

**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**SETTLEMENT ORDER IN THE MATTER OF ONE97 COMMUNICATIONS**  
**LIMITED**

In respect of

| Sl. No. | Name of the Entity/Applicant | Settlement Application No. | PAN        | Settlement Order No. |
|---------|------------------------------|----------------------------|------------|----------------------|
| 1.      | One97 Communications Limited | 7800/2024                  | AAACO4007A | SO//PSD/2025-26/7800 |
| 2.      | Vijay Shekhar Sharma         | 7801/2024                  | AOAPS4075F | SO//PSD/2025-26/7801 |
| 3.      | Ajay Shekhar Sharma          | 7802/2024                  | BBJPS0729P | SO//PSD/2025-26/7802 |

***(The aforesaid entities are hereinafter referred to by their respective names and collectively as ‘the Applicants’)***

1. Securities and Exchange Board of India (‘SEBI’) had conducted an examination in the matter of One97 Communications Limited (‘OCL’) and Mr. Vijay Shekhar Sharma regarding the eligibility of Mr. Vijay Shekhar Sharma to receive Employee Stock Options (‘ESOPs’) of OCL.
2. It was noted that OCL had granted 2.1 crore ESOPs to Mr. Vijay Shekhar Sharma in October 2021 and of 2,26,582 ESOPs to Mr. Ajay Shekhar Sharma in May 2022. Pursuant to the examination, a Show Cause Notice (SCN) dated February 09, 2024 was served on the Applicants. The SCN, *inter-alia*, alleged the following:
  - 2.1. Mr. Vijay Shekhar Sharma was disclosed as the Promoter of One97 Communications Private Limited in the Annual Returns of the company filed with Registrar of Companies prior to the FY 2020-21.
  - 2.2. There was no material change in his rights/influence over the management of the company but Mr. Vijay Shekhar Sharma declassified himself as Non-Promoter on July 12, 2021 just prior to filing of Offer documents for the IPO by OCL on July 15, 2021.
  - 2.3. Further, Mr. Vijay Shekhar Sharma created such a scheme through arrangement of transfer of a portion of his equity in OCL to a family trust (created a few days prior to filing of offer documents for IPO by OCL) controlled by him so that Mr. Vijay

Shekhar Sharma could continue to exercise control over more than 10% equity of OCL directly and indirectly and circumvent the provisions of Regulation 2(1)(i)(iii) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('the SBEB Regulations') for getting arbitrarily huge number of ESOPs to himself to the detriment of public shareholders. OCL allowed such actions by Mr. Vijay Shekhar Sharma to circumvent the provisions of SEBI Regulations for grant of ESOPs to Mr. Vijay Shekhar Sharma and Mr. Ajay Shekhar Sharma.

- 2.4. Also, Mr. Vijay Shekhar Sharma had special rights by virtue of his position as founder of OCL and he was also the Managing Director of OCL. Hence, it is alleged that he was in a position to influence the decision making of Nomination and Remuneration Committee ('NRC') while approving grant of ESOPs to himself and his brother Mr. Ajay Shekhar Sharma. It is further alleged that ESOPs granted to Mr. Ajay Shekhar Sharma were under the influence of Mr. Vijay Shekhar Sharma as just 10 months ago, the ESOPs granted to Mr. Ajay Shekhar Sharma were cancelled citing, *inter alia*, that Companies Act prohibits issuance of ESOPs to promoter Group and SEBI's definition of promoter group includes family members.
- 2.5. OCL and Mr. Vijay Shekhar Sharma made incorrect disclosures in the offer documents by disclosing Mr. Vijay Shekhar Sharma as a non-promoter public shareholder.
- 2.6. Mr. Vijay Shekhar Sharma had not provided the necessary disclosures required to be given by the Promoter of a company including Promoters' contribution and lock-in period, profile of the promoter and declarations to be submitted to the stock exchanges, details of payment or benefit to promoter, etc.

3. In view of the above, it was alleged that the applicants had violated the following regulatory provisions:

**Table 1**

| Applicant | Name                         | Alleged violation of                                                                                                                                                                                         |
|-----------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.        | One97 Communications Limited | Regulations 245(1) and (2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Regulation 4(1) and 4(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, |

| Applicant | Name                     | Alleged violation of                                                                                                                                                  |
|-----------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           |                          | 2015 and Regulation 2(1)(i)(iii) of the SBEB Regulations                                                                                                              |
| 2.        | Mr. Vijay Shekhar Sharma | Regulations 2(1)(oo), 245(1) and (2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 2(1)(i)(iii) of the SBEB Regulations |
| 3.        | Mr. Ajay Shekhar Sharma  | Regulation 2(1)(i)(iii) of the SBEB Regulations                                                                                                                       |

4. The Applicants were called upon to show cause as to why:

- 4.1. Suitable directions under Sections 11(1), 11(4) and 11B (1) of the SEBI Act read with regulation 44 of the SBEB Regulations, including directions to OCL for cancellation of ESOPs granted to Mr. Vijay Shekhar Sharma and Mr. Ajay Shekhar Sharma and disgorgement of unlawful gains, should not be issued against Applicants for the alleged violations.
- 4.2. Monetary penalty under Section 11(4A) and 11B (2) read with Section 15HB of the SEBI Act should not be imposed on OCL and Mr. Vijay Shekhar Sharma for the alleged violations.

5. All the applicants filed three (03) separate settlement applications numbered 7800/2024 to 7802/2024 dated April 08, 2024 in terms of SEBI (Settlement Proceedings) Regulations, 2018 ('the Settlement Regulations') wherein the Applicants proposed to settle the pending proceedings through a Settlement Order without admitting or denying the findings of fact and conclusions of law. While these settlement applications were pending, the Applicants filed replies on merits, vide letters dated August 01, 2024, October 15, 2024 and November 15, 2024, in response to the SCN and opportunity of hearing was granted to the Applicants on August 01, 2024, October 17, 2024 and November 22, 2024. However, in terms of Regulation 8(1) of the Settlement Regulations, which states that "*The filing of an application for settlement of any specified proceedings shall not affect the continuance of the proceedings save that the passing of the final order shall be kept in abeyance till the application is disposed of*", order in respect of the SCN was reserved after conclusion of the hearing.

6. Separately and independently, the Authorised Representatives of the Applicants had meetings with the Internal Committee of SEBI (hereinafter referred to as 'IC') on July 15, 2024, August 14, 2024, October 24, 2024, December 13, 2024 and January 10, 2025 wherein the terms of settlement were deliberated. The IC considered the factors enumerated under Regulation 10 and Schedule II of the Settlement Regulations and permitted the Applicants to submit revised terms of settlement. Accordingly, the Applicants filed the Revised Settlement Terms vide separate letters dated January 15, 2025 and January 17, 2025. The said settlement applications along with the Revised Settlement Terms, received vide letters dated January 15, 2025 and January 17, 2025, were placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') in its meeting held on January 29, 2025, wherein the HPAC considered the Revised Settlement Terms proposed by the Applicants and recommended the settlement terms as follows which were agreed to by the Applicants on March 06, 2025:

**Table 2**

| <b>Applicant Name</b> | <b>Revised Settlement Terms</b>                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OCL                   | <ul style="list-style-type: none"> <li>• Cancellation of 2,10,00,000 ESOPs granted/vested and non-exercised upon Mr. Vijay Shekhar Sharma</li> <li>• Cancellation of 2,22,862 ESOPs granted/vested upon but not exercised by Mr. Ajay Shekhar Sharma</li> <li>• Settlement amount of Rs. 1,11,15,000 (Rupees One Crore Eleven Lakh Fifteen Thousand only)</li> </ul>                                                               |
| Vijay Shekhar Sharma  | <ul style="list-style-type: none"> <li>• Cancellation of 2,10,00,000 ESOPs granted/vested and non-exercised upon Mr. Vijay Shekhar Sharma</li> <li>• Settlement amount of Rs. 1,11,15,000 (Rupees One Crore Eleven Lakh Fifteen Thousand only)</li> <li>• Prohibition on Mr. Vijay Shekhar Sharma from accepting any fresh ESOPs from any listed company for a period of 3 years from the date of the Settlement Order.</li> </ul> |
| Ajay Shekhar Sharma   | <ul style="list-style-type: none"> <li>• Cancellation of 2,22,862 ESOPs granted/vested upon but not exercised by Mr. Ajay Shekhar Sharma</li> <li>• Settlement amount of Rs. 57,11,425 (Rupees Fifty-Seven Lakh Eleven Thousand Four Hundred and Twenty-Five only)</li> </ul>                                                                                                                                                      |

| Applicant Name | Revised Settlement Terms                                                                                                                                                                                                                    |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | <ul style="list-style-type: none"> <li>Disgorgement of Rs. 35,86,452 (Rupees Thirty Five Lakh Eighty Six Thousand Four Hundred and Fifty Two only) with respect to sale of 3,720 OCL shares obtained upon exercise of the ESOPs.</li> </ul> |

7. The Panel of Whole Time Members (WTMs) of SEBI accepted and approved the recommendations of HPAC on March 18, 2025. Thereafter, a Notice of Demand for the said amount was issued to the Applicants on March 21, 2025.
8. Subsequently, the Settlement Division of SEBI informed on April 24, 2025 that the Applicants have, vide their emails dated April 16, 2025, April 17, 2025 and April 20, 2025, confirmed compliance with above terms of settlement and that the monetary settlement amount and disgorgement amount as per settlement terms have been remitted by the Applicants and received by SEBI.
9. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the SEBI Act and in terms of Regulation 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the instant proceedings initiated against the Applicants, vide SCN dated February 09, 2024, are disposed of as per the above agreed settlement terms and complied with by them as confirmed and the following conditions:
  - 9.1. Mr. Vijay Shekhar Sharma shall not accept any fresh ESOPs from any listed company for a period of 3 years from the date of this Settlement Order.
  - 9.2. SEBI shall not initiate any other enforcement action against the Applicants for the violations as alleged in the SCN.
10. This Order is without prejudice to the right of SEBI to take any enforcement action against any or all of the Applicants, if:
  - 10.1. Any representation made by the Applicants in the settlement proceedings is subsequently found to be untrue; or
  - 10.2. The Applicants breach any of the clauses/conditions of undertakings/waivers filed during the current settlement proceedings; or
  - 10.3. There was a discrepancy while arriving at the settlement terms.

11. This settlement order shall come into force with immediate effect.

12. In terms of Regulation 25 of the Settlement Regulations, copies of this Order shall be served on the Applicants and also to SEBI.

**Date: May 08, 2025**

**Place: Mumbai**

**Santosh Shukla**

**Quasi-judicial Authority**

**Securities and Exchange Board of India**