

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER
On Application No. 3412 of 2017

Filed by Infosys Limited [PAN: AAACI4798L]

1. Infosys Limited ('applicant' / 'company') filed a settlement application in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 repealed and replaced with SEBI (Settlement Proceedings) Regulations, 2018 (w.e.f. January 01, 2019), without admitting the findings of fact and conclusions of law, proposing to settle, through a settlement order, the proposed adjudication proceedings intimated vide 'Notice of Approved Enforcement Action' dated November 17, 2017 ('notice').
2. The said notice was with regard to the examination conducted by Securities and Exchange Board of India ('SEBI') in the scrip of Infosys Limited. During examination, SEBI examined the issues pertaining to severance payment to one Mr. Rajiv Bansal (ex-CFO of applicant) who had resigned from the company on October 11, 2015.
3. The examination *prima facie* revealed that the severance payment was not in accordance with the remuneration policy and the same was without the approval of the Nomination and Remuneration Committee; no prior approval of Audit Committee was taken for the severance agreement (which was found to be a related party transaction); failure to make detailed and timely disclosure of the severance agreement, cessation of the severance payment and initiation of the arbitration proceedings. The said defaults were found to be in violation of Clause 49(IV)(B)(1) of the Listing Agreement [read with Regulation 19(4) read with Schedule II (Part D)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]; Clause 49(VII)(D) of the Listing Agreement [read with the Regulation 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]; clause 36 of the Listing Agreement [read with Clauses 49(I)(A)(2), 49(I)(C)(1) and 49(I)(D)(1)(b) of the Listing Agreement read with Regulations 4(2)(b), 4(2)(e), 4(2)(f)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] and Regulation

30(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulations 30(4)(i)(b), 4(1)(d),(e),(h)(i) and 4(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 30(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 30(4)(i)(b), Clause 8 under Para B of Part A of Schedule III, Regulations 4(1)(d), (e), (h), (i) and 4(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. The authorised representatives of the applicant had a meeting with the Internal Committee of SEBI on February 09, 2018, wherein the settlement terms were deliberated. Thereafter, the applicant vide letter dated February 14, 2018, proposed the revised settlement terms to settle the defaults mentioned above.
5. The High Powered Advisory Committee ('HPAC') in its meeting held on February 26, 2018 considered the settlement terms proposed and recommended the case for settlement upon payment of ₹34,35,000 (Rupees Thirty Four Lakh Thirty Five Thousand only) by the applicant towards settlement charges for the aforementioned defaults. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC and the same was communicated to the applicant vide e-mail dated January 22, 2019.
6. The applicant vide demand draft number 342112 dated February 04, 2019 drawn on ICICI Bank has remitted ₹34,35,000 (Rupees Thirty Four Lakh Thirty Five Thousand only) towards the settlement charges.
7. 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 and 28 read with Regulation 34 of the SEBI (Settlement Proceedings) Regulations, 2018, it is hereby ordered that:
 - i. the proposed adjudication proceedings for the defaults as discussed in paragraph 3 above, are settled *qua* the applicant as per the above terms,
 - ii. SEBI shall not initiate any enforcement action against the applicant for the said defaults,

- iii. this order disposes of the said proposed adjudication proceedings in respect of the applicant for the defaults as mentioned above, in respect of the applicant and;
 - iv. passing of this order is without prejudice to the right of SEBI 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 discovered to be untrue;
 - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
8. This settlement order is passed on this 15th day of February, 2019 and shall come into force with immediate effect.
9. In terms of Regulation 25 of the SEBI (Settlement Proceedings) Regulations, 2018, a copy of this order shall be sent to the applicant and shall also be published on the website of SEBI.

-Sd-

S. K. MOHANTY
WHOLE TIME MEMBER

-Sd-

ANANTA BARUA
WHOLE TIME MEMBER