BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. ORDER/BM/DS/2022-23/19664]

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 respect of

25FPS Media Private Limited

(PAN:AAACZ2076J)

In the matter of
Zee Media Corporation Limited

BACKGROUND:

1. Securities and Exchange Board of India (hereinafter being referred to as "**SEBI**") conducted an examination in the scrip of Zee Media Corporation Limited (hereinafter referred to as "**the Company**"/ "**ZMCL**"), for the period commencing April 01, 2019 to April 15, 2020 (hereinafter referred to as "**investigation period**" / "**IP**"). During investigation, it was observed that there were non-compliances of provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "**SEBI PIT Regulations, 2015**") and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "**SEBI SAST Regulations, 2011**") by 25FPS Media Private Limited (hereinafter referred to as "**the Noticee**").

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 aforementioned alleged violations.

APPOINTMENT OF ADJUDICATING OFFICER

3. Vide Order dated February 17, 2022, 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 aforesaid alleged violations by the Noticee.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. Show Cause Notice no. EAD/BM/DS/12021/2022 dated March 22, 2022 (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 7(2)(a) of SEBI PIT Regulations, 2015 and regulations 29(2) and 29(3) of SEBI SAST Regulations, 2011 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 25FPS Media Private Limited (hereinafter referred to as "**Noticee**"), being promoter of ZMCL made delayed disclosures under regulation 7(2)(a) of SEBI PIT Regulations, 2015 and regulation 29(2) and 29(3) of SEBI SAST Regulations, 2011 in respect of sale of shares of ZMCL

during the IP. It was observed that there were 21 instances of delayed disclosures by Noticee during the IP, out of which in one instance, the shares were sold through the exchange and in 20 instances, there was invocation of pledged shares by the lenders with whom shares of ZMCL were pledged by the Noticee, which resulted in change in shareholding of the Noticee in ZMCL.

b. With regard to the invocation of pledged shares, ZMCL was asked to provide the rationale of the frequent invocation of pledged shares by the lenders during the IP and other information. The Company, vide mail dated December 31, 2021 submitted that the shares were invoked due to non-payment of outstanding dues to the lenders. Further, it was submitted by ZMCL that the Noticee had pledged shares as security towards borrowings availed by the borrower entity and since the borrower entity did not have sufficient liquidity, it was unable to pay the outstanding dues to the lenders. The relevant details of disclosures under regulation 7(2)(a) of SEBI PIT Regulations, 2015 for the aforesaid transactions which were submitted by the Company vide letter dated December 27, 2021 are as follows:

Table - 1

Sr. No.	Transaction Date	% of shareholding and pre-acquisition/ disposal	No. of shares acquired/ (disposed off) as a % of paid up capital	Value of Transaction (Rs.)	% of shareholding held post acquisition/ disposal	Mode	Last date to make disclosure under Reg 7(2)(a) of SEBI PIT Regulations, 2015	Date of disclosure to the Company	Delay in disclosures by the entity
1	May 22, 2019	27.65	0.34	20890154	27.31	On Market Sale	May 24, 2019	June 08, 2019	15
2	July 26, 2019	27.31	0.07	4313411	27.24	Invoke	July 29, 2019	Sept 27, 2019	60
3	July 31, 2019	27.24	0.02	1086875	27.22	Invoke	August 2, 2019	Sept 27, 2019	56
4	Sept 17, 2019	27.22	1.06	56000000	26.16	Invoke	Sept 19, 2019	Sept 27, 2019	8
5	Sept 20, 2019	26.16	1.06	53500000	25.10	Invoke	Sept 23, 2019	Sept 27, 2019	4

Sr. No.	Transaction Date	% of shareholding and pre-acquisition/ disposal	No. of shares acquired/ (disposed off) as a % of paid up capital	Value of Transaction (Rs.)	% of shareholding held post acquisition/ disposal	Mode	Last date to make disclosure under Reg 7(2)(a) of SEBI PIT Regulations, 2015	Date of disclosure to the Company	Delay in disclosures by the entity
6	Sept 20, 2019	25.10	1.59	80250000	23.51	Invoke	Sept 23, 2019	Oct 4, 2019	11
7	Sept 27, 2019	23.51	0.01	342371	23.50	Invoke	Sept 30, 2019	Oct 4, 2019	4
8	Sept 30, 2019	23.50	0.01	364932	23.49	Invoke	Oct 03, 2019	Oct 4, 2019	1
9	Oct 10, 2019	23.47	0.16	5083062	23.31	Invoke	Oct 14, 2019	Nov 27, 2019	44
10	Oct 11, 2019	23.31	0.93	30580000	22.38	Invoke	Oct 15, 2019	Nov 27, 2019	43
11	Oct 11, 2019	22.38	0.07	2337480	22.31	Invoke	Oct 15, 2019	Nov 27, 2019	43
12	Oct 14, 2019	22.31	0.00	60014	22.31	Invoke	Oct 16, 2019	Nov 27, 2019	42
13	Oct 16, 2019	22.31	0.17	4089291	22.14	Invoke	Oct 18, 2019	Nov 27, 2019	40
14	Oct 22, 2019	22.14	1.23	31311781	20.91	Invoke	Oct 24, 2019	Nov 27, 2019	34
15	Oct 23, 2019	20.91	0.26	6851251	20.65	Invoke	Oct 25, 2019	Nov 27, 2019	33
16	Oct 25, 2019	20.65	0.03	781242	20.62	Invoke	Oct 28, 2019	Nov 27, 2019	30
17	Oct 27, 2019	20.62	0.09	2261761	20.53	Invoke	Oct 29, 2019	Nov 27, 2019	29
18	Oct 29, 2019	20.53	0.21	5236546	20.32	Invoke	Oct 31, 2019	Nov 27, 2019	27
19	Oct 30, 2019	20.32	0.51	11891128	19.81	Invoke	Nov 1, 2019	Nov 27, 2019	26
20	Feb 20, 2020	19.81	1.03	25840500	18.78	Invoke	Feb 24, 2020	Feb 28, 2020	4
21	April 7, 2020	18.78	3.04	57915000	15.74	Invoke	April 9, 2020	April 10, 2020	1

c. In terms of regulation 7(2)(a) of SEBI PIT Regulations, 2015, disclosures are required to be made on every event of either acquisition or disposal of securities in excess of ten lakh rupees in a calendar quarter. In the instant matter, disclosure requirements in terms of regulation 7(2)(a) of SEBI PIT Regulations, 2015 were triggered because the disposal value of Noticee's transactions in the scrip of ZMCL exceeded ten lakh rupees in a calendar quarter.

d. From Table – 1 above, it is observed that the Noticee made delayed disclosures under regulation 7(2)(a) of SEBI PIT Regulations, 2015 in 21 instances.

e. Further, the disclosures requirement under regulation 29(2) and 29(3) of SEBI SAST Regulations, 2011 arises on every acquisition or disposal of shares of target company representing 2% or more of the shares or voting rights in such target company. The disclosures are required to be made both to the target company and the stock exchange within two working days of such acquisition or disposal.

f. From the details provided by ZMCL vide mail dated December 31, 2021, and from disclosures available on BSE website in regard to SEBI SAST Regulations, it was observed that there have been delayed disclosures under SEBI SAST Regulations, 2011 in 13 instances. The details are given below.

Table - 2

Sr. No.	**Transaction Date/ Trigger Date**	**% of shareholding at previous disclosure**	**No. of shares disposed off as a % of paid up capital after previous disclosure**	**% of shareholding held post disposal of shares**	**Last date to make disclosure under Reg 29(2) and Reg. 29(3) of SEBI SAST Regulations 2011**	**Date of disclosure to the Company and Stock Exchange**	**Delay in disclosures by the entity**
1	May 22, 2019	29.92	2.61	27.31	May 24, 2019	June 8, 2019	14
2	Sept 20, 2019	27.31	2.22	25.10	Sept 23, 2019	Sept 27, 2019	3
3	Oct 11, 2019	25.10	2.72	22.38	Oct 14, 2019	Nov 27, 2019	43
4	Oct 11, 2019	22.38	0.07	22.31	Oct 14, 2019	Nov 27, 2019	43
5	Oct 14, 2019	22.31	0.00	22.31	Oct 16, 2019	Nov 27, 2019	41
6	Oct 16, 2019	22.31	0.17	22.14	Oct 18, 2019	Nov 27, 2019	39
7	Oct 22, 2019	22.14	1.23	20.91	Oct 24, 2019	Nov 27, 2019	33

Sr. No.	Transaction Date/ Trigger Date	% of shareholding at previous disclosure	No. of shares disposed off as a % of paid up capital after previous disclosure	% of shareholding held post disposal of shares	Last date to make disclosure under Reg 29(2) and Reg. 29(3) of SEBI SAST Regulations 2011	Date of disclosure to the Company and Stock Exchange	Delay in disclosures by the entity
8	Oct 23, 2019	20.91	0.26	20.65	Oct 25, 2019	Nov 27, 2019	32
9	Oct 25, 2019	20.65	0.03	20.62	Oct 28, 2019	Nov 27, 2019	29
10	Oct 27, 2019	20.62	0.09	20.53	Oct 29, 2019	Nov 27, 2019	28
11	Oct 29, 2019	20.53	0.21	20.32	Oct 31, 2019	Nov 27, 2019	26
12	Oct 30, 2019	20.32	0.51	19.81	Nov 1, 2019	Nov 27, 2019	25
13	April 7, 2020	19.81	4.07	15.74	April 9, 2020	April 10, 2020	0

g. In view of the above, it was alleged that the Noticee has violated provisions of regulation 7(2)(a) of SEBI PIT Regulations, 2015 and regulations 29(2) and 29(3) of SEBI SAST Regulations, 2011.

6. It was observed that no reply was received from the Noticee till April 29, 2022. Hence, in the interest of natural justice, the Noticee was granted an opportunity of hearing, vide letter dated April 29, 2022, wherein the Noticee was advised to appear before the undersigned on May 10, 2022 through video-conferencing mode. Vide letter dated May 04, 2022, the Noticee informed that it is opting for settlement mechanism under SEBI (Settlement Proceedings) Regulations, 2018, and it has also submitted settlement application along with applicable registration fees. The Noticee further requested for additional time of four weeks to submit its reply to the SCN and also requested for scheduling the hearing thereafter. As sufficient time had already been granted to the Noticee, it was advised, vide mail dated May 05, 2022, to appear for the hearing scheduled on May 10, 2022. On the date of hearing, the AR appeared on behalf of the Noticee. The AR sought time till May 20, 2022 for making submissions to the SCN, which was granted by the

undersigned. Vide letter dated May 18, 2022, Noticee made submissions in response to the SCN.

7. As the Noticee applied for settlement, further proceedings were kept on hold until the completion of settlement proceedings. Vide mail dated September 12, 2022, the Noticee was informed by the settlement division of SEBI that its settlement application was rejected as the revised settlement terms were not filed by the Noticee within specified time period. As the settlement application was rejected, vide mail dated September 16, 2022, Noticee was advised to inform the undersigned whether another opportunity of hearing was required by the Noticee. Vide mail dated September 19, 2022, Noticee requested for the opportunity of hearing. Hence, vide mail dated September 20, 2022, Noticee was advised to appear before the undersigned on September 23, 2022. The AR appeared for the scheduled hearing and reiterated submissions already made vide letter dated May 18, 2022.

8. The submissions made by Noticee, vide letter dated May 18, 2022 are summarized as under:
   a. *It was submitted that the violations occurred without any mala fide intention on our part and as a result of factors outside our control. During the time period immediately preceding the investigation period, the price share of ZMCL saw a sharp fall of around 35.5% from Rs. 20 to Rs. 12.9. Consequently, due to the sharp fall in price, the lenders began to invoke the shares pledged, thereby, the number of shares of ZMCL pledged by Noticee reduced by a huge figure of 3.98 crores i.e. from 11.34 crores in May 2019 to 7.36 crores in Apri12020. The management and staff of the company was bombarded with more than dozen lenders on a daily basis. The sudden and unprecedented increase in interactions with the lenders and the humongous volume of transactions led to slight operational shortcomings and delays in the*

reconciliation and compilation of the data, which in turn led to the delay in the filing of the disclosures.

b. *That in view of the above, we did not have any mala fide intention behind the alleged delayed disclosure of the said transactions to ZMCL and the Stock Exchanges. The information was in public domain as soon as the disclosures were filed and therefore no loss of any kind was caused to the investors or the markets in any manner whatsoever. We submitted the data in a bona fide manner to the stock exchanges and had no ulterior motives behind the same. We neither had an intention to reap any gains nor we did reap any gains out of the delayed disclosure.*

c. *The Noticee submitted that the breach is merely technical and unintentional, hence penalty may not be levied. In this regard, Noticee relied and quoted from various judgements of Hon'ble SAT including Jagdish Kumar Arora vs. SEBI (Appeal No. 78 of 2020) decided on August 06, 2021, Piramal Entreprises Ltd. vs SEBI (Appeal No. 467 of 2016) and Reliance Industries Ltd. v SEBI (SAT Appeal No. 39/2002) and also from judgements of Hon'ble Supreme Court in the case of Akbar Badrudin Badrudin Jiwani V.Collector of Customs, Bombay (AIR 1990 SC 1579), Hindustan Steel Ltd., v State of Orissa, (1970) 1 SCR 753;(AIR 1970 SC 2563)*

d. *Noticee also referred to various circulars of SEBI and submitted that the continual disclosures alleged to have been violated by the Noticee have now been automated. Consequently, need to file manual disclosures is not there presently. Thus, there is no possibility of repetition of alleged violations in future, and this should be taken into consideration as a mitigating factor.*

e. *Noticee also referred to section 15J of SEBI Act, 1992, while requesting the undersigned to take into consideration all the mitigating factors, and relied on the judgement of Hon'ble Supreme Court in the case of Adjudicating Officer, SEBI vs Bhavesh Pabari [(2019) SCC Online SC 294]. Noticee also submitted that no disproportionate gain or unfair advantage has been made by the*

Noticee, and no loss has been caused to any investor group or any investor in individual. Noticee's violations and the delay therein are of such nature that render them incapable of affecting any single investor, let alone the market at large.

f. *As regards the repetitive nature of default, Noticee submitted that the Settlement Regulations at Chapter VII, provide for discretion of SEBI in matters involving repetitive defaults for adopting a less prejudicial standard for arriving at the settlement amount. It was also submitted that the violations were procedural and venial in nature, that they have been corrected and are incapable of being repeated in future.*

ISSUES FOR CONSIDERATION, EVIDENCE AND FINDINGS

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

   ISSUE I: Whether Noticee has violated regulation 7(2)(a) of SEBI PIT Regulations, 2015 and regulations 29(2) and 29(3) of SEBI SAST Regulations, 2011?

   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?

10. Before moving forward it is pertinent to refer to the relevant provisions of SEBI PIT Regulations, 2015 and SEBI SAST Regulations, 2011 which read as under:

SEBI PIT Regulations, 2015

Disclosures by certain persons.

7(2): *Continual Disclosures*

(a) Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;

SEBI SAST Regulations, 2011

Disclosures of acquisition and disposal.

29(2): *Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.*

29(3): *The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company to,—*

(a)every stock exchange where the shares of the target company are listed; and

(b)the target company at its registered office.

FINDINGS

11. 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 regulation 7(2)(a) of SEBI PIT Regulations, 2015 and regulations 29(2) and 29(3) of SEBI SAST Regulations, 2011?

12. I note from the available records that Noticee is promoter of ZMCL. There were 21 instances of delayed disclosures by Noticee during the IP, out of which in one instance, the shares were sold through the exchange and in 20 instances, there was invocation of pledged shares by the lenders with whom shares of ZMCL were pledged by the Noticee, which resulted in change in shareholding of the Noticee in ZMCL. Admittedly, the Noticee made delayed disclosures under regulation 7(2)(a) of SEBI PIT Regulations, 2015 and regulations 29(2) and 29(3) of SEBI SAST Regulations, 2011 in respect of sale of shares and invocation of pledged shares by the lenders.

Delayed disclosures under PIT Regulations

13. In terms of Regulation 7(2)(a) of PIT Regulations, Noticee, being promoter of ZMCL, was required to make disclosures to ZMCL, for each of the 21 transactions within two (2) working days. However, ZMCL, vide letter dated December 27, 2021 informed that there were delays in making disclosure by the Noticee to ZMCL. The details provided by ZMCL are given below.

Table - 3

Sr. No.	Transaction Date	% of shareholding and pre-acquisition/ disposal	No. of shares acquired/ (disposed off) as a % of paid up capital	Value of Transaction (Rs.)	Cumulative Value of Transaction (Rs.)	% of shareholding held post acquisition/ disposal	Mode	Last date to make disclosure under Reg 7(2)(a) of SEBI PIT Regulations, 2015	Date of disclosure to the Company	Delay in disclosures by the entity
1	May 22, 2019	27.65	0.34	20890154	20890154	27.31	On Market Sale	May 24, 2019	June 08, 2019	15
2	July 26, 2019	27.31	0.07	4313411	4313411	27.24	Invoke	July 29, 2019	Sept 27, 2019	60
3	July 31, 2019	27.24	0.02	1086875	5400286	27.22	Invoke	August 2, 2019	Sept 27, 2019	56
4	Sept 17, 2019	27.22	1.06	56000000	61400286	26.16	Invoke	Sept 19, 2019	Sept 27, 2019	8
5	Sept 20, 2019	26.16	1.06	53500000	114900286	25.10	Invoke	Sept 23, 2019	Sept 27, 2019	4
6	Sept 20, 2019	25.10	1.59	80250000	195150286	23.51	Invoke	Sept 23, 2019	Oct 4, 2019	11
7	Sept 27, 2019	23.51	0.01	342371	80592371	23.50	Invoke	Sept 30, 2019	Oct 4, 2019	4
8	Sept 30, 2019	23.50	0.01	364932	80957303	23.49	Invoke	Oct 03, 2019	Oct 4, 2019	1
9	Oct 10, 2019	23.47	0.16	5083062	5083062	23.31	Invoke	Oct 14, 2019	Nov 27, 2019	44
10	Oct 11, 2019	23.31	0.93	30580000	35663062	22.38	Invoke	Oct 15, 2019	Nov 27, 2019	43
11	Oct 11, 2019	22.38	0.07	2337480	38000542	22.31	Invoke	Oct 15, 2019	Nov 27, 2019	43
12	Oct 14, 2019	22.31	0.00	60014	38060556	22.31	Invoke	Oct 16, 2019	Nov 27, 2019	42
13	Oct 16, 2019	22.31	0.17	4089291	42149847	22.14	Invoke	Oct 18, 2019	Nov 27, 2019	40
14	Oct 22, 2019	22.14	1.23	31311781	73461628	20.91	Invoke	Oct 24, 2019	Nov 27, 2019	34
15	Oct 23, 2019	20.91	0.26	6851251	80312879	20.65	Invoke	Oct 25, 2019	Nov 27, 2019	33
16	Oct 25, 2019	20.65	0.03	781242	81094121	20.62	Invoke	Oct 28, 2019	Nov 27, 2019	30
17	Oct 27, 2019	20.62	0.09	2261761	83355882	20.53	Invoke	Oct 29, 2019	Nov 27, 2019	29
18	Oct 29, 2019	20.53	0.21	5236546	88592428	20.32	Invoke	Oct 31, 2019	Nov 27, 2019	27
19	Oct 30, 2019	20.32	0.51	11891128	100483556	19.81	Invoke	Nov 1, 2019	Nov 27, 2019	26

Sr. No.	Transaction Date	% of shareholding and pre-acquisition/ disposal	No. of shares acquired/ (disposed off) as a % of paid up capital	Value of Transaction (Rs.)	Cumulative Value of Transaction (Rs.)	% of shareholding held post acquisition/ disposal	Mode	Last date to make disclosure under Reg 7(2)(a) of SEBI PIT Regulations, 2015	Date of disclosure to the Company	Delay in disclosures by the entity
20	Feb 20, 2020	19.81	1.03	25840500	25840500	18.78	Invoke	Feb 24, 2020	Feb 28, 2020	4
21	April 7, 2020	18.78	3.04	57915000	57915000	15.74	Invoke	April 9, 2020	April 10, 2020	1

14. On perusal of these details, I note that on all 21 instances during the IP, total value of shares of ZMCL debited from Noticee's account due to sale/ invocation of pledge in one transaction or a series of transactions over the respective calendar quarters, aggregated to a traded value in excess of rupees ten lakh. From the submissions made by Noticee, I note that it has admitted to have made delayed disclosures.

15. In terms of the aforesaid provision of PIT Regulations, requisite disclosures are to be made based on every event of either acquisition or disposal of securities in excess of the limits specified therein in terms of number/value/percentage. In the instant matter, disclosure requirements in terms of regulation 7(2)(a) of SEBI PIT Regulations, 2015 were triggered because the value of disposed shares which were held by the Noticee in the scrip of ZMCL exceeded ten lakh rupees. Admittedly, the disclosures were not made within the time prescribed under the provisions of PIT Regulations.

16. In view of the aforesaid, I find that Noticee has violated provisions of regulation 7(2)(a) of SEBI PIT Regulations, 2015.

Delayed disclosures under SAST Regulations

17. As per regulations 29(2) and 29(3) of SEBI SAST Regulations, 2011, Noticee, being promoter of ZMCL and holding more than 5% (29.92% before the share sale on May 22, 2019) was required to disclose its change in shareholding to ZMCL and the exchanges, since, on 13 instances, such change in shareholding exceeded two percent of total shareholding in ZMCL. However, from the disclosures available on BSE website and details provided by ZMCL, vide letter dated December 31, 2021 I note that there were delays in making disclosures by the Noticee. The details are given below.

Table - 4

Sr. No.	Transaction Date/ Trigger Date	% of shareholding at previous disclosure	% of shares disposed off as a % of paid up capital after previous disclosure	Cumulative % of shares disposed off as a % of paid up capital after previous disclosure	% of shareholding held post disposal of shares	Last date to make disclosure under Reg 29(2) and Reg. 29(3) of SEBI SAST Regulations 2011	Date of disclosure to the Company and Stock Exchange	Delay in disclosures by the entity
1	May 22, 2019	29.92	2.61	2.61	27.31	May 24, 2019	June 8, 2019	15
2	Sept 20, 2019	27.31	2.22	2.22	25.10	Sept 23, 2019	Sept 27, 2019	4
3	Oct 11, 2019	25.10	2.72	2.72	22.38	Oct 14, 2019	Nov 27, 2019	44
4	Oct 11, 2019	22.38	0.07	2.79	22.31	Oct 14, 2019	Nov 27, 2019	44
5	Oct 14, 2019	22.31	0.00	2.79	22.31	Oct 16, 2019	Nov 27, 2019	42
6	Oct 16, 2019	22.31	0.17	2.96	22.14	Oct 18, 2019	Nov 27, 2019	40
7	Oct 22, 2019	22.14	1.23	4.19	20.91	Oct 24, 2019	Nov 27, 2019	34
8	Oct 23, 2019	20.91	0.26	4.45	20.65	Oct 25, 2019	Nov 27, 2019	33
9	Oct 25, 2019	20.65	0.03	4.48	20.62	Oct 28, 2019	Nov 27, 2019	30
10	Oct 27, 2019	20.62	0.09	4.57	20.53	Oct 29, 2019	Nov 27, 2019	29
11	Oct 29, 2019	20.53	0.21	4.78	20.32	Oct 31, 2019	Nov 27, 2019	27
12	Oct 30, 2019	20.32	0.51	5.29	19.81	Nov 1, 2019	Nov 27, 2019	26
13	April 7, 2020	19.81	4.07	4.07	15.74	April 9, 2020	April 10, 2020	1

18. Upon perusal of above details, I note that in 13 instances, the change in Noticee's shareholding in ZMCL exceeded two percent from the last disclosures made under regulations 29(2) and 29(3) of SAST Regulations, 2011, and the disclosures were not made to ZMCL and the Exchanges within 2 working days of such disposal of shares. The delay spans from 1 day to 44 days. Admittedly, the disclosures were not made within the prescribed time.

19. In view of the aforesaid, I find that Noticee has violated provisions of regulation 29(2) and 29(3) of SEBI SAST Regulations, 2011.

20. Noticee has submitted that it inadvertently made delayed disclosures in respect of sale/ invocation of pledge of its shares in ZMCL, during the IP. It also submitted that the intention was not malafide.

21. As regards the Noticee's contention that its intention was not malafide, I note the observation made by SAT in the matter of Akriti Global Traders Ltd. Vs. SEBI, decided on 30.09.2014, that *"… Argument of appellant that the delay was unintentional and that the appellant has not gained from such delay and therefore penalty ought not to have been imposed is without any merit, because, firstly, penal liability arises as soon as provisions under the regulations are violated and that penal liability is neither dependent upon intention of parties nor gains accrued from such delay.."*. In view of the same, I am not inclined to accept said contention of the Noticee.

22. Noticee has also submitted that it did not delay making disclosures to gain anything and no loss has been caused to the investors. In this regard, I note that the allegation is not of making non-genuine gains, but of not disclosing information to ZMCL and/ or the Exchanges as required under PIT and SAST Regulations.

23. I am of the view that the disclosures requirements under the respective regulations serve very important purposes. The stock exchange is informed via disclosures so that the investing public will come to know of the position enabling them to stick on with or exit from the company. Further, timely disclosures of the details of the shareholding of the persons acquiring substantial stake is of significant importance as such disclosures also enable the regulators to monitor such acquisitions. Further, Hon'ble Securities Appellate Tribunal ('SAT') in the matter of Coimbatore Flavors & Fragrances Ltd. vs SEBI(Appeal No. 209 of 2014 order dated August 11, 2014), has also held that "*Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same*."

24. Further, Hon'ble SAT in its judgement dated October 14, 2014 in the matter of Virendrakumar Jayantilal Patel vs. SEBI(Appeal No. 299 of 2014), has held that *".......... obligation to make disclosures within the stipulated time is a mandatory obligation and penalty is imposed for not complying with the mandatory obligation."*

25. Based on the aforesaid findings, I conclude that the Noticee has made delayed disclosures to the Company and the stock exchanges with regard to disposal of shares and change in shareholding during various points in time and has thus violated the provisions of regulation 7(2)(a) of SEBI PIT Regulations, 2015 and regulations 29(2) and 29(3) of SEBI SAST Regulations, 2011.

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

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

    Penalties and Adjudication

    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,—*

    (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, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

27. 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.............."

28. I also note that in Appeal No. 66 of 2003 –Milan Mahendra Securities Pvt. Ltd. Vs. SEBI – the Hon'ble Securities Appellate Tribunal (SAT) has observed that, *"the purpose of these disclosures is to bring about transparency in the transactions and assist the Regulator to effectively monitor the transactions in the market*".

29. In the context of disclosure related violations, I observe that Hon'ble SAT has consistently held that the obligation to make disclosure within the stipulated time is a mandatory obligation and penalty is imposed for non-compliance of the mandatory obligation.

30. Hence, in view of the findings as given above, I am convinced that the Noticee is liable for monetary penalty under Section 15A(b) of the SEBI Act for violating the provisions of regulation 7(2)(a) of SEBI PIT Regulations, 2015 and regulation 29(2) and regulation 29(3) of SEBI SAST Regulations, 2011.

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?

31. 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.

32. Noticee has submitted various mitigating factors including Noticee lost its considerable shareholding in ZMCL; that the delayed disclosures were unintentional and not mala-fide; that the disclosures are presently automated, which make it impossible to repeat the violations. I have taken into consideration all these factors and also the judgements of case laws relied upon by the Noticee.

33. The main objective of disclosure related provisions in SEBI PIT Regulations, 2015 and SEBI SAST Regulations, 2011 is to afford fair treatment for shareholders who are affected by the change in shareholdings. The Regulation seeks to achieve fair

treatment by *inter alia* mandating disclosure of timely and adequate information to enable shareholders to make an informed decision and ensuring that there is a fair and informed market in the shares of companies affected by such change. Correct and timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing investors from taking well-informed decisions. Since promoters hold a special position in the eye of the shareholders, it is imperative that they should maintain transparency in governance and acquisition of shares of a company. Thus, the cornerstone of such provisions is investor protection. Further these timely disclosures are of significant importance from the point of view of the Regulators also.

34. I find that Noticee has violated the provisions of Regulation 7(2)(a) of SEBI PIT Regulations, 2015 on 21 instances and provisions of regulation 29(2) and 29(3) of SEBI SAST Regulations, 2011 on 13 instances, by making delayed disclosures.

35. It is noted that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of such non-compliance by the Noticee. Further from the material available on record, it is not possible to ascertain the exact monetary loss to the investors on account of non-compliance by the Noticee. In this case, from the material available on record, any quantifiable gain or unfair advantage accrued to the Noticee or the extent of loss suffered by the investors as a result of the default cannot be computed. It is observed that the delayed disclosures have occurred repeatedly during the IP.

ORDER

36. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticee 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 a penalty of ₹ 4,00,000/- (Rupees Four Lakhs Only) on the Noticee for violation of provisions of regulation 7(2)(a) of SEBI PIT Regulations, 2015 and regulation 29(2) and 29(3) of SEBI SAST Regulations, 2011.

37. 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.

38. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD – DRA - 4, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

1. Case Name:	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	
7. Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount and legal charges along with order details)	

39. 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.

40. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticee i.e. 25FPS Media Private Limited, and also to the Securities and Exchange Board of India.

Place: Mumbai	**BARNALI MUKHERJEE**
Date: September 26, 2022	**ADJUDICATING OFFICER**