

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
KEMOIL LIMITED**

**IN THE MATTER OF
CALIFORNIA SOFTWARE COMPANY LIMITED
(CONSENT APPLICATION No.559 of 2008)**

1. On September 20, 1997, Kemoil Limited (hereinafter referred to as 'the applicant') located at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong acquired 2,92,000 shares of California Software Company Limited (hereinafter referred to as 'target company'). This acquisition increased the shareholding of the applicant in the target company from 24.01% to 32.98% requiring the applicant to make an open offer to the shareholders of the target company under Regulation 11(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as 'Takeover Regulations'). The applicant, however, failed to make the said open offer and thus became liable for appropriate enforcement action. The said failure came to the notice of SEBI while examining the draft offer document submitted by Merchant Banker (Religare Securities Limited) in respect of the open offer made by the applicant to the shareholders of the target company on August 21, 2007 pursuant to acquisition of shares made during the year 2007-08.
2. The applicant, vide letter dated March 5, 2008, proposed settlement of the enforcement actions, that may be initiated by SEBI for the aforesaid failure, through a consent order in terms of SEBI Circular No. EFD/ED/Cir.-1/2007 dated April 20, 2007. The applicant proposed revised consent terms vide letter dated September 25, 2008. High Powered Advisory Committee, constituted by SEBI, considered the consent terms proposed by the applicant and recommended the case for settlement. Accordingly, the applicant shall pay Rs.5,00,000/- (Rupees five lakh only) towards settlement charges and Rs.25,000/- (Rupees twenty five thousand only) towards

administrative charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated January 5, 2009.

3. Accordingly, the applicant, without admitting or denying the guilt, has remitted a sum of Rs.5,25,000/- (Rupees five lakh twenty five thousand only) comprising of Rs.5,00,000/- towards settlement charges and Rs.25,000/- towards administrative charges vide demand draft no. 972184 dated January 21, 2009 drawn on Canara Bank payable at Mumbai.
4. In view of the above, it is hereby ordered that SEBI shall not take any enforcement action against the applicant for its failure to comply with the aforesaid Regulations in the matter of California Software Company Limited.
5. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against applicant, if:
 - a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue, or
 - b. the applicant breaches any of the clauses/conditions of undertakings/waivers filed during this consent proceeding.
6. This consent order is passed on this day, the 19th February, 2009 and shall come into force with immediate effect.

**Sd/
M. S. Sahoo
Whole Time Member**

**Sd/
K.M. Abraham
Whole Time Member**