

CO/ ISD/ 38 /2013

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

DEN NETWORKS LIMITED, SHRI ROBINDRA SHARMA, SHRI ATUL SHARMA, SHRI SHAHZAAD SIRAJ DALAL, SHRI RAGHAV BAHL, SHRI AJAYA CHAND, SHRI KRISHNA KUMAR PT, MEERUT CABLE NETWORK PVT. LTD., DEN ENTERTAINMENT NETWORK PVT. LTD., DEN SATELLITE NETWORKS PVT. LTD., CONVERGENCE CONSULTANTS PVT LTD., SMT. PUJA ARORA, SHRI. GAGAN ARORA, MR. ROMI SHIV, MD CABLE NETWORK, SMT. RASHMEET KAUR, SHRI. PIYUSH GOYAL, SHRI. AMIT GROVER, SHRI VIKAS BALI, SHRI SUMMIT GROVER, SHRI. HARVINDER SINGH, SHRI SAMEER MANCHANDA, LUCID SYSTEMS PVT LTD., SHRI HEMANT NARANG AND SHRI ANUJ GANDHI

(CONSENT APPLICATION No. 2585 of 2012)

1. Den Networks Limited, having its registered office at 236, Okhla Industrial Estate, Phase-III, New Delhi- 110020, vide its letter dated July 12, 2012, filed an application in terms of the Securities and Exchange Board of India Circular dated April 20, 2007 read with the subsequent circular dated May 25, 2012, on behalf of itself and 24 other entities namely Shri Robindra Sharma, Shri Atul Sharma, Shri Shahzaad Siraj Dalal, Shri Raghav Bahl, Shri Ajaya Chand, Shri Krishna Kumar PT, Meerut Cable Network Pvt. Ltd., Den Entertainment Network Pvt. Ltd., Den Satellite Networks Pvt. Ltd., Convergence Consultants Pvt Ltd., Smt. Puja Arora, Shri Gagan Arora, Shri. Romi Shiv, MD Cable Network, Smt. Rashmeet Kaur, Shri Piyush Goyal, Shri Amit Grover, Shri Vikas Bali, Shri Summit Grover, Shri Harvinder Singh, Shri Sameer Manchanda, Lucid Systems Pvt. Ltd., Shri Hemant Narang and Shri Anuj Gandhi (hereinafter collectively referred to as applicants), for settling the adjudication proceedings commenced pursuant to the Show Cause Notices dated May 18, 2012, (ref. no. EAD-5/ADJ/PG/AB/OW/11242/2012) and 24 identical Show Cause Notices of even date by a consent order. The said Show Cause Notices are issued for the alleged violations of Section 12A (a), (b), (c) of the Securities and Exchange Board of India Act, 1992, Regulations 3(a), (b), (c), (d), 4(1), (2)(c) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, Section 77(2) and 77(3) of the Companies Act, 1956, Clause 24(b) of the Listing Agreement

and Regulations 57(1), 57(2)(a) and 60(4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

2. It has been alleged in the Show Cause Notice that Den Networks Limited had directly or indirectly provided funds to certain entities who made application in its IPO. It has also been alleged that Den Networks Limited had not made such disclosures. The Board of Directors of Den Networks Limited have also been issued Show Cause Notices for the alleged violations committed by Den Networks Limited.

3. During the consideration of the application, it was brought to the notice of the applicants about the proposed prosecution proceedings against Den Networks Limited and three others namely Shri Sameer Manchanda, Shri. Anuj Gandhi and Shri. Hemant Narang, for the alleged violation of Section 77(2) and 77(3) of the Companies Act, 1956 committed by Den Networks Limited, in addition to the adjudication proceedings mentioned above.

4. The applicants, without admitting or denying the guilt on their part, had proposed the revised consent terms to settle the said adjudication proceedings and the proposed prosecution proceedings on payment of ₹ 4,93,02,006/- (Rupees Four Crore Ninety Three Lacs Two Thousand and Six Only) towards settlement charges, the break-up of which is provided below:

Sl. No.	Name of the applicant	Terms of settlement agreed upon
1	Den Networks Limited	₹ 4,17,69,006/- (half of this amount is to be paid by Den Networks Limited and the rest shall be paid by its promoter group).
	1. Shri Robindra Sharma 2. Shri Atul Sharma 3. Shri Shahzaad Siraj Dalal 4. Shri Raghav Bahl 5. Shri Ajaya Chand 6. Shri Krishna Kumar PT The aforesaid entities are directors of Den Networks Limited	₹12,00,000/- (the applicants would individually pay ₹2,00,000/- each)
3	1. Meerut Cable Network Pvt. Ltd.	₹ 47,60,000/- (the applicants would

	2. Den Entertainment Network Pvt. Ltd. 3. Den Satellite Networks Pvt. Ltd. 4. Convergence Consultants Pvt Ltd. 5. Smt. Puja Arora 6. Shri. Gagan Arora 7. Shri Romi Shiv 8. MD Cable Network (Prop: Anil Dargan) 9. Smt. Rashmeet Kaur 10. Shri. Piyush Goyal 11. Shri. Amit Grover 12. Shri Vikas Bali 13. Shri Summit Grover 14. Shri. Harvinder Singh These are the co-applicants against whom proceedings have been initiated by virtue of their association with Den Networks Limited in various capacities.	individually pay ₹3,40,000/- each)
4.	1. Shri Sameer Manchanda 2. Lucid Systems Pvt Ltd. They were promoters of the den Networks Limited at the time of the alleged violations.	₹4,00,000/- (the applicants would individually pay ₹2,00,000/- each)
5.	1. Shri Hemant Narang 2. Shri Anuj Gandhi	₹11,73,000/- (₹5,86,500/- for each of the applicants)

5. The High Powered Advisory Committee (hereinafter referred to as the Committee) constituted by SEBI, in its meeting held on December 21, 2012, after considering the consent terms proposed by the applicants and all the relevant factors, recommended the case for settlement on payment of the amount as mentioned in the Table above. SEBI accepted the said recommendation of the Committee and the same was communicated to the applicants, vide letter dated January 2, 2013.

6. Accordingly, the applicants have submitted the demand drafts towards the settlement charges, the details of which are as listed below:

Sl. No.	Name of the Applicant	Terms of settlement agreed upon	Amount	Draft No.	Date	Bank
1.	Den Networks Limited	₹4,17,69,006/- (As per the recommendation, this amount is equally shared between Den Networks Limited and the promoter Group)	2,08,84,503	016852	15.01.2013	HDFC Bank Ltd., Okhla Industrial Area
2.	Promoter Group (Lucid Systems Private Limited)		2,08,84,503	605041	15.01.2013	Kotak Mahindra Bank, NFC
3.	Shri Robindra Sharma	₹12,00,000/- (the applicants mentioned at Sr. No. 3 to 8 would individually pay ₹2,00,000/- each)	2,00,000	568772	08.01.2013	Standard Chartered Bank
4.	Shri Atul Sharma		2,00,000	455410	10.01.2013	The HSBC Bank
5.	Shri. Shahzaad Dalal		2,00,000	367022	11.01.2013	Bank of Baroda, Worli
6.	Shri Raghav Bahl		2,00,000	056577	11.01.2013	Central Bank of India, Asaf Ali Road
7.	Shri Ajaya Chand		2,00,000	200287	09.01.2013	ICICI Bank, Malviya Nagar
8.	Shri Krishna Kumar		2,00,000	611715	11.01.2013	HDFC Bank Ltd.

Sl. No.	Name of the Applicant	Terms of settlement agreed upon	Amount	Draft No.	Date	Bank
9.	Meerut Cable Network Pvt. Ltd.	₹47,60,000/- (the applicants mentioned at Sr. No. 9 to 22 would individually pay ₹3,40,000/- each)	3,40,000	036488	09.01.2013	HDFC Bank, Meerut
10.	Den Entertainment Network Pvt. Ltd.		3,40,000	931550	08.01.2013	Kotak Mahindra Bank, NFC
11.	Den Satellite Networks Pvt. Ltd.		3,40,000	044111	09.01.2013	Axis Bank, Powai, Mumbai
12.	Convergence Consultants Pvt. Ltd		3,40,000	217013	11.01.2013	ICICI Bank, GK New Delhi
13.	Smt. Puja Arora		3,40,000	027863	08.01.2013	HDFC Bank, Kalka Ji
14.	Shri. Gagan Arora		3,40,000	207960	08.01.2013	ICICI Bank, Alaknanda
15.	Shri. Romi Shiv		3,40,000	036489	09.01.2013	HDFC Bank, Meerut
16.	MD Cable Network (Prop: Anil Dargan)		3,40,000	458969	10.01.2013	Yes Bank Ltd.
17.	Smt. Rashmeet Kaur		3,40,000	027862	08.01.2013	HDFC Bank, Kalka Ji
18.	Shri. Piyush Goyal		3,40,000	200417	10.01.2013	ICICI Bank, Delhi GK II
19.	Shri. Amit Grover		3,40,000	259833	08.01.2013	ICICI Bank, Faridabad
20.	Shri Vikas Bali		3,40,000	002323	12.01.2013	HDFC Bank, Anand Lok, N.D
21.	Shri. Summit		3,40,000	002293	08.01.2013	HDFC

	Grover					Bank, Kailash Colony
22.	Shri. Harvinder Singh		3,40,000	027861	08.01.2013	HDFC Bank, Kalka Ji
23.	Shri Sameer Manchanda	₹4,00,000/- (the applicants mentioned at Sr. No. 23 and 24 would individually pay 2,00,000/- each)	2,00,000	605024	11.01.2013	Kotak Mahindra Bank, NFC
24.	Lucid Systems Pvt. Ltd		2,00,000	605042	15.01.2013	Kotak Mahindra Bank, NFC
25.	Shri. Hemant Narang	₹11,73,000/- (5,86,500/- for each of the applicants at serial nos. 25 and 26)	5,86,500	109901	08.01.2013	Syndicta Bank, Nirman Vihar, Delhi
26.	Shri. Anuj Gandhi		5,86,500	046170	09.01.2013	HDFC Bank, Sahar Road, Mumbai
	Total		4,93,02,006			

7. In view of the above, the adjudication proceedings commenced pursuant to the Show Cause Notices dated May 18, 2012, [ref. no. EAD-5/ADJ/PG/AB/OW/11242/2012 (issued to Den Networks Limited); EAD-5/ADJ/PG/AB/OW/11259/2012 (issued to Shri Robindra Sharma); EAD-5/ADJ/PG/AB/OW/11258/2012 (issued to Shri Raghav Bahl); EAD-5/ADJ/PG/AB/OW/11261/2012 (issued to Shri Shahzaad Siraj Dalal); EAD-5/ADJ/PG/AB/OW/11254/2012 (issued to Shri Krishna Kumar PT); EAD-5/ADJ/PG/AB/OW/11253/2012 (issued to Shri Atul Sharma); EAD-5/ADJ/PG/AB/OW/11252/2012 (issued to Shri Ajaya Chand); EAD-5/ADJ/PG/AB/OW/11251/2012 (issued to Meerut Cable Network Pvt. Ltd.); EAD-5/ADJ/PG/AB/OW/11246/2012 (issued to MD Cable Network); EAD-5/ADJ/PG/AB/OW/11248/2012 (issued to Convergence Consultants Pvt. Ltd.); EAD-5/ADJ/PG/AB/OW/11240/2012 (issued to Den Satellite Networks Pvt. Ltd.); EAD-5/ADJ/PG/AB/OW/11250/2012 (issued to Den Entertainment Network Pvt. Ltd.); EAD-

5/ADJ/PG/AB/OW/11228/2012 (issued to Shri. Harvinder Singh); EAD-
5/ADJ/PG/AB/OW/11229/2012 (issued to Smt. Rashmeet Kaur); EAD-
5/ADJ/PG/AB/OW/11233/2012 (issued to Shri. Gagan Arora); EAD-
5/ADJ/PG/AB/OW/11235/2012 (issued to Smt. Puja Arora); EAD-
5/ADJ/PG/AB/OW/11222/2012 (issued to Shri. Piyush Goyal); EAD-
5/ADJ/PG/AB/OW/11219/2012 (issued to Shri. Summit Grover); EAD-
5/ADJ/PG/AB/OW/11223/2012 (issued to Shri. Amit Grover); EAD-
5/ADJ/PG/AB/OW/11217/2012 (issued to Shri. Vikas Bali); EAD-
5/ADJ/PG/AB/OW/11226/2012 (issued to Shri. Romi Shiv); EAD-
5/ADJ/PG/AB/OW/11221/2012 (issued to Shri. Anuj Gandhi); EAD-
5/ADJ/PG/AB/OW/11260/2012 (issued to Shri. Sameer Manchanda); EAD-
5/ADJ/PG/AB/OW/11257/2012 (issued to Lucid Systems Pvt. Ltd.); and EAD-
5/ADJ/PG/AB/OW/11224/2012 (issued to Shri. Hemant Narang)], for the alleged violations of Section 12A (a), (b), (c) of the Securities and Exchange Board of India Act, 1992, Regulations 3(a) (b), (c), (d), 4(1), (2)(c) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, Section 77(2) and 77(3) of the Companies Act, 1956, Clause 24(b) of the Listing Agreement and Regulations 57(1), 57(2)(a) and 60(4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the proposed prosecution proceedings against four of the applicants namely Den Networks Limited, Shri Sameer Manchanda, Shri Anuj Gandhi and Shri Hemant Narang, for violation of section 77(2) and 77(3) of the Companies Act, 1956, allegedly committed by Den Networks Limited, is settled as per the above consent terms and the Securities and Exchange Board of India shall not initiate any enforcement action against the applicants for the said violations.

8. This order is without prejudice to the right of the Securities and Exchange Board of India to initiate enforcement actions against the applicants, if:

- a. any representation made by the applicants in this consent proceeding is subsequently discovered to be untrue; or

- b. the applicants breach any of the consent terms or undertakings filed in this consent proceeding.

9. This consent order is passed on this the **11th day of March, 2013** and shall come into force with immediate effect.

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER