

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

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**SETTLEMENT ORDER**

**in Settlement Application No.**

**4254 of 2020 filed by Majesco Limited [PAN: AAJCM4117G]**

**in the matter of Majesco Limited**

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1. Majesco Limited (hereinafter referred to as the 'applicant'), filed a *suo motu* 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 probable enforcement proceedings that could be initiated against them, for the alleged violation of Regulation 24(1)(b) of the SEBI (Buy-back of Securities) Regulations, 2018 ("Buyback Regulations").
2. The applicant is a company whose primary business is ownership and leasing of commercial property and is listed on the BSE and NSE. On October 08, 2020, the Board of the applicant approved a buyback of 74,70,540 equity shares at a price of ₹845/- per share amounting to a total of ₹631.28 crores, in order to return to its shareholders a part of surplus cash received by it upon the sale of its shareholding in Majesco, USA. The public announcement of the buyback was made on November 03, 2020, with the period for tendering of shares open from November 27, 2020 to December 11, 2020 and the payment of consideration to the shareholders was to be completed by December 16, 2020. In terms of Regulation 2(d) of the Buyback Regulations, October 08, 2020 to December 16, 2020 was scheduled as the buyback period.
3. On December 13, 2020, the applicant approved the issuance of 44,250 equity shares of face value of ₹5/- each to the employees who exercised their employee stock options

under the Employee Stock Options Scheme (“ESOP Scheme”), which was part of the Scheme of Arrangement of the applicant: Mastek Limited and Majesco Software and Solutions India Private Limited and approved by the High Courts of Gujarat and Bombay on April 30, 2015, although, the actual issuance of equity shares commenced only from December 17, 2020, i.e. post the buyback period. It was observed that the applicant had granted the approval for the issuance of new shares during the buyback period which was in violation of Regulation 24(1)(b) of the Buyback Regulations, as during the buyback period, the applicant was not allowed to issue fresh shares or other specified securities.

4. The employees who were allotted equity shares as part of the ESOP Scheme could not tender such equity shares in the buyback where the right of all other shareholders entitled to participate in the buyback remained unaffected.
5. Pursuant to filing of the settlement application, the authorized representatives of the applicant held a meeting with the Internal Committee of SEBI on February 17, 2021 and deliberated on the settlement terms. Thereafter, the applicant vide their e-mail dated February 25, 2021, proposed the revised settlement terms to settle the default as mentioned above.
6. The High Powered Advisory Committee (hereinafter referred to as the “HPAC”) in its meeting held on May 28, 2021 considered the proposed settlement terms made by the applicant and recommended the case for settlement upon payment of ₹12,18,750/- (Rupees Twelve Lakh Eighteen Thousand Seven Hundred and Fifty only) towards the settlement terms.
7. The applicant vide NEFT dated July 12, 2021, remitted ₹12,18,750/- (Rupees Twelve Lakh Eighteen Thousand Seven Hundred and Fifty only) towards the settlement terms as proposed by them for the settlement of the proceedings that could have been initiated against them and intimated SEBI about the same vide e-mail dated July 14, 2021. Upon verification, receipt of the above payment was confirmed.

8. 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 proceedings that may have been initiated for the default as mentioned in paragraph 1 be settled *qua* the applicant and as per the following terms:
- i. SEBI shall not initiate enforcement action against the applicant for the said default;
  - ii. this order disposes of the proceedings that may be initiated for the said default as mentioned above, in respect of the applicant; 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 commencing 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.
9. This settlement order is passed on this 26<sup>th</sup> day of July, 2021 and shall come into force with immediate effect.
10. 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.

Sd/-

**S.K. MOHANTY**  
**WHOLE TIME MEMBER**

Sd/-

**ANANTA BARUA**  
**WHOLE TIME MEMBER**