

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

in Settlement Application No. 3498/2018

filed by Xchanging Technology Services India Private Limited [PAN: AABCR5609L]

in the matter of Xchanging Solutions Limited

1. Xchanging Technology Services India Private 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 for the alleged violation of Regulations 3, 4 and 5 read with Regulation 13 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as the 'SAST Regulations') and the delayed compliance with the Minimum Public Shareholding requirements (hereinafter referred to as 'MPS').
2. A merger agreement dated May 24, 2016 entered into between Hewlett Packard Enterprise (hereinafter referred to as 'HPE'), Computer Sciences Corporation (hereinafter referred to as 'CSC') and DXC Technology Company (hereinafter referred to as 'DXC'). The transactions contemplated under the merger agreement were completed on April 01, 2017. As part of the transaction contemplated under the merger agreement, CSC merged with a wholly owned subsidiary of DXC resulting in DXC becoming the parent company of CSC. CSC is the parent company of the target company and owns 78.77% of the voting share capital. Thus, DXC through CSC indirectly acquired 78.77% of the voting share capital of the target company. The public announcement required to be made on May 30, 2016, was made by the applicant as the acquirer (along with DXC and CSC as persons acting in concert) on November 17,

2017. Pursuant to the Open offer, the shareholding of the promoter and the Promoter Group, including the applicant, in the target company increased to 90.8% which was in violation of MPS requirement. The MPS requirement was complied with delay.

3. Pursuant to the application, the authorized representatives of the applicant had a meeting with the Internal Committee of SEBI on September 25, 2020, and deliberated on the settlement terms. The applicant informed the committee that there is an appeal pending in Securities Appellate Tribunal filed by an investor which is mainly contesting the issue of Open Offer Price. Thereafter, the applicant vide their e-mail dated October 07, 2020, proposed the revised settlement terms and undertook to pay the differential settlement amount in the event the outcome of appeal filed is not in favor of the applicant and if the offer price as contested in the said appeal is enhanced, subject to outcome of any further litigation to settle the defaults mentioned above.
4. The High Powered Advisory Committee (hereinafter referred to as the “HPAC”) in its meeting held on December 30, 2020 considered the proposed settlement terms made by the applicant and recommended the case for settlement upon payment of ₹65,24,132/- (Rupees Sixty Five Lakh Twenty Four Thousand One Hundred and Thirty Two only) and the differential settlement amount in the event the outcome of appeal filed in the Tribunal is not in favor of the applicant as the settlement terms.
5. The applicant vide UTR No. 0811OP1008046776 dated January 19, 2021 remitted ₹65,24,132/- (Rupees Sixty Five Lakh Twenty Four Thousand One Hundred and Thirty Two only) and undertook to pay the differential settlement amount, if any, in case of adverse outcome of the appeal filed in the Tribunal. Upon verification, receipt of the above payment was confirmed.

6. 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 defaults 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 defaults;
- ii this order disposes of the proceedings that may be initiated for the defaults 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 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 16th day of February, 2021 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.

Sd/-
S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-
ANANTA BARUA
WHOLE TIME MEMBER