

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**CO/IVD/2131/2010/AO/PKB/ EAD-4/31/2011**

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UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992  
READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND  
IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995

In respect of:

Dena Bank

(PAN - AAACD4249B)

In the Matter of: Alka Securities Limited

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1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) observed a sudden spurt in the price and trading volumes in the shares of Alka Securities Limited (hereinafter referred to as “the Company”). It was observed that large volume of off market transfers in the shares of the Company were executed and on many occasions the Promoters of the Company were also involved in the off market transfers and these shares were subsequently traded at Bombay Stock Exchange (hereinafter referred to as “BSE”). Therefore, SEBI conducted detailed investigations in respect of dealings in the scrip of the Company during the period from September 2008 to July 2009 (hereinafter referred to as the “investigation period”).
2. It has been observed that Dena Bank transacted substantially in the shares of the Company, but failed to make disclosures as required under the SEBI (Prohibition of Insider Trading) Regulations, 1992. It has also been observed that during the investigation period, Dena Bank sold/transferred all the shares of the Company; details of which are as follows:

**Dena Bank was holding 1,36,81,830 shares of the Company (representing 27.36% of paid up capital) as on September 4, 2008**

| Date         | Sold/transferred | % of the paid up Capital<br>(Residual shareholding) | Violations observed<br>PIT |
|--------------|------------------|---|----------------------------|
| 15 -Oct-2008 | 7,256,763        | 14.51% (12.85%)                                     | 13(3)                      |
| 17-Oct-2008  | 5,397,750        | 10.79% (2.06%)                                      | 13(3)                      |
| 27-Oct-2008  | 155,000          | 0.31% (1.75%)                                       | N.A                        |
| 04-Nov-2008  | 846,000          | 1.69% (0.06%)                                       | N.A                        |

3. In view of the aforesaid it was alleged that Dena Bank violated the provisions of Regulation 13 (3) read with 13 (5) of SEBI (Prohibition of Insider Trading) Regulations, 1992. The undersigned was appointed as the Adjudicating Officer vide Order dated March 31, 2010 to inquire into and adjudicate under Section 15A(b) of the Act, the alleged violation of provisions of Regulation 13 (3) read with 13 (5) of SEBI (Prohibition of Insider Trading) Regulations, 1992. Accordingly, a Show Cause Notice in terms of the provisions of Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 was issued to Dena Bank (hereinafter referred to as **“the Noticee”**) on July 13, 2010, seeking reply of the Noticee as to why an inquiry should not be held in respect of the violations alleged to have been committed by the Noticee.
4. While the Adjudication Proceedings were in progress, an application for Consent Order dated September 17, 2010 in respect of the aforesaid proceedings before SEBI was submitted by the Noticee along with the Undertaking / Waivers in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The Noticee, vide letter dated December 22, 2011, proposed ₹ 10,00,000 (Rupees Ten Lakhs only) as revised consent terms.
5. The revised consent terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as **“HPAC”**) on March 14, 2011 and HPAC after deliberation recommended the case for settlement on payment of ₹ 10,00,000 (Rupees Ten Lakhs only) towards settlement charges. Thereafter, SEBI vide letter dated April 15, 2011 conveyed to the Noticee that in view of the recommendations of HPAC, SEBI has in principle agreed to accept the terms of the consent proposed by the Noticee subject to the clauses of Undertakings / Waivers mentioned in the consent application and advised the Noticee to pay in accordance with the revised consent terms.
6. In terms of the proposal of the Noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the finding of fact or conclusion of law, the Noticee has remitted a sum of ₹ 10,00,000 (Rupees Ten Lakhs only) favouring Securities and Exchange Board of India vide Pay Order No. 040067 dated April 25, 2011 drawn on Dena Bank towards the terms of consent in the matter.

7. In view of the above, it is hereby ordered that:

- i) this Consent Order disposes of the said Adjudication Proceedings pending in respect of the Noticee under SEBI Act, 1992 and
- ii) passing of this Order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that:
  - a. any representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.
  - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

8. This Consent Order is passed on the 26<sup>th</sup> day of April, 2011 and shall come into force with immediate effect.

9. In terms of the provisions of Rule 6 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules 1995, copies of this Order are being sent to the Noticee and also to Securities and Exchange Board of India.

**Place: Mumbai**

**P. K. Bindlish**  
**Adjudicating Officer**