

SO/GR/EFD2/2024-25/7942
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER

In respect of:

Sr. no.	Name of the Entity/ Applicant	Settlement Application No.	PAN
1	Manu M Parpia	7942/2024	AACPP8377R

in the matter NESCO Limited

BACKGROUND

1. Based on the report of Stakeholders Empowerment Services (“SES”) dated July 27, 2023, received on October 20, 2023, Securities and Exchange Board of India (hereinafter referred to as “SEBI”) conducted an examination in the matter of NESCO Limited (hereinafter referred to as “NESCO” / “Company”) and Shri Manu M Parpia, Independent Director of NESCO (hereinafter referred to as “Applicant”). The reference, *inter-alia*, raised issues regarding continuation of the Applicant as the Independent Director of NESCO for more than a year, even after expiry of his tenure on May 09, 2022.
2. Based on the findings in the examination, a Show Cause Notice (hereinafter referred to as ‘SCN’) dated May 28, 2024 was served on the Applicant. The SCN *inter alia* alleged the following:
 - a) The Applicant continued to serve on the Board of the Company for more than a year as an independent director even after cessation of his tenure on May 09, 2022. In view of the same, it was alleged that the Applicant had violated the provisions of *Responsibilities of the Board of Directors* as enshrined under Principles governing disclosures and obligations allegedly violating Reg. 4(2)(f)(ii)(2), 4(2)(f)(ii)(7), 4(2)(f)(ii)(8), 4(2)(f)(iii)(3), and 4(2)(f)(iii)(12) of the LODR Regulations.

- b) Applicant had given a misleading declaration dated July 15, 2023 to the effect that he meets the criteria of independence and eligibility at the time of his appointment by the Board of the Company which is in violation of Section 149(10) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16(1)(b) of the LODR Regulations.
3. In view of the above, the Applicant was called upon to show cause as to why appropriate directions to levy monetary penalty under Sections 11B(2) and 11(4A) read with Section 15HB of the SEBI Act, 1992 should not be issued against him for the alleged violations of provision of Reg 4(2)(f)(ii)(2), 4(2)(f)(ii)(7), 4(2)(f)(ii)(8), 4(2)(f)(iii)(3), 4(2)(f)(iii)(12) and Regulation 16(1)(b) of the LODR Regulations and Section 149(10) of the Companies Act, 2013 and Rules framed thereunder.

APPLICATIONS FOR SETTLEMENT OF PROCEEDINGS

4. The Applicant filed the following application with SEBI in terms of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle the pending proceedings through a Settlement Order without admitting or denying the findings of fact and conclusions of law, which was intimated by the concerned department of SEBI:

Table 1

Sr. no.	Name of the Entity/ Applicant	Date of Filing	Settlement Application No.
1	Manu M Parpia	July 03, 2024	7942/2024

5. Pursuant to receipt of the Settlement Application, the Applicant and his Authorised Representative had a meeting with the Internal Committee of SEBI (hereinafter referred to as ‘**IC**’) on September 05, 2024, wherein the terms of settlement were deliberated. The IC considered the factors enumerated under Regulation 10 and Schedule II of the Settlement Regulations and permitted the Applicant to submit revised terms of settlement. Accordingly, the Applicant filed Revised Settlement Terms (hereinafter referred to as “**RST**”) vide letter dated September 23, 2024 wherein the Applicant proposed payment of Settlement Amount of INR 21,45,000/- (INR Twenty One Lakh Forty-Five Thousand Only)

6. The High Powered Advisory Committee (hereinafter referred to as ‘**HPAC**’) in its meeting held on October 28, 2024 considered the RST proposed by the Applicant and recommended the case for settlement. The recommendation of the HPAC was placed before the Panel of Whole Time Members of SEBI. In terms of Regulation 15 of the Settlement Regulations, the Panel of Whole Time Members of SEBI approved and accepted the recommendations of the HPAC on December 02, 2024 and the same was communicated to the Applicant vide email dated December 05, 2024.
7. Pursuant to the same, Applicant vide e-mail dated December 30, 2024 informed SEBI about the remittance of the settlement amount and SEBI has confirmed credit of the same.

ORDER

8. On the basis of the aforesaid, in exercise of the powers conferred under Section 15JB read with Section 19 of the SEBI Act and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the instant proceedings initiated against the Applicant vide Show Cause Notice dated May 28, 2024 are disposed of as per the following terms:
 - (i) SEBI shall not initiate any other enforcement action against the Applicant for the said violation; and
 - (ii) Passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate any enforcement action against the Applicant, if SEBI finds that:
 - (a) any representations made by the Applicant in the settlement proceedings is subsequently found to be untrue; or
 - (b) the Applicant have breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings; or
 - (c) there was a discrepancy while arriving at the settlement terms.
9. This settlement order is passed on the 1st of January, 2025 and shall come into force with immediate effect.

10. In terms of Regulation 25 of the Settlement Regulations, copies of this order are being sent to the Applicant, Mr. Manu M Parpia and also to the SEBI.

Place: Mumbai
Date: January 01, 2025

G RAMAR
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA