

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date of Decision : 04/01/2018

Appeal No.321 of 2017

Vishvapradhan Commercial Private Limited
4th floor, Plot No.38, Institutional Area,
Sector 32, Gurugram – 122 001.
Haryana.

... Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C-4A, G-Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

... Respondent

Mr. Somasekhar Sundaresan a/w Mr. Dhaval Kothari, Mr. Arindam Ghosh, Mr. Manish Chhangani and Mr. Akshat Agarwal, Advocates for the Appellant.

Mr. Pradeep Sancheti, Senior Advocate a/w Mr. Tomu Francis and Mr. Vivek Shah, Advocates for the Respondent.

CORAM : Justice J. P. Devadhar, Presiding Officer
Dr. C. K. G. Nair, Member

Per : Justice J. P. Devadhar (Oral)

1. Appellant is aggrieved by the order passed by the Whole Time Member ("WTM" for short) of Securities and Exchange Board of India ("SEBI" for short) on 3rd November, 2017. By the said order, the WTM has rejected the plea of the appellant in seeking inspection of documents and has called upon the appellant to submit its reply to the show-cause notice within the time stipulated therein.

2. By show-cause notice dated 20th December, 2016 the appellant was called upon to show cause as to why action should not be taken against the appellant for indirectly acquiring control over New Delhi Television Ltd. ("NDTV" for short) pursuant to the loan agreement dated 21/7/2009 entered into by and between the appellant and RRPR Holding Private Limited and its promoters, without following the procedure prescribed under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("Takeover Regulations, 1997") read with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations, 2011").

3. On the appellant seeking inspection of documents before filing reply to the show-cause notice, inspection of some documents were given by SEBI and inspection of the remaining documents were denied.

4. Challenging the decision of SEBI in refusing to give inspection of the documents, appellant filed Appeal No.144 of 2017 which was disposed of by this Tribunal on 27th July, 2017 by recording the statement made by Counsel for SEBI that the WTM of SEBI would hear the appellant on the issue of inspection and thereafter pass appropriate order.

5. Accordingly, the appellant was heard by the WTM and by the impugned order, WTM of SEBI has declined to give inspection of the documents sought by the appellant and called upon the appellant to file reply to the show-cause notice within the time set out therein.

6. Although inspection of several documents are sought in the memo of appeal, Mr. Somasekhar Sundaresan, learned counsel for the appellant fairly restricted his argument to seek inspection of the following three documents, namely:-

- (i) affidavits filed by SEBI before the Delhi High Court in the proceedings initiated by Quantum Securities Limited against NDTV;
- (ii) pages 1 to 99 of the notes on pre-pages;
- (iii) report of SEBI on the ZOCD agreement pursuant to the directions given by this Tribunal on 13/4/2016 in Appeal No.55 of 2015 (Mr. Victor Fernandes vs. SEBI).

7. Mr. Sancheti, learned senior counsel appearing on behalf of SEBI fairly stated that without prejudice to the contention of SEBI that appeal against refusal to give inspection of documents is not maintainable, in the facts of present case, although the inspection of above documents were denied on ground that the issues are sub judice, SEBI would furnish copies of the aforesaid documents to the appellant if directed by this Tribunal.

8. Accordingly, we pass the following order:-

- (a) Plea of the appellant in seeking copies of the affidavits filed by SEBI in the proceeding initiated by Quantum Securities Ltd. against NDTV before the Delhi High Court deserves acceptance, because, the issues raised in the proceedings

pending before the Delhi High Court and the issues raised in the show-cause notice issued against the appellant, are closely connected. Accordingly, we direct SEBI to give copies of the affidavits filed by SEBI before the Delhi High Court in the proceedings initiated by Quantum Securities Ltd. against NDTV.

- (b) Request of the appellant in seeking inspection of pages 1 to 99 of the notes on pre-pages, in our opinion is unjustified. SEBI has clearly stated that pages 1 to 99 of the notes on pre-pages contain preliminary internal notings and the same are crystallized into final findings/approval in the notings at pages 100 to 109 and copies of pages 100 to 109 have already been provided to the appellant. In these circumstances, in our opinion, the appellant is not justified in seeking inspection of pages 1 to 99 of the notes on pre-pages.
- (c) Plea of the appellant in seeking a copy of the report prepared by SEBI pursuant to the direction given by this Tribunal on 13/4/2016 in Appeal No.55 of 2015 deserves acceptance, because, the appellant claims that the clauses of the ZOCD agreement considered in the report of SEBI are similar to the clauses in the loan agreement entered into by the appellant with RRPR Holding Private Ltd. and its promoters on 21/7/2009. Hence, we direct SEBI to

furnish a copy of the report prepared by SEBI pursuant to the direction of this Tribunal on 13/4/2016 in Appeal NO.55 of 2015. However, we make it clear that we have neither gone through the aforesaid report of SEBI nor we have expressed any opinion on the said report.

9. Appeal is disposed of in the aforesaid terms with no order as to costs.

Sd/-
Justice J. P. Devadhar
Presiding Officer

Sd/-
Dr. C. K. G. Nair
Member

04/01/2018
prepared & compared by-dg