BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/BM/DS/2023-24/27903]

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

In the matter of
Vedanta Limited
(PAN: AACCS7101B)

BACKGROUND:

1. Securities and Exchange Board of India (hereinafter being referred to as "**SEBI**") conducted investigation in the matter of Vedanta Limited (hereinafter referred to as "**the Company**"/ "**Noticee**"), for the alleged violation of provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**LODR Regulations**"). Pursuant to investigation, it was alleged that there were violations of provisions of LODR Regulations due to the Noticee's failure to provide correct disclosures to media, including misrepresentation on the website of the Company.
2. In view of the above, SEBI initiated adjudication proceedings under the provisions of Section 15A(b) of the SEBI Act, 1992 against the Noticee for the alleged violations.

APPOINTMENT OF ADJUDICATING OFFICER

3. Vide Order dated March 13, 2023, the undersigned was appointed as the Adjudicating Officer (**"AO"**) under Section 19 and Section 15-I of the SEBI Act, and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties Rules, 1995 (hereinafter referred to as "**Adjudication Rules**") to enquire into and adjudge under the provisions of Section 15A(b) of the SEBI Act, 1992, the alleged

violations of provisions of Regulation 4(1)(c), Regulation 30(11) read with 30(12) and Regulation 46(3) of LODR Regulations by the Noticee.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. Show Cause Notice no. EAD/BM/DS/11592/1/2023 dated March 20, 2023 (hereinafter referred to as "**SCN**") was issued by the undersigned to the Noticee via Speed Post Acknowledgement Due (SPAD) and digitally signed e-mail under the provisions of Rule 4(1) of the Adjudication Rules and section 15-I of the SEBI Act, calling upon the Noticee to show cause as to why an inquiry should not be held against it for the aforesaid alleged violations of provisions of Regulation 4(1)(c), Regulation 30(11) read with 30(12) and Regulation 46(3) of LODR Regulations, and why penalty, if any, should not be imposed on it under Section 15A(b) of the SEBI Act, 1992.

5. The allegations levelled against the Noticee are as under:
    a. It was observed that a news article on Bloomberg Quint dated February 14, 2022 was published stating, "*Vedanta Partners With Foxconn To Make Semiconductors In India"*. Vide mail dated February 16, 2022, BSE and NSE (hereinafter referred to as "**the Exchanges**") sought clarification from the Noticee with respect to the above news article.
    b. Vide letter and mail dated February 16, 2022, the Noticee replied that *"With respect to the press release dated February 14, 2022, please note that the proposed business of manufacturing semiconductors is not under Vedanta Limited and we understand that it will be undertaken by the holding company of Vedanta Limited."*
    c. It was also observed that the Noticee published press release dated September 13, 2022 on its letterhead, which stated "*Vedanta signs MOUs with Government of Gujarat to set up semiconductors and display fab units*". The said press release was also available on its website. However, the press

release was found to be in contradiction to the Noticee's reply to the Exchanges vide letter and mail dated February 16, 2022.

d. Upon seeking clarification by the NSE, the company submitted that the above press release *was made inadvertently on the Noticee's letterhead and the same was immediately replaced.* The Noticee also referred to its intimation to the Exchanges vide mail dated September 15, 2022 that *"the proposed business of manufacturing semiconductors is not under Vedanta Limited and we understand that it will be undertaken by the ultimate holding company of Vedanta Limited, Volcan Investments Limited."*

e. As per provisions of Regulation 4(1)(c) of LODR Regulations, a listed company shall refrain from making misrepresentations and ensure that information provided to investors and stock exchanges is not misleading. As per Regulation 30(11) read with regulation 30(12), a listed company may on its own issue clarifications by confirming or denying reports available in public, by intimating to the stock exchanges. Also, the listed entity shall make adequate disclosures of material events. As per Regulation 46(3), a listed entity shall ensure that the content on its website are correct.

f. In view of the above, it was alleged that the Noticee has violated the provisions of Regulations 4(1)(c), Regulation 30(11) read with 30(12) and Regulation 46(3) of LODR Regulations by making false representations through press release on its letterhead regarding a material event, which was not pertaining to the Noticee, in actuality, and publishing the press release on its website.

6. Vide letter dated April 06, 2023, the Noticee requested for inspection of originals of certain documents. Following documents were made available for inspection and copies of these documents were also provided to the Noticee on April 25, 2023.

   a. Copy of examination report
   b. Copy of communication exchanged between the Exchanges and SEBI
   c. Annexures 1, 2 and 3 to the SCN dated March 20, 2023

d. Vedanta Press release dated February 14, 2022

7. Vide letter dated May 12, 2023, Noticee submitted its reply to the SCN. The main contentions are summarized below.
   a. *Noticee published press release dated September 13, 2022 on its letterhead, which stated "Vedanta signs MOUs with Government of Gujarat to set up semiconductors and display fab units"*
   b. *Noticee, on September 14, 2022, clarified to the newspapers that "Vedanta is not looking at entering the space of manufacturing iphones, TV equipment in India. Mr Anil Agarwal, Chairman, Vedanta has clearly denied this in an interview to CNBC TV 18."*
   c. *Upon a query from the Exchanges in regard to the September 13, 2022 press release, the Noticee, vide email dated September 15, 2022 clarified to the exchanges that "The proposed business of semiconductors is not under Vedanta Limited and we understand that it will be undertaken by the ultimate holding company of Vedanta Limited, Volcan Investments Limited."*
   d. *Thereafter, the inadvertent appearance of the stationery having reference to "Vedanta Limited" in the press release was immediately rectified and necessary steps were taken by the Noticee to inform public at large of the same through disclosures and newspapers.*
   e. *The Noticee further clarified to NSE on September 22, 2022 that there was no deviation in the press releases of February and September, 2022 and there is no change in the statement. It also clarified that the brand 'Vedanta' does not necessarily refer to Vedanta Limited. The use of 'Vedanta' is global and common among various companies. In this regard, a press release on the PIB website by the Ministry of Electronics & IT dated December 07, 2022, titled 'Vedanta FOXCONN Semiconductor Plant' was provided by the Noticee.*

f. *Further, the Noticee has made necessary changes in the internal control, processes and systems, and provided further training to the relevant departments to further clarify on the usage of its letterhead.*

g. *The disclosure in question was not made by the Company, and was not and cannot be construed as misrepresentation for the following reasons.*

i. *An inadvertent error that was immediately corrected cannot be regarded as misrepresentation.*

ii. *There was no misstatement in the erroneous disclosure, nor has the SCN alleged this.*

iii. *The inadvertent error was unintentional and made in good faith.*

iv. *There was no motive or incentive for the company to make the error*

v. *There was no financial gain or loss avoidance involved.*

vi. *No investor has alleged that any company representation was relied upon to cause losses, and there is no such allegation in the SCN.*

vii. *The Company acted diligently in placing the clarification promptly, fulfilling its duty of care to stakeholders.*

h. *Misrepresentation requires an active misstatement of facts, or partial and fragmentary statements of facts, such that the withholding of a fact not stated makes the stated fact wholly false. However, this is not the case in the present matter since the published facts were not false or untrue. Neither has the SCN alleged as such nor does the Investigation Report assert / find the same.*

i. *Under Regulation 4 of the LODR Regulations, 'Principles governing disclosures and obligations' have been prescribed. In essence, the Noticee has a duty to disclose facts correctly and not suppress material facts. In this case, the Company did not issue any release but on realizing the use of its letterhead, communicated the factual position to newspapers even before the query from the exchanges were received and further provided clarifications to the stock exchanges. There is no allegation that the Noticee did not disclose or chose to conceal facts. In fact, the Noticee approached newspapers to* *correct the news items even before clarifications were sought by the stock exchanges. Therefore, 'Principles governing disclosures and obligations' have been duly adhered to and alleging in the broad brush its violation would be a perversity in the facts and in law.*

j. *Noticee referred to the judgement of the Hon'ble Supreme Court in the case of Price Waterhouse Coopers Pvt. Ltd. v. Commissioner of Income Tax, Kolkata & Anr and submitted that it's a well established legal principle that inadvertent and bona fide errors of small or technical nature should not be penalized. Also, the Noticee has issued 29 press releases in FY 2022-23, and it will affect the Noticee's reputation adversely if the Company gets penalized.*

k. *The Company cannot be alleged to be misleading as there was no mens rea. The contents of both press releases were factually correct, and aside from the letterhead, nothing in the release was incorrect, untrue or misleading.*

l. *The name and address of the Company in the footer of the press release cannot be used to allege serious charges of misrepresentation and misleading investors against the Company.*

m. *The SCN alleges violation of Regulation 30(11) read with Regulation 30(12) of the LODR Regulations. Regulations 30(11) and 30(12) of the LODR Regulations has in its fold requirement of "material effect on it" for any disclosure of an event or information to be considered violative. The SCN and the Investigation Report is completely and correctly silent on assessment or determination of such materiality threshold. In this regard, the Noticee relied upon and quoted from the judgement of Hon'ble Supreme Court of India in the matter of SEBI v. Abhijit Rajan (2022 SCC Online SC 1241)*

n. *It is a matter of record that the Noticee was not involved in the semiconductor business that was to be undertaken by Volcan, therefore the success or failure of the joint venture would have no material effect on the Noticee's business. It is noteworthy that the Noticee's business is not closely tied to Volcan's* *business, and any such association would not have a significant impact on the Noticee.*

o. *The Noticee has already taken steps to strengthen its internal controls and processes. The Noticee organized various call/virtual meetings, workshops/seminars, and strengthened its internal controls to avoid such issues in the future.*

p. *Noticee contended that the alleged non-compliances stated in the SCN are technical, venial, and procedural in nature, and therefore no penalty should be imposed. It acknowledged that the press release on the Company's letterhead was an inadvertent technical, venial, and procedural error. However, the content of the press release was accurate and not misleading in any way. The use of the wrong stationery, which was immediately rectified, should not be considered misrepresentation. Moreover, there have been no reported losses or unfair advantages gained by the Noticee, so it should not be accused of misleading or misrepresenting anything. In this regard, the Noticee relied upon various case laws including Hon'ble SAT's judgement in the case of Mls. DSE Financial Services Limited (2012 SCC Online SAT 159) and UPSE Securities Limited (2011 SCC Online SAT 86) and Hon'ble Supreme Court's judgement in Hindustan Steel Limited v. State of Orissa.*

q. *SEBI should not take action against the noticee based on hindsight. The majority of the alleged non-compliances in the show cause notice (SCN) are rooted in hindsight bias. For example, the SCN mentions a single instance of an inadvertent press release on the Company's letterhead, which has been corrected and not repeated. The Company's conduct was in compliance with the applicable legal framework, and the allegations against it are founded in hindsight bias.*

r. *It is relevant to mention that the violations alleged in the Show Cause Notice are neither repetitive nor have the noticee made any gain or avoided any loss.*

Moreover, no losses have been reported in relation to the allegations in the SCN.

s. *It is submitted that the SCN is perverse in law as well as in facts. The SCN is based only on conjectures, surmises and is incorrect appreciation of facts and circumstances against the material on record.*

t. *It was submitted that SEBI has overstepped / exceeded its jurisdiction by issuing the present SCN, rendering it ultra vires. It was contended that the obligation to correctly use stationery, including business letters, billheads, and letter papers, is provided for under section 12(3)(c) of the Companies Act, 2013, which is not listed under section 24(2) of the Companies Act, 2013 and hence outside the jurisdiction of SEBI.*

u. *SCN contains vague and baseless allegations. It fails to state the charges and their basis, depriving the Company of a fair opportunity to defend itself and violating the principles of natural justice. Moreover, it does not specify a period of investigation and incorrectly proposes to impose penalties under the wrong section of the SEBI Act. Noticee also referred to the Order passed by Ld Whole Time Member of SEBI in matter of ARSS Infrastructure Projects Limited, in this regard. It was unclear as to how the Noticee has contradicted the email letter dated February 16, 2022. The SCN was issued prematurely without thorough assessment and proper application of mind , and without forming an opinion against the person specifically in contravention of directions of Gauhati High Court to SEBI in the matter of Sunita Agarwal v. SEBI.*

v. *The Noticee sought inspection of all relevant documents, but SEBI only provided a limited set of documents on April25, 2023. The Noticee submitted that SEBI should have granted inspection of all relevant documents and its failure to do so has impeded the Noticee's ability to submit a comprehensive reply to the SCN.*

8. In the interest of natural justice, the Noticee was provided an opportunity of hearing on June 05, 2023 through video conferencing mode. The Noticee, through its authorized representative, appeared for the hearing and reiterated the submissions already made vide letter dated May 12, 2023. During the course of hearing, the Noticee was asked as to how the public at large was informed through newspapers and disclosures that the September 13, 2022 press release on Noticee's letterhead was not pertaining to the Noticee, but to its ultimate holding company, i.e. Volcan Investments Limited (hereinafter referred to as "**VIL**"). In this regard, the Noticee requested for time till June 13, 2022 to make written submissions, which was granted by the undersigned. The Noticee was informed that this was the final hearing and no further opportunity of hearing will be provided to the Noticee in the present case.

9. The main submissions made vide letter dated June 13, 2023 are summarized as under-
   a. In response to the query raised by the adjudicating officer regarding the measures taken by the Noticee subsequent to inadvertent error on September 13, 2022 and prior to the disclosure dated September 15, 2022 in response to the queries from the stock exchange on September 15, 2022, it was submitted that
      i. *The contents of the press release on September 13, 2022, were and continue to remain true and accurate.*
      ii. *The Noticee communicated the correct information to newspapers such as Business Standard on September 14, 2022, even before the query from stock exchanges were received on September 15, 2022. It was done voluntarily. In this regard, a copy of the email sent to Business Standard providing the clarification was annexed. The same was also annexed with their reply dated May 12, 2023.*

iii. *The press release was republished without the letterhead of the Company but the content remained unchanged.*

iv. *The Noticee immediately published clarifications on the stock exchanges, which were also annexed with the reply.*

v. *Therefore, the Noticee published within a short time frame, i.e. within a maximum of two days, the clarification and disclosure on the stock exchange.*

vi. *The clarification was hence publicly available on September 15, 2022 and the same was extensively covered by newspapers and channels including the leading media outlets.*

vii. *As can be currently ascertained, the Noticee also uploaded the corrected press release on September 22, 2022 and removed the alleged incorrect press release.*

viii. *The incorrect press release related to the Noticee's holding company had been removed from the website then itself as mentioned above, but they still appear in google search as queried by the Ld. Adjudicating Officer, due to archive and technological retrieval traces on internet. There is no active or passive role of the Noticee in making available the old I archival link on google search history. The Noticee confirms and reiterates removal of alleged incorrect press release on September 22, 2022.*

ix. *The Noticee also relied and quoted from the Order passed by Hon'ble SAT in the matter Brickwork Ratings India Private Limited (Appeal No. 694 of2022, dated June 06, 2023), in support of its submissions that the alleged violation of the Compay, if any, does not merit any imposition of penalty.*

x. *It was submitted that SEBI should not take action against the Noticee based on hindsight bias. Thus, any penalty, howsoever meagre, on the Company by SEBI based on hindsight bias would be in total disregard of the relevant facts. In this regard, the Noticee relied upon and referred to the Order of*

Hon’ble SAT in the matter of Piramal Enterprises Limited (2019 SCC Online SAT 134).

xi. *The Noticee did not misrepresent or publish misleading information, and the press release contained accurate and correct information.*

10. It was also observed that the Noticee had not responded to the query raised during the course of hearing regarding the purpose of placing the press release dated September 13, 2022 on the website of Vedanta Limited. Vide mail dated June 13, 2023, the Noticee was advised to provide the same. Vide letter and mail dated June 14, 2023, the Noticee submitted that

a. *The Noticee at the relevant time followed a general practice to host press releases of the holding company of the Vedanta Group on its website as a measure of good governance disclosure practice where certain important news used to be published for general information.*

b. *There was and there is no prohibition under the Companies Act, 2013, SEBI Act, 1992 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a company from placing press release of its unlisted holding company on its website.*

c. *Despite the above position of law, due to SEBI SCN, the Noticee has stopped the practice of disclosing / placing press releases of the holding company on its website and has also removed all the previous press releases of the holding company of the Vedanta Group from its website.*

11. From the above submissions, it was observed that the specific query regarding informing the public through disclosures and newspapers, raised during the hearing, was not addressed by the Noticee in its submissions in its additional submissions.

ISSUES FOR CONSIDERATION, EVIDENCE AND FINDINGS

12. After perusal of the material available on record, I have the following issues for consideration.

    ISSUE I: Whether Noticee has violated provisions of Regulations 4(1)(c), Regulation 30(11) read with 30(12) and Regulation 46(3) of LODR Regulations?

    ISSUE II: Does the violation, if any, on part of the Noticee attract penalty under Section 15A(b) of the SEBI Act?

    ISSUE III: If so, how much penalty should be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act?

13. Before moving forward it is pertinent to refer to the relevant provisions of LODR Regulations which read as under:

    SEBI LODR Regulations, 2015

    Principles governing disclosures and obligations.

    4. (1) The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:

    (a) …

    (b) …

    (c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.

    Disclosure of events or information.

    30. (11) The listed entity may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

(12) In case where an event occurs or an information is available with the listed entity, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the listed entity is required to make adequate disclosures in regard thereof.

Website.

46. (1)…

(2)…

(3) (a) The listed entity shall ensure that the contents of the website are correct.

(b)The listed entity shall update any change in the content of its website within two working days from the date of such change in content.

FINDINGS

14. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticee, I record my findings hereunder:

ISSUE I. Whether Noticee has violated provisions of Regulations 4(1)(c), Regulation 30(11) read with 30(12) and Regulation 46(3) of LODR Regulations?

15. From the SCN, I note that Noticee has been alleged for violation of LODR Regulations, by making alleged misrepresentations through press release on its letterhead regarding a material event, which was not pertaining to the Noticee, in actuality, and publishing the press release on its website.

16. Before proceeding to deal with the merits of the matter, I would like to deal with the Noticee's submissions regarding non-provision of certain documents to the Noticee. Noticee has submitted that it had requested for provision / inspection of all relevant documents, but only a limited set of documents were provided to the Noticee, which according to the Noticee is violation of principles of natural justice.

The table below provides the details of documents provided to the Noticee and reasons for non-provision of certain documents

Sr. No.	Documents	Remarks
1	Copy of any communication between the stock exchanges and SEBI with respect to the press release dated September 13, 2022.	Provided
2	Copy of Examination Report	Provided
3	Copy of press release dated February 14, 2022 on Bloomberg Quint	Provided
4	Copies of any communications made to or with stock exchanges or any other market intermediary	Refer Sr. No. 1
5	Copy of the opinion formed by SEBI for initiation of adjudication proceedings	Copy of communication of Order appointing Adjudicating Officer, already provided as Annexure 1 to the SCN
6	Copy of opinion formed by the Ld. Adjudicating Officer that an inquiry should be held against the Noticee	SCN already provided to the Noticee
7	Annexures 2 and 3 to the SCN	Already provided, along with the SCN
8	Copy of Social media tweet posted on September 16, 2022	Provided
9	Copy of Complaint / reference, if any, received by SEBI with	No such complaints were received.

Sr. No.	Documents	Remarks
	respect to the press release made by the Noticee.	
10	Copy of any communication between the stock exchanges and SEBI with respect to the press release dated February 14, 2022	All the communication between SEBI and the Exchanges was provided and no specific communication with regard to February 14, 2022 press release is on record.
11	Copy of the emails sent by the stock exchanges dated February 16, 2022.	The mails were sent by the Exchanges to the Noticee, however the same was not available in the file
12	Copy of the emails sent by the stock exchanges dated September 15, 2022	
13	Signed and dated Examination Report submitted by the stock exchanges with respect to press release dated February 14, 2022 along with supplementary report, additional report or any other report, if any	No such report was submitted to SEBI.
14	Signed and dated Examination Report submitted by the stock exchanges with respect to press release dated September 13, 2022 along with supplementary report, additional report or any other report, if any	

Sr. No.	Documents	Remarks
15	Any statement recorded by SEBI during the investigation / inspection.	No statements were recorded by SEBI in the matter

17. In addition to the documents listed in paragraphs above, the Noticee had also requested provision/ inspection of *'All the documents received, communications made by SEBI with any person in respect of the present proceedings, not provided along with the SCN, if any'* and *'Any adverse material available on record or any documents with SEBI evidencing anything in relation to the allegations against the Noticee*'. In this regard, vide email dated April 18, 2023, the Noticee was advised to request for specific documents. However, no request in this regard was received from the Noticee thereafter.

18. In view of the aforesaid, all the documents which were relevant and relied upon have been provided to the Noticee, and hence, there is no violation of principles of natural justice. Therefore, Noticee's contention in this regard is not tenable.

19. Having satisfied with the technical objection, I would now deal with the merits of the case. I note that the Noticee had published a press release on September 13, 2022 titled '*Vedanta signs MOUs with Government of Gujarat to set up semiconductors and display fab units'.* The press release was originally printed on the letterhead of the Company. A copy of the press release was also published on the Noticee's website. However, as clarified by the Noticee to the exchanges and also in response to the SCN, the press release was not pertaining to the Noticee and that it was with respect to VIL, i.e. the ultimate holding company of the Noticee. Noticee has also submitted that printing of the press release was an inadvertent error, which was later (on September 22, 2022) rectified by it by replacing the press

release with another copy of the content of the release printed on plain paper, instead of the Noticee's letterhead.

20. Noticee has made following submissions:

a. It was submitted that vide emails dated September 15, 2022, Noticee had clarified to the Exchanges in respect of the September 13, 2022 press release as it was observed by the Exchanges that the press release was in contradiction to Noticee's email reply dated February 16, 2022.

b. Noticee has also submitted that it had submitted the factual position to the newspapers even before the query from exchanges was received. In this regard, copy of email dated September 14, 2022 sent by the Noticee to *Business Standard* was annexed with the submissions.

c. Noticee has submitted that the press release was immediately rectified and it had taken necessary steps to inform public at large through disclosures and newspapers. In this regard, Noticee referred to its email dated September 14, 2022 sent to *Business Standard*.

21. In this regard, it is important to state the chronology of all the related disclosures and events, as given below.

Date	**Event**
February 14, 2022	News article in Bloomberg Quint *'Vedanta Partners With Foxconn To Make Semiconductors In India'*
February 16, 2022	The Exchange sought clarification from the Noticee with respect to recent news item captioned *'Vedanta Partners With Foxconn To Make Semiconductors In India'*
February 16, 2022	Noticee clarified to exchange that '*With respect to the press release dated February 14, 2022, please note that the proposed business of manufacturing semiconductors is not*

Date	Event
	under Vedanta Limited and we understand that it will be undertaken by the holding company of Vedanta Limited.'
September 13, 2022	Noticee published a press release on its website, printed on its own letter head, for emphasis Vedanta Ltd titled '*Vedanta signs MOUs with Government of Gujarat to set up semiconductors and display fab units'.*
September 13, 2022	There was a news item in the www.reuters.com captioned "*Vedanta, Foxconn to invest $19.5 billion in India's Gujarat for chip, display project*".
September 14, 2022	There was another news item in *Business Standard website* captioned "*Vedanta to create hub to manufacture iPhones, TV equipment in India*".
September 14, 2022	Vide email, the Noticee clarified to the *Business Standard* in respect to the news item in *Business Standard website* on September 14, 2022. The Noticee informed *Business Standard* that *'We would like to clarify that Vedanta is not looking at entering the space of manufacturing iphones, TV equipment in India. Mr Anil Agarwal, Chairman, Vedanta has clearly denied this in an interview to CNBC TV 18. Attaching an extract from the interview in CNBC TV 18.'*
September 15, 2022	The Exchanges, sought clarification from the Noticee, as the Exchanges observed that the news item were in contradiction with the clarification issued by the Noticee vide email dated February 14, 2022.
September 15, 2022	Noticee clarified that '*Further to the clarification issued by the Company on February 16, 2022, we reiterate that the proposed business of manufacturing semiconductors is not under Vedanta Limited and we understand that it will be undertaken*

Date	Event
	by the ultimate holding company of Vedanta Limited, Volcan Investments Limited.'
September 22, 2022	The press release was republished without the letterhead of the Noticee and again hosted on the website of the company.
June 05, 2023	Press release continued to be available until brought to the notice of the Noticee during the hearing in the matter, after which it was subsequently removed from its website.

23. This press release of September 2022 has had wide ramifications for the price of the listed company. I note that using the Noticee's letterhead and simultaneously using 'Vedanta' to address the ultimate holding company, i.e. VIL, gives an impression that the news pertains to the Noticee. Further, it is a substantive issue as I observe that there was also impact on the price of the scrip in and around the time when the press release was issued as the closing price of Vedanta Limited (Noticee) increased from ₹277.55 on September 13, 2022 to ₹314.20 on September 15, 2022, i.e. increased by 13.20%. After the clarification was made available on the website of the Exchanges, i.e. on September 16, 2022, the share closing price fell to ₹290.75, i.e. by around 7.46%. Thus, it cannot be argued that the event was not material as far as the listed company is concerned.

24. It is clear from the chronology, that the event of Volcan Investments Limited (VIL), i.e. the ultimate holding company of the Noticee, was known long back in February 2022. Further exchanges had sought clarifications from the Noticee about the relevance of the news to the Noticee itself. Having had this knowledge as well as being fully aware of the fact that the event was in no way related to the Noticee, i.e. listed company, the Noticee egregiously hosted the press release on its website. Not only this, it made the press release on its letterhead itself giving a clear indication that the news pertained to the listed entity.

25. Further, despite the exchange seeking the clarification on the press release, the company merely replaced with press release with a press release without its letterhead. However, it obdurately continued to host the news on the website. It never de-alienated the event away from the listed company as the press release continued to carry the Noticee's profile at the end of the press release that the "*Vedanta Limited is listed on the Bombay Stock Exchange and the National Stock Exchange.*

For more information, please visit www.vedantalimited.com"

26. Thereafter, communication address of the Noticee and its registered office have been provided clearly giving the indication to the retail investors that the event concerns the listed entity.

27. Even in the matter of the Business Standard article, the company only issued a rebuttal to the newspaper, however the company did not make any attempt to correct its stand on the matter. No effort was made to publish the rebuttal on its website or in the press.

28. Conceptually the events pertaining to the listed company only should be carried on the website, however here is a case where the events of the promoter, not related to the listed company have been carried on the website. Vedanta, being a multibillion dollar company with business across jurisdiction and Vedanta Resources Ltd (VRL) with presence among so many companies with listed companies across the globe, it is unfathomable as to how an event pertaining to the ultimate holding company, i.e. Volcan Investments Limited (VIL) found its way to the website of Vedanta Ltd, the listed company in India.

29. However, all along, the Noticee has been treating the listed company website as the billboard for the promoter company. Admittedly, the Noticee has been issuing

the events of its promoters on its website on the listed company (Noticee's) letterhead. Thus, it appears that the Noticee, being a listed company, is a repeat offender, with total disregard to the investors' interest. In fact, the Noticee was providing misleading information to its investors, where Noticee is not concerned.

30. As it transpired, the Noticee subsequently after the hearing in the matter, removed the offending press release, it still remains a question as to how the company continued to carry the press release on its website. Ideally, the removal of press release could have been done in September 2022 itself when the stock exchanges sought the clarification.

31. The efforts taken by the company to take corrective actions were wanting and the actions was far delayed.

32. The act of the Noticee, which is a listed company to carry the news not pertaining to its operations on the website leads to providing misleading information to the investors of the public limited company. All these events may lead one to cast aspersions on the intent of the company to host the press release on its website.

32. The Noticee has relied upon and quoted from judgement of various cases to submit that penalty should not be imposed for a mere technical or venial breach of the provisions of LODR Regulations. It has already been demonstrated in the preceding paragraphs that the matter in the case cannot be called 'mere technical and venial.

33. Based on the above findings, I conclude that the allegation against Noticee of the violation of provision of regulations 4(1)(c), 30(11) read with 30(12), 46(3) of LODR Regulations stands established.

ISSUE II: Does the violation, if any, on part of the Noticee attract penalty under Section 15A(b) of the SEBI Act?

34. The provisions of Section 15A(b) of the SEBI Act read as under:

SEBI Act, 1992

Penalty for failure to furnish information, return, etc.

15A. If any person, who is required under this Act or any rules or regulations made thereunder,—

(a)…

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees

35. I further note that, the Hon'ble Supreme Court of India in the matter of Chairman, SEBI Vs Shriram Mutual Fund {[2006]5 SCC 361} has held that:

"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant..............."

I am therefore of the view that it is a fit case for imposition of penalty.

ISSUE III: If so, how much penalty should be imposed on the Noticees taking into consideration the factors mentioned in Section 15J of the SEBI Act?

36. While determining the quantum of penalty under Section 15A(b) of the SEBI Act, it is important to consider the factors relevantly as stipulated in Section 15J of the SEBI Act, which reads as under:

15J -Factors to be taken into account by the adjudicating officer

While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investor/+s as a result of the default;

(c) the repetitive nature of the default.

37. I have considered all the relevant factors stipulated in aforementioned provisions. I note that the material available on record has not quantified the amount of disproportionate gain or unfair advantage, if any, made by the Noticee and the loss, if any, suffered by the investors as a result of the Noticee's failure. I also note that no prior default of the Noticee is available on record.

ORDER

38. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticee, the mitigating factors as stated above and also the factors mentioned in Section 15J of the SEBI Act, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act and Rule 5 of the Adjudication Rules, hereby impose penalty of ₹ 30,00,000/- (Rupees Thirty Lakh only) on the Noticee for the violation of provisions of Regulation4(1)(c), Regulation 30(11) read with 30(12) and Regulation 46(3) of LODR Regulations.

39. Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT → Orders → Orders of AO → PAY NOW. In case of any difficulties in payment of penalties, Noticee may contact the support at portalhelp@sebi.gov.in .

40. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticee.

41. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticee and also to the Securities and Exchange Board of India.

Place: Mumbai **BARNALI MUKHERJEE**

Date: June 30, 2023 **ADJUDICATING OFFICER**