

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
DISA HOLDING AG AND DISA INDIA LIMITED**

IN THE MATTER OF DISA INDIA LIMITED

(CONSENT APPLICATION NO. 1349/2009 AND 1354/2009)

1. DISA Holding AG (PAN No. AACCD5189L and hereinafter referred to as 'DHAG'), having its registered office at Kasernenstrasse 1, 8184 Bachenbulack, Switzerland and DISA India Limited (PAN No. AAACG5030F and hereinafter referred to as 'DIL'), having its registered office at 5th Floor Kushal Garden Arcade, 1A, Peenya 2nd Phase, Bangalore 560058, have *suo moto* filed applications dated June 8, 2010 and June 3, 2009 respectively in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007 seeking settlement of probable enforcement action that might be initiated against them for failure to make necessary disclosures under the Regulations as detailed hereinafter.
2. It is alleged that DHAG had acquired 2,60,000 shares of DIL on March 22, 2005 but did not make the necessary disclosures to the target company and the stock exchanges within 2 days of such acquisition as required under Regulation 7 (1A) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "SAST Regulations"). However, the necessary disclosure was made with a delay of 51 days. It is also alleged that DHAG did not make the necessary disclosures to the stock exchanges as required under Regulation 3 (3) of SAST Regulations for the acquisition of shares of DIL on October 20, 2004 which is a condition precedent to get exemption from the open offer obligations. Such information is required to be disclosed to the stock

exchanges atleast 4 working days in advance of the date of the proposed acquisition where the acquisition exceeds 5% of the paid up capital of the company. It is alleged that in respect of these acquisitions DHAG failed to submit a report to SEBI within 21 days as required under Regulations 3 (4) of the said Regulations. DHAG which was already holding 6,76,402 shares of DIL representing 44.79% of the paid-up capital was required to notify the share purchase transactions dated October 20, 2004 to DIL within 4 working days of such acquisition under Regulation 13(3) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 which has not been complied with.

3. As against DIL, it is alleged that the transfer of shares to DHAG which was approved by the Board of Directors of DIL on October 20, 2004, the details of such transfer was not reported to the stock exchanges as required under Regulation 7(3) of the SAST Regulations and Regulation 13 (6) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.
4. Both DHAG and DIL proposed their revised consent terms vide letter dated April 12, 2010. The High Powered Advisory Committee (HPAC), constituted by SEBI, recommended the case for settlement on payment of Rs.7,00,000 (Rupees seven lakh only) by DHAG and Rs.1,00,000 (Rupees one lakh only) by DIL towards settlement charges. SEBI accepted the said recommendation and communicated the same to DHAG and DIL vide letter dated June 4, 2010.
5. Accordingly, DHAG and DIL, without admitting or denying the charges, have remitted sum of Rs.7,00,000 (Rupees seven lakh only) and Rs.1,00,000 (Rupees one lakh only), respectively towards settlement charges vide demand draft No. 983568 dated June 11, 2010 drawn on Deutsche Bank for Rs.7,00,000 (Rupees seven lakh only) and 001173 dated June 9, 2010 drawn on HDFC Bank for Rs. 1,00,000 (Rupees one lakh only) and payable at Mumbai.

6. In view of the above, it is hereby ordered that SEBI shall not initiate any enforcement action against DHAG and DIL for their alleged failure to make necessary disclosures under the aforesaid Regulations.
7. This order is without prejudice to the right of SEBI to initiate enforcement actions against DHAG and DIL, if:
 - a. any representation made by DHAG and/or DIL in this consent proceeding is subsequently discovered to be untrue; or
 - b. DHAG and/or DIL breaches any of the consent terms or undertakings filed in this consent proceeding.
8. This consent order is passed on this day, the July 1, 2010 and shall come into force with immediate effect.

K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER