

November 18, 2011



The Secretary
The Stock Exchange, Mumbai
Jeejeebhoy Towers, B S Marg,
Mumbai
Scrip Code - 532347

The Secretary
National Stock Exchange Ltd
"Exchange Plaza"
Bandra - Kurla Complex, Bandra (E)
Mumbai - 400051
Scrip Code - HELIOSMATH

The Secretary
Madras Stock Exchange
2nd Line Beach
Chennai - 600 001
Scrip Code - HMS

Dear Sir,

Re: Update on Appeal No 69 of 2011 before Hon'ble Securities Appellate Tribunal ("SAT"), SEBI:

The Company had filed an appeal before Hon'ble Securities Appellate Tribunal ("SAT") being Appeal No.69 of 2011 challenging the Order dated January 31, 2011 passed by the Adjudicating Officer, Securities and Exchange Board of India (SEBI) imposing monetary penalty of Rs 25,00,000/- each for the alleged violation of provisions of :

(i) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003 ("FUTP Regulations")

(ii) SEBI (Prohibition of Insider Trading) Regulations 1992 ("PIT Regulations")

Hon'ble SAT has vide its Order dated November 16, 2011, inter alia, set aside the Order of the Adjudicating Officer relating to alleged violation of provisions of FUTP Regulations and has held that the Adjudicating Officer SEBI was wrong in holding that the company has misled the investors by stating that the deal between the company and vMoksha entities was complete when it was not complete in its entirety. Consequently, Hon'ble SAT set aside the penalty of Rs 25,00,000/- imposed by the Adjudicating Officer for the said violation.

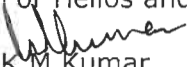
With regard to charges of violation of PIT Regulations, Hon'ble SAT has held that the finding of the Adjudicating Officer that the deal between the company and vMoksha entities was not a cash deal is incorrect. Hon'ble SAT has upheld the finding of the Adjudicating Officer that there was non-disclosure regarding the second leg of transaction relating to proposed issue of redeemable preference shares. However, Hon'ble SAT has reduced the penalty to Rs 15,00,000/- on the Company.





A copy of the Order passed by Hon'ble SAT is attached.

Thanking you
Yours faithfully,
For Helios and Matheson Information Technology Ltd


K.M. Kumar
Company Secretary

Encl: as above