

# NEWS BROADCASTING STANDARDS AUTHORITY

## Order No. 19 of 2012

**Re: Complaint dated 18<sup>th</sup> April, 2012 filed by Sunair Hotels Ltd., against IBN18 Broadcast Ltd. in respect of broadcasts titled “PC in conflict of interest”, “Phir vivad mein Chidambaram” carried on CNN-IBN and IBN 7 channels from 14<sup>th</sup> December, 2011 to 18<sup>th</sup> December, 2011**

### ORDER

1. Complaint dated 18<sup>th</sup> April, 2012 was made by Sunair Hotels Ltd., New Delhi to Hon’ble Shri Hamid Ansari, Vice President of India against IBN18 Broadcast Ltd. in respect of the broadcast of news reports titled “*PC in conflict of interest*” dated 14.12.2011 carried on CNN-IBN and broadcast titled “*Phir vivad mein Chidambaram*” dated 14.12.2011 carried on IBN7 news channel and subsequent broadcasts from 15<sup>th</sup> to 18<sup>th</sup> December 2011 which complaint was forwarded to the News Broadcasting Standards Authority (“NBSA”) by the Ministry of Information & Broadcasting vide letter dated 4<sup>th</sup> July, 2012.
2. The essence of the complaint was that from 14.12.2011 to 18.12.2011 IBN18 Broadcast Ltd. carried news reports on its television channels CNN-IBN (English) and IBN7 (Hindi) to the effect that at the behest and instance of Shri P. Chidambaram, Union Home Minister, First Information Reports bearing FIR Nos. 90/2000, 99/2002 and 148/2002 registered by the Delhi Police (under various provisions of the Indian Penal Code including for offences of criminal breach and trust, cheating, forgery etc.) that have been pending investigation with the police, had been withdrawn immediately upon Shri P. Chidambaram taking charge of the Ministry of Home Affairs. It was further reported in the said news report that Shri P. Chidambaram had favoured the complainant Sunair Hotels Ltd. since Shri Chidambaram had represented the complainant in some litigation in the court while he was practicing as Senior Counsel.
3. The complainant’s grievance was that the news reports in question were telecast at the instance of VLS Finance Ltd., which was inimical to Sunair Hotels Ltd. since the two companies had been locked in multiple commercial litigations for a long time. The complainant contended that VLS Finance Ltd. was a promoter/ shareholder of the broadcaster company; and had therefore influenced the content broadcast on the channels.
4. On the other hand, in response to NBSA’s notice dated 16<sup>th</sup> October, 2012 issued in the matter, by way of its reply dated 7.11.2012 the broadcaster denied the violation of any of the self-regulatory guidelines, including the NBA Code of Ethics & Broadcasting Standards and contended that the news reports in question are true in substance, and the matter broadcast was duly verified before telecast. Furthermore, the broadcaster contended that the news reports were telecast in good faith and for bona fide public good. The broadcaster stated that the news reports were not about any legal case pertaining to the complainant that was pending in Court nor about the business affairs of the complainant; the subject of the news reports was the “conflict of interest” of Shri P. Chidambaram while discharging his public duties as Home Minister and his alleged role in the withdrawal of certain complaint cases pending

against the complainant by the prosecuting agency. The broadcaster stated that the news reports were not an attempt to influence the Courts or to prejudice any *sub judice* matter in any manner whatsoever. The broadcaster argued that adhering to the principles of responsible journalism, impartiality and objectivity and in order to ensure neutrality, before the telecast of the news reports in question, it had sought clarifications from the office of the Union Home Minister by its email dated 12.12.2011, to which a response was received from the Ministry of Home Affairs vide its letter dated 13<sup>th</sup> December, 2011. It was further stated that the news reports included the version and response of the Ministry of Home Affairs, and therefore, the reports in question were objective and neutral. It was the broadcaster's contention that, as admitted by the complainant itself, the channels even carried an interview of Shri S.P. Gupta, Chairman of the complainant. The broadcaster pointed-out that while the subject matter of the news reports was Shri P. Chidambaram, no complaint whatsoever in respect of the said telecasts had been made either by Shri P. Chidambaram or by the Union Home Ministry.

5. The NBSA gave a hearing to the complainant and the broadcaster on 5<sup>th</sup> December 2012, at which hearing the attention of the NBSA was drawn by the complainant to the following aspects, in regard to which additional submissions were also filed by the complainant vide representation dated 8<sup>th</sup> December, 2012 :

- (i) That VLS Finance Ltd. And VLS Capital Ltd. were promoters / shareholders of the company that started CNN-IBN and IBN7 news channels in or around 1997 ; and even upto 1999 VLS Finance Ltd. continued to remain a shareholder of the Broadcaster company. However, during the telecast of the news reports between 14.12.2011 and 18.12.2011, the broadcaster did not disclose that its promoters/shareholders were locked in bitter legal battle with the complainant. The complainant alleged that the broadcaster was under ethical obligation to duly disclose the financial stake and control that VLS Finance Ltd. and/or VLS Capital Ltd. had over the Broadcaster vis-a-vis the adverse interest that the said finance companies had with Sunair Hotels Ltd. ; and that such non-disclosure affected the impartiality and objectivity of the news reports telecast;
- (ii) That the timing of the news reports was exceptional, since an application for withdrawal from prosecution by the State against Shri S.P. Gupta, Chairman of the Complainant was listed for consideration before the Court on 17<sup>th</sup> December, 2011; and therefore, broadcast of the news reports between 14<sup>th</sup> December and 17<sup>th</sup> December, 2011 was intended to interfere with the administration of justice and to influence the outcome of the withdrawal application pending before Court;
- (iii) That the decision to file applications for withdrawing from the prosecution against the complainant was taken by the Ministry of Home Affairs as per the advice tendered by the Department of Legal Affairs, Ministry of Law & justice; and, therefore, the insinuation that Shri P. Chidambaram was responsible for the decision to withdraw from the prosecution was baseless and false;
- (iv) That the fact that Shri Chidambaram had represented Sunair Hotels Ltd. in certain Court matters way back in 2003, was irrelevant and immaterial, since that did not necessarily imply any sinister motivation for the Law Ministry's advice to withdraw from the prosecution of the complainant. Besides, the complainant in its representations to the Hon'ble Vice president of India & the

Prime Minister of India stated that the decision of the State to withdraw from the prosecution was ultimately reversed and the criminal prosecutions against the complainant were not withdrawn.

6. At the hearing on 5<sup>th</sup> December 2012, the broadcaster reiterated the stand contained in its reply dated 7.11.2012. By way of additional submissions filed vide representation dated 7<sup>th</sup> December 2012, the broadcaster also contended that VLS Finance Ltd. and VLS Capital Ltd. have had no shareholding in broadcaster company after March, 2000; and accordingly, way before the date of the broadcasts complained-of (viz. 14.12.2011 to 18.12.2011), VLS Finance Ltd. and VLS Capital Ltd. were neither promoters nor shareholders of the broadcaster company. On the basis of the foregoing submissions, the broadcaster defended the story it had carried by way of the various news reports.
7. After perusing the complaint and various representations made by the complainant and the responses filed by the broadcaster; after viewing the news reports in question and after carefully considering the rival contention of the parties, the NBSA concludes:
  - (i) Upon an objective viewing of the news reports it is apparent that the subject matter of the news reports was Shri P. Chidambaram who had then taken over as Home Minister and the complainant Sunair Hotels Ltd. was not the principal focus of the news reports;
  - (ii) From the documents placed before the NBSA, it is evident that communications were exchanged between the various authorities, including the Directorate of Prosecution, Govt. of NCT of Delhi, the Economic Offences Wing of the Delhi Police, the Ministry of Home Affairs as well as the Ministry of Law as also the office of the Lieutenant Governor of Delhi in relation to the withdrawal from prosecution against the complainant; the news stories were not inaccurate insofar as it was reported that a decision was taken to withdraw from the prosecution and applications to that effect were moved before the concerned Court for that purpose; and also that subsequently, such 'withdrawal-applications' were withdrawn thereby rolling-back the process of withdrawing from the prosecution against the complainant;
  - (iii) The reportage alleging that since Shri P. Chidambaram had represented the complainant as Senior counsel in several matters, way back in 2003 ; and that by reason thereof he was responsible for the decision to withdraw from prosecution against the complainant was too far-fetched, being too remote in point of time;
  - (iv) The NBSA also noticed that all these facts, including the version of Ministry of Home Affairs given on behalf of the Home Minister were duly reported in the news reports in question;
8. In this view of the matter, the NBSA is of the opinion that while it could be said that the Broadcaster should have been more circumspect in reporting on a matter where parties were involved in long-pending, multifarious litigations inter-se and before dragging in the name of the Home Minister, thereby creating sensationalism, apart there from, no serious fault could be found with the broadcaster in relation to the broadcasts in question made from 14<sup>th</sup> December, 2011 to 18<sup>th</sup> December, 2011 on their channels CNNIBN & IBN7. No further action in the matter is therefore necessary.

9. The NBSA directs the NBA:

- a) To send a copy of this order to the complainant and the broadcaster;
- b) To send a copy of the Order to the Ministry of Information & Broadcasting.
- c) To circulate this order to all Members & Editors of NBA.
- d) The NBA to release the Order to the PTI/UNI and to other national dailies.
- e) NBA to also host a summary of this order on its website and to include such summary in its next Annual Report.

Sd/-  
Justice J S Verma (Retd.)  
Chairperson

Place : New Delhi  
Dated : 20/12/2012