

**Deputy General Manager
Corporate Finance Department
Division of Corporate Restructuring**

CFD/DCR/TO/DA/147475 /08
December 15,2008

Mr Sridhar V
President& Head-Investment Banking
STCI Capital Markets Ltd
1st floor, Dheeraj Arma
Anant Kanekar Marg,Bandra (E)
Mumbai-400 051

Dear Sir,

Sub:- Request for interpretative letter under the SEBI (Informal Guidance) Scheme, 2003- by STCI Capital Markets Ltd in the Matter of Disa India Ltd on applicability of the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 {Regulations}.

1. This has reference to your letters dated September 30, 2008 , November 11,2008 and other correspondences on the captioned subject
2. In your letter under reference you have *inter alia* represented as follows:-
 - a. Procuritas Group collectively holds 100% of the equity share capital of DISA Holding II A/S.
 - b. Hamlet Holding II ApS (Acquirer) is a vehicle used by Mid Europa Partners for the acquisition of DISA Holding II A/S.
 - c. DISA Holding II A/S indirectly holds 74.27% of the issued , subscribed and paid up capital of DISA India Ltd (Target Company)
 - d. The acquirer executed a SSPA with the Procuritas Group for the purpose of purchase of 100% shareholding of the DISA Holding II A/S on 9.03.2008 and the sale of DISA Holding II A/S closed on 4.09.2008 whereby acquirer was registered as the sole shareholder of the DISA Holding II A/S.
 - e. The transaction as per SSPA was subject to but not limited to clearance from Austrian and German Competition Authorities. While the Austrian competition authorities have given their consent on 23.04.2008, the German competition authorities rendered their clearance decision subject to certain conditions on 21.08.2008. They have given 6 months w.e.f August 21, 2008 for compliance to these conditions, extendable by another period of 3 months. If these conditions are not fulfilled within the said time period, the clearance decision no longer applies and sale is deemed to have been prohibited an all implementation acts must be reversed immediately. The Acquirer has not yet fulfilled these conditions.
3. It is also informed vide your letter dated November 17, 2008 that Mr Henrik Rossing Lonberg, partner in the legal counsel firm to the acquirer, has been appointed on the board of DISA Holding II A/s on October 09, 2008.

4. In view of the above submissions, you have sought the interpretive letter as to whether date of consummation (in the matter of indirect acquisition of Disa India Ltd by the Hamlet Holding II ApS) as defined in 14(4) of the Regulations would be:-
- September 4, 2008 ; or
 - The date of obtaining final clearance from the German Competition Authorities, whose final clearance will enable the sale to be effective.
5. The submissions made in your letters have been considered and without necessarily agreeing with your analysis ,our views on the issue are as under:-
- The regulation under consideration is regulation 14(4), which stipulates as under:
"Incase of indirect acquisition or change in control, a public announcement shall be made by the acquirer within three months of consummation of such acquisition or change in control or restructuring of the parent or the company holding shares of or control over the target company in India."*
 - It is observed that the sale of DISA Holding II A/s is already concluded and the acquirer is registered as sole shareholder of DISA Holding II A/s on September 4,2008 .Further, the management has also changed in DISA Holding II A/s .

In regulation 14 (4), the emphasis is on consummation of acquisition or change in control. On conclusion of sale, the acquirer becomes a beneficial owner and with registration as sole shareholder, it becomes a legal owner. The fact that management has changed also shows that acquisition or change in control has already taken place.
 - In view of the facts and circumstances of the case, the transaction will relate back to the date of conclusion of sale and not from the date of obtaining final clearance from the competition authorities. The same interpretation is to be adopted for purposes of regulation 14(4).
6. This position is based on the representation made to the Division in your letters under reference. Different facts or conditions might require a different result. This letter does not express decision of the Board on the questions referred.
7. You may note that the above views are expressed only with respect to the clarification sought on SEBI (Substantial Acquisition and Takeovers) Regulations,1997 and do not affect the applicability of any law and other SEBI Regulations, guidelines and circulars administered by SEBI or any other authority.

Yours faithfully,

(Soma Majumder)