

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

Settlement Application bearing No. 6497/2021 filed by Siddharth Dinesh Mehta in the matter of trading activities of certain entities in the scrip of Religare Enterprises Limited

1. Mr. Siddharth Dinesh Mehta ("**applicant**") filed a settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 ("**Settlement Regulations**") proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a Settlement Order, the pending enforcement proceedings initiated vide Show Cause Notice ("**SCN**") bearing no. SEBI/IVD/ID-13/OW/P/2021/14852/1 dated July 9, 2021, for the alleged violation of:
 - i. Sections 12(A)(d) and 12A(e) of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") and Regulation 3(1) read with Regulation 4(2) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations**").
2. SEBI had conducted an investigation in the matter to ascertain as to whether certain entities have traded in the scrip of Religare Enterprises Limited ("**REL**") during the period of October 24, 2017 till May 14, 2018 on the basis of unpublished price sensitive information ("**UPSI**"). Based on the findings of the said investigation, enforcement proceedings were initiated for the alleged violations as stated at paragraph 1.
3. As per the SCN dated July 9, 2021, the applicant was associated with Mr. Ashok Mehta who was inducted into the Board of Directors of REL on January 24, 2018 with an intent of revival of REL's financial condition and fund raising activity, and with an implicit understanding with Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh ("**Singh brothers**") of their exit from the Board of REL in due course; the aforesaid information being

the UPSI. Further, as per the SCN, the applicant was actively involved in the fund raising process of REL, and was also the largest shareholder of REL through related entities. Owing to the close association of the applicant with Mr. Ashok Mehta, his active involvement in fund raising process and him being the largest investor through related entities involved in the fund raising, the applicant was alleged to be an insider in terms of Regulation 2(1)(g)(i) of the PIT Regulations. Further, the applicant was alleged to have communicated the UPSI to one Mr. Dilipkumar V. Lakhi and one Mr. Vipul J. Modi, who in turn allegedly traded on the basis of the said UPSI. Thus the applicant was alleged to have violated Sections 12(A)(d) and 12A(e) of the SEBI Act and Regulation 3(1) read with Regulation 4(2) of the PIT Regulations, since the said communication was not in the ordinary course of business or under any law and the applicant was not authorized to communicate the UPSI to anyone.

4. Pursuant to the receipt of the settlement application, the authorized representatives of the applicant had a meeting with the Internal Committee of SEBI on September 27, 2021 and deliberated on the terms of settlement. Thereafter, the applicant proposed the revised settlement terms to settle the proceedings that were initiated against him.
5. The High Powered Advisory Committee (“**HPAC**”) in its meeting held on April 5, 2022, considered the settlement terms proposed by the applicant and recommended the case for settlement upon payment of ₹22,31,250/- (Rupees Twenty-two lakh thirty-one thousand two hundred fifty only) as settlement amount. The aforesaid settlement amount was remitted by the applicant on May 6, 2022 and the credit of the above payment, to SEBI, has been confirmed.
6. In view of the 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 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the pending enforcement proceedings for the alleged default as mentioned at paragraph 1 above are settled *qua* the applicant as per the following terms:

- i. this Order disposes of the enforcement proceedings initiated by SEBI for the default as mentioned earlier in respect of the applicant;
 - ii. SEBI shall not initiate any other enforcement action against the applicant for the said default; and
 - iii. the passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to take enforcement actions including continuing 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 27th day of May, 2022 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.

S.K. MOHANTY
WHOLE TIME MEMBER

ANANTA BARUA
WHOLE TIME MEMBER