

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

in Settlement Applications bearing Nos.

- 1. 6612/2021– Religare Enterprises Ltd [PAN : AAACV5888N]**
- 2. 6613/2021– Religare Finvest Ltd. [PAN : AAFCS6801H]**

in the matter of Religare Enterprises Ltd.

1. Religare Enterprises Ltd. (hereinafter referred to as “REL”) and Religare Finvest Ltd. (hereinafter referred to as “RFL”), collectively referred to as the “applicants”, filed a settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as 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 Show Cause Notice bearing no. SEBI/HO/IVD/ID2/OW/P/2020/19436/1 dated November 17, 2020 for the alleged violations of Section 12A (a) (b) & (c) of the SEBI Act, 1992 and Regulations 3(b), 3(c) & 3(d) and 4(1), 4(2)(f) and 4(2)(r) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “PFUTP Regulations”) as well as Clause 32 and 36 of the Listing Agreement, Clause 49(I)(C)(1)(a) & 49(I)(C)(1)(d) of the Listing agreement {post circular dated April 17, 2014} read with Regulation 103 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as “LODR Regulations”) and Section 21 of the Securities

Contracts Regulation Act, 1956, Regulations 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(d), 4(1)(g), 4(1)(h), 4(1)(i), 4(1)(j), 30(1) and 48 of the LODR Regulations by REL. Further, the Show Cause Notice also alleged violations of Section 12A (a) (b) & (c) of the SEBI Act, 1992 and Regulations 3(b), 3(c) & 3 (d) and 4(1) of the PFUTP Regulations by RFL.

2. SEBI received complaints *inter-alia* alleging financial mismanagement and diversion of funds primarily in RFL, a subsidiary of REL which is a listed company, for the benefit of the promoters/promoter group companies. Thereafter, SEBI conducted an investigation wherein it was observed that RFL was part of a fraudulent and deceptive scheme and acted in a fraudulent manner which led to diversion of funds to the tune of Rs. 2,473.66 crores approximately through a material subsidiary of REL for the ultimate benefit of promoters. Further, it was observed that the consolidated financials of REL were not true and fair and were misleading to the shareholders of the listed company. It was also observed that despite repeated adverse observations from Reserve Bank of India regarding RFL's Corporate Loan Book, REL did not disclose the same to the stock exchange till 2017. Accordingly, the proceedings referred to in paragraph 1 were initiated against the applicants.
3. Pursuant to the receipt of the application, the authorized representatives of the applicants had a meeting with the Internal Committee of SEBI on December 23, 2021 and deliberated on the terms of settlement. Thereafter, the applicants proposed the revised settlement terms to settle the proceedings initiated against them.
4. The High Powered Advisory Committee (hereinafter referred to as the "HPAC") in its meeting held on March 17, 2022, considered the settlement

terms proposed by the applicants and recommended the case for settlement upon payment of following settlement amounts which were remitted by the applicants:

Sr. No	Name of the applicant	Settlement Terms as per SEBI (Settlement Proceedings) Regulations, 2018	Details of payment (UTR/Reference No. and date of payment)
1.	Religare Enterprises Ltd.	Rs.5,41,80,000/- (Rupees Five Crore Forty One Lakh Eighty Thousand Only)	204226213945 April 22, 2022
2.	Religare Finvest Ltd.	Rs.5,08,95,000/- (Rupees Five Crore Eight Lakh Ninety Five Thousand Only)	N138221963166184 May 18, 2022

Upon verification, the receipt of the above settlement amounts was confirmed.

5. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the pending enforcement proceedings for the alleged default as mentioned in paragraph 1 above are settled *qua* the applicants as per 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 enforcement action against the applicants for the said defaults; and

iii. 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.

6. This settlement order is passed on this 31st day of May, 2022 and shall come into force with immediate effect.

7. 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.

Sd/-

S.K. MOHANTY

WHOLE TIME MEMBER

Sd/-

ANANTA BARUA

WHOLE TIME MEMBER