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MEDIA LAW
MOOT COURT COMPETITION
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MOOT PROPOSITION

Shri Madhukar Vats v. Union of Sarvia & Ors

1) State of Salerno is one of the largest and most populous State in the Union of Sarvia. Salerno was constituted by an Act of Parliament in the year 1956 after the drive to reorganize the states in the Union of Sarvia on the linguistic lines. At present, State of Salerno has an unfortunate literacy rate of 48%. Nevertheless, media in print as well as electronic form has been a constant source of social change in the State of Salerno.

2) The political landscape of Salerno is dominated by the All Sarvian Party, the ruling party at the center and the Presidential Party, the major opposition at the Centre. In the last assembly elections, all Sarvian Party emerged as single largest party and formed the government with two major alliance partners. Two major media houses operated in the State of Salerno namely ANB News Ltd and *Janavani* News. ANB Group which was a Salt-to-softwarebusiness conglomerate was run by the holding Company named ANB Industries Ltd. ANB Industries Ltd had majority stake in the ANB News Ltd. but had only three directors in the board of directors constituting of total ten directors. Shri. Madhukar Vats, leader of All Sarvian Party was the promoter and largest shareholder of ANB Industries Ltd.

3) *Janavani* was founded by Shri Devdhar Kamal who also authored the first election manifesto of Presidential Party in 1967. Mr. Kamal never held a position in Presidential Party but was considered a guiding light by all the founding members of Presidential Party. *Janavani* originally started as a Hindi news paper but emerged as single largest Hindi newspaper in last three decades. In the year 2000, a Hindi news channel by the name of

Janavani News was established by Mr. Ram Prasad son of Mr. Devdhar Kamal who holds the position of chief editor till today.

4) *Janavani* has been at the forefront of exposing corrupt practices in the Union of Sarvia *inter alia* scams and incidents of financial misappropriation by All Sarvian Party. In October 2011, *Janavani* published details of coal block allocation and lease renewal by the All Sarvian Party Government in December 2010. The documents published by *Janavani prima facie* revealed that coal block allocation was allowed not as per the auction method but on the first come first serve basis. Further, it was also revealed that the minimum qualification for coal block allocation was relaxed for certain companies which were otherwise not eligible such as ANB Collieries Ltd, Natalie Collieries Ltd, Coal-Explo Sarvia Ltd.

5) ANB Collieries Ltd. was a publically held company listed with National Stock Exchange. ANB Industries Ltd. held a majority stake in ANB Collieries Ltd. Infact all the companies of ANB Group used to spend 70% of its total advertisement budget to ANB news Ltd. After publication of allegations regarding adoption of corrupt practices by ANB Collieries Ltd. In coal block allocation, a FIR was lodged against Managing Director of ANB Collieries Ltd. As well as Shri Madhukar Vats. Union of Sarvia appointed an empowered ministerial committee to submit a report regarding adoption of corrupt practices and financial misappropriation in coal block allocation. In the meanwhile, Shri Madhukar Vats approached the Hon'ble High Court of Salerno for quashing of criminal proceedings but the same was rejected. While the investigations were pending and high powered ministerial committee was yet to submit its report, a series of articles as well as news reports were broadcasted on *Janavani* and *Janavani News* respectively.

6) On January 13, 2012, a charge sheet was filed by police against Shri Madhukar Vats as well as all the other concerned senior management officials of various companies. On January 17, 2012, *Janavani* news broadcasted interview of Coal Secretary (Retd) as well as Comptroller and Auditor General of Sarvia (Retd.) wherein they indicated that the coal block allocation scam could have caused loss of about 18000 Crores to the State Exchequer. Next morning, *Janavani* carried front page news article titled “ANB Group involved in largest scam in history of Sarvia”. Within next three weeks shares of ANB Industries and ANB Collieries Ltd dropped by 65% and 87%, its lowest in last decade. Mr. Madhukar Vats filed a complaint against Shri Ram Prasad Kamal for defamation. He also filed a Writ Petition being WP No. 1328 of 2012 before the Supreme Court of Sarvia praying for cancellation of license of *Janavani* as well as *Janavani News*.

7) As the share prices of ANB Group Companies dropped, all the debenture holders of ANB Industries Ltd, spearheaded by an association named All Sarvia ANB Industries Debenture Holders Association (Regd.) filed a Writ Petition before the Hon’ble Supreme Court of Sarvia. In the said Writ Petition (Civil) No. 2642 of 2012, Petitioner prayed for direction to ANB Industries Ltd, Mr. Madhukar Vats and Securities Exchange Board of Sarvia (SEBS) to ensure timely repayment to all the debenture holders. On March 11, 2012, Hon’ble Supreme Court issued notice to SEBS, Union of Sarvia as well as the other parties to file an affidavit regarding proposal to secure the interest of all the debenture holders. ANB Industries Ltd was directed to submit a ‘without prejudice’ proposal to SEBS within two weeks.

8) As the WP No. 2642 of 2012 was sub-judice and grave public importance, Advocate for ANB Industries sent the proposal to ensure repayment of all the debenture holders to the advocate for SEBS and Union of Sarvia vide an E-Mail and also under sealed cover letter. Next morning, *Janavani* published news item titled ‘Yet another attempt by

ANB to defraud Sarvia'. In the said news item all the details of security offered by ANB were revealed. Senior counsel for ANB Industries mentioned the matter before Hon'ble Supreme Court on March 18, 2012 objecting to the publication of 'without prejudice-confidential' proposal especially when the matter was sub-judice. Mr. Ram Prasad Kamal published a statement that it was necessary in public interest to inform thousands of debenture holders about the nature of proposal made by ANB Industries Ltd – and that publication of news article in no way interfered with administration of justice.

9) Mr. Madhukar Vats filed IA No. 3 of 2012 in WP No. 2642 of 2012 praying for formulation of guidelines for print and electronic media while reporting matters which are sub-judice. Union of Sarvia filed its reply objecting to formulation of guidelines by the court for reporting of pending court matters.

10) Thereafter, a sting operation was carried out by reporters of ABN News wherein conversation of Deputy Editor of *Janavani News* was recorded on camera stating that it would be not carry any story about coal scam from any company which ensures 70% of its total advertisement revenue to *Janavani* and *Janavani News*. Thereafter, Mr. Madhukar Vats called for a press conference and released the video of sting operation. A FIR was also lodged against Mr. Ram Prasad Kamal and he was arrested too. Thereafter, Mr. Kamal filed Writ Petition No. 3141 of 2012 praying for cancellation of license of ANB News for broadcast of the alleged clipping pending investigation in the matter regarding alleged scam in coal block allegation. It also prayed that the alleged Sting operation violated right to privacy.

11) All the above mentioned matters were put up before the Hon'ble Chief Justice of the Supreme Court of Sarvia. Hon'ble Chief Justice decided to hear all the matters (alongwith IA No. 3) together as it involved various significant questions of law and general public importance. The clubbed petition was titled as *Shri. Madhukar Vats v. Union of*

Sarvia & Ors. The Hon'ble Supreme Court was pleased to direct the parties to file submissions and argue on the following questions:

- Whether the Writ Petitions filed by Mr. Madhukar Vats are maintainable or not?
- Whether the license of *Janavani* and *Janavani News* is liable to be cancelled under the appropriate law?
- Whether the Hon'ble Supreme Court ought to formulate the necessary guidelines for reporting of cases pending before courts or regarding matters which are sub-judice?
- Whether the reverse sting operation carried out by ABN News violates right to privacy and amounts to interference with administration of justice?

Note: The laws of Sarvia are *in pari materia* with the laws of India, and though judgments of Indian courts do not have binding authority in the courts of Sarvia, they have persuasive value.