

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

Settlement Application bearing No. 6523/2021 filed by Dilipkumar V. Lakhi and Settlement Application bearing No. 6524/2021 filed by Manish G. Lakhi in the matter of trading activities of certain entities in the scrip of Religare Enterprises Limited

1. Mr. Dilipkumar V. Lakhi ("**applicant no. 1**") 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/2021/14856/1 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 Regulations 3(1) and 4(1) read with Regulation 4(2) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations**").
2. Mr. Manish G. Lakhi ("**applicant no. 2**") filed a settlement application in terms of the 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 SCN bearing no. SEBI/IVD/ID-13/OW/P/2021/14857/1 dated July 9, 2021, for the alleged violation of:
 - i. Sections 12A(d) and 12A(e) of the SEBI Act, 1992 and Regulation 4(1) read with Regulation 4(2) of PIT Regulations.

3. 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of Religare Enterprises Limited (“**REL**”) during the period of October 24, 2017 till May 14, 2018 on the basis of unpublished price sensitive information (“**UPSI**”).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 paragraphs 1 and 2.
4. As per the SCN dated July 9, 2021, the applicant no. 1 had frequent communication with one Mr. Siddharth Dinesh Mehta for the purposes of investment in REL as part of its fund raising activities. It has been alleged in the SCN that Mr. Siddharth Dinesh Mehta had access to certain UPSI, *inter alia* that Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh (“Singh brothers”) would be stepping down from the Board of REL, and therefore, Mr. Siddharth Dinesh Mehta was alleged to be an insider in terms of Regulation 2(1)(g)(i) of the PIT Regulations. By virtue of his frequent communication with Mr. Siddharth Dinesh Mehta, applicant no. 1 was alleged to be a connected person to Mr. Siddharth Dinesh Mehta in terms of Regulation 2(1)(d)(i) of the PIT Regulations and thus was alleged to be an insider in terms of Regulation 2(1)(g)(i) of the PIT Regulations. In the SCN, applicant no. 2 is stated to be the nephew of applicant no. 1 and that applicant no. 2 shared common directorship with applicant no. 1 in certain companies. Further, it is stated that applicant no. 1 was the authorized signatory for the investment and trading decisions of applicant no. 2. On account of the same, applicant no. 2 is stated to be a connected person to applicant no. 1 in terms of Regulation 2(1)(d)(i) of the PIT Regulations and was alleged to be an insider in terms of Regulation 2(1)(g)(ii) of the PIT Regulations. Applicant no. 1 was alleged to have effectively communicated the UPSI to applicant no. 2. Further, it was alleged that applicant no. 2 had indirectly traded in the scrip of REL while in possession of UPSI, while applicant no. 1 allegedly placed the order on behalf of applicant no. 2.
5. On the basis of the above, applicant no. 1 was alleged to have violated the provisions of Sections 12(A)(d) and 12A(e) of the SEBI Act and Regulations 3(1) and 4(1) read with Regulation 4(2) of the PIT Regulations and applicant

no. 2 was alleged to have violated Sections 12A(d) and 12A(e) of the SEBI Act, 1992 and Regulation 4(1) read with Regulation 4(2) of the PIT Regulations.

6. Pursuant to the receipt of the settlement applications, the authorized representatives of the applicants had a meeting with the Internal Committee of SEBI on September 27, 2021 and deliberated on the terms of settlement. Thereafter, the applicants proposed the revised settlement terms (RST) to settle the proceedings initiated against them.
7. The High Powered Advisory Committee (“**HPAC**”) in its meeting held on April 5, 2022, considered the settlement terms proposed by the applicant no. 1 and applicant no. 2 and recommended the case for settlement upon payment of the following settlement amounts:

Serial no.	Name of Applicant	Terms of Settlement as per SEBI (Settlement Proceedings) Regulations, 2018
i.	Mr. Dilipkumar V Lakhi (applicant no. 1)	₹44,62,500/- (Rupees Forty four lakh sixty two thousand and five hundred only)
ii.	Mr. Manish G. Lakhi (applicant no. 2)	₹1,87,34,491/- (Rupees One crore eighty-seven lakh thirty-four thousand four hundred and ninety-one only) as settlement amount and disgorgement of ₹1,25,94,615/- (One crore twenty five lakh ninety four thousand six hundred and fifteen only) along with 12% simple interest thereupon from the date of default till the date

		of submission of RST which amounts to ₹55,40,250/- (Rupees Fifty five lakh forty thousand two hundred fifty only)
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8. The settlement amounts were subsequently remitted by the applicants on May 6, 2022 and the credit of the same to SEBI has been confirmed.
9. 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 defaults as mentioned at paragraphs 1 and 2 are settled *qua* the applicants on the following terms:
 - i. this Order disposes of the enforcement proceedings initiated by SEBI for the defaults as mentioned earlier in respect of the applicants;
 - ii. SEBI shall not initiate any other enforcement action against the applicants for the said defaults; 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 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 was a discrepancy while arriving at the settlement terms.

10. This Settlement Order is passed on this 27th day of May, 2022 and shall come into force with immediate effect.
11. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the applicants and also be published on the website of SEBI.

S.K. MOHANTY
WHOLE TIME MEMBER

ANANTA BARUA
WHOLE TIME MEMBER