

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

(Application No. 2280 of 2011)

On the application submitted by

Educomp Solutions Ltd.

Consent Order No. IVD-ID5/ESL/AO/DRK/AKS/EAD-3/CO- 62/01-12

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated 05.10.2010 initiated adjudication proceedings against Educomp Solutions Ltd. (hereinafter referred to as '**the noticee**') to inquire into and adjudge under Section 15A (b) of the SEBI Act and Section 23E of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as '**SCRA**') the violations of Clause 36 of Listing Agreement read with Section 21 of SCRA and Clause 1.1 read with 2.1 of Code of Corporate Disclosure Practices for Prevention of Insider Trading in Schedule II under Regulation 12 (2) of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations**') alleged to have been committed by the noticee. It was alleged that the noticee had failed to make the corporate announcement.

2. In this regard Show Cause Notice no. A&E/DRK/MD/2623/2011 dated 21.01.2011 (hereinafter referred to as '**SCN**') was served on the noticee. In the SCN it was alleged that the noticee's delay in making the corporate announcement to the stock exchanges is in violation of provisions of Clause 36 of the Listing Agreement read with Section 21 of SCRA and Clause 1.1 read with 2.1 of Code of Corporate Disclosure Practices for prevention of Insider Trading in Schedule II under Regulation 12 (2) of PIT Regulations and that these actions made the noticee liable for a monetary penalty under Section 15A (b) of the SEBI Act and Section 23E OF SCRA.

3. Pending adjudication proceedings, the noticee submitted a Consent Application dated 03.03.2011 and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated April 20, 2007. Pursuant to the said application, the noticee attended a meeting with the Internal Committee on Consent on 15.07.2011 and the revised consent terms were settled at an amount of ₹ 10,00,000/- (Rupees Ten Lakh Only) towards settlement charges. The consent terms were placed before the High Powered Advisory Committee on Consent (hereinafter referred to as '**HPAC**') on 20.09.2011 and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the noticee and other material brought before the HPAC. HPAC after deliberations recommended the case for settlement on the consent terms proposed by the noticee which was approved by the panel of Whole Time Members.
4. In terms of the proposal of the noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the noticee to the findings of fact or conclusions of law, the noticee has remitted a sum of ₹ 10,00,000/- (Rupees Ten Lakh Only) favoring SEBI vide Demand Draft No. 065075 dated 03.05.2012 drawn on Axis Bank Ltd. towards the terms of consent in the matter.
5. Further, the noticee vide its email dated 14.05.2012 conveyed its acceptance to the condition that the order passed in this matter will be subject to the outcome of Writ Petition No. 6949/2011 filed before the Hon'ble Delhi High Court.
6. In view of the above, it is hereby ordered that:
 - i. this consent order disposes of the said adjudication proceedings initiated against the noticee mentioned in paras 1 and 2 and
 - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the noticee , if SEBI finds that:
 - a. Any representations made by the noticee in the consent

proceedings are subsequently discovered to be untrue.

b. The noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

7. This consent order is passed on the **16th day of May, 2012** and shall come into force with immediate effect.
8. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to Educomp Solutions Ltd. having office at 1211, Padma Tower- I, 5 Rajendra Place, New Delhi- 110008 and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai
Date: 16.05.2012

D. RAVI KUMAR
CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER