the purpose of settling the proceedings that may be initiated against them for the aforesaid violations. Pursuant to the receipt of the settlement applications, the Internal Committee of SEBI (hereinafter referred to as “IC”) held a meeting with the authorized representatives of the Applicants on February 10, 2026 wherein the details of the matter were deliberated along with the terms of settlement.
4. The IC recommended ₹26,01,000/- (Rupees Twenty-six lakh one thousand only) as the settlement amount computed in terms of Schedule II read with regulation 10 of the Settlement Regulation, payable jointly and severally by the Applicants.
5. The Applicants vide their letter dated February 17, 2026 filed revised settlement terms proposing to pay ₹26,01,000/- (Rupees Twenty-six lakh one thousand only) jointly, as the settlement amount. Further, the Applicants have submitted the following:

- 5.1. HDFC Capital Advisors Limited assumed the role of the investment manager of HDFC Property Fund, with effect from May 2, 2023, on account of internal restructuring within the HDFC group that was a pre-requisite to the merger of the erstwhile HDFC Limited with and into HDFC Bank Limited.
- 5.2. HDFC Capital Advisors Limited has distributed the entire retained amounts (which were retained by the erstwhile investment manager) to the Fund's investors in March 2025 to achieve 'nil' balance in the bank accounts of both the Schemes.
- 5.3. HDFC Capital Advisors Limited had no role to play in the operations and decision making with respect to the Schemes in respect of which the present settlement applications have been filed.
6. Pursuant thereto, the High Powered Advisory Committee (hereinafter referred to as "**HPAC**") in its meeting held on March 25, 2026 considered the settlement terms proposed and the submissions made by the Applicants and recommended that the case may be settled on the aforesaid terms.
7. The recommendations of the HPAC were placed before the Panel of Whole Time Members and the same were approved by the Panel of Whole Time Members on May 11, 2026 in terms of regulation 15 of the Settlement Regulations. Subsequently, Notice of Demand was issued to the Applicants. The Applicants vide email dated May 20, 2026, have informed about the remittance of the aforesaid settlement amount.
8. On the basis of the facts stated above, in exercise of the powers conferred under section 15JB read with section 19 of the SEBI Act, 1992 and in terms of regulation 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 2 above, are settled in respect of the Applicants on the following terms:
- i. SEBI shall not initiate any enforcement action against the Applicants for the said violations, and

- ii. passing of this Settlement Order is without prejudice to the right of SEBI under regulations 28 and 31 of the Settlement Regulations to initiate appropriate action against the Applicants, if SEBI finds that:
  - (a) any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;
  - (b) the Applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
  - (c) there is a discrepancy while arriving at the settlement terms.

9. This Settlement Order shall come into force with immediate effect.

10. In terms of Regulation 25 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.

**AMARJEET SINGH**  
**WHOLE TIME MEMBER**

**KAMLESH C. VARSHNEY**  
**WHOLE TIME MEMBER**