

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CONSENT ORDER
ON THE APPLICATION SUBMITTED BY
DISA HOLDING II A/S AND DISA HOLDING A/S
IN THE MATTER OF
NON REPORTING AND DISCLOSING UNDER TAKEOVER REGULATIONS
(CONSENT APPLICATION NO. 1193 OF 2009)

1. The Securities and Exchange Board of India (hereinafter referred to as 'the SEBI') received a consent application filed on behalf of DISA Holding II A/S and DISA Holding A/S ('the applicants') vide their advocates letter dated February 10, 2009. The applicants have voluntarily filed the application under SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007 proposing settlement of their failure to make disclosure under Regulation 3(3) and to file report under Regulation 3(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 ('the Takeover Regulations').
2. It is noted that –
 - (a) DISA Holding AG is a 100% subsidiary of DISA Holding A/S. DISA Holding A/S (11.71%) and DISA Holding AG (62.56%) together hold 74.27% shares in the DISA India Ltd. ('target company'). DISA Holding A/S, thus, directly/indirectly held 74.27 percent of the total paid up capital of the target company. As on 05.01.2007, the entire shareholding in DISA Holding A/S was held by eleven shareholders.
 - (b) On 5th January 2007, 100% shareholding in DISA Holding A/S was acquired by DISA Holding II A/S (transferee) from its eleven shareholders (transferors). By virtue of this acquisition, the transferee indirectly acquired 74.27 percent of the total paid up capital of the target company.
 - (c) This acquisition was pursuant to global restructuring of DISA Group of companies. Each of the transferors were allotted exact number of shares in the transferee company as were held by them in DISA Holding A/S prior to the transfer of their shares to the transferee.
 - (d) The transferors are promoters of the target company within the meaning of the term under regulation 2 (1) (h) (a) of the Takeover Regulations. The new legal entity i.e. transferee is also owned and controlled by the transferors in the same proportion as in DISA Holding A/S, prior to the transfer. The acquisition, in spirit, satisfies the

requirements of eligibility of exemption under regulation 3 (1) (e) (iii) of the Takeover Regulations. However, the transferee has failed to make requisite disclosures under regulation 3 (3) and file report with SEBI under regulation 3 (4) of the Takeover Regulations.

3. The applicants proposed revised consent terms vide letter dated August 20, 2010 for settling the matter through a consent order. The High Powered Advisory Committee, constituted by SEBI, has recommend settlement of the case on payment of ₹ 5, 00,000 (Rupees five lakh only) towards settlement charges in view of the facts and circumstances of the case. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated November 8, 2010.
4. Accordingly, the applicants have remitted a sum of ₹ 5,00,000 (Rupees five lakh only) towards settlement charges vide Bankers cheque No. 520140 dated November 24, 2010 drawn on Deutsche Bank payable at Mumbai.
5. In view of the above, the failure to comply with regulation 3(3) and regulation 3(4) of Takeover Regulations as mentioned in the application is settled by this order in terms of the consent terms as mentioned in para. 3 and 4 above and SEBI shall not initiate any enforcement proceedings against the applicants for the said failures.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions against the applicants, if:
 - a. any representation made by the applicants in this consent proceeding is subsequently discovered to be untrue; or
 - b. the applicants breach any of the consent terms or undertaking filed in this consent proceeding.
7. This consent order is passed on this day, the 27th of December 2010 and shall come into force with immediate effect.

K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER