

**Decision dated 12.7.2012 regarding complaint dated 26. 2.2012 filed by Mr. Srikanth, Director, Saravana Stocks Pvt. Ltd. & Member NSE of India, Chennai, on a programme aired on ET Now on 24.2.2012**

**Complaint:**

The complaint is that some extremely sensational but misleading reporting in the ET Now Business Channel on Friday, February 24<sup>th</sup> 2012 on the sensitive matter of a merger between Sterlite Industries and Sesa Goa which was to be decided at a Board Meeting on Saturday the 25<sup>th</sup>. He stated that the channel reporting was very confidently that they had copies of notes to the board minutes with them and that the merger ratio was 1 Share of Sesa Goa for 2 shares of Sterlite Industries. The reporter was actually waving some papers on camera claiming that they had exclusive knowledge of the merger ratio. As it turned out the actual ratio was completely different. 3 shares of Sesa for 5 of Sterlite. He was aggrieved by this piece of irresponsible reporting as he sold off his entire holdings of Sterlite Industries reacting to this.

**Decision:**

NBSA considered the complaint, the reply of the broadcaster and also viewed the CD. NBSA decided that the broadcaster be called upon to provide in writing particulars of efforts made by them to obtain details regarding the merger and whether the broadcaster had verified the news received from their sources from the concerned corporate entities i.e. Sesa Goa Ltd & Sterlite Industries (India) before airing the news on their channel.

In reply the broadcaster stated that the news report covering the Sesa Goa Sterlite merger was aired on the channel based on information received from reliable sources. Their channel reporter had contacted the Head of the Corporate Communication of Sesa Goa Ltd. seeking comments on the merger, share ratio etc. While no official comment was received, they were informed that the ratio of shares being discussed i.e. the range was correct but the management was still discussing the same. ET Now had clearly highlighted to the viewers that the official announcement was expected from the Companies concerned. As a standard procedure, the channel reached out to the concerned parties and reported the same in the news report thereby maintaining accuracy and balance reporting.

NBSA decided that the broadcaster and the complainant were called for a hearing at this meeting. NBSA noted that there was no confirmation from the complainant whether he would be present for the hearing.

NBSA decided that since the complainant had not availed of the opportunity, NBSA would proceed with the hearing in his absence.

The channel was represented by the following individuals:

1. Ms. Jyothi Suresh Kumar, Legal Counsel & Company Secretary
2. Ms. Nisha Poddar, Special Correspondent
3. Mr. R Sridharan, Executive Editor, ET NOW

NBSA heard the broadcaster, which presented its views on the complaint and also explained the editorial procedures put in place by the broadcaster before airing sensitive financial stories. After hearing the representatives of the broadcaster, it was found that even on points of fact, the allegations contained in the complaint were not made-out.

Mr. R. Sridharan, Executive Editor, ET NOW explained that the broadcaster has put in place strict procedures and that the decision to air sensitive financial stories was taken at the highest editorial level in which the senior editors and the editor in chief is involved. He stated that thorough verification is done of the documents which are received to ascertain their veracity and multiple cross-checks are initiated to ensure that the facts are reliable. Furthermore, the broadcaster explained that in telecasting the story in question, it was never the intention to sensationalize the matter or cause any financial harm to either of the companies. In the instant case Mr. R. Sridharan stated that the reporter tried to contact the Head of Corporate Communications of Sesa Goa Ltd seeking comments on the merger, share ratio etc. No response was received. It was stated that the news report gave only the “range” regarding the share ratio relating to the proposed merger and no more.

NBSA considered this explanation of the broadcaster and in the absence of any rebuttal of the facts, it was considered unnecessary to proceed in the matter. However, NBSA suggested that the broadcaster should also incorporate in their vetting procedure another aspect, whereby in serious and sensitive matters, the documented references be retained for possible future evaluation.

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