

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA,
MUMBAI**

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
M/S. SHALIBHADRA INFOSEC LTD.**

**IN THE MATTER OF
SHALIBHADRA INFOSEC LTD – I AND SHALIBHADRA INFOSEC LTD - II**

CO/ID6 /1168/ 9 /2008

1. Securities and Exchange Board of India (SEBI) conducted investigations in the scrip of Shalibhadra Infosec Ltd. Pursuant to the investigations, proceedings under Section 11 and Section 11B of SEBI Act, 1992 were initiated against the applicant, M/s Shalibhadra Infosec Ltd. SEBI vide its Show Cause Notice Ref. No. ISD/RR/KS/SIL/33277/2005 dated February 9, 2005 has alleged that the applicant has violated Regulations 5(1) and 6(a) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 along with SEBI Circular dated 02-01-2002 read with Clause 20 (c) of listing agreement and SEBI Cir. No. SMDRP/POLICY/CIR-15/2001 dated 08-03-01 in the case of Shalibhadra Infosec Limited -I and SEBI vide its separate Show Cause Notice Ref No. IVD6/BM/SIL/69025/2006 dated June 12, 2006 has alleged that the applicant has violated Clause 13.1.1.1 of SEBI (DIP) Guidelines 2000 under Shalibhadra Infosec Limited -II. The SEBI has received replies in both the matters and the applicant was heard by SEBI. The said proceedings are pending with SEBI.
2. The applicant made a consent application dated September 27, 2007 alongwith an affidavit in the format prescribed by SEBI for settlement of the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated 20th April, 2007. Thereafter applicant has proposed vide letter dated October 31, 2007 revised consent terms submitting that “We propose to pay up an

amount of Rs.2,00,000 (Rupees Two Lakhs Only) as consent fee. We also undertake not buy, sell or deal in securities directly or indirectly in any manner whatsoever for a period of thirty months with effect from the date of the consent order". The consent terms proposed by the applicant have been placed before the High Powered Advisory Committee (HPAC) and HPAC after deliberation recommended the case for settlement on the consent terms proposed by the applicant.

3. In terms of the applicant's proposal for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant to the finding of fact or conclusion of law, applicant has remitted a sum of Rs.2,00,000/- (Rupees Two Lakhs only) vide Demand Draft No. 054876 dated June 18, 2008 drawn on State Bank of Patiala, Mumbai.
4. In view of the above, it is hereby ordered that;
 - i) the applicant shall not buy, sell or deal in securities directly or indirectly in any manner for a period of thirty months from the date of this consent order.
 - ii) this consent order disposes of the said proceedings under Sections 11 and 11B of SEBI Act, 1992 pending before SEBI against the applicant in the matter of M/s. Shalibhadra Infosec Limited I and M/s. Shalibhadra Infosec Limited II and
 - iii) passing of this order by SEBI is without prejudice to the right of SEBI to take enforcement action including commencing / reopening of the pending proceedings against the applicant if;
 - a. any representation made by the applicant in the consent proceedings is subsequently discovered to be untrue.

- b. the applicant have breached any of the clauses/
conditions of undertakings/ waivers filed during the
current consent proceedings with SEBI.

This consent order is passed on this the 9th July , 2008 and shall come into force
with immediate effect.

C.B.BHAVE
CHAIRMAN

T.C.NAIR
WHOLE TIME MEMBER