

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER
(Application No. 6743/2022)

**UNDER SECTION 15JB OF SECURITIES AND EXCHANGE BOARD OF INDIA
ACT, 1992 READ WITH REGULATION 23(1) OF THE SEBI (SETTLEMENT OF
ADMINISTRATIVE AND CIVIL PROCEEDINGS) REGULATIONS, 2018**

**On the application submitted by
Mr. Pankaj Sharma (PAN: AAXPS4300E)**

Settlement Order No.: SO/DS/DK/2022-23/6743

In the matter of Religare Enterprises Limited

1. Pursuant to receipt of the complaints, Securities and Exchange Board of India initiated an investigation in the matter of Religare Enterprises Ltd. (REL) to examine the allegations of financial mismanagement and diversion of funds of REL through its subsidiaries for the benefit of REL's promoters / promoter connected entities and to ascertain whether there was any violation of the provisions of the SEBI Act, 1992 and/or SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as "PFUTP Regulations") and/or any other Rules or Regulations made by SEBI, during the period between April 01, 2011 to March 31, 2018).
2. Based on the findings of the investigation, it was prima facie observed that funds to the tune of Rs. 2473.66 Crores were alleged to have been diverted from REL through Religare Finvest Ltd. (RFL), a material subsidiary of REL, to the promoters/promoter group entities of REL. It was also *inter alia* observed that the persons approving the relevant loans of RFL as well as directors of RFL, including Mr. Pankaj Sharma (hereinafter referred to as 'Applicant') had failed to carry out adequate due diligence and exercise independent judgment with respect to the grant of loans/investments by RFL during the period of investigation. Therefore, it was alleged that the Applicant had violated the provisions of Sections 12A(a), (b) & (c) of the SEBI Act, 1992 and Regulations 3(b), (c) & (d) and 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) regulations, 2003 [hereinafter referred to as "PFUTP Regulations, 2003"].
3. Pursuant to the investigation and observations contained therein, SEBI appointed Shri Amit Pradhan, Chief General Manager as Adjudicating Officer on January 06, 2021

under Section 15I of the SEBI Act, 1992 and Rule 3 of the SEBI (Procedure for Holding Inquiry and imposing penalties) Rules, 1995 (SEBI Adjudication Rules) to adjudicate upon the alleged violations by the Applicant and may impose penalty under Section 15HB of the SEBI Act, 1992. Thereafter, the competent authority transferred the Adjudication Proceedings in the matter to Shri G Ramar on June 18, 2021. Thereafter, vide order dated July 16, 2021, the competent Authority approved the transfer of the Adjudication proceedings in the matter to the undersigned and the same was communicated to the undersigned on July 20, 2021.

4. A Show Cause Notice ref.no. EAD-2/ADJ/AP/AKS/4134/1-63/2021 dated February 15, 2021 (hereinafter referred to as 'SCN') was *inter alia* issued to the Applicant.
5. Pending Adjudication Proceedings, the Applicant proposed to settle the instant proceedings initiated against him, without admitting or denying the findings of fact and conclusions of law, through a settlement order and filed the settlement application mentioned above, with SEBI in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as 'Settlement Regulations').
6. Pursuant to the receipt of the aforesaid settlement application, the authorised representative of the Applicant had a meeting with the Internal Committee (IC) of SEBI on February 24, 2022. Thereafter, the Applicant vide letter dated March 05, 2022 proposed the Revised Settlement Terms (RST) to settle the proceedings initiated against him.
7. The High Powered Advisory Committee (hereinafter referred to as 'HPAC') in its meeting held on April 05, 2022 considered the settlement terms proposed by the Applicant and recommended the case for settlement upon payment of ₹ 44,20,000/- (Rupees Forty Four Lakhs Twenty Thousand Only).
8. The recommendations of the HPAC were approved by the Panel of WTMs on April 26, 2022 and the Notice of Demand was issued to the Applicant vide e-mail dated April 29, 2022. Pursuant to the said Notice of Demand, the Applicant remitted the settlement amount of ₹ 44,20,000/- (Rupees Forty Four Lakhs Twenty Thousand Only) to SEBI on May 11, 2022 and the same was duly received by SEBI.
9. In view of the acceptance of settlement terms and the receipt of the settlement amount as above by SEBI, the instant adjudication proceeding initiated against Mr. Pankaj Sharma in the matter of Religare Enterprises Ltd. vide SCN No. EAD-2/ADJ/AP/AKS/4134/1-63/2021 dated February 15, 2021 is disposed in terms of Regulation 23(1) of the Settlement Regulations.

10. This order shall come into force with immediate effect. Further, in terms of Regulation 28 of the Settlement Regulations, this order is without prejudice to the right of SEBI to take any enforcement action including restoring or initiating the proceedings in respect to which this settlement order is passed, if:

- (i) any representation made by Applicant in the settlement proceedings are subsequently discovered to be untrue; or
- (ii) Applicant breaches any of the clauses/conditions of undertakings/waivers filed during the current settlement proceedings.

11. In terms of Regulation 25 of the Settlement Regulations, a copy of this order is sent to the Applicant viz. Mr. Pankaj Sharma and the order is also published on the website of SEBI.

Place: Mumbai
Date: May 31, 2022

D.V.SEKHAR
ADJUDICATING OFFICER