



भारतसरकार Government of India

प्रवर्तननिदेशालय

**DIRECTORATE OF ENFORCEMENT**

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेम्बर्स, 101, Janmabhoomi Chambers

वाल्चन्दहिरोचन्दमार्ग, WalchandHirachandMarg,

मुंबई-4000038 Mumbai-38

☎ 022-22614011 / 22631535 ✉ 022-22631541

SCN NO. T-4/16-B/SDE/R/2011 (SCN-I) <sup>4889</sup> No.T-3/44-B/2010/Part (BCCI-II)**SHOW CAUSE NOTICE**

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon.. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
5. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
- ✓ 8. Shri Sunder Raman,  
COO, IPL, Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

BCCI-IPL	
INV. NO.	INV. DT.
1677	30/11/2011

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II) dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:



(i) Noticee No. 1 appears to have contravened the provisions of Sec. 3(b) of FEMA, 1999 by making a payment of US \$ 4,98,62,799.42/-(equivalent to Rs.243,45,30,781/-) to CSA a person resident outside India without the permission or Reserve Bank of India as appears inter alia from the agreement dated 30-3-2009 executed between the BOARD OF CONTROL FOR CRICKET IN INDIA and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-paras 4.1, 4.2, 4.5, 4.7, 4.10, 4.11, 4.12, 4.14, 4.16, 4.22, 4.33 and 4.34 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 25<sup>th</sup> day of NOVEMBER, 2011.

  
(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon







भारतसरकार Government of India

प्रवर्तननिदेशालय

**DIRECTORATE OF ENFORCEMENT**

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेंबेर्स, 101, Janmabhoomi Chambers

वाल्चन्दहिराचन्दमार्ग, WalchandHirachandMarg,

मुंबई-4000038 Mumbai-38

☎ 022-22614011 / 22631535 ☎ 022-22631541

SCN NO. T-4/ 16-B/SDE/R/2011 (SCN-II)

No.T-3/44-B/2010/Part (BCCI-II)

**SHOW CAUSE NOTICE**

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon.. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
- 5.. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
- ✓ 8. Shri Sunder Raman,  
COO, IPL, Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II)



dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:

(i) Noticee No. 1 appears to have contravened the provisions of Sec. 3(b) of FEMA, 1999 by making a payment of ZAR 29,05,50,000 (equivalent to Rs.203,38,50,000/-) to IPL (SA)Pty Ltd. a person resident outside India without the permission of RBI as appears inter alia from the agreement dated 30-3-2009 executed between the Board of Control for Cricket In India and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-para 4.1, 4.2, 4.5, 4.7, 4.10, 4.11, 4.12, 4.14, 4.16, 4.22, 4.33 and 4.34 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 25<sup>th</sup> day of NOVEMBER, 2011.

  
(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon







भारतसरकार Government of India

प्रवर्तननिदेशालय

**DIRECTORATE OF ENFORCEMENT**

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेम्बर्स, 101, Janmabhoomi Chambers

वाल्चन्दहिराचन्दमार्ग, WalchandHirachandMarg,

मुंबई-400038 Mumbai-38

☎ 022-22614011 / 22631535 ☎ 022-22631541

SCN NO. T-4/16-B/SDE/R/2011 (SCN-III)

No.T-3/44-B/2010/Part (BCCI-II)

**SHOW CAUSE NOTICE**

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon.. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
5. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
- ✓ 8. Shri Sunder Raman,  
COO, IPL, Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II) dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:



(i) Noticee No. 1 appears to have contravened the provisions of Sec. 4 of FEMA, 1999 by transferring outside India foreign exchange totaling US\$ 4,98,62,799.42/-(equivalent to Rs.243,45,30,781/-) to CSA, South Africa without the permission of RBI as appears inter alia from the agreement dated 30-3-2009 executed between the Board of Control for Cricket in India and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-para 4.1, 4.2, 4.5, 4.7, 4.10, 4.11, 4.12, 4.14, 4.16, 4.22, 4.33 and 4.34 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 25<sup>th</sup> day of NOVEMBER, 2011.



(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon







भारतसरकार Government of India

By Speed Post/AD

प्रवर्तननिदेशालय

**DIRECTORATE OF ENFORCEMENT**

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेम्बर्स, 101, Janmabhoomi Chambers

वाल्चन्दहिचान्दमार्ग, WalchandHirachandMarg,

मुंबई-4000038 Mumbai-38

☎ 022-22614011 / 22631535 ☎ 022-22631541

SCN NO. T-4/ 6-B/SDE/R/2011 (SCN-IV)

No.T-3/44-B/2010/Part (BCCI-II)

**SHOW CAUSE NOTICE**

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon.. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
- 5.. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
- ✓ 8. Shri Sunder Raman,  
COO, IPL, Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II) dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:





(i) Noticee No. 1 appears to have contravened the provisions of Sec. 4 read with section 9 of FEMA and further read with Regulation 4 and para 3 of the Schedule thereof of the Foreign Exchange Management (Foreign Currency Accounts by a person Resident in India) Regulations, 2000 of FEMA, 1999 by remitting amounts totaling US \$ 1,03,62,799.42 (equivalent to ZAR 7,61,48,959)(equivalent to Rs.48,56,00,781/-)to CSA from its EEFC A/c. No. 57027644400 with State Bank of Travancore, Jaipur, without the permission of RBI as appears inter alia from the agreement dated 30-3-2009 executed between the Board of Control for Cricket in India and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-paras 4.1, 4.2, 4.5, 4.7, 4.8, 4.10, 4.11, 4.12, 4.14, 4.16, 4.22, 4.30, 4.31, 4.35 and 4.36 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 25<sup>th</sup> day of NOVEMBER, 2011.

  
(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon







भारतसरकार Government of India

By Speed Post/AD

प्रवर्तननिदेशालय

# DIRECTORATE OF ENFORCEMENT

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेम्बर्स, 101, Janmabhoomi Chambers

वाल्चन्दहिराचन्दमार्ग, WalchandHirachandMarg,

मुंबई-400038 Mumbai-38

☎ 022-22614011 / 22631535 ☎ 022-22631541

SCN NO. T-4/ 16-B/SDE/R/2011 (SCN-V)

No.T-3/44-B/2010/Part (BCCI-II)

## SHOW CAUSE NOTICE

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon.. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
- 5.. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
- ✓ 8. Shri Sunder Raman,  
COO, IPL, Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II) dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:





(i) Noticee No. 1 appears to have contravened the provisions of Sec. 9 read with Regulation 3 of the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations 2000 and Section 4 of FEMA, 1999 by opening and maintaining bank Account No.420948619 in the name of IPL (SA) PTY Ltd. with Standard Bank of South Africa, without the permission of RBI and by acquiring foreign exchange totalling ZAR 290,550,000/- (equivalent to Rs.203,38,50,000/-) which was credited in the said account by CSA as appears inter alia from the agreement dated 30-3-2009 executed between the Board of Control for Cricket in India and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-para 4.1, 4.2, 4.5, 4.7, 4.8, 4.10, 4.11, 4.12, 4.14, 4.16, 4.22, 4.30, 4.31 and 4.35 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 9<sup>th</sup> day of NOVEMBER, 2011.

  
(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon







भारतसरकार Government of India

By Speed Post/AD

प्रवर्तननिदेशालय

# DIRECTORATE OF ENFORCEMENT

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेम्बर्स, 101, Janmabhoomi Chambers

वाल्चन्दहिराचन्दमार्ग, WalchandHirachandMarg,

मुंबई-4000038 Mumbai-38

☎ 022-22614011 / 22631535 ☎ 022-22631541

SCN NO. T-4//6 -B/SDE/R/2011 (SCN-VI)

No.T-3/44-B/2010/Part (BCCI-II)

## SHOW CAUSE NOTICE

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
5. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
8. Shri Sunder Raman,  
COO, IPL Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II) dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:



(i) Noticee No. 1 appears to have contravened the provisions of Sec. 4 of FEMA, 1999 by transferring amounts totaling ZAR 33,08,83,690.55/- (equivalent to Rs.231,61,85,830/- ) to various persons in South Africa in a manner otherwise than provided in the FEMA, 1999 or Rules and Regulations made thereunder without the permission of RBI as appears inter alia from the agreement dated 30-3-2009 executed between the Board of Control for Cricket in India and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-paras 4.1, 4.2, 4.5, 4.7, 4.8, 4.10, 4.11, 4.12, 4.14, 4.16, 4.22, 4.30, 4.31 and 4.35 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 25<sup>th</sup> day of NOVEMBER, 2011.

  
(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon







भारतसरकार Government of India

By Speed Post/AD

प्रवर्तननिदेशालय

# DIRECTORATE OF ENFORCEMENT

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेंबर्स, 101, Janmabhoomi Chambers

वाल्चन्दहिराचन्दमार्ग, WalchandHirachandMarg,

मुंबई-4000038 Mumbai-38

☎ 022-22614011 / 22631535 ☒ 022-22631541

SCN NO. T-4/16-B/SDE/R/2011 (SCN-VII) No.T-3/44-B/2010/Part (BCCI-II)

## SHOW CAUSE NOTICE

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon.. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
5. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
- ✓ 8. Shri Sunder Raman,  
COO, IPL Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II) dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:



(i) Noticee No. 1 appears to have contravened the provisions of Sec. 6(3)(d) of FEMA, 1999 read with Regulation 3 and 5 of FEM (Borrowing or Lending in foreign exchange) Regulations 2000 by borrowing US \$ 60,00,143 (equivalent to Rs.30,00,07,150/-) from CSA., without the permission of RBI as appears inter alia from the agreement dated 30-3-2009 executed between the Board of Control for Cricket in India and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-para 4.2, 4.5, 4.7, 4.8, 4.10, 4.11, 4.12, 4.14, 4.16, 4.21, 4.22, 4.30, 4.31, 4.35 and 4.36 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 9<sup>th</sup> day of NOVEMBER, 2011.

  
(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon







भारतसरकार Government of India

प्रवर्तननिदेशालय

**DIRECTORATE OF ENFORCEMENT**

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेंबेर्स, 101, Janmabhoomi Chambers

वाल्चन्दहिराचन्दमार्ग, WalchandHirachandMarg,

मुंबई-4000038 Mumbai-38

☎ 022-22614011 / 22631535 ☎ 022-22631541

SCN NO. T-4/ 16 -B/SDE/R/2011 (SCN-VIII) No.T-3/44-B/2010/Part (BCCI-II)

**SHOW CAUSE NOTICE**

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon.. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
5. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
8. Shri Sunder Raman,  
COO, IPL Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II) dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:



(i) Noticee No. 1 appears to have contravened the provisions of Sec. 6(3)(d) of FEMA, 1999 read with Regulation 3 and 5 of FEM (Borrowing or Lending in foreign exchange) Regulations 2000 by lending foreign exchange (equivalent to Rs.44,15,99,200/-) to CSA, a person resident in India, without the permission of RBI as appears inter alia from the agreement dated 30-3-2009 executed between the Board of Control for Cricket in India and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-paras 4.2, 4.5, 4.7, 4.8, 4.10, 4.11, 4.12, 4.14, 4.16, 4.22, 4.25, 4.30, 4.31 and 4.37, 4.38 and 4.39 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 9<sup>th</sup> day of NOVEMBER, 2011.

  
(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon







भारतसरकार Government of India

By Speed Post/AD

प्रवर्तननिदेशालय

**DIRECTORATE OF ENFORCEMENT**

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेंबर्स, 101, Janmabhoomi Chambers

वाल्चण्दहिराचण्दमार्ग, WalchandHirachandMarg,

मुंबई-4000038 Mumbai-38

☎ 022-22614011 / 22631535 ☎ 022-22631541

SCN NO. T-4/ 16 -B/SDE/R/2011 (SCN-IX)

No.T-3/44-B/2010/Part (BCCI-II)

**SHOW CAUSE NOTICE**

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon.. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
- 5.. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
- ✓ 8. Shri Sunder Raman,  
COO, IPL Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II) dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:





(i) Noticee No. 1 appears to have contravened the provisions of Sec. 8 and 10(6) of FEMA read with clause (b) of Regulation 3 of the Foreign Exchange Management (Realisation, Repatriation and Surrender of foreign exchange) Regulations, 2000 by making payments from the account of IPL(SA) PTY Ltd. and thereby BCCI committed an act which had the effect of securing that the foreign exchange to wit ZAR 3,82,85,677 (equivalent to Rs.26,79,99,739/-) being revenue from ticket sales which was credited in the account of IPL (SA) PTY Ltd. ceased in whole to be receivable by BCCI in India, without the permission of RBI as appears inter alia from the agreement dated 30-3-2009 executed between the Board of Control for Cricket in India and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-paras 4.2, 4.5, 4.7, 4.8, 4.10, 4.11, 4.12, 4.14, 4.16, 4.22, 4.25, 4.30, 4.31, 4.37, 4.38 and 4.39 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 9<sup>th</sup> day of NOVEMBER, 2011.

  
(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon







भारतसरकार Government of India

By Speed Post/AD

प्रवर्तननिदेशालय

# DIRECTORATE OF ENFORCEMENT

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेम्बर्स, 101, Janmabhoomi Chambers

वाल्चन्दहिराचन्दमार्ग, WalchandHirachandMarg,

मुंबई-4000038 Mumbai-38

☎ 022-22614011 / 22631535 ☎ 022-22631541

SCN NO. T-4/ 44-B/SDE/R/2011 (SCN-X)

No.T-3/44-B/2010/Part (BCCI-II)

## SHOW CAUSE NOTICE

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
5. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
8. Shri Sunder Raman,  
COO, IPL Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II) dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:





(i) Noticee No. 1 appears to have contravened the provisions of Sec. 8 of FEMA read with clause (a) of Regulation 3 of the Foreign Exchange Management (Realisation, Repatriation and Surrender of foreign exchange) Regulations, 2000 by failing to take reasonable steps to repatriate to India the revenue from Pouring Rights amounting to ZAR 9,31,567/- (equivalent to Rs.66,54,050/-) to India within the stipulated period of 90 days, without the permission of RBI as appears inter alia from the agreement dated 30-3-2009 executed between the Board of Control for Cricket in India and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-para 4.2, 4.5, 4.7, 4.8, 4.10, 4.11, 4.12, 4.14, 4.16, 4.22, 4.25, 4.30, 4.31, 4.37, 4.38 and 4.39 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions and why directions under section 13(2) of FEMA, 1999 should not be issued to them to repatriate to India the foreign exchange amounting to ZAR 9,31,567/-.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 9<sup>th</sup> day of NOVEMBER, 2011.

  
(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon







भारतसरकार Government of India

By Speed Post/AD

## प्रवर्तननिदेशालय

### DIRECTORATE OF ENFORCEMENT

वित्त मंत्रालय, राजस्वविभाग, Ministry of Finance, Department of Revenue,

101, जन्मभूमिचेंबर्स, 101, Janmabhoomi Chambers

वाल्चन्दहिराचन्दमार्ग, WaichandHirachandMarg,

मुंबई-4000038 Mumbai-38

☎ 022-22614011 / 22631535 ☎ 022-22631541

SCN NO. T-4/16-B/SDE/R/2011 (SCN-XI)

No.T-3/44-B/2010/Part (BCCI-II)

### SHOW CAUSE NOTICE

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
2. Shri Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
The then, Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
4. Shri N. Srinivasan,  
The then Hon. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
5. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Executive Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street, M.G.R. Salai, Palavakkam,  
Chennai – 600 041.
8. Shri Sunder Raman,  
COO, IPL Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate, Mumbai – 400 020.

.....Noticees

WHEREAS a complaint under sub-section (3) of Section 16 of the Foreign Exchange Management Act, 1999 (for short FEMA) has been filed before me against you, for contravention of the provisions of Foreign Exchange Management Act (as specified in the enclosed complaint);

On perusal of the said complaint and after considering the cause shown by the complainant in his complaint bearing No.T-3/44-B/2010/AD(DKS)/Part (BCCI-II) dated 17<sup>th</sup> November, 2011, there appears to be contravention of the following provisions of FEMA, 1999 as specified in the said complaint:



(i) Noticee No. 1 appears to have contravened the provisions of Secs 4 and 9 of FEMA read with Regulation 3 and 4 read with para 1(2) and para 2 of Schedule thereto of the Foreign Exchange Management (Foreign currency Accounts by a person resident in India) Regulations 2000 by crediting the amount of US \$ 89,34,040/- (equivalent to Rs. 41,72,19,671.70) in its EEFC Account No. 57027644400 held with the State Bank of Travancore, Jaipur as appears inter alia from the agreement dated 30-3-2009 executed between the Board of Control for Cricket in India and Cricket South Africa and the statements of Shri N. Srinivasan, Shri Shasank Manohar, Shri Prasanna Kannan, Shri M.P. Pandove and Shri Sunder Raman referred to in the Complaint and the narration at para 4 specially sub-para 4.2, 4.5, 4.7, 4.8, 4.10, 4.11, 4.12, 4.14, 4.16, 4.22, 4.25, 4.30, 4.31, 4.37, 4.38 and 4.39 of the Complaint.

(ii) Noticee Nos. 2 to 5 appear to have contravened the above provisions of FEMA in terms of section 42 (1) of FEMA, 1999.

(iii) Noticee Nos. 6 to 8 appear to have contravened the above provisions of FEMA in terms of Sec. 42 (2) of FEMA, 1999.

You are, therefore required to show cause in writing within 30 days of the receipt of this notice, as to why adjudication proceedings as contemplated under Section 16 of the Foreign Exchange Management Act, 1999 should not be held against you for the aforesaid contraventions.

Your attention in this connection is drawn to Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000;

In view of the above, you are required to appear either in person or through Legal Practitioner/Chartered Accountant duly authorized by you to explain and produce such documents or evidence, as may be useful for or relevant to the subject matter of enquiry;

In case you fail, neglect or refuse to appear before me on the appointed date, the adjudication proceedings will be initiated against you ex-parte. Reliance has been inter alia placed on the documents listed in Annexure to the complaint.

Given under my hand and seal on this 25<sup>th</sup> day of NOVEMBER, 2011.

  
(RAJENDRA)  
SPECIAL DIRECTOR

Encl: Copies of complaint dated 17/11/2011  
and documents relied upon





Before the Special Director of Enforcement (Adjudicating Authority)  
Directorate of Enforcement, Mumbai.

Complaint under Section 16(3) of Foreign Exchange Management Act, 1999.  
F.No. T-3/44-B/2010/AD(DKS)/Part(BCCI-II)

In the matter of Investigations against the Board of Control for Cricket in India  
and others

D. K. Sinha,  
Assistant Director,  
Directorate of Enforcement,  
Mumbai

..... Complainant

V/s

1. The Board of Control for Cricket in India  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate,  
Mumbai – 400 020.
2. Mr. Lalit Kumar Modi,  
Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Beasant Road,  
Worli, Mumbai – 400 018
3. Shri Shasank Manohar,  
Hon. President, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate,  
Mumbai – 400 020
4. Shri N. Srinivasan,  
Hony. Secretary, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate,  
Mumbai – 400 020.
5. Shri M.P. Pandove,  
Hon. Treasurer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate,  
Mumbai – 400 020
6. Shri Ratnakar Shetty,  
Chief Administrative Officer, BCCI  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate,  
Mumbai – 400 020.
7. Shri Prasanna Kannan,  
Manager, business and commercial services, IPL  
No.3, 6th Street,  
M.G.R. Salai, Palavakkam,  
Chennai – 600 041.

8. Shri Sunder Raman,  
COO, IPL  
Cricket Centre, Wankhede Stadium,  
'D' Road, Churchgate,  
Mumbai – 400 020.
9. State Bank of Travancore,  
Jaipur Branch,  
Ashok Marg, C-Scheme,  
Jaipur – 302 001.
10. Shri A.K. Nazeer Khan,  
Chief Manager,  
State Bank of Travancore,  
Ashok Marg, C-Scheme,  
Jaipur – 302 001.

.....Noticees

Respected Sir,

By virtue of Central Government (Department of Revenue, Ministry of Finance) Order No. S.O. 1157(E) dated 26-12-2000, the Complainant herein is authorized to file this complaint before the Special Director of Enforcement, who is the Adjudicating Authority in terms of Central Government Order No. S.O. 535(E) dated 01-06-2000, to hold an inquiry against the Respondent-Noticees herein for adjudication of the contraventions discussed herein below:

The facts leading to the filing of this complaint, which are in respect of and limited to the payments made and received by Board of Control for Cricket in India (hereinafter referred to as BCCI ) in connection the Indian Premier League tournament held in South Africa in the year 2009, are briefly discussed below:

**1. Background of the case:**

1.1 On receipt of certain reliable information, enquiries were initiated by the Mumbai Zonal Office of the Directorate of Enforcement in the matter regarding the conduct of the Indian Premier League (hereinafter referred to as "IPL" or "BCCI-IPL") organized by the BCCI . On basis of the above information, directives under section 37 of the FEMA, 1999 were issued to the BCCI on 29.05.2008 and 14.07.2008 to furnish certain information/details. Vide their letter dtd. 30.10.2009, BCCI furnished certain details. Subsequently information was received from various sources including Print and Electronic Media pointing to large scale irregularities in the conduct and functioning of the Indian Premier League (IPL) necessitating a comprehensive investigation in respect of IPL and its franchises. In order to conduct a thorough investigation in the matter, further documents were requisitioned from the BCCI, the Franchisees, media and commercial rights holder of the BCCI and the concerned Authorized Dealers. The documents received from the aforesaid sources were examined in detail. The following paras briefly describe the background of issues covered in the Complaint.



1.2 The organizational and operational structure of the BCCI was examined and it was found that the BCCI is a society registered under the Tamil Nadu Societies Registration Act, 1975. As per the Memorandum and Rules and Regulations of the BCCI (revised as on 16.12.2007), the objectives of the BCCI inter alia include controlling the game of cricket in India, encouraging formation of State, Regional or other Cricket Associations, to frame the laws of cricket in India, etc. The BCCI is affiliated to the International Cricket Council (ICC) which is the international body for governing the game of cricket worldwide. The status of the BCCI as the Governing Body for the Sports of Cricket appears to be primarily on the strength of its affiliation to the ICC. Further, the BCCI is the only federation for the game of cricket which has been recognized by the Ministry of Sports and Youth Affairs as gleaned from the website of the said Ministry.

1.3 The Working Committee of the BCCI in its meeting held on 13.09.2007 decided to launch the Indian Premier League (IPL) which was to be formed as a sub-committee of BCCI. It was further decided in the said meeting that a Governing Council would be set up to deal with all matters related with IPL. Shri Lalit Modi, Vice President of BCCI was appointed as Chairman and Commissioner of IPL in the said Working Committee Meeting. In the Annual General Meeting held on 28.09.2007, it was resolved that Shri N. Srinivasan, Hon. Secretary would open and operate the new bank account in the name of BCCI-IPL. In the Special General Body Meeting of the BCCI held on 16.12.2007, the rules and regulations of BCCI were amended to make provision for the constitution of the IPL. It was decided that the committee to administer the function of IPL would be appointed by the General Body of the Board. The term of the Office of the members of the Committee would be five years and would comprise of the Chairman, 04 members appointed by the Board, 03 ex-cricketers of repute. The Office bearers of the board during their tenure would be the ex-officio members of the committee. The Special General Meeting also ratified the appointment of Shri Lalit Modi as Chairman. It may be mentioned that the Working Committee of the BCCI in its meeting held on 13.09.2007, while deciding the constitution of the Governing Council also approved that all decisions relating to IPL would be taken by the Committee (i.e GC) by majority and in case of equality of votes, the Chairman shall have a casting vote. The Office bearers of the board during their tenure would be the ex-officio members of the committee. The Special General Meeting also ratified the appointment of Shri Lalit Modi as Chairman. Under the Rules and Regulations of BCCI that the Hon. President, the Hon. Secretary, Hon. Treasurer and Hon. Jt. Secretary are the office bearers and are responsible for the conduct of affairs of the BCCI

1.4 Although the IPL tournament is a domestic cricketing event, the 2<sup>nd</sup> season of the IPL in 2009 was held in South Africa purportedly on the ground of security concern arising out of the schedule of the general elections which coincided with the



tournament. It was observed from the minutes of the Working Committee and Governing Council meetings, both held on 22.03.2009 that the BCCI was facing problems in staging the second edition of the IPL because the elections were announced around the same time and the security forces were reserved by the Election Commission of India. Further, it was pointed out in the meeting that although the State Government wanted to host IPL matches they could not go ahead without prior permission of the Election Commission. In the said meeting the issue of shifting of the tournament out of India was deliberated and the final decision in the matter was left to Shri Shashank Manohar, then Hon. President of the BCCI. Further, in the meeting Shri Lalit Modi requested the members to approve the opening of an account abroad with a remittance of US \$ 10 Mn. to take care of the expenses for the staging of the IPL abroad. BCCI deliberated on the legal implications involved in shifting of the tournament outside India and it was specifically mentioned that for the purpose of holding the tournament out of India opening a bank account would be necessary for which prior approval of the RBI would be required. This is evident from the discussion in the Working Committee meeting held on 22.03.2009 which records the opinion of Shri Shashank Manohar that BCCI would open an account after seeking clearance from RBI and that the account would be opened by the then Hon. Treasurer, Mr. M.P. Pandove.

1.5 The BCCI finally decided to shift the tournament to South Africa, however, there is no written record as to how and by whom was the decision taken. It was further found that the BCCI had remitted huge amounts of foreign exchange from its accounts held in the State Bank of Travancore, Jaipur Branch with whom the BCCI was maintaining its bank accounts. It also came to notice that the BCCI had not taken any permission from the Reserve Bank of India for transfer of foreign exchange to South Africa. Preliminary enquiries in the matter also indicated that the BCCI did not seek permission from the Government of India for holding the tournament out of India or from the Reserve Bank of India for opening a Bank account abroad. However, it came to notice that the BCCI operated through a bank account held in the name of IPL (SA) (PTY) Ltd. which appear to be a subsidiary of Cricket South Africa. For the purpose of maintaining a bank account, the BCCI had entered into an agreement with Cricket South Africa on 30.03.2009, binding the CSA under a legal obligation to permit control of the BCCI on debit and credit of the said bank account. Accordingly, a detailed investigation was taken up in the matter.

1.6 It may be mentioned that during the course of investigation into the matter various issues emerged indicating contravention of the provisions of FEMA, 1999 by the BCCI as well as by many other entities. The present Complaint deals with and is limited to the payments made and received by BCCI in connection the Indian Premier League tournament held in South Africa in the year 2009. Many issues including the matters relating to conduct of IPL-II tournament along with various other issues



concerning BCCI, Shri Lalit Kumar Modi and other persons/ entities are under investigation and are being dealt with separately. Further complaints, if required, will be submitted in respect of the other issues in due course.

## **2. Details of Investigation:**

2.1 It is seen from the Minutes of the Governing Council Emergency meeting held on 22.03.2009 with the franchisees prior to moving IPL 2009 to South Africa that the issue of shifting of the IPL 2 tournament outside India was discussed in detail in the said meeting. The Minutes reads as under:-

*"Chairman explained to the members that decision was taken in the emergent working committee of the BCCI that the IPL 2009 has to be moved out of India to UK or South Africa due to the Government's inability to provide security to the matches in India due to the workload during elections.*

*It was also explained to the members that due to the shift of the tournament outside India, additional expenditures for the Franchisees have to be borne by IPL. In this regard, the following decisions were taken:*

- 1. Gates Revenue will be centrally managed by IPL and all the gates revenue will revert back to the Franchisees equally after deducting all ticketing expenses.*
- 2. Business class travel fare from India to SA/UK will be reimbursed subject to a maximum of 30 members of Players and support staff.*
- 3. Additional costs for travel and hotel will be borne by IPL for the Franchisees due to shift.*
- 4. There would be no concept of home and away games. The teams will be playing each other twice.*
- 5. Loss of sponsorship/ticket venue and extra costs for Franchisee due to movement of the games from India to outside will be reimbursed on a case to case basis.*
- 6. Stadium/Host Agreement will be signed by IPL with the respective board/stadiums. The cost of which will be borne by IPL.*

*Chairman also said that due to the shift of the tournament, there will be an additional expense from the approved budget to the tune of Rs.100 crores. Members unanimously approved this and asked the Chairman to proceed with the proposal and shift the tournament outside India since cancelling the tournament is not an option."*

2.2 Investigation revealed that the BCCI entered into an agreement with Cricket South Africa (CSA) on 30.03.2009 for hosting and staging of the IPL-2 tournament.



The agreement with Cricket South Africa (CSA) was signed on behalf of BCCI by Shri N. Srinivasan, the then Honorary Secretary of BCCI. Under the said agreement CSA was required to open and operate a dedicated bank account in the name of "IPL South Africa". The said agreement further provided that monies would be deposited by BCCI into the Bank account of CSA from time to time and that CSA would transfer these funds into the bank account of IPL South Africa towards anticipated and certain other IPL related expenses. Further, the ticket revenue earned through BCCI-IPL ticketing partners was also to be deposited to this account. The agreement further provided that no sums would be released from said bank account without explicit written authorization by BCCI-IPL. The CSA was required to produce and maintain full and accurate accounting records in relation to all sums and other expenditure paid out for the Budgeted costs. As consideration for the provisions by CSA of its services and assistance in connection with IPL, BCCI-IPL agreed to pay to CSA a fixed fee of US\$ 30,00,000/- within 15 days of the last Match in 2009. Further, an amount of US\$ 25,00,000/- was to be paid within 7 days of signature of the agreement to enable the Budgeted costs to be paid by CSA. In terms of the said agreement, CSA incorporated a wholly owned subsidiary called "IPL (SA) (PTY) Ltd" for incurring expenses on behalf of BCCI for IPL matches.

2.3 The provisions contained in the said agreement dated 30.03.2009 were analyzed. The preamble to the agreement states that the BCCI-IPL wished to stage 2009-IPL through the Republic of South Africa and wished CSA to assist it in this regard by providing the necessary stadia with all facilities and amenities appropriate for staging the IPL cricket matches and certain other related matters subject to the terms and conditions as set out in the said agreement. Under the terms and conditions, the CSA was required inter alia to procure/ provide stadia for the exclusive use by the BCCI-IPL for the purpose of staging the matches and the BCCI would be allowed unrestricted exclusive access to and use of all of the stadia. The agreement enjoining on CSA to ensure that the BCCI is able to offer for the sale of tickets for the whole of spectator's viewing area at each stadium and for each match. The CSA was further required to ensure that exterior and interior of each stadium shall be provided or procured by CSA free and clear of all third party or other branding of any kind whatsoever. By the aforesaid agreement CSA was also required to provide BCCI-IPL with all such other assistance as required in respect of IPL including providing details of third party's contractors who provide services to CSA in connection with cricket such as ticketing agencies, concession operators, catering companies etc.) and the obtaining of any necessary permits or licenses. The CSA was also required to meet with BCCI-IPL as and when necessary to assist BCCI-IPL to stage the IPL, it being acknowledged that BCCI-IPL owns IPL and shall retain ultimate control in relation to all aspects of IPL. The CSA shall ensure that any third party (such as Stadium owners/operators) takes all such action in a timely fashion as



shall enable BCCI-IPL to stage the Matches as contemplated by the Heads of Agreement.

It has been clarified in the aforesaid agreement that CSA shall not acquire any rights of any kind in relation to IPL and that CSA shall not be entitled to grant or seek to grant to any third party any rights in respect of IPL or otherwise to exploit any rights of any kind in relation to IPL.

It has also been made clear in the agreement that all revenue of any kind and from any source whatsoever in relation to the staging of IPL and each Match shall accrue to and for the benefit of BCCI-IPL and its licensees and CSA shall have no rights of any kind in respect thereof.

The agreement further provided that CSA shall open and operate a dedicated bank account in the name of "IPL South Africa" and monies would be deposited to the CSA bank account from time to time and CSA would transfer those funds into the bank account of IPL South Africa towards anticipated and certain other IPL related expenses. Further the ticket revenue earned through BCCI-IPL ticketing partners would also be deposited in the said account. It was further provided that no sums could be released from the said bank account without the explicit written authorization by BCCI-IPL.

The agreement further categorically provided that no sums shall be made by CSA from this account otherwise than strictly in accordance with the above paragraph implying that no sums would be debited from the account without explicit instructions from BCCI-IPL.

The agreement further provided that "as consideration for the provision by CSA of its services and assistance in connection with IPL- the BCCI-IPL shall pay to CSA a fixed fee of US \$ 30,00,000/- (the "Fee") which shall be payable within 15 days of the last Match in 2009. In addition to the Fee BCCI-IPL shall in accordance with paragraph (c) below pay those costs and expenses in relation to IPL which are set out in the budget attached as Schedule 2 to these Heads of Agreement (the "IPL Budget" and "Budgeted" shall be construed accordingly)."

Although the agreement at para 3 (a) referred to certain budgeted expenses attached as Schedule 2, the said Schedule 2 was blank and no budgeting whatsoever was done.

2.4 It appeared that the agreement was made between BCCI and CSA for the services to be provided by CSA in consideration of which CSA was to receive payment of US \$ 30,00,000/- and it was made to enable BCCI to transfer funds to



CSA for further onward transfer of the amount to a dedicated bank account of "IPL (SA) (PTY) Ltd." which was to be opened pursuant to the agreement dated 30.03.2009. It was also clear that the BCCI ensured control over the said bank account by incorporating a provision that no sums would be released from the said bank account without explicit written authorization by BCCI-IPL. Further it was seen that no budgeting was done at the time of the agreement as is evident from the fact that Schedule 2 referring to the budget was blank.

2.5 Investigations further revealed that the BCCI was maintaining the following bank accounts with the State Bank of Travancore, Jaipur Branch (SBT)–

(a) Saving Account No. 57027625920

(b) EEFC (USD) Account No. 57027644400

(c) EEFC (GBP) Account No. 57027644411

During the period from 31.03.2009 to 10.08.2009, BCCI remitted amounts totaling US\$ 3,95,00,000.00/- equivalent to Rs.194,89,30,000.00/- to CSA. An amount of ZAR 7,61,48,959/- equivalent to USD 1,03,62,799.42 was also remitted on 27.08.2010, by the BCCI towards balance and final payment of expenses of IPL 2009. The total amount transferred to CSA thus comes to **USD 4,98,62,799.42 equivalent to Rs.243,45,30,781/-**. Besides, BCCI had received revenues from ticket sales amounting to ZAR 38,285,677/- and VAT refund of ZAR 26,978,923/- (Total ZAR 65,264,600/- equivalent to US \$ 89,34,040.08/- after deducting bank charges which was credited in the bank account of IPL (SA) (PTY) Ltd.). The BCCI failed to take reasonable steps to repatriate the said amount to India within the prescribed period of 90 days from the date of receipt of the said amount i.e. within 90 days from the conclusion of IPL matches, on 24<sup>th</sup> May, 2009. The BCCI repatriated this amount only on 08.09.2010.

An amount of ZAR 9,31,567/- accrued to the BCCI on account of "Pouring Rights". This amount has not been repatriated to India so far.

2.6 In order to ascertain the nature of transactions information and documents were requisitioned from the BCCI vide this office letter dated 26.04.2010. The BCCI vide its letter dated (i) 09.05.2010, (ii) 29.07.2010, (iii) 16.08.2010, (iv) 21.01.2011, (v) 03.02.2011 (vi) 25.06.2011, furnished certain details in respect of IPL-II tournament. Documents were also requisitioned from State Bank of Travancore, Jaipur Branch and vide its letter dated 06.09.2010, the SBT furnished the requisite details.

2.7 Statement of Shri N. Srinivasan, the then Hon. Secretary of the BCCI was recorded on 08.07.2010 wherein he has inter alia stated that the decision to conduct the IPL 2 in South Africa was taken at the Emergent Working Committee meeting of the BCCI held on 22<sup>nd</sup> March 2009; that the tournament was scheduled to start on



10<sup>th</sup> of April which left only 19 days to organize the massive tournament; that it was acknowledged during the meeting that there would be increased cost and it was roughly estimated that the total cost may work out to Rs. 100 Crores and that there was no time to work out a detailed budget.

2.8 Shri Srinivasan has further stated that BCCI had entered into an agreement with Cricket South Africa and IMG (UK) Ltd. for the conduct of IPL 2; that the agreements with CSA were prepared by IMG and he along with the Hon. Treasurer, BCCI, Chief Administrative Officer, BCCI and Mr. Sundar Raman, COO, IPL participated in discussion with Mr. Gerald Majola, Chief Executive and representative of CSA, Mr. Don McIntosh, COO of CSA finalized the agreements; that the agreement with Cricket South Africa was executed by him as the then Hon. Secretary of the BCCI under the authority given by the President /Working Committee of the BCCI; that the agreement with IMG Media was signed by Mr. Lalit Modi; that Cricket South Africa along with representatives from IPL and IMG and some officials from BCCI were authorized by the BCCI to organize and monitor the functioning of IPL 2 in South Africa.

2.9 Shri Srinivasan has further stated that the decision to conduct the tournament in South Africa was taken on 22.3.2009 when only 19 days was left to start the tournament; that the agreement was reached with Cricket South Africa on the modalities only on the 30<sup>th</sup> March 2009, 10 days before the scheduled start of the tournament which was subsequently postponed by one week; that the volume of work that needed to be done to run the tournament was such that advance budgeting did not take place although envisaged in the agreement referred to; that the budget was not prepared prior to the signing of the agreement and the estimated expenses for conducting the tournament in South Africa was prepared later.

2.10 Shri Srinivasan further stated that the budget was not prepared prior to the signing of the agreement. The estimated expenses for conducting the tournament in South Africa was prepared later. He further stated that the two revenues available in South Africa directly to the BCCI were revenue from sale of tickets and revenue from sale of "pouring rights". When asked specifically whether the bank account of IPL South Africa had been operated on the explicit written authorization by BCCI-IPL, Shri Srinivasan stated that the agreement was that the account would be operated to make payment as authorized and approved by BCCI-IPL. He further stated that all expenses and payments needed the approval of Mr. Lalit Modi after which it was sent to BCCI for counter signature by the then Hon. Secretary after which only Cricket South Africa would effect payment. About payments made towards the expenses for travel and accommodation of players, officials, Shri Srinivasan stated that the payment was made in South Africa by Cricket South Africa through IPL South Africa and these amounts were recovered from the respective Franchisees.



2.11 Shri Srinivasan, in reply to a query, stated that the final reconciliation of the accounts was yet to be done. On being asked whether any permission was taken from the RBI for making advance payment to Cricket South Africa, Shri Srinivasan stated that the BCCI did not approach the RBI. This fact was further confirmed by the BCCI vide its letter dated 29.07.2010.

2.12 Vide Annexure B to his letter dated 29.07.2010 and Annexure I to his letter dated 05.08.2011, Shri N. Srinivasan forwarded the details of payments made by BCCI which are as follows:-

Details of Payment made to Cricket South Africa for IPL 2009 through State Bank of Travancore, Jaipur are as under:

Date	USD	INR
31.03.2009	7000000	356230000
31.03.2009	1000000	50890000
16.04.2009	10000000	495850000
30.04.2009	5000000	250700000
30.04.2009	2500000	125350000
23.05.2009	10000000	478550000
10.08.2009	4000000	191360000
27.08.2010	10362799.42	485600781
<b>Total amount remitted</b>	<b>49862799.42</b>	<b>2434530781</b>

2.13 Vide letter dated 21<sup>st</sup> January, 2011 and 03.02.2011, the BCCI submitted copies of applications in Form A2 submitted to the AD in respect of remittances made to CSA for conduct of IPL 2 tournament. The details of the A 2 forms are as follows:-

(a) Shri M.P. Pandove, the then Hon. Treasurer , BCCI filed A 2 Form dated 31.03.2009 advising the Bank to remit US \$ 70,00,000 by transfer by debiting account No. 57027625920 to Cricket S A (PTY) Ltd. in its Account No. 001640267. The A2 form was signed by Shri M.P. Pandove as the Treasurer of BCCI and the purpose of remittance was shown as "Operational Fee & Cost for hosting IPL 2009" in the said form.

(b) Shri M.P. Pandove, the then Hon. Treasurer , BCCI filed A 2 Form dated 31.03.2009 advising the Bank to remit US \$ 10,00,000 by transfer by debiting account No. 57027625920 to Cricket S A (PTY) Ltd. in its Account No. 001640267. The A2 form was signed by Shri M.P. Pandove as the Treasurer



of BCCI and the purpose of remittance was shown as "Operational Fee & Cost for hosting IPL 2009" in the said form.

- (c) Shri M.P. Pandove, the then Hon. Treasurer , BCCI filed A 2 Form dated 16.04.2009 advising the Bank to remit US \$ 100,00,000 by transfer by debiting account No. 57027625920 to Cricket S A (PTY) Ltd. in its Account No. 001640267. The A2 form was signed by Shri M.P. Pandove as the Treasurer of BCCI and the purpose of remittance was shown as "Operational Fee & Cost for hosting IPL 2009" in the said form.
- (d) Shri M.P. Pandove, the then Hon. Treasurer , BCCI filed A 2 Form dated 27.04.2009 advising the Bank to remit US \$ 2,500,000 by transfer by debiting account No. 57027625920 to Cricket S A (PTY) Ltd. in its Account No. 001640267. The A2 form was signed by Shri M.P. Pandove as the Treasurer of BCCI and the purpose of remittance was shown as "Operational Fee & Cost for hosting IPL 2009" in the said form.
- (e) Shri M.P. Pandove, the then Hon. Treasurer , BCCI filed A 2 Form dated 27.04.2009 advising the Bank to remit US \$ 5,000,000 by transfer by debiting account No. 57027625920 to Cricket S A (PTY) Ltd. in its Account No. 001640267. The A2 form was signed by Shri M.P. Pandove as the Treasurer of BCCI and the purpose of remittance was shown as "Operational Fee & Cost for hosting IPL 2009" in the said form.
- (f) Shri M.P. Pandove, the then Hon. Treasurer , BCCI filed A 2 Form dated 19.05.2009 advising the Bank to remit US \$ 100,000,000 by transfer by debiting account No. 57027625920 to Cricket S A (PTY) Ltd. in its Account No. 001640267. The A2 form was signed by Shri M.P. Pandove as the Treasurer of BCCI and the purpose of remittance was shown as "Operational Fee & Cost for hosting IPL 2009" in the said form.
- (g) Shri M.P. Pandove, the then Hon. Treasurer , BCCI filed A 2 Form dated 10.08.2009 advising the Bank to remit US \$ 40,00,000 by transfer by debiting account No. 57027625920 to Cricket S A (PTY) Ltd. in its Account No. 001640267. The A2 form was signed by Shri M.P. Pandove as the Treasurer of BCCI and the purpose of remittance was shown as "Operational Fee & Cost for hosting IPL 2009" in the said form.
- (h) Shri M.P. Pandove, the then Hon. Treasurer , BCCI filed A 2 Form dated 27.08.2010 advising the Bank to remit ZAR 7,61,48,959/- by transfer by



debiting account No. 57027644400 to Cricket S A (PTY) Ltd. in its Account No. 001640267. The A2 form was signed by Shri M.P. Pandove as the Treasurer of BCCI and the purpose of remittance was shown as "towards mill expenses for designing in South Africa" in the said form. However, as per transfer instructions and the relevant Swift Message dated 27.08.2010, issued by State Bank of Travancore, Jaipur Branch, the purpose of remittance was shown as "Towards Balance and Final Payment of Expenses in IPL 09".

2.14 Vide his letters dated 21.01.2011, Shri N. Srinivasan, inter alia, submitted that BCCI was not operating the Bank account held in the name of IPL SA and has no control over the said account of the entity. He further stated that IPL SA is a subsidiary of Cricket South Africa and BCCI's permission/approval was not required for Cricket South Africa to incorporate the subsidiary.

2.15 In his statement recorded on 26<sup>th</sup> April, 2011, Shri. Prasanna Kannan, Manager of BCCI inter alia stated that he was employed with M/s India Cements Ltd., Coromendal Towers, Santhome, Chennai- 600 002 since December 2005 and was seconded to the BCCI Treasurer's Office from Jan 2006 till Sept. 2008 and for BCCI's Secretary's office from October 2008 till date and his additional responsibility was as manager, business and commercial services of IPL from October, 2008 till July, 2010. He further stated that in BCCI & IPL his responsibilities included checking bills, raising invoices, following up payments from sponsors, assist in audits, etc. and as part of the Secretary's office, he reported to the then Hon. Secretary, BCCI and assisted him in day to day activities and that as Manager, business and commercial services of IPL, he was reporting to Mr. Sunder Raman, Chief Operating Officer of IPL and his responsibilities included raising invoices to sponsors, checking contracts for financial compliances, checking bills and forwarding for authorization and payments, etc. In respect of the procedure for checking of invoices/bills and payments made and received against such invoices/bills he gave the following explanation:-

(a) For Receipts - The agreements between BCCI and third parties viz. sponsors, media rights holders, etc. would be signed first and a copy will be made available. Based on the agreement, invoices will be raised on third parties and follow-up will be made to check compliances on payments received with Treasurer's Office.

(b) For payments - The understanding between BCCI and vendors will be documented either by way of email/letters/agreement based on which the vendors will raise invoices. On checking with relevant authorities on performance, approval will be sought from Chairman, IPL and from Secretary, BCCI before payments are processed by Treasurer's office.



Shri Prasanna Kannan further stated that the same procedure was followed in IPL and all decisions in respect of vendor appointments/invoices were decided and approved by Mr. Lalit Modi, then Chairman of IPL and sent to him for further processing and payments.

On being asked about the basis for verifying the invoices raised by various parties against services rendered by them to the IPL, Shri Kannan stated that the vendors negotiate/agree the services and the cost for those services with Mr. Lalit Modi who in turn will confirm/approve and send a communication based on which the payments are processed and that the communication would be in the form of either emails sent to parties, agreements or letter of appointment.

Shri Kannan further stated that generally he was the only person verifying the invoices, however, in his absence Mr. Sunder Raman, COO used to verify the invoices and forward the same to the Secretary for authorization after approval from the Chairman and the same will be sent to the Treasurer's office for payment.

2.16 In the statements recorded on 17.06.2010 and 02.12.2010 and 09.08.2011 Shri Sunder Raman Chief Operating Officer of IPL stated that BCCI IPL had not taken any approval or obtained any permission from the RBI in respect of IPL in South Africa in 2009. He further stated that the venue for IPL season 2009 was shifted to South Africa because of scheduling constraints as IPL clashed with the General elections in India; that the operationalising of the tournament was done through a head of agreement signed between BCCI and Cricket South Africa (CSA) and that the CSA set up an account under the name of 'IPL-SA' to manage the expenses related to the tournament. On being asked about appointment letter dated 31.03.2009 in respect of appointment of Ireland Davenport which appeared to have been signed by Shri Lalit Modi "on behalf of IPL SA C/o CSA" accepting the remuneration and fees of Rand 1Mn, Shri Sunder Raman confirmed that the signature on the said appointment letter was that of Mr. Modi and further stated that he was not aware of the process of approval for various contracts/agreements executed for IPL in SA. In respect of approval of payments made to various contracted parties in South Africa, Shri Sunder Raman stated that as far as he was aware, CSA had contracts with various vendors for implementation services and the contracts were executed by CSA and information sent to BCCI IPL for re-confirmation of services. Regarding his responsibility, Shri Sunder Raman stated that he was responsible for the smooth implementation of the tournament on the ground, managing the expectations of franchises and various stake holders of IPL, ensuring the on ground team delivers as per the deadlines etc. On being asked about the procedure for approval of various payments in connection with IPL 2, Shri Sunder Raman stated that the approval process followed was that the vendor's email estimates were sent to Mr. Modi for approval and on his approval it was sent to the then Hon. Secretary for approval and with both approvals this would be sent for



processing to CSA. He further stated that he was involved in the discussions between the two boards (in BCCI and CSA) along with some of the office bearers of the BCCI including Mr. Modi, Mr Pandove, Mr. N. Srinivasan and Prof Shetty. He further stated that under the heads of agreement dated 30 Mar, 2009 between CSA and BCCI, a dedicated bank account under the name of IPL SA (as referred to in the agreement) was to operate the income-expenses related to the staging of IPL in SA and IPL (SA) (Pty) was a subsidiary of CSA who opened this account. On being asked as to why the 2 schedules to the agreement i.e. a) match schedule and b) IPL budget were kept blank, he stated that as on 30th March, the match schedule was not finalized nor was an estimate of the budget for staging the matches in SA done. He further stated that the procedure for release of money for payment to various vendors from the account of IPL SA was that the vendors invoices would be checked by Mr Prasanna Kannan or by him for goods/services delivered then the same would be approved by Mr Modi and once approved, it would be sent to the Hon Secretary of BCCI for authorization and onwards to IPL SA for payments.

2.17 In his statement recorded on 28.06.2010, Shri Ratnakar Shetty, Chief Administrative Office of BCCI, inter alia, stated that he was responsible for day to day functioning of the BCCI and all the executive decisions of the Board are taken by Hon. Secretary (who is the CEO of BCCI). He further stated that for all cricket tours (Home and Away) they wrote to the Sports Ministry, Govt. of India to seek their approval. He further stated that for the conduct of IPL, some employees like Mr. Sundar Raman, COO, Mr. Prasanna K., Manager (Finance), Ms. Poorna Patel, Manager, Hospitality, etc., were appointed by BCCI on recommendations of the IPL Governing Council and the actual conduct of the tournament was handled by IMG who were contracted by BCCI on the recommendations of IPL Governing Council. He further stated that he had no role in the working of IPL except that IPL used to send to him a list of foreign players/support staff of franchise teams and umpires/match referees for obtaining Visa.

2.18 Summons were issued to the officials of IMG (UK) Ltd. Mr. Peter Griffiths, Senior Vice President and Director of Operation with M/s International Management Group, appeared in the office on 29.09.2010 and 30.09.2010 and his statement was recorded wherein he inter alia stated that IMG is a Sports and Media marketing company involved in the commercialization and creation of sports properties and that IMG (UK) was contracted by the BCCI to develop the idea of city based professional cricket league and that IMG was responsible for the sporting and commercial modeling of the league, producing the legal structure and contracts. He stated that for IPL related matters, he used to interact with Mr. Lalit Modi and Mr. Sunder Raman and that he used to take instructions from them. Mr. Peter Griffiths, further, inter alia stated that the agreement entered into by BCCI with Cricket South Africa was drafted by them whereby Cricket South Africa would make available its Stadiums and



staff to host IPL-2 and he believed that Cricket South Africa opened a designated Bank account for IPL for the purpose of receiving income/revenue from sale of tickets, Pouring Rights etc. and to pay for various expenses and that BCCI paid money to the said bank account because the expenses were going to be greater than the revenue. Regarding the logistic support provided by IMG, he further stated that thereafter, they prepared the match schedule, worked with Cricket South Africa Stadium's staff & other South African suppliers for organizing the tournament and organized the booking of hotels and internal transportation for the franchises & match officials.

Mr. Peter Griffiths further stated that BCCI negotiated the rates to be paid at each of the hotels in the Southern Sun Chain and IMG staff discussed with franchises management and made the bookings required according to the teams travel schedule and that he believed that the franchises made their own booking for their owners & management and that the bills were sent to IPL (SA) (PTY) Ltd. and paid from the designated bank. He further stated that Mr. Modi was the Chairman & Commissioner of IPL and that his main focus in South Africa was the marketing and advertising of the IPL and that there was a large marketing campaign in Newspapers, Televisions, Billboards etc and there was also a street Carnival in Capetown. He further stated that most of the time he was receiving the verbal instructions from Shri Sundar Raman and whenever he received instructions from Shri Lalit Modi they were either verbally or through e-mail.

2.19 Directive was issued to State Bank of Travancore, Ashok Marg, C-Scheme, Jaipur on 26.08.2010. Reply to the said directive was received from the said bank on 06.09.2010 from which it was inter alia revealed that BCCI was also maintaining 2 EEFC accounts with the said bank in addition to the savings account no: 57027625920 :

(a) EEFC A/c in USD – A/c No. 5702764400

(b) EEFC A/c in GBP – A/c No. 5702764411

2.20 Summons was thereafter issued to the Manager, State Bank of Travancore, Ashok Marg, C-Scheme, Jaipur and in response to the same Shri.A.K.Nazeer Khan, Chief Manager of the bank appeared in this office on 10.12.2010 and his statement was recorded wherein he has inter alia provided the details of the remittances made to the account no: 001640267 of Cricket South Africa maintained with Standard Bank of SA, Rosebank branch from savings account no: 57027625920 of BCCI maintained with their branch. These details are as under:

Sr.No	Date of remittance	Amount US\$	Purpose
1.	31.03.2009	70,00,000	IPL- 2009 tournament expenses
2.	31.03.2009	10,00,000	IPL- 2009 tournament expenses



3.	16.04.2009	1,00,00,000	IPL- 2009 tournament expenses
4.	27.04.2009	25,00,000	IPL- 2009 tournament expenses
5.	27.04.2009	50,00,000	IPL- 2009 tournament expenses
6.	19.05.2009	1,00,00,000	IPL- 2009 tournament expenses
7.	10.08.2009	40,00,000	Hosting fee by CSA for IPL 2009
	<b>Total</b>	<b>3,95,00,000</b>	

Shri Nazeer Khan further stated that an amount of US\$ 1,03,62,799.42 was remitted to the above account of Cricket South Africa on 27.08.2010 from EEFC account No. 57027644400 of BCCI maintained with them at the instructions of BCCI towards balance & final payment of expenses in IPL 2009; that a total amount of USD 4,98,62,799.42 was remitted to Cricket South Africa at the instructions of BCCI on account of tournament expenses of IPL -2009; that no bank guarantee/counter guarantee from any overseas bank/institution has been furnished to them by the BCCI in connection with abovementioned advance foreign exchange remittances made to Cricket South Africa; that the bank also did not ask for any bank guarantee from BCCI. He has further submitted copies of request letters given by the BCCI for effecting these transfers. Shri Nazeer Khan has further confirmed that advance remittance of USD 355,00,000/- has been paid to Cricket South Africa towards import of services by the Bank at the instructions of BCCI. Further statement of Shri Nazeer Khan was recorded on 03.02.2011 whereby he has submitted copies of A-2 forms in respect of remittances made by BCCI to CSA and others in respect of IPL-2 including the above 7 remittances.

2.21 Further statement of Shri A.K. Nazeer Khan was recorded on 03.02.2011 wherein he, inter alia stated that IPL 2009 in South Africa was played in April/May 09, the BCCI Team finalized the Agreement on 30/03/09 and two remittances USD 7 mn and 1 mn were effected on 31/03/09, possibly for part services availed. He further stated that as per RBI's FEMA Regulations in force, for Current Account Remittance exceeding USD 1 mn, RBI's prior approval was required. He further stated that as per verification done by them, they found that an Inward remittance USD 8,934,040.08 was received on 08/09/10 from Cricket South Africa PTY Ltd. for sale of Tickets /VAT Refunds and was credited to BCCI's EEFC A/c with them.

2.22 Statement of Shri. Chirayu Amin, presently Member, IPL Governing Council Chairman, Indian Premier League, was recorded on 29th July, 2011 wherein he inter alia, stated that he had been a member of the Governing Council right from the beginning i.e. from 13th Sept., 2007 till date and he was holding the post of Chairman, IPL since 29th September, 2010 and prior to that date he was appointed as interim Chairman of IPL from 27th April, 2010 till 29th Sept., 2010. He further stated that as Governing Council Members, they were briefed about various activities and new areas in business strategy proposed by the then Chairman and whatever



was proposed were deliberated upon and they gave general consensus to go ahead with the activities.

About the decision to shift IPL 2 tournament to South Africa, he stated that he had not participated in the meetings in which decision to shift the tournament to South Africa was taken. He further stated that Shri Lalit Modi was negotiating with the Cricket Boards of UK and South Africa and finally the decision was taken to move the tournament to South Africa. On being asked whether there was any estimate of the expenditure done by the BCCI for the purpose of holding the tournament in South Africa, he stated that he was not aware whether any budget was made for tournament in South Africa. On being asked about the basis for transfer of a huge amount of money by BCCI to Cricket South Africa during the period March 2009 to August 2009, he stated that he was not involved in any of the transactions made by the BCCI in connection with IPL 2.

In respect of the decision making mechanism within the Governing Council, he stated that he did not remember any decision being taken by division of votes and the proposals made by Shri Modi were discussed at a macro level which were approved in good faith because Shri Modi had been directly involved with the concept of IPL since the very beginning. He admitted that the Governing Council did not raise any objection to any of the decision taken by Shri Modi primarily because the minute details were never disclosed to the governing council and the governing council reposed its faith in Shri Modi.

2.23 Statement of Shri. Ravishankar Shastri, Member of the IPL Governing Council was recorded on 05<sup>th</sup> August, 2011, wherein he interalia, stated that he was appointed a Member of the Governing Council since formation of the IPL in 2007. He represented Governing Council as a Cricketer and his role in the Governing Council was to address the issues relating to the game of cricket and advising the IPL regarding cricketing matters and providing inputs for improvement of the sport. On being asked about the procedure of decision making within the Governing council, he stated that till IPL 3 there was hardly any discussion in the meetings of the governing council and the decisions taken by Shri Lalit Modi were approved in the meeting. And he did not remember any objection raised by any member in respect of any major decision taken by Shri Modi.

Shri Shastri further stated that he participated in the IPL tournament in South Africa in 2009 as a commentator under the contract with WSG and was also a member of the technical committee regarding cricket issues appointed by the Governing Council. On being asked as to how was the decision taken to shift the IPL 2 tournament to South Africa, he stated that he had not participated in the discussions regarding shifting of the tournament to South Africa.



2.24 Statement of Shri Shashank Manohar, the then Hon. President BCCI, was recorded on 10th August 2011, wherein he, inter alia stated that the functions of the President of the BCCI was to preside over all meetings, to take action for misconduct, to approve the team for international matches and lastly to generally observe that the functioning of the Board took place in accordance with the decisions of the general body and the working committee. Being the President of the BCCI, he was an ex-officio member of the Governing Council of the IPL. He further stated that the Working Committee of the BCCI had taken a decision to shift the IPL tournament to South Africa in the year 2009 in view of the general elections and the Working Committee took a decision to move the tournament either to England or South Africa and the final decision was left to him and he decided to shift the tournament to South Africa as the weather conditions in South Africa were better than in England and the venues in South Africa were equipped with flood light facilities which were not available in all the stadiums in UK. He further stated that in the working committee meeting of the BCCI held on 22nd Mar, 2009. Shri Lalit Modi had requested the working committee for approval of opening of an account abroad with USD 10Mn for expenses for staging the IPL. On being asked about the narration in minutes of the meeting stating that the BCCI would open an account after seeking RBI's approval he stated that in response to Lalit Modi's request of opening a bank account abroad, he had suggested that permission from reserve bank should be obtained and the account be operated by the Treasurer and the suggestion was approved by the Working committee. He further stated that he was not aware whether any account was opened by BCCI in SA for IPL tournament, since it was an operational matter and he was also not aware whether any application was made to the RBI seeking approval for opening a bank account outside India for IPL tournament. He further stated that he was not concerned with the accounts of BCCI and therefore, he was not aware about the details of remittances made to CSA for the tournament.

On being asked about decisions taken in terms of the rule requiring decisions in the GC meetings to be taken by majority, Shri Manohar stated that to the best of his knowledge no decision was put to vote at the GC. He denied having been informed about the various expenses before they were made by the BCCI in SA for IPL 2009. He further stated that the Hon Secretary was authorized to approve expenses on behalf of BCCI.

2.25 Statement of Shri M.P. Pandove, then Honorary Treasurer of BCCI was recorded on 04/08/2011. In his statement Shri M.P. Pandove, inter alia, stated that the BCCI was negotiating with the Government Authorities for providing security for IPL Tournaments in 2009 and the Government had expressed difficulties in providing adequate security because the General Elections were scheduled to be held around the same time. He further stated that finally in the Working Committee Meeting held on 22<sup>nd</sup> March, 2009, a decision was taken to shift the tournament out of India and



Shri Lalit Modi was holding talks with the Cricket Boards of South Africa and England. He further stated that Chairman IPL had gone to South Africa and had negotiated with CSA to hold the tournament in South Africa and negotiations were held by Shri Lalit Modi, Shri N. Srinivasan, Shri Sundar Raman and Prof. Ratnakar Shetty and he himself had participated in the negotiations relating to expenses involved. On being specifically asked about the schedules regarding "The Stadia and Match Schedule" and "The IPL Budget" being kept blank, he stated that at that point of time it was presented by one of the legal advisors of the CSA in the meeting and he believed that there was no time to go into the minute budgetary details and he understood that because of paucity of time, the detailed budgeting could not be done at the time of signing of the agreement. He further stated that the agreement made a provision for assistance of CSA and an amount of USD 30,00,000/- was fixed as consideration for the services to be rendered by CSA and in order to ensure that the account was properly maintained, the BCCI made a provision for opening a separate account in the name of IPL SA as per the agreement entered into between BCCI and the CSA. On being asked about the basis on which the remittances were made to South Africa, he stated that the remittances were made on the basis of requisitions from the officials of BCCI camping in South Africa and he used to receive instructions from the Hon. Secretary for transfer of the amounts and accordingly, he used to issue transaction instructions to the State Bank of Travancore for transfer of money to CSA.

Further statement of Shri. Pandove was recorded on 19<sup>th</sup> August 2011, wherein he inter alia, stated that the procedure in the BCCI for making remittances outside India was that all receipts and payments were effected after approval by the Working Committee/Honorary Secretary of the BCCI. In respect of the remittances made to CSA for hosting and conducting of the IPL in South Africa he stated that as per the decision of the IPL Governing Council and Working Committee, procedure for making the remittances was as under:-

- a) The IPL Chairman, IPL Secretariat, IMG and CSA personnel were at South Africa to assist the CSA to conduct the tournament.
- b) The BCCI transferred the money, as per the authorisation of the IPL Chairman and confirmation by the BCCI/IPL staff deputed to South Africa and approval of the Honorary Secretary for the specific amount.
- c) All remittances were done as per the advices/debit notes received in the office of the Honorary Treasurer after due approval of the Honorary Secretary.

He further stated that the remittances made for IPL-2 tournament to CSA were on the basis of advices received from the Honorary Secretary.



On being asked about the remittance advices he stated that the said advices contained the amount to be remitted and the advices were generally received through e-mail and sometimes by fax also.

Shri Pandove was specifically asked about the BCCI letter dated 5.8.2011 submitted in this office in response to the directive under Section 37 of FEMA in which it was mentioned by the BCCI that they were not aware of the amounts transferred by CSA to IPL SA since BCCI was not controlling the bank account of IPL SA Pty. Ltd. It was pointed to him that under the BCCI-CSA agreement dated 30.03.2009 the BCCI had put CSA under an obligation to deposit the amounts remitted from India by BCCI into the bank account opened in the name of IPL-SA. On being asked as to how could the BCCI claim to be unaware of the exact amount transferred by CSA to the account of IPL SA out of the amounts remitted by it to CSA, he replied that the contract was signed by the Honorary Secretary with the CSA and all correspondence for getting the amounts and reconciliation have been conducted from the Honorary Secretary's office and the letter seen by him was the reply sent by the Honorary Secretary's office and the Treasurer's office did not have the said details. He could not confirm whether in terms of BCCI-CSA agreement dated 30.3.09, the entire amount transferred to CSA by remittances of USD 3.95 crores from its Saving Accounts and of USD 1,03,62,799/- from the EEFC was transferred to the Bank account of IPL SA on the ground that those details were maintained by the Secretary's office. On being asked about the payment made towards hosting fee USD 30,00,000/- for IPL to CSA in terms of agreement dated 30-3-2009 Shri Pandove stated that the BCCI had not sent any single transfer remittance of US \$ 30,00,000/- to CSA, but the debit note received through Honorary Secretary showed the said amount having been charged by CSA out of the money remitted by BCCI to CSA for hosting of the tournament. He further stated that the CSA had deducted the amount out of the remittances sent by BCCI which was confirmed in the Debit Note sent by CSA. He could not provide details of expenditure, if any, made by CSA from its own account in connection with IPL-2.

On being asked about the finalization of accounts of IPL-02 between BCCI and CSA, Shri Pandove stated that earlier they had received the debit notes from CSA duly approved by the Governing Council and forwarded by the Honorary Secretary and on the basis of the same, the final remittances were made to CSA and the accounts of IPL-02 were then duly approved by the Working Committee and General Body. He further stated that the payments towards sale of tickets at different stadia were received from CSA and the pouring rights have been shown in the debit note but were not received by BCCI till date. However, the BCCI had received an amount of ZAR 3,77,65,392/- on account of ticket revenue from CSA.

On being asked whether the Treasurer's office or the BCCI had any invoice/voucher for the amounts remitted to CSA for conduct of IPL-2 at the time of



giving transfer instructions to the authorized dealer, he stated that BCCI had asked the Authorised Dealer to make remittance and that the transfer instructions were made by him as per instructions received from the Honorary Secretary.

2.26 On examination of the statement of accounts furnished by BCCI it was noticed that an amount of US \$ 1,03,62,799.42 was remitted to CSA on 27.08.10. The transfer instruction submitted to AD showed the purpose as "Towards balance and final payment of expenses in IPL-09". However, although the documents revealed that BCCI has made the final payment to the CSA on 27.08.10 a remittance of US \$ 89,34,040.08 was received by BCCI from CSA on 7.9.2010. Shri Pandove was asked about the payment received from CSA after making final payment in reply to which he stated that as per the information received the remittance was on account of repatriation of Ticket Revenue and SARS Tax (VAT) refund.

Shri Pandove was shown a copy of the bank statement dated 6 July, 2010 of IPL SA account No. 420948619, submitted in this office by the BCCI which showed a balance of ZAR 7,43,753.15 as on 6th July, 2010 in the said bank account. It was pointed to him that as per the agreement dated 30.3.09 the entire amount transferred to CSA as well as the revenue locally generated by sale of tickets and pouring rights were to be deposited in IPL SA account and subsequently on 7.9.2010 the CSA remitted an amount of USD 89,34,040.08. Thus it clearly appeared that the amount of US \$ 1,03,62,799.42 remitted by BCCI on 27.08.10 included the amount of USD 89,34,040.08 which was subsequently remitted back to BCCI on 7.09.10. On being asked about the aforesaid transactions, Shri Pandove stated that as far as the remittance to CSA was concerned, BCCI was following the procedure of remittance and has reimbursed the expenses as full and final. However, as far as the revenue is concerned, one revenue was ticket sale spread over the venues and other one was VAT refund from Government. He further stated that the pouring rights amounting to ZAR 9,31,567.00 has still not been remitted by CSA to BCCI therefore, he could not say whether CSA had remitted the amount of USD 89,34,040.08 out of US \$ 1,03,62,799.42 remitted by BCCI.

2.27 From the reply dated 16.08.2010 of the BCCI it is seen that they have made payments totaling US\$ 3,95,00,000/- to Cricket South Africa in relation to IPL-2, during the period from 31.03.09 to 10.08.09. Out of these remittances, amounts totaling US \$ 3,55,00,000/- were made either prior to the commencement of the tournament or during the course of the tournament which was held from 18.04.09 to 24.05.09. A remittance of US \$ 40,00,000/- was made on 10.08.09 after the conclusion of the tournament on 24.05.09. This fact has been confirmed by Shri. Nazeer Khan, Chief Manager, State Bank of Travancore, Jaipur in his statement dated 10.12.2010 and he has further added that the BCCI has also remitted an amount of US\$ 1,03,62,799.42 to Cricket South Africa on 27.08.2010 towards balance & final payment of expenses in IPL 2009. The BCCI has thus remitted



amounts totaling US\$ 4,98,62,799.42 to Cricket South Africa during the period 31.03.2009 to 27.08.2010 in connection with IPL-2. Out of these payments, amounts totaling US\$ 3,55,00,000/- have been remitted to CSA during the period 31.03.2009 to 19.05.2009. The purpose of these payments as declared in the A2 form as well as that declared in the request letter of the BCCI are at variance with each other. A summary of these remittances is as under:

Sr.No	Date of remittance	Amount US\$	Purpose	
			As per A2 form	As per request letter of BCCI
1.	31.03.2009	70,00,000	Operational fee and cost for hosting IPL 2009	IPL- 2009 Tournament expenses
2.	31.03.2009	10,00,000		
3.	16.04.2009	1,00,00,000		
4.	27.04.2009	25,00,000		
5.	27.04.2009	50,00,000		
6.	19.05.2009	1,00,00,000		
	<b>Total</b>	<b>355,00,000</b>		

Thus, State Bank of Travancore, Jaipur, before undertaking the above said transactions i.e. remittances of Foreign Exchange, failed to obtain from BCCI necessary declaration/information as will satisfy the bank that the transactions are genuine and will not involve and was not designed for the purpose of any contravention or evasion of the provisions of the Act and that the transactions were in conformity with terms of its authorization under Section 10(4) of FEMA, 1999.

2.28 Summons under the provisions of Section 37 of FEMA, 1999 was issued to Shri Lalit Kumar Modi vide F.No. T-3/81-B/2008/PKN/AD(DKS)/4137 dated 02nd August, 2010 requiring him to appear in person on 10/08/2010. A fresh Summons was issued vide F.No. T-3/81-B/2008/PKN/AD(DKS) dated 24th August, 2010 requiring Shri Modi to appear in person on 07th September, 2010 for tendering evidence and for producing documents as mentioned in the Schedule thereto. Shri Modi did not appear and failed to comply with the Summons. Accordingly, for non-compliance of Summons by Shri Lalit Kumar Modi, a complaint dated 16/09/2010 under section 13 of FEMA, 1999 has been filed and a Show Cause Notice has been issued to him vide T-4/19-B/DD(SB)/FEMA/2010 dated 20th September, 2010. Further Summons were issued to Shri Lalit Modi for his appearance in person 09.12.2010 for tendering evidence. However, Shri Modi did not comply with the Summons.

### 3. Relevant Provisions of FEMA, 1999 and Regulations framed there under:

Section 3 of FEMA reads as under:-



"3. Save as otherwise provided in this Act, rules or regulations made thereunder, or with the general or special permission of the Reserve Bank, no person shall—

(a) deal in or transfer any foreign exchange or foreign security to any person not being an authorised person;

(b) make any payment to or for the credit of any person resident outside India in any manner;

(c) receive otherwise through an authorised person, any payment by order or on behalf of any person resident outside India in any manner;

Explanation.—For the purpose of this clause, where any person in, or resident in, India receives any payment by order or on behalf of any person resident outside India through any other person (including an authorised person) without a corresponding inward remittance from any place outside India, then, such person shall be deemed to have received such payment otherwise than through an authorised person;

(d) enter into any financial transaction in India as consideration for or in association with acquisition or creation or transfer of a right to acquire, any asset outside India by any person.

Explanation.—For the purpose of this clause, "financial transaction" means making any payment to, or for the credit of any person, or receiving any payment for, by order or on behalf of any person, or drawing, issuing or negotiating any bill of exchange or promissory note, or transferring any security or acknowledging any debt."

Section 4 of FEMA reads as under:

*"Save as otherwise provided in this Act, no person resident in India shall acquire, hold, own, possess or transfer any foreign exchange, foreign security or any immovable property situated outside India."*

Section 6 of FEMA reads as under :-

**" Capital account transactions -** (1) *Subject to the provisions of sub-section (2), any person may sell or draw foreign exchange to or from an authorised person for a capital account transaction.*

(2) *The Reserve Bank may, in consultation with the Central Government, specify—*

*(a) any class or classes of capital account transactions which are permissible;*

*(b) the limit up to which foreign exchange shall be admissible for such transactions :*

**Provided** *that the Reserve Bank shall not impose any restriction on the drawal of foreign exchange for payments due on account of amortization of loans or for depreciation of direct investments in the ordinary course of business.*



(3) Without prejudice to the generality of the provisions of sub-section (2), the Reserve Bank may, by regulations, prohibit, restrict or regulate the following—

.....  
.....;

(d) any borrowing or lending in foreign exchange in whatever form or by whatever name called;"

Section 8 of FEMA reads as under:

" Save as otherwise provided in this Act, where any amount of foreign exchange is due or has accrued to any person resident in India, such person shall take all reasonable steps to realise and repatriate to India such foreign exchange within such period and in such manner as may be specified by the Reserve Bank."

Section 9 of FEMA reads as under:

"The provisions of sections 4 and 8 shall not apply to the following, namely:—

- (a) possession of foreign currency or foreign coins by any person up to such limit as the Reserve Bank may specify;
- (b) foreign currency account held or operated by such person or class of persons and the limit up to which the Reserve Bank may specify;
- (c) foreign exchange acquired or received before the 8th day of July, 1947 or any income arising or accruing thereon which is held outside India by any person in pursuance of a general or special permission granted by the Reserve Bank;
- (d) foreign exchange held by a person resident in India up to such limit as the Reserve Bank may specify, if such foreign exchange was acquired by way of gift or inheritance from a person referred to in clause (c), including any income arising therefrom;
- (e) foreign exchange acquired from employment, business, trade, vocation, services, honorarium, gifts, inheritance or any other legitimate means up to such limit as the Reserve Bank may specify; and
- (f) such other receipts in foreign exchange as the Reserve Bank may specify"

Sub-section 4 of Section 10 of the FEMA, 1999 reads as under:

"An authorised person shall, in all his dealings in foreign exchange or foreign security, comply with such general or special directions or orders as the Reserve Bank may, from time to time, think fit to give, and, except with the previous permission of the Reserve Bank, an authorised person shall not engage in any transaction involving any foreign exchange or foreign security which is not in conformity with the terms of his authorisation under this section".

Sub-section 5 of Section 10 of the FEMA, 1999 reads as under:-



*"(5) An authorised person shall, before undertaking any transaction in foreign exchange on behalf of any person, require that person to make such declaration and to give such information as will reasonably satisfy him that the transaction will not involve, and is not designed for the purpose of any contravention or evasion of the provisions of this Act or of any rule, regulation, notification, direction or order made thereunder, and where the said person refuses to comply with any such requirement or makes only unsatisfactory compliance therewith, the authorised person shall refuse in writing to undertake the transaction and shall, if he has reason to believe that any such contravention or evasion as aforesaid is contemplated by the person, report the matter to the Reserve Bank."*

Section 13 of FEMA reads as under -

*"13. (1) If any person contravenes any provision of this Act, or contravenes any rule, regulation, notification, direction or order issued in exercise of the powers under this Act, or contravenes any condition subject to which an authorisation is issued by the Reserve Bank, he shall, upon adjudication, be liable to a penalty up to thrice the sum involved in such contravention where such amount is quantifiable, or up to two lakh rupees where the amount is not quantifiable, and where such contravention is a continuing one, further penalty which may extend to five thousand rupees for every day after the first day during which the contravention continues.*

*(2) Any Adjudicating Authority adjudging any contravention under sub-section (1), may, if he thinks fit in addition to any penalty which he may impose for such contravention direct that any currency, security or any other money or property in respect of which the contravention has taken place shall be confiscated to the Central Government and further direct that the foreign exchange holdings, if any of the persons committing the contraventions or any part thereof, shall be brought back into India or shall be retained outside India in accordance with the directions made in this behalf.*

*Explanation.—For the purposes of this sub-section, "property" in respect of which contravention has taken place, shall include—*

- (a) deposits in a bank, where the said property is converted into such deposits;*
- (b) Indian currency, where the said property is converted into that currency; and*
- (c) any other property which has resulted out of the conversion of that property."*

Section 42 of FEMA reads as under -

*(1) Where a person committing a contravention of any of the provisions of this Act or of any rule, direction or order made thereunder is a company, every person who, at the time the contravention was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company,*



shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to punishment if he proves that the contravention took place without his knowledge or that he exercised due diligence to prevent such contravention.

(2) Notwithstanding anything contained in sub-section (1), where a contravention of any of the provisions of this Act or of any rule, direction or order made thereunder has been committed by a company and it is proved that the contravention has taken place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

(i) "company" means any body corporate and includes a firm or other association of individuals; and

(ii) "director", in relation to a firm, means a partner in the firm.

AD(MA Series) Circular No. 11, dated 16.05.2000

The Reserve Bank of India has issued clarifications on new Rules and Regulations framed under FEMA. It provides that to give effect to the provisions of the Act, the Govt. of India has, among others, made Foreign Exchange Management (Current Account Transaction) Rules, 2000 under Section 5 read with section 46 of the Act, and the circular requires all authorized dealers to carefully study the provisions of the Act, Rules/Regulations/Notifications since all foreign exchange transactions taking place with effect from 01.06.2000, will be governed by the provisions of the Foreign Exchange Management Act, 1999.

Para 10 of the circular provides as under –

"The directions contained in this circular have been issued under section 10(4) and section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and these shall come into force from 1<sup>st</sup> June, 2000. Any contravention or non-observance of these directions is subject to the penalties prescribed under the Act."

Regulation 2, 3 and 4 of Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 provides as under:-

**2. Permissible credits to EEFC account-** Following credits may be made to an EEFC account, namely:-

- (i) A portion of inward remittance/payment received by the recipient in foreign exchange subject to the provisions of paragraph (1);



- (ii) Interest earned on the funds held in the account;
- (iii) Recredit of unutilized foreign currency earlier withdrawn from the account.
- (iv) Amount representing repayment by the account holder's importer customer of loan/advances guaranteed in terms of clause (iv) of paragraph 3;
- [(v) representing the disinvestment proceeds received by the resident account holder on conversion of shares held by him to ADRs/GDRs under the Sponsored ADR/GDR Scheme approved by the Foreign Investment Promotion Board of Government of India ]

**"3. Restriction on holding foreign currency account by a person resident in India :-**

Save as otherwise provided in the Act or rules or regulations made thereunder, no person resident in India shall open or hold or maintain a Foreign Currency Account:

Provided that a Foreign Currency Account held or maintained before the commencement of these Regulations by a person resident in India with special or general permission of the Reserve Bank, shall be deemed to be held or maintained under these Regulations :

Provided further that the Reserve Bank, may on an application made to it, permit a person resident in India to open or hold or maintain a Foreign Currency Account, subject to such terms and conditions as may be considered necessary."

**4. " Opening, holding and maintaining an Exchange Earner's foreign Currency Account –** A person resident in India may open, hold and maintain with an authorized dealer in India, a Foreign Currency Account to be known as Exchange Earner's Foreign Currency (EEFC) Account, subject to the terms and conditions of the Exchange Earner's Foreign Currency Account Scheme specified in the Schedule."

Para 3 of Schedule to Regulation 4 of Foreign Exchange Management (Foreign Currency Account by a person resident in India) Regulation 2000 reads as under:-

"Permissible debits to the EEFC Account – Following debits may be made to an EEFC Account, namely:-

- (i) Payment outside India towards a current account transaction in accordance with the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 and towards a capital account transaction permissible under the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000.



- (ii) *Payment in foreign exchange towards cost of goods purchased from a 100 percent. Export Oriented Unit or a Unit in (a) Export Processing Zone or (b) Software Technology Park or (c) Electronic Hardware Technology Park.*
- (iii) *Payment of customs duty in accordance with the provisions of Export Import Policy of Central Government for the time being in force.*
- (iv) *Trade related loans/advances, by an exporter holding such account to his importer customer outside India, subject to compliance with the Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations, 2000.*
- (v) *Payment in foreign exchange to a person resident in India for supply of goods/services including payments for air fare and hotel expenditure."*

Regulations 3, 4 and 5 of Foreign Exchange Management (Realisation, repatriation and surrender of foreign exchange) Regulations, 2000

*" 3. Duty of persons to realise foreign exchange due :-*

*A person resident in India to whom any amount of foreign exchange is due or has accrued shall, save as otherwise provided under the provisions of the Act or the rules and regulations made thereunder, or with the general or special permission of the Reserve Bank, take all reasonable steps to realise and repatriate to India such foreign exchange, and shall in no case do or refrain from doing anything, or take or refrain from taking any action, which has the effect of securing -*

- (a) that the receipt by him of the whole or part of that foreign exchange is delayed; or*
- (b) that the foreign exchange ceases in whole or in part to be receivable by him."*

**4. Manner of Repatriation**

*"(1) On realization of foreign exchange due, a person shall repatriate the same to India, namely bring into, or receive in, India and –*

- (a) sell it to an authorized person in India in exchange for rupees; or*
- (b) retain or hold it in account with an authorized dealer in India to the extent specified by the Reserve Bank; or*



*(c) use it for discharge of a debt or liability denominated in foreign exchange to the extent and in the manner specified by the Reserve Bank.*

*(2) A person shall be deemed to have repatriated the realized foreign exchange to India when he receives in India payment in rupees from the account of a bank or an exchange house situated in any country outside India, maintained with an authorized dealer."*

**" 5. Period for surrender of realised foreign exchange :-**

*A person shall sell the realised foreign exchange to an authorised person under clause (a) of sub-regulation (1) of regulation 4, within the period specified below :-*

- i) foreign exchange due or accrued as remuneration for services rendered, whether in or outside India, or in settlement of any lawful obligation, or an income on assets held outside India, or as inheritance, settlement or gift, within seven days from the date of its receipt ;*
- ii) in all other cases within a period of ninety days from the date of its receipt.*

Foreign Exchange Management (Borrowing or lending in foreign exchange) Regulations, 2000 issued under Notification No.FEMA 3 /2000-RB dated 3<sup>rd</sup> May 2000 provides as under:-

**3. "Prohibition to Borrow or Lend in Foreign Exchange:-**

*Save as otherwise provided in the Act, Rules or Regulations made thereunder, no person resident in India shall borrow or lend in foreign exchange from or to a person resident in or outside India:*

*Provided that the Reserve Bank may, for sufficient reasons, permit a person to borrow or lend in foreign exchange from or to a person resident outside India."*

**5. " Borrowing and Lending in Foreign Exchange by persons other than authorised dealer:-**

*(1) An Indian entity may lend in foreign exchange to its wholly owned subsidiary or joint venture abroad constituted in accordance with the provisions of Foreign Exchange Management(Transfer or issue of foreign security) Regulations, 2000.*

*(2) A person resident in India may borrow, whether by way of loan or overdraft or any other credit facility, from a bank situated outside India, for execution outside India of a turnkey project or civil construction contract or in connection with exports on deferred payment terms,provided the terms and conditions stipulated by the authority which*



*has granted the approval to the project or contract or export in accordance with the Foreign Exchange Management (Export of goods and services) Regulations, 2000.*

*(3) An importer in India may, for import of goods into India, avail of foreign currency credit for a period not exceeding six months extended by the overseas supplier of goods, provided the import is in compliance with the Export Import Policy of the Government of India in force.*

*(4) A person resident in India may lend in foreign currency out of funds held in his EEFC account, for trade related purposes to his overseas importer customer:*

*Provided that,-*

*a) the aggregate amount of such loans outstanding at any point of time does not exceed US\$ 3 million; and*

*b) where the amount of loan exceeds US\$ 25,000, a guarantee of a bank of international repute situated outside India is provided by the overseas borrower in favour of the lender.*

*(5) Foreign currency loans may be extended by Export Import Bank of India, Industrial Development Bank of India, Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India Limited, Small Industries Development Bank of India Limited or any other institution in India to their constituents in India out of foreign currency borrowings raised by them with the approval of the Central Government for the purpose of onward lending."*

#### **4. Result of investigation**

4.1 The investigation conducted in the matter revealed that the BCCI remitted a total amount of US \$ 4,98,62,799.42 equivalent to Rs.243,45,30,781/- to CSA as detailed in Annexure-1 to this Complaint. Amounts totaling US \$ 3,95,00,000/- equivalent to Rs.194,89,30,000/- were remitted by the BCCI from its saving bank account No. 57027625920 and an amount of US \$ 1,03,62,799.42 equivalent to Rs.48,56,00,781/- (ZAR 7,61,48,959/-) was remitted by the BCCI from its EEFC account no. 57027644400, both accounts held in State Bank of Travancore, Jaipur. It has been claimed by the BCCI that the remittances were made to CSA in terms of agreement dated 30.03.2009 for the purpose of hosting the IPL 2 tournament. In this context an analysis of the said agreement would be relevant. The purpose of the agreement is set out in the preamble to the agreement which reads as under:-

*"WHEREAS BCCI -IPL wishes to stage the 2009 Indian Premier League tournament ('IPL' and each match forming part of IPL being a 'Match') in The*



*Republic of South Africa and wishes CSA to assist it in this regard by providing the necessary stadia and certain other related matters and CSA is prepared to provide such assistance on the following terms and conditions."*

4.2 Apparently the said agreement was signed for assistance by the CSA which was required to provide stadia for conducting IPL matches along with all the related facilities as specified in the said agreement. In addition to the provision for stadia the CSA was required to provide all other assistance as would be required by the BCCI-IPL in respect of IPL including providing details of third party contractors who provide services to CSA in connection with cricket matches. Further, the CSA was required to meet BCCI-IPL as and when necessary to assist BCCI-IPL to stage the IPL. The said agreement clarifies that all revenues of any kind and from any source, whatsoever, in relation to the staging of IPL and each match shall accrue to and for the benefit of BCCI-IPL and its licensees and CSA shall have no rights of any kind in respect thereof.

4.3 As consideration for the provision by CSA of its services and assistance in connection with IPL, BCCI-IPL agreed to pay to CSA a fixed fee of US \$ 30,00,000/ (the "Fee") which was payable within 15 days of the last match in 2009. In addition to the Fee BCCI-IPL was to pay those costs and expenses in relation to IPL which are set out in the budget attached as Schedule 2 to the Heads of Agreement.

BCCI-IPL further agreed to pay CSA USD 25,00,000/ within 7 days of signature of these heads of agreement to enable the Budgeted costs to be paid by CSA (*such sum being the parties' estimate of the anticipated Budgeted costs to be borne by CSA in providing the services under these Heads of Agreement*). The agreement further provides that for all such expenditure to be incurred by CSA in relation to the Budgeted costs and the payment of all costs, expenses and invoices would be the responsibility of BCCI-IPL.

4.4 Under the agreement CSA was required to produce and maintain full and accurate accounting records in relation to all sums and other expenditure paid out for the Budgeted costs. CSA agreed to permit BCCI-IPL and its professional advisors at any time (both during and after the Term) upon 5 days' notice, to audit CSA's records in relation to all expenditure paid out of the Budget.

4.5 In terms of the agreement CSA was required to open and operate a dedicated bank account in the name of IPL South Africa and BCCI would deposit monies into CSA Bank Account from time to time and CSA would transfer these funds into the bank account of IPL South Africa [i.e. IPL (SA) (PTY) (LTD)] towards anticipated certain other IPL related expenses. The agreement further provided that the ticket revenue earned through BCCI-IPL ticketing partners would also be deposited to this account and no Sums were to be released from said bank account without explicit written authorization by BCCI-IPL. CSA was required to maintain books of



accounts/statements separately for the payments made on this account after explicit instructions from BCCI-IPL and to send weekly statement of expenses to BCCI-IPL. The agreement further categorically prohibited withdrawal of any amount from this account without authorization from BCCI as it provided that no sums shall be made by CSA from this account otherwise than strictly in accordance with that paragraph. This clearly shows that IPL (SA) (PTY) Ltd. was holding foreign exchange on behalf of BCCI and none except the BCCI was the beneficiary of the transfers of foreign exchange effected by BCCI to CSA. Further the tenure of the agreement is mentioned as follows:-

*"These heads of agreement shall take effect upon their signature and shall remain in force throughout the IPL (currently anticipated to be from 18<sup>th</sup> April until 24<sup>th</sup> May, 2009 and comprising all IPL League, play-off and final matches) (the "Term")."*

The terms and conditions of the agreement show that CSA was engaged by the BCCI for the purpose of ensuring availability of stadia and for provisions for making the stadia suitable for the IPL matches. Further the agreement made provision for payment by the BCCI of the expenses incurred by CSA on account of the Budgeted Costs. The agreement contains two Schedules. Schedule 1 contains the heading "The Stadia and Match Schedule" and Schedule 2 contains the heading "The IPL Budget". Both the Schedules are blank. It has been confirmed by Shri N. Srinivasan during the course of his statement recorded on 08.07.2010 and by Shri M.P. Pandove in his statement dated 04.08.2011 that no budgeting was done prior to signing of the agreement with CSA. Although the agreement refers to certain budgeted costs, no budget was prepared prior to signing of the agreement.

4.6 It is seen that even prior to signing of the agreement with Cricket South Africa i.e. on 30.03.2009, Shri M.P. Pandove, the then Hon. Treasurer, BCCI submitted two transfer instructions to the State Bank of Travancore on 28.03.2009 for telegraphic transfer for a total amount of USD 80,00,000/- by debiting their account No.57027625920 with State Bank of Travancore, Jaipur Branch to the account of Cricket SA (PTY) Ltd. held in Standard Bank of SA. Another transfer instruction to the State Bank of Travancore was given on 13-04-2009 for telegraphic transfer for a total amount of USD 1,00,00,000/- to Cricket SA (PTY) Ltd. which was debited from the BCCI account on 16.04.2009. The 2<sup>nd</sup> season of IPL was held from 18.04.2009 to 24.05.2009. As is evident from the details in Annexure 1, the BCCI remitted amounts totaling to US \$ 1,80,00,000/- prior to the IPL tournament. Amounts totaling US\$ 3,55,00,000/- have been remitted by the BCCI to CSA either prior to commencement of the tournament or during the course of the tournament. Scrutiny of the A2 forms in respect of these remittances reveal that the purpose of remittance is mentioned as "Operational Fee and Cost for hosting IPL 2009". The corresponding transaction instructions in respect of these remittances submitted by Shri. Nazeer Khan, Chief Manager, State Bank of Travancore, Jaipur during the course of his statement dated



10.12.2010 reveal that the BCCI has requested these remittances towards IPL-2009 Tournament expenses. After the conclusion of the tournament on 24.05.2009, the BCCI remitted an amount of US \$ 40,00,000/- on 10.08.2009 and an amount of US \$ 1,03,62,799.42 was remitted from the EEFC Account of the BCCI on 27.08.2010.

All the aforesaid remittances were made by the BCCI to CSA without disclosing to the authorized dealer that the amount of US \$ 4,98,62,799.42 remitted to CSA was not for any service provided by the CSA to BCCI or for purchase of any goods or services of corresponding value, but only for crediting the amount to the account of IPL (SA) (PTY) Ltd.

4.7 IPL (SA) (PTY) Ltd. was brought into existence by virtue of the agreement dated 30.03.2009 for the specific purpose of securing receipt of money by BCCI in South Africa through CSA. The foreign exchange transferred by remittances from India to CSA as well as the revenue generated locally by sale of tickets or pouring rights etc. were to be deposited in the dedicated bank account to be opened in the name of IPL (SA) (PTY) Ltd. In terms of the agreement dated 30-3-2009, the account in the name of IPL (SA) (PTY) Ltd. was opened for the purpose of the IPL-2 tournament and it was to be operated under the instructions of the BCCI. The account was under absolute control of the BCCI in as much as the amounts to be credited to the account were specified in the said agreement and CSA was under a binding obligation to debit the amounts from the said account only on the explicit authorization of the BCCI. The agreement provides that monies will be deposited to CSA Bank Account from time to time and CSA will transfer these funds into IPL South Africa towards anticipated certain other IPL related expenses. Clearly the amounts deposited in this account do not represent any payment due in connection with any trade or service. The remittances bear no correlation with the service rendered by the CSA. Evidently the CSA was not obliged to offer any services of value corresponding to the amounts received by it from the BCCI except the amount of US \$ 30,00,000/- payable by the BCCI under the agreement dated 30.03.2009. The only purpose for the remittances was to place the money at the disposal of BCCI itself. On the strength of the agreement dtd. 30.03.2009 the BCCI got the power and authority to deal with the foreign exchange of US \$ 4,98,62,799/- transferred to CSA. It is an established fact that when the remittances were made, BCCI had neither done any budgeting nor estimated the costs involved. There was no expense made by the BCCI which could be related to the amounts remitted. The remittances are not relatable to any service or any trade transactions to the benefit of the BCCI and not in discharge of a claim or in satisfaction of any obligation owed by BCCI. Therefore the remittances totaling to US \$ 4,98,62,799/- transferred to CSA are not in the nature of trading transactions.

4.8 BCCI was aware of the fact that it required prior approval of the RBI as is evident from the discussion in the Working Committee meeting held on 22.03.2009



which records the opinion of Shri Shashank Manohar, the then Hon. President of the BCCI as under:-

*"Mr. Srinivasan said before confirming any venue we need to get into an agreement with the respective Host Board on the terms and conditions.*

*Mr. N. Srinivasan, the then Hon. Secretary requested the House to authorize the President Shri Shashank Manohar to take a final decision in the matter of selecting the venue for the IPL 2009.*

*Mr. Lalit Modi requested the members to approve the opening of an account of US \$ 10 Mn to take care of the expenses for the staging of the IPL abroad.*

*Mr. Shashank Manohar while responding to Mr. Lalit Modi's request stated that we would open an account after seeking clearance from RBI and that the account would be opened by the then Hon. Treasurer , Mr. P. Pandove.*

*The members agreed with the observations of the Chairman. The Chariman then informed the house than an appropriate resolution in this regard would be framed by Mr. N. Srinivasan."*

However, no such clearance was sought from the RBI.

4.9 The IPL tournament was staged and hosted by BCCI themselves. The role of CSA was that of a facilitator and they were entitled to receive the fixed fee of US \$ 30,00,000/- in consideration of the specified services undertaken by them under the said agreement. Further CSA was entitled to receive payment of the fixed fee within 15 days of the last match of the tournament. Therefore, there was no financial transaction with reference to which the remittances for the amounts totaling to US \$ 4,98,62,799.42 were made by the BCCI to CSA.

4.10 Investigations reveal that in terms of the agreement dated 30.3.2009, the CSA incorporated a wholly owned subsidiary called IPL (SA) (PTY) Ltd. for incurring expenses on behalf of BCCI for IPL matches. A Current Account bearing No. 420948619 was opened in the name of IPL (SA) (PTY) Ltd. with Standard Bank of South Africa, Rosebank Branch Sandton, PO Box 62325, Marshall Town 2107 (South Africa). Authorized signatory of the said accounts were Mr. Don, Mr. Trish and Mr. Christelle, all from South Africa.

4.11 A plain reading of the agreement dated 30.03.2009 executed between BCCI and CSA shows that the entity IPL (SA) (PTY) Ltd. was created as a vehicle for facilitating transfer of funds by BCCI to South Africa and for securing credit of foreign exchange remitted from India to the Bank account of IPL (SA) (PTY) Ltd. The BCCI had control over credits and debits of the said bank account as the operation of the bank account was subject to the terms and conditions of the agreement dated 30.03.2009. Clause (e) of Para 4 of the agreements specifically mentions what



amounts were to be deposited in the said account i.e. the amounts transferred by BCCI and the ticket revenue earned through BCCI-IPL ticketing partners. Clauses (c) & (e) of Para 4 of the agreement further provides for a strict control over the debits in as much as no sums could be released from the said bank account without explicit written authorization by BCCI. In order to secure control over the accounts the agreement at Para (d) & (f) provided for maintenance of accounts and inspection of the accounts by professional advisors of the BCCI at any time. Under these provisions CSA was required to maintain books of accounts/statements separately for the payments made on this account after explicit instructions from BCCI-IPL. In order to enforce its control over the bank account, the agreement provided that CSA would send weekly statement of expenses to BCCI-IPL and no sums would be made by CSA from this account otherwise than strictly in accordance with the agreement and that BCCI-IPL will not reimburse any expenditure made by CSA from this Account without explicit authorization from BCCI-IPL.

4.12 It has been admitted by Shri N. Srinivasan in his statement dated 08.07.2010 that all debits from the bank account of IPL (SA) (PTY) Ltd. were made only on explicit instructions of the BCCI and after the bills were approved by Shri Lalit Modi. The procedure of approval has been confirmed by Shri Sunder Raman and Shri Prasanna Kannan in their respective statements referred above.

4.13 During the period from 28-3-2009 to 27.08.2010 BCCI transferred total amount of US\$ 4,98,62,799.42 to the bank account of CSA. CSA, in turn transferred amounts totaling to ZAR 29,05,50,000/- to the Bank account of IPL (SA) (PTY) Ltd. This entire amount was at the disposal of the BCCI and payments were made by the BCCI from this account to various vendors.

4.14 Although Shri N. Srinivasan has claimed that IPL (SA) (PTY) Ltd. was an independent company under the control of CSA, the investigation clearly shows that the company IPL (SA) (PTY) Ltd was incorporated for the specific purpose of opening a bank account for receiving foreign exchange transferred by the BCCI. The Company operated on behalf of the BCCI and was created for routing of money transferred from India to South Africa which was not permissible under the provisions of FEMA. The fact that the IPL (SA) (PTY) Ltd. operated for BCCI is established by the fact that agreements were executed on its behalf by Shri Lalit Modi. To illustrate this aspect it may be mentioned that IPL (SA) appointed a company by name Ireland Davenport vide appointment confirmation letter dated 31.03.2009 as the *'above the line agency for the Indian Premier League Cricket Tournament to be held in South Africa during April 2009 and May 2009'*. The remuneration in fees for Ireland Davenport was fixed at 10,00,000/- Rand. The appointment letter has been signed by Shri Lalit Modi for and on behalf of IPL (SA) C/o Cricket SA. This proves that Shri Lalit Modi had the authority to sign on behalf of IPL (SA) (PTY) Ltd and bind it under legal obligations.



4.15 CSA was contracted by BCCI for providing stadia and the other specified services and the obligation of the CSA did not extend beyond that. The BCCI was not permitted under law to carry through the remittance to CSA in excess of the amount of US \$ 30,00,000/-. Further the payment to CSA can not be justified towards the budgeted costs, because admittedly the budgeting was never done which is also evident from the fact that Schedules referred to in the agreement as 'IPL Budget' was blank and Shri N. Srinivasan and Shri M.P. Pandove in their respective statements referred above have confirmed that no budgeting was done because there was no time for the same.

4.16 By entering into a contract with CSA and by bringing in the entity IPL (SA) (PTY) Ltd. into play, the BCCI adopted a circuitous device to facilitate transfer of funds to South Africa. It is evident that the corporate entity IPL (SA) (PTY) Ltd. was got incorporated in South Africa and used for evasion of the provisions of FEMA and for avoiding scrutiny and verification of the transactions by the Authorised Dealer and the RBI . The only purpose for which the bank account was opened in the name of IPL (SA) (PTY) Ltd. was to enable BCCI to transfer substantial amounts of foreign exchange and simultaneously preventing the Bank in India and the Reserve Bank of India to monitor the foreign exchange transactions.

4.17 It is further seen that the agreement dated 30.03.2009 between BCCI and CSA took effect from the date of signature and was to remain in force throughout the IPL (then anticipated to be from 18<sup>th</sup> April until 24<sup>th</sup> May, 2009 and comprising all IPL League, play-off and final matches). However the BCCI sent remittances to CSA for transfer to account of IPL(SA)(PTY) Ltd even months after conclusion of the tournament on 24-5-2009. The BCCI continued to remit money to CSA for onward transfer to the account of IPL(SA)(PTY) Ltd in spite of the fact that agreement dated 30-3-2009, in terms of which the bank account in the name of the CSA subsidiary was opened, ceased to be in force after conclusion of the tournament on 24.05.2009.

This fact proves that the agreement dated 30-3-2009 was not a genuine trade or service agreement creating mutual rights and obligation between the contracting parties but was simply a device engineered to create a veil in respect of the foreign exchange transferred by the BCCI and was designed to circumvent the provisions of FEMA.

4.18 The BCCI as an affiliated national sports body was not known to engage itself in hosting of a tournament outside India. Further IPL tournament is a domestic sports event based on franchise model in which the franchises are owned and run by separate private entities. Staging or hosting of a franchise based domestic



tournament outside India was never a normal activity for the BCCI. All the purported transactions routed through the State Bank of Travancore were clearly outside the regular pattern of activity of the BCCI. In terms of the KYC guidelines issued by the RBI under Master Circular (AML) B.C. No.12/14.01.001/2008-09 dated 1-7-2008 it was obligatory on the AD to pay special attention to unusually large transactions particularly when the purpose of the remittances disclosed by the BCCI was inconsistent with the regular activity of the BCCI as a national sports body. It appears that the State Bank of Travancore allowed the remittances to Cricket South Africa overlooking the KYC guidelines.

4.19 Evidently, for organizing the tournament in South Africa the BCCI required substantial funds in South Africa. In fact, the matter was deliberated in the working committee meeting held on 22<sup>nd</sup> March, 2009 and it was suggested by Shri Shashank Manohar, the then Hon. President of the BCCI that the BCCI should obtain permission from the RBI and open an account in South Africa. However, instead of opening the account with permission of RBI, the BCCI devised a mechanism for transfer of funds to South Africa by transferring the amount to the account of Cricket South Africa which is the regulatory body for cricket in the Republic of South Africa. For this purpose the BCCI entered into an agreement with CSA on 30.03.2009 the details of which have already been discussed above.

The agreement dated 30.03.2009 created mutual rights and liabilities, between the BCCI and CSA, under which CSA was required to render specified services to BCCI for which it was to be compensated in the sum of US \$ 30,00,000/- (termed as the "fee" in the agreement) which was payable within 15 days of the last match in 2009.

4.20 Although, in terms of the agreement dated 30.03.2009, the BCCI was required to remit only an amount of US \$ 25,00,000/- within 7 days of the tournament, the BCCI remitted US \$ 80,00,000 /-, equivalent to Rs.40,71,20,000/- on 31.03.2009. In respect of the said remittances the transaction instructions and A-2 Forms were signed by Shri M.P. Pandove. In respect of these remittances Shri M.P. Pandove deposed that he issued transaction instructions on the advice of Shri. N Srinivasan. Subsequently, BCCI made remittance of US \$ 1,00,00,000/- equivalent to Rs. 49,58,50,000/- on 16/04/2009, US \$ 75,00,000/-, equivalent to Rs.37,60,50,000/- on 27/04/2009 and US \$ 1,00,00,000/-, equivalent to Rs.47,85,50,000/- on 19/05/2009. Further, the BCCI made remittances of US \$ 40,00,000/-, equivalent to Rs.19,13,60,000/- on 10/08/2009 and US \$ 1,03,62,799.42 equivalent to Rs.48,56,00,781/- on 27/08/2010.



4.21 From the investigation carried out by this Directorate it appears that the BCCI arbitrarily and without any disclosed valid purposes remitted US \$ 498,62,799.42 equivalent to Rs. 243,45,30,781/- between 31/03/2001 & 27/08/2010. All these remittances were made to the account of CSA. In turn CSA transferred a total amount of ZAR 29,05,50,000/- to the account of IPL (SA) (PTY) Ltd. which is approximately equivalent to US\$ 4,15,07,143/- (@ ZAR 7 = 1 US\$) From the said account, payments were made by BCCI to various parties in South Africa. In this connection information was requisitioned from the BCCI and vide their letter dated 29.07.2010, the BCCI submitted a copy of the statement of account showing details of payments made to Cricket South Africa for IPL 2009 and a copy of the balance statement of IPL (SA)(Pty) Ltd. Bank Account, as on 06.07.2010. The Bank account showed a balance of ZAR 7.43,753.15. It is also seen that the CSA made the last transfer to the Bank account of IPL (SA) (Pty) Ltd. on 09.07.2009. These transfer were made out of remittances from BCCI to CSA between the period 31.03.2009 and 19.05.2009 which total to US\$ 3,55,00,000/-. However, the CSA transferred a total amount of ZAR 29,05,50,000/-, equivalent to US\$ 4,15,07,143/- approx to the account of IPL (SA) (PTY) Ltd. for expenses to be made by the BCCI in South Africa. It is thus obvious that the BCCI received an amount of ZAR 29,05,50,000/- which is equivalent to US\$ 4,15,07,143/- approx (at the exchange rate of 7 ZAR = 1 US\$) even though the BCCI had transferred amount totaling to US\$ 3,55,00,000/- only/ Thus, the CSA transferred an amount of US\$ 60,00,143/- approx in excess of the amount of US\$ 3,55,00,000/- remitted by BCCI. Therefore, the BCCI borrowed the amount of US\$ 60,00,143/-, from CSA without prior permission of the Reserve Bank of India.

4.22 It has been stated by the concerned officials of the BCCI viz. Shri N. Srinivasan, Shri M. P. Pandove, Shri Prasanna Kannan and Shri Sunder Raman in their respective statements referred above, that the understanding between BCCI and vendors were documented either by way of email/letters/agreement based on which the vendors would raise invoices and the BCCI officials i.e. Shri Prasanna Kannan and/or Shri Sunder Raman would check with relevant authorities regarding performance followed by approval from Shri Lalit Modi, Chairman, IPL and Shri N. Srinivasan, the then Secretary, BCCI before payments. The payments were affected by the Treasury Office after approval by Shri N. Srinivasan. Examination of the invoices raised by the BCCI reveal that the various vendors raised their invoices/bills which were scrutinized by Shri Prasanna Kannan and/or Shri Sunder Raman and were sent by emails to Shri Lalit Modi and Shri N. Srinivasan. The payments were made from the account of IPL (SA) (PTY) Ltd. after the approval of Shri Lalit Modi and Shri N. Srinivasan. Further it has been confirmed by the BCCI that the revenue generated by the BCCI in South Africa by sale of ticket was also deposited in the said bank account of IPL (SA) (PTY) Ltd.



4.23 Examination of the statement of accounts of IPL (SA) (PTY) Ltd. revealed that as on 13<sup>th</sup> August, 2009 there was a balance of ZAR 34,17,303.56 in its bank account. On examination of the Annual Report for the year 2009-10 of BCCI, it was found that the balance outstanding payable to CSA as on 31st March 2010 was Rs.44,001,581/-, as mentioned at Schedule 3 to the Annual Report. In the notes to Accounts at para 21 (i), it was mentioned as under:-

*'Pursuant to the same, the balance outstanding payable to CSA as at 31st March, 2010 is Rs.44,001,581/-, which has been disclosed under Current Liabilities (Schedule 3). This amount is net of VAT Credit amounting to Rs.13,646,940. VAT credit represents the amount of VAT charged on the expenses incurred by CSA on behalf of the Board. The Board has been advised by CSA that the relevant VAT component is a reimbursable one and, hence, the same would be reimbursed by them to the Board as and when the same is received from the South African Revenue Authorities. The Board is of the opinion that the entire amount of VAT credit will be received by CSA from the South African Revenue Authorities and the same will be passed on to the Board and, hence, no adjustment is required to be made in the financial statements with respect to the same'.*

4.24 Investigation further revealed that Balance Confirmation given by Cricket South Africa through Debit Note forwarded by the BCCI vide its letter dated 23/08/2011 mentions receivable from BCCI-IPL after receipt of VAT refund received on behalf of BCCI-IPL, as ZAR 9.95.27.92/- only, whereas the BCCI remitted ZAR 7,61,48,959/- equivalent to US \$ 103,62,799.42, to CSA on 26.08.2010 showing the Balance & final payment of Expenses in IPL 2.

4.25 BCCI remitted the amount of ZAR 7,61,48,959/- equivalent to US\$ 1,03,62,799.42, which comes to Rs.48,56,00,781/- to CSA on 27<sup>th</sup> August, 2010 when as per the annual report the due amount payable by BCCI to CSA was only Rs.44,001,581/-. The difference of the amount i.e., Rs. 44,15,99,200/- was remitted by the BCCI in excess of the amount due to CSA as reflected in the Book of Accounts of the BCCI. The excess remittance of foreign exchange equivalent to Rs. 44,15,99,200/- amounts to lending in foreign exchange by BCCI to a person resident outside India.

4.26 Under the agreement dated 30/03/2009 there was no legal obligation on CSA to render any services to the BCCI of value corresponding to the amounts remitted to it by the BCCI. It is also apparent that there was no co-relation between the amounts remitted to CSA and the services received by the BCCI from CSA. It is also evident that there was no agreement or purchase order or any other document on the basis of which the BCCI was entitled to remit the amounts. The BCCI totally bypassed the norms of banking and the bank in India had neither any information about the



transactions against which the remittances were made nor had the Bank In India any means to check the genuineness of the transactions. Therefore, the BCCI, by transferring the funds to CSA, assigned the role of banking to the CSA and avoided the regulatory mechanism under FEMA and the law governing Exchange Control transactions devised by the Reserve Bank of India.

4.27 The Government of India vide Notification No. GSR 381(E) dated 3<sup>rd</sup> May, 2000 authorised the Authorised Dealers to permit current account transactions which are not specifically prohibited under the Rules or which are not included in Schedule 2 or 3 without any monetary ceiling. Para 6 of the said Notification reads as under:-

*"Remittances for all other current transactions which are not specifically prohibited under the Rules or which are not included in Schedule II or III may be permitted by authorized dealers without any monetary/percentage ceilings subject to compliance with the provisions of sub-section (5) of Section 10 of the Act. Remittances for transactions included in Schedule III may be permitted by authorized dealers upto the ceilings prescribed therein".*

Para 8 of the said Notification reads as under:-

*"The Reserve Bank will not prescribe the documentation which should be verified by the authorized dealers while permitting remittances for various transactions, particularly of current account. In this connection attention of authorized dealers is drawn to sub-section (5) of section 10 of the Foreign Exchange Management Act, 1999 which provides that an authorized person shall before undertaking any transaction in foreign exchange on behalf of any person require that person to make such a declaration and to give such information as will reasonably satisfy him that the transaction will not involve and is not designed for the purpose of any contravention or evasion of the provisions of the Act or of any rule, regulation, notification, direction or order issued there under. Authorised dealers are advised to keep on record any information/documentation on the basis of which the transaction was undertaken for verification by the Reserve Bank. The said clause further provides that where the said person (applicant) refuses to comply with any such requirement or makes unsatisfactory compliance therewith, the authorized person shall refuse in writing to undertake the transaction and shall if he has reason to believe that any contravention/evasions is contemplated by the person, report the matter to Reserve Bank".*

4.28 Under the current regulatory framework a greater latitude has been conceded to the Authorised Dealers in permitting current account transactions. It was simultaneously enjoined on the bank to satisfy itself before determining eligibility of a party to purchase foreign exchange for remittance outside India. In respect of the impugned remittances made by the BCCI the Authorised Dealer simply overlooked



the obvious attempt by the BCCI to transfer huge amount of foreign exchange in total disregard to the provisions of law. The Authorised Dealer failed to enquire about the substance of the transaction and satisfy itself whether the transactions were on any current account and in the nature of any genuine commercial transaction.

4.29 The following facts emerge from the above discussions:-

- a. The IPL 2 tournament was hosted by the BCCI in South Africa. Hosting a domestic franchise based tournament outside India was not a regular activity for the BCCI. The Authorised Dealer failed to satisfy itself about the genuineness of the transactions which were not in tune with the regular activity of the BCCI and the transaction instructions did not specify the transaction with reference to which remittances were to be made.
- b. The role of CSA was as a facilitator for which it was to receive a fixed fee of US \$ 30,00,000. There was no transaction entitling CSA to receive any payment from BCCI apart from the fixed fee of US \$ 30,00,000/-. It is also important to note that there is no remittance relatable to fee of US \$ 30,00,000/- agreed to be paid to CSA.
- c. By entering into an agreement with CSA, the BCCI created a wholly artificial scheme to transfer foreign exchange from India to CSA and further to the account of IPL (SA) (PTY) Ltd. which was under the absolute control of the BCCI. The entire scheme was contrived to avoid the rules and regulations under FEMA.
- d. In terms of the agreement dated 30.03.2009, the BCCI got an account opened in the name of IPL (SA) (PTY) Ltd. in South Africa without prior permission of the RBI. The opening of the bank account in the name of IPL (SA) Pte Ltd was a modality devised by the BCCI to transfer funds to South Africa, evading the provisions of FEMA.
- e. Out of the amount of US \$ 4,98,62,799.42 remitted to the CSA by the BCCI, an amount of ZAR 290550000/- (approx. equivalent to US \$ 415,107,143) was in turn transferred to the account of IPL (SA) (PTY) Ltd. The transfer of foreign exchange to CSA by the BCCI was for the sole purpose of getting the amount credited to the account of IPL (SA) (PTY) Ltd. The remittances were not made in connection with any contractually agreed payments. There was no legal obligation in discharge of which the remittances were made.
- f. The BCCI had effective and exclusive control over the said account held in the name of IPL (SA) (PTY) Ltd. In view of the fact that the BCCI controlled both



credits and debits in the account and in view of the specific provision in the agreement that no amount could be withdrawn from the account without explicit permission of the BCCI, the account was opened, operated and maintained by the BCCI.

- g. The purpose of remittance shown to the AD as "Hosting Fee for IPL-2" and "Operational Fee & cost for Hosting IPL 2009" etc. did not correctly represent the purpose of remittance. It is not in dispute that the tournament was staged and hosted by the BCCI. CSA was not entitled to receive any amount in excess of US \$ 30,00,000/- which was the agreed fee payable to it in consideration of services to be rendered to BCCI. The fact that the remittances made to CSA were to be further transferred to the bank account of IPL (SA) (PTY) Ltd. was not disclosed to the AD. The transfer instructions of the BCCI and the respective A 2 forms submitted to the Authorized Dealer do not reflect that the remittance was made to the CSA for the only purpose of transferring money to the account of IPL (SA) (PTY) Ltd. The depiction of the purpose of the remittance as 'Hosting Fee', 'Operational Fee' in the transaction instructions and A-2 forms filed by the BCCI to the AD, is not correct and misleading. There was no transaction creating an obligation on the BCCI to make payment of any 'Hosting Fee' or 'Operational Fee' to the CSA. Further, being conscious of the fact that it was not justified in remitting foreign exchange, BCCI omitted to give statutorily required information to the authorized dealer so as to keep the authorized dealer in dark about the nature of the transaction.
- h. There was no back up agreement or corresponding invoices/ agreements/vouchers etc. against which remittances were made to CSA. All the remittances were without any quid pro quo. The BCCI was aware that it was not going to receive any goods or services of corresponding value from CSA in return of the monies transferred/remitted to it except for the amount of US \$ 30,00,000/- which CSA was entitled to receive from BCCI in terms of the Agreement dated 30.03.2009. However, the transaction instructions and A-2 Forms submitted by the BCCI to the Authorised Dealer do not show that the BCCI issued any instructions to the Banks for remitting the amount of US \$ 30,00,000/- to CSA against the services provided by it in terms of the said Agreement dated 30.03.2009. Therefore, the remittances were effected by the BCCI against artificial or non-existent transactions.
- i. It is clear that there was no specific transaction against which the remittance was made. The BCCI was not to receive any goods or services of monetary value against each of the remittances made to CSA and the entire amount



which was meant to be transferred to the account of IPL, SA Ltd the money transferred to the account of CSA was intended to be used by the BCCI and the BCCI itself was the beneficiary of the remittances made to CSA.

- j. At the time of remittances no budgeting was done by the BCCI. Although the agreement dated 30.03.2009 refers to IPL Budget, it is an established fact that no budgeting was done and the BCCI had not estimated the cost for conducting the tournament in South Africa. The schedule to the agreement referring to the IPL Budget was blank. The amount of foreign exchange remitted to CSA under the pretext of hosting fee and operating fee for IPL was therefore a transfer of funds unrelated to any specific transaction of commercial nature or a genuine trade transaction.
- k. The Authorised Dealer failed to satisfy itself about the nature of transactions for which the remittances were made to CSA. The declaration made to the Authorized Dealer in the transaction instruction and in the A2 Form did not reflect that the purpose of remittance was for transfer of the amounts to IPL (SA) (PTY) Ltd. The incorporation of a company for the purpose of transfer of funds by the BCCI through CSA was not disclosed to the Authorised Dealer.
- l. The payments from the IPL SA account were released only after verification by the BCCI staff and two tiers of approval, first by the IPL Chairman Shri. Lalit Kumar Modi and finally by the BCCI, the then Hon. Secretary Shri. N. Srinivasan. These payments were made against invoices from third parties sent by email from South Africa. These invoices were not routed through the AD. Further these invoices were being verified and paid on explicit instructions of BCCI. The fact of opening and operating a bank account in South Africa was not reported to the AD or RBI. Thus the prospect of monitoring of the foreign exchange transactions by the Bank in India and the RBI in respect of the said remittances was effectively eliminated.

4.30 The BCCI has remitted an amount of US\$ 1,03,62,799.42/- from its EEFC Account No. 57027644400 held in the State Bank of Travancore Jaipur Branch. The Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 permits debits to the EEFC Accounts for payment outside India towards a current account transaction in accordance with the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 and towards a capital account transaction permissible under the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000. The remittance made by BCCI from the said EEFC account does not appear to be covered under permissible debits as provided under Regulation 3 of the Foreign



Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000.

4.31 From the evidences gathered during the course of investigation it is seen that the BCCI issued transaction instructions to the State Bank of Travancore, Jaipur Branch for effecting remittances to Cricket South Africa under the pretext of "Current Account Transaction". Admittedly the State Bank of Travancore allowed the remittances under the belief that the remittances are on account of Current Account Transactions. It is also clear that while issuing transaction instructions the BCCI had neither made any agreement with any supplier of goods or service provider in South Africa against which the remittances were made. In fact the BCCI had not even estimated the expected expenses involved in holding the IPL 2 tournament. The entire remittance of US \$ 4,98,62,799.42 was made to Cricket South Africa for the only purpose of transferring the funds to CSA and finally to the Bank Account of IPL SA PTY Ltd. Obviously Cricket South Africa was not the direct beneficiary of the remittances. The remittances were not made to CSA for any trade transaction but only for ensuring that the BCCI holds the fund in the name of IPL (SA) (PTY) Ltd. The entitlement of CSA to receive payment from the BCCI was limited to US \$ 30,00,000/- by virtue of the agreement dated 30.03.2009 under which it was under obligation to render certain specified services to the BCCI.

4.31.1 The mode of payment made by the BCCI was not in conformity with the provisions of FEMA and the payments made to CSA were not made in connection with any Current Account Transaction. It will be useful to refer to the definition of Current Account Transaction under Section 2 (j) of FEMA which reads as under:-

*"(j) "current account transaction" means a transaction other than a capital account transaction and without prejudice to the generality of the foregoing such transaction includes,—*

- (i) payments due in connection with foreign trade, other current business, services, and short-term banking and credit facilities in the ordinary course of business,*
- (ii) payments due as interest on loans and as net income from investments,*
- (iii) remittances for living expenses of parents, spouse and children residing abroad, and*
- (iv) expenses in connection with foreign travel, education and medical care of parents, spouse and children;"*

In respect of remittances connected to foreign trade, business and services the essential requirement is that the payment should be "due" in connection with such



trade, business or services. At the time of making the remittances the BCCI had not entered into any agreement for trade or service in South Africa of value corresponding to the amounts remitted in connection with the IPL 2 tournament. At the time of making the remittances, no amount was due to CSA in connection with any trade, business or services. The BCCI didn't know the identity of the persons with whom it had to make trade transactions or receive goods or services. The BCCI didn't know the amount involved in the transactions. The BCCI did not make the payment to CSA in satisfaction and discharge of any legal obligation owed to CSA. The CSA did not have any legal claim to the payment received by it. Therefore, the payments made by the BCCI to CSA do not appear to be Current Account Transaction within the meaning of Section 5 of FEMA, 1999. Obviously, there was no legal obligation on the BCCI to make those payments to CSA. In fact, the entire transaction amounted to transfer of funds by BCCI to Cricket South Africa who, by virtue of the agreement dated 30.03.2009, were legally obliged to hold the funds on behalf of BCCI in the account maintained by CSA in the name of IPL (SA) (PTY) Ltd.

4.31.2 Procedure for making applications for remittances in any foreign exchange has been explained in the Manual for Foreign Exchange Transactions with Public under Para 3B.3 (i) as follows:-

*"Applications by persons, firms and banks other than authorized dealers for remittances in any foreign currency to a beneficiary abroad must be made to an authorized dealer on Form A 1 bearing the legend 'Application for remittance in foreign currency', if the purpose of remittance is import of goods into India and on Form A 2 bearing a similar legend in every other case."*

Further Para 3B.3 (iii) provides that -

*"if the remittance is for an approved purpose and is otherwise within the powers of authorized dealers, the authorized dealer may sell the foreign exchange applied for, provided he has satisfied himself as to the bonafides of the application."*

4.31.3 Vide AD (MA Series) Circular No.11 dated 16.05.2000 the Reserve Bank of India issued clarification on the Rules and Regulations framed under FEMA, Annexure V of the said circular provided that pending issue of further directions, Authorised Dealers may be guided by the specified provisions of the Exchange Control Manual. Paras 3B.3 (i) & 3B.3(iii) dealing with Procedure for making applications is specified subject matter under the said Circular dated 16.05.2006. It may be mentioned that the Circular has been issued in terms of Section 10(4) & 11(1) of FEMA and Para 10 of the Circular provides that any contravention or non-observance of the same is subject to the penalties prescribed under the Act. Form A 2, inter alia requires the applicant for remittance abroad to furnish the purpose of remittance along with a certificate to the effect that all Exchange Control regulations applicable to the remittance have been complied with.



4.32 The depiction of the purpose of remittances as 'Hosting Fee' or 'Operational fee' and 'cost of hosting IPL-2' etc. disclosed to the Authorized Dealer in the transaction instructions and A-2 forms submitted by the BCCI was elusive and factually incorrect. The BCCI had not made any transaction for "Operational Fee" or "cost of hosting IPL-2" and the remittances made by BCCI to CSA are not justified under the pretext of the said purposes of remittance. Therefore, the remittances made by the BCCI do not qualify as Current Account Transactions.

4.33 Section 3 lays down prohibitions in respect of dealing in foreign exchange save as otherwise provided in the Act, rules or regulations made there under, or with the general or special permission of the Reserve Bank. Under clause (b) of Section 3, no person is permitted to make any payment to or for the credit of any person resident outside India in any manner. The BCCI did not make the payment to CSA in satisfaction and discharge of any legal obligation. The BCCI clearly made remittances totaling to US \$ 4,98,62,799.42 to CSA, a person resident outside India in a manner otherwise than provided under Section 3(b) of the Act and the payment of ZAR 29,05,50,000/- was made for the credit of IPL (SA) (PTY) Ltd., a person resident outside India, otherwise than provided under Section 3(b) of the Act. The remittances of amounts totaling to US \$ 4,98,62,799.42 by the BCCI to CSA was not for any current account transaction but the BCCI drew foreign exchange from the State Bank of Travancore only for the purpose of making available the said foreign exchange for their ultimate use in South Africa.

4.34 It is obvious from the aforesaid that the BCCI transferred the amount of US \$ 4,98,62,799.42 to CSA in a manner otherwise than permissible under the Act. Section 4 of FEMA prohibits transfer, acquisition and holding of foreign exchange by a person resident in India save as otherwise provided in the Act. The transfer of the amount of US \$ 4,98,62,799.42 to CSA was not made in accordance with the provisions of FEMA or Rules and Regulations framed there under. Therefore, it appears that the remittance of the amount of US \$ 4,98,62,799.42 was transfer of foreign exchange in contravention of the provisions of Section 4 of the Act. Further the BCCI acquired foreign exchange equivalent to ZAR 29,05,50,000/- in South Africa which was transferred by CSA to the account No. 420948619 held in the name of IPL (SA) (PTY) Ltd. in view of the fact that the BCCI was having exclusive control over the said account in pursuance to the agreement dated 30.03.2009 as CSA was put under a legal obligation to deal with the account only under the explicit instructions from the BCCI.

4.35 It may be mentioned that an amount of ZAR 7,61,48,959/- was remitted to CSA from the EEFC account No 57027644400 of BCCI held in State Bank of Travancore. The remittances made from the said EEFC are not permissible debits as specified in Para 3 of the Schedule to Regulation 4 of the Foreign Exchange Management (Foreign Currency Accounts by a person Resident in India)



Regulations, 2000. The said Para provides for debits to be made to EEFC Account. It permits payment outside India towards a Current Account Transaction as well as towards cost of goods purchased from a 100% export oriented unit, for payment of customs duty in accordance with export-import policy, trade related loans and advances and payment for supply of goods subject to the conditions prescribed under the said Para. The remittance of the aforesaid amounts to CSA from the EEFC account of the BCCI maintained with AD is not permissible under Section 4 read with Section 9 of FEMA and further read with Regulation 4 & Para 3 of the Schedule thereof of the Foreign Exchange Management (Foreign Currency Accounts by a person Resident in India) Regulations, 2000 and the transfer of the amount appears to be in contravention of the aforesaid provisions.

4.36 It is seen from the Annual Report of the BCCI that as on 31.03.2010 the only amount payable to CSA by BCCI was Rs. 44,001,581/-. However, BCCI remitted the amount of US \$ 103,62,799.42 (ZAR 7,61,48,959.00/-) equivalent to Rs.46,63,25,973/- to CSA on 27th August, 2010 which is substantially higher than the amount of Rs.44,001,581/- as reflected in the annual report for FY 2009-10.

4.37 As per BCCI letter dated 05.08.2011, the amounts remitted by CSA to the BCCI on account of IPL 2 have been shown as under:-

Particulars	Amount (in ZAR)
Sale of Tickets	38285677
VAT Refund	26978923
Total	65264600
Less-Bank charges for transfer	475
Net amount	65264125
Conversion rate USD/ZAR	7.305
Amount in USD	8934171.8
Bank charges in USD	131.72
Amount received in bank account	US \$ 8934040.08

The remittance of USD 89,34,040.08 equivalent to Indian Rs. 41,72,19,671.7 was received by way of RTGS dated 08/09/2010. From the statement of bank accounts of BCCI received from State Bank of Travancore it was seen that the amount was credited to the BCCI account on 08/09/2010 in Account No. 57027644400 which is an EEFC account of the BCCI.

From the statement furnished by the BCCI on 25.06.2010, it is seen that the following amounts accrued to the BCCI from sale of tickets and pouring rights.

Ticket Revenue - ZAR 37,765,392/-  
Pouring Rights - ZAR 9,31,567/-



However the BCCI received an amount of ZAR 382, 85,677/- which is marginally higher than the amount of ZAR 37,765,392/- reported by BCCI vide its letter dated 25<sup>th</sup> June, 2010. Since the amount of ZAR 382, 85,677/- has been claimed to be received by the BCCI from CSA this amount is being taken into consideration for the purpose of this complaint.

Thus total amount of ZAR 3,92,17,244/- (ZAR 382, 85,677/- on account of ticket revenue and ZAR 9,31, 567/- on account of Pouring Rights) equivalent to US\$ 53,68,548.11 (at Conversion rate USD/ZAR- 7.305 ) accrued to the BCCI on account of the above two sources of revenue.

It is apparent that this amount was utilized by the BCCI in South Africa for making payments to third parties and to facilitate the repatriation of these amounts from South Africa, the BCCI remitted the amount of US \$ 103,62,799.42 on 27/08/2010 to CSA. Therefore the inward remittance was received by the BCCI from CSA on 08/09/2010 for the amount of US \$ 89,34,040/- equivalent to Rs. 41,72,19,671.70/- from the amounts transferred for this purpose by the BCCI.

The BCCI remitted an amount of US \$ 1,03,62,799.42 to CSA on 27.08.2010. The A-2 Form dated 27.08.2010 advising the Bank to remit ZAR 7,61,48,959/- by transfer by debiting account No. 57027644400 to Cricket SA (PTY) Ltd. in its Account No. 001640267 showed the purpose of remittance as "towards mill expenses for designing in South Africa" in the said form which appears to be erroneous. As per transaction instructions and the relevant Swift Message dated 27.08.2010, issued by State Bank of Travancore, Jaipur Branch, the purpose of remittance was shown as "Towards Balance and Final Payment of Expenses in IPL 09".

4.38 It was pointed to Shri M.P. Pandove that as per the agreement dated 30.3.09 the entire amount transferred to CSA as well as the revenue locally generated by sale of tickets and pouring rights were to be deposited in IPL SA account and subsequently on 27.08.2010, the BCCI released the full and final payment of US\$ 1,03,62,799.42. However, on 7.9.2010 the CSA remitted an amount of US\$ 89,34,040.08/- to BCCI. Thus it clearly appeared that the amount of US\$ 1,03,62,799.42 remitted by BCCI on 27.08.10 included the amount of US\$ 89,34,040.08 which was subsequently remitted back to BCCI on 07.09.10. He was asked about the aforesaid transactions, in response to which Shri Pandove gave an evasive reply and stated that as far as the remittance to CSA was concerned, BCCI was following the procedure of remittance and has reimbursed the expenses as full and final. However, as far as the revenue is concerned, one revenue was ticket sale spread over the venues and other one was VAT refund from Government. He further stated that the pouring rights amounting to ZAR 9,31,567/- had still not been remitted by CSA to BCCI and therefore, he could not say whether CSA had remitted the



amount of US \$ 89,34,040.08 out of the amount of US \$ 1,03,62,799.42 remitted by BCCI on 27.08.2010.

4.39 It is evident from the above that -

- (a) Ticket sale amount accrued to BCCI by 24<sup>th</sup> May, 2009 i.e. last day of the matches.
- (b) Balance in the account of IPL SA was ZAR 34,17,303.56 as on 13.08.2009.
- (c) Therefore, it is clear that BCCI made payments to third parties/vendors/service providers in South Africa out of the amounts received by it from sale of tickets and pouring rights.
- (d) In order to comply with the requirements of repatriation of funds in ticket revenue and pouring rights, BCCI remitted funds to the tune of US \$ 103,62,799.42 to CSA on 27.08.2010.
- (e) Thereafter the CSA remitted funds to the tune of US \$ 89,34,040/- equivalent to Rs. 41,72,19,671.70 to BCCI in the guise of ticket revenue and vat refund.

By utilizing the foreign exchange of ZAR 3.92.17,244/- in South Africa, the BCCI willfully committed an act by virtue of which the foreign exchange ceased in whole to be receivable by BCCI in India. The BCCI also failed to take reasonable steps to repatriate to India the foreign currency of ZAR 9,31,567/- accrued to it on account of Pouring Rights within the specified time limit.

4.40 The State Bank of Travancore permitted debit to the EEFC Account of the BCCI for the purpose of remittance of US \$ 103,62,799.42 by BCCI to CSA on 27.08.2010 without ascertaining the genuineness of the transaction. The bank failed to take reasonable steps to satisfy themselves about the nature of the transaction. The debit from the EEFC Account was not a permissible debit under the provisions of Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulation, 2000. The State Bank of Travancore unauthorisedly permitted debit to the EEFC Account of the BCCI and thereby contravened the provisions of Section 10(4) & 10(5) of FEMA, 1999 read with AD(MA) Circular No.11 dated 16.05.2000 to the tune of US \$ 103,62,799.42 equivalent to Rs.46,63,25,973/-.

4.41 The BCCI made the remittance of US \$ 1,03,62,799.42 on 27.08.2010 declaring the purpose as "Towards Balance and Final Payment of Expenses in IPL 09". However, within a few days of the remittance, the BCCI received back an amount of US\$ 89,34,040.08 from CSA on 08.09.2010. The BCCI never reported the fact to the State Bank of Travancore that the remittance of US \$ 1,03,62,799.42 was for the purpose of enabling CSA to remit back the revenue accrued to the BCCI in CSA which was already spent by them. Further, the AD failed to appreciate that when the BCCI account with CSA in connection with IPL - 2 was fully and finally settled, there was no justification in the payment of US \$ 89,34,040.08 by CSA to the BCCI on 08.09.2010. The State Bank of Travancore also permitted credit of the



amount to the EEFC Account of the BCCI which was not permissible under the provisions of Notification No. 10/2000-RB dated 17.05.2000. By permitting credit to the EEFC account the State Bank of Travancore contravened the provisions of Section 10 (4) & 10(5) of FEMA, 1999 read with AD(MA) Circular No.11 dated 16.05.2000 to the tune of US \$ 89,34,040/- equivalent to Rs.41,72,19,671.70.

4.42 The BCCI is registered as a society under the Tamil Nadu Societies Registration Act, 1975. The BCCI is a company within the meaning of explanation to section 42 being an association of individuals by virtue of Explanation to Section 42 which defines a "Company" as any body corporate and includes a firm or other association of individuals. The liability under Section 42 extends to the Officials of the BCCI for the aforesaid contraventions.

### Conclusions :

5.1 Section 3 lays down prohibitions in respect of dealing in foreign exchange save as otherwise provided in the Act, rules or regulations made there under, or with the general or special permission of the Reserve Bank. Under clause (b) of Section 3, no person is permitted to make any payment to or for the credit of any person resident outside India in any manner. The BCCI clearly made remittances totaling to US \$ 4,98,62,799.42 equivalent to Rs.243,45,30,781/- to CSA, a person resident outside India in a manner otherwise than provided in the Act and is therefore appears to be in contravention of the provision of Section 3(b) *ibid*.

5.1.1. The CSA transferred an amount of ZAR 29,05,50,000/- to the account of IPL (SA) (PTY) Ltd. in pursuance of the agreement dated 30.03.2009 between the BCCI and CSA. Credit of the amount of ZAR 29,05,50,000/- by CSA to the bank account of IPL (SA) (PTY) Ltd. was made on behalf of BCCI out of the payment made by BCCI for the purpose of crediting the amount to the said account. Therefore, the payment of ZAR 29,05,50,000/- was made by BCCI for the credit of IPL (SA) (PTY) Ltd., a person resident outside India, through CSA, otherwise than provided in the Act. Therefore remittance of ZAR 29,05,50,000/- equivalent to Rs.203,38,50,000/- (calculated @ Rs.7 = 1 ZAR) transferred from CSA to IPL (SA) Pty Ltd. appears to be in violation of Section 3 (b) of FEMA.

5.2 The remittances of amounts totaling to US \$ 4,98,62,799.42 equivalent to Rs.243,45,30,781/- by the BCCI to CSA was not for any current account transaction but the BCCI drew foreign exchange from the State Bank of Travancore only for the purpose of making available the said foreign exchange for their use in South Africa.

It is obvious from the aforesaid that the BCCI transferred the amount of US \$ 4,98,62,799.42 to CSA in a manner otherwise than permissible under the Act. Section 4 of FEMA prohibits transfer, acquisition and holding of foreign exchange by a person resident in India save as otherwise provided in the Act. The transfer of the



amount of US \$ 4,98,62,799.42 equivalent to Rs.243,45,30,781/-also appears to be in contravention of the provisions of Section 4 of the Act.

5.3 It may be mentioned that an amount of US \$ 10,362,799.42 equivalent to Rs.46,63,25,973/- (ZAR 7,61,48,959/-) was remitted to CSA from the EEFC account No 57027644400 of BCCI held in State Bank of Travancore. The remittances made from the said EEFC are not permissible debits as specified in Para 3 of the Schedule to Regulation 4 of the Foreign Exchange Management (Foreign Currency Accounts by a person Resident in India) Regulations, 2000. The remittance of the aforesaid amounts to CSA from the EEFC account of the BCCI maintained with SBT Jaipur is not permissible under Section 4 read with Section 9 of FEMA and further read with Regulation 4 & Para 3 of the Schedule thereof of the Foreign Exchange Management (Foreign Currency Accounts by a person Resident in India) Regulations, 2000 and the transfer of the amount appears to be in contravention of the aforesaid provisions.

5.4 The BCCI was having exclusive control over the bank account opened in the name of IPL SA (Pty) Ltd. in pursuance to the agreement dated 30.03.2009. By the said agreement CSA was put under a legal obligation to deal with the account only under the explicit instructions from the BCCI. By virtue of the fact that the bank account of IPL (SA) Pty Ltd was being operated on the specific instructions of BCCI, the BCCI had full custody and control over the funds deposited in the said bank account. Thus BCCI has acquired the said foreign exchange of ZAR 290, 550, 000/- equivalent to Rs.203,38,50,000/- deposited into the aforesaid bank account which was opened without the permission of RBI. The BCCI, therefore appears to have violated the provisions of Section 9 of FEMA read with Regulation 3 of the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 and Section 4 of FEMA, 1999.

5.5 Further, it appears that out of the funds deposited in the account of IPL (SA) Pty Ltd the BCCI transferred an amount ZAR 33, 08, 83,690.55 equivalent to Rs. 231,61 85,830/- to various persons in South Africa in a manner otherwise than provided in the FEMA, 1999 or Rules and Regulations made there under. Thus, the BCCI appears to have contravened the provisions of Section 4 of FEMA.

5.6.1 Borrowing and lending in foreign exchange from or to a person resident in or outside India is governed by the Foreign Exchange Management (Borrowing or lending Foreign Exchange) Regulations 2000 issued under Section 6(3)(d) of FEMA, 1999. Regulation 3 provides that save as otherwise provided in the Act, rules or regulations made thereunder, no person resident in India shall borrow or lend in foreign exchange from or to a person resident in or outside India. Regulation 5 of the said Regulation deals with the borrowing and lending in foreign exchange by persons other than an authorized dealer. This regulation specifies the categories of persons resident in India who can borrow or lend in foreign exchange from or to a person



resident outside India. The BCCI, a Charitable Trust, registered under the Tamil Nadu Societies Registration Act, 1975 is not an eligible borrower or lender as specified in the said Regulation. The BCCI do not fall under any of the category of borrower or lenders as specified in the aforesaid Regulation.

5.6.2 Thus the BCCI was not eligible to borrow foreign exchange to wit US \$ 60,00,143/- from the CSA. Thus by borrowing US \$ 60,00,143/- equivalent to Rs.30,00,07,155/- (calculated @ Rs.50/- per US \$) from CSA, the BCCI appears to have contravened the provisions of Section 6(3)(d) of FEMA, 1999 read with Regulations 3 and 5 of the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations 2000.

5.6.3 As already discussed above, the BCCI was also not eligible to lend foreign exchange equivalent to Rs. 44,15,99,200/- to CSA, a person resident in India, without the permission of RBI. The BCCI, a person resident in India, therefore, appears to have contravened the provisions of Section 6(3)(d) of FEMA, 1999 read with Regulations 3 and 5 of the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations 2000.

5.7 BCCI utilized the foreign exchange of ZAR 3,82,85,677/- equivalent to Rs.26,79,99,739/- accrued to the BCCI on account of sale of tickets for making payments to various persons in South Africa. Therefore, the BCCI committed an act which had the effect of securing that the said foreign exchange ceased in whole to be receivable by the BCCI in India. Thus, the BCCI appears to have contravened the provisions of Section 8 & Section 10(6) of FEMA read with Clause (b) of Regulation 3 of the Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000 to the tune of ZAR 3,82,85,677/- equivalent to Rs.26,79,99,739/- (@ZAR 1 = Rs. 7).

5.8 Moreover, BCCI did not repatriate to India till date an amount of ZAR 9,31,567/- receivable as revenue from "pouring rights". By their failure to take reasonable steps to repatriate to India to revenue from pouring rights to India within the stipulated period of 90 days, the BCCI appears to have contravened the provision of section 8 of FEMA, 1999 read with Clause (a) of Regulation 3 of Foreign Exchange Management (Realisation, Repatriation and surrender of Foreign Exchange) Regulation 2000, as discussed above.

5.9 BCCI credited the amount of US \$ 89,34,040/- equivalent to Rs. 41,72.19,671.70 received from CSA, in its EEFC Account No. 57027644400 held with the State Bank of Travancore, Jaipur Branch, which was not a permissible credit since the amount was shown as repatriation of the amounts accrued to the BCCI on account of sale of tickets and VAT refunds while, in fact, the amount was transferred back to India from the remittance of US \$ 103,62,799.42 made by BCCI on 27.08.2010. The amount did not represent the foreign exchange earning of the BCCI



and it was not a permissible credit to the EEFC account under the provisions of FEMA and the extant Regulations. The BCCI, therefore, appears to have contravened the provisions of Section 4 and 9 of FEMA read with Regulation 3 and 4 read with para 1 (2) and para 2 of Schedule thereto the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 to the tune of US \$ 89,34,040/- equivalent to Rs. 41,72,19,671.70

5.10.1 State Bank of Travancore, Jaipur Branch, the authorized person, with whom the BCCI was maintaining two bank accounts, one SB account and the other an EEFC account. had remitted amount totaling US\$ 4, 98,62,799.42 to Cricket South Africa on the straght of the transfer instructions/ A-2 forms send by BCCI. Out of the total amount of US\$ 4,98,62,799.42 remitted to CSA, amounts totaling US\$ 3,95,00, 000/- was remitted from the SB account and balance US\$ 1,03,62,799.42 from EEFC account of BCCI. In the transfer instructions and A-2 forms, the BCCI has mentioned the purpose of remittance as ' operational fee and cost for hosting IPL 2009/IPL 2009 Tournament Expenses". The SBT failed to notice the fact that the IPL 2009 was being conducted by the BCCI and not by CSA to whom the remittances were effected. The bank also failed to note that the remittances could not have been made under current account transactions. The bank has failed to obtain relevant documents and such other information from BCCI so as to reasonably satisfy themselves that the remittance transactions will not involve and were not designed for the purpose of any contravention or evasion of the provisions of the Act or of any rule, regulation, notification, direction or order made thereunder. The SBT also failed to take note of the fact that the remittance of US\$ 1,03,62,799.42 could not have been made from the EEFC of BCCI to CSA, as said remittance did not fall under the list of "Permissible Debits" as prescribed in para 3 of Regulation 4 of FEM (Foreign Currency Accounts by a Person Resident in India) Regulation, 2000. Thus, except with the previous permission of the Reserve Bank of India, the SBT, an authorized person engaged in transactions involving foreign exchange which are not in conformity with the terms of its authorization issued under section 10 (4) of FEMA. The SBT therefore appear to have contravened the provisions of Section 10 (4) and 10 (5) of FEMA to the extent of US\$ 4,98, 62, 799.42.

5.10.2 The State Bank of Travancore permitted debit to the EEFC Account of the BCCI for the purpose of remittance of US \$ 103,62,799.42 by BCCI to CSA on 27.08.2010. The debit from the EEFC Account was not a permissible debit under the provisions of Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulation, 2000. The State Bank of Travancore unauthorisedly permitted debit to the EEFC Account of the BCCI and thereby contravened the provisions of Section 10(4) & 10(5) of FEMA, 1999 read with AD(MA) Circular No.11 dated 16.05.2000 to the tune of US \$ 103,62,799.42 equivalent to Rs.46,63,25,973/-.



5.10.3 The State Bank of Travancore permitted credit of an amount of US \$ 89,34,040/- received from CSA on 08.09.2010. The amount was not a permissible credit to the EEFC account since it was not the foreign exchange earning of the BCCI and it did not represent the credits permissible under the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulation, 2000. The State Bank of Travancore unauthorisedly permitted credit to the EEFC Account of the BCCI and thereby contravened the provisions of Section 10(4) & 10(5) of FEMA, 1999 read with AD(MA) Circular No.11 dated 16.05.2000 to the tune of US \$ 89,34,040/- equivalent to Rs.41,72,19,671.70/-.

6.1 The BCCI is registered as a society under the Tamil Nadu Societies Registration Act, 1975. The BCCI is a company within the meaning of explanation to section 42 being an association of individuals by virtue of Explanation to Section 42 which defines a "Company" as any body corporate and includes a firm or other association of individuals.

6.2 Section 42 creates a liability on the Director's and officials etc. in charge of and responsible for the business of the company and also makes the officials liable for punishment for the offences arising out of consent, connivance or neglect in discharge of their duties.

6.3 The minutes of the meetings of the Governing Council do not show any discussion about holding of the IPL tournament in South Africa except the Emergent Meeting of the Working Committee and the Governing Council, both held on 22.03.2009. Investigation by this office has revealed that none of the decisions relating to IPL-2 have been deliberated and put to vote.

6.4 The BCCI owed a legal duty to observe the law. The investigation by this office has revealed that the officials responsible to and in charge of the business of the BCCI willfully evaded the provisions of FEMA and the contraventions of the provisions of FEMA have occurred with full knowledge of the legal requirements of obtaining prior permission. Further the employees of the BCCI failed to exercise due care and diligence in observing the law.

The role of the individual officials of the BCCI and SBT, Jaipur Branch are briefly discussed below:-

(a) Shri Lalit Kumar Modi

Shri Lalit Kumar Modi in his capacity as the Chairman of the Governing Council, was in charge of and responsible to the affairs relating to the conduct of the Indian Premier League. On investigation it has emerged that Shri Lalit Modi was in control of the affairs of the IPL and he was the key person in the decision making process of the League. It is seen that he had negotiated and signed most of the agreements,



Memorandum of Understandings and Contracts for the Indian Premier League. Further, he instructed IMG about drafting of the MoUs/Agreements with the foreign parties. It is seen that he had signed almost all the agreements, Memorandum of Understandings and Contracts for the Indian Premier League. Further, he along with IMG negotiated all the MoUs/Agreements with the foreign parties including foreign players and commercial rights holders. It has been admitted by the officials of the IMG that they had been reporting to and taking instructions from Shri Lalit Modi about the terms and conditions of the various agreements. Although the agreement dated 30.03.2009 was signed by Shri N. Srinivasan, Shri Modi had actively participated in the meetings with CSA and play a major role in drafting of the agreement. These MoUs/Agreements are found to be in contravention of the provisions of FEMA. Further, Shri Lalit Modi has signed an appointment letter for and on behalf of IPL SA appointing Ireland Davenport as an agent of IPL (SA) (PTY) Ltd. This proves that IPL (SA) (PTY) Ltd. was nothing but a front created for the purpose of opening a bank account to be operated and maintained by the BCCI and the BCCI had authority not only over the bank account but on the company itself for and on behalf of which Shri Lalit Modi was signing documents. Shri Lalit Modi appears to be guilty of the contraventions of the provisions of FEMA as detailed in para 5 below.

(b) Shri Shashank Manohar

Shri Shashank Manohar was the then Hon. President of the BCCI and ex-officio member of the Governing Council for the Indian Premier League. As is seen from the minutes of the Emergent Working committee Meeting held on 22.03.2009, he was aware that for conducting the tournament in South Africa, BCCI would require a bank account in South Africa and for which permission of RBI would be required. In the meeting he declared that the account in South Africa would be opened after necessary approval by the RBI and the account would be opened in the name of Shri M.P. Pandove. Further, it is seen from the Minute that the final decision about shifting of the tournament either to UK or South Africa would be taken by Shri Shashank Manohar. Keeping in view the authority granted to Shri Shashank Manohar in the crucial meeting of the Working Committee and also in view of the fact that being the then Hon. President of the BCCI, and Hon'ble member of the Governing council, Shri Shashank Manohar was responsible for the conduct of affairs of the BCCI. The minutes of the Governing Council show that Shri Manohar was aware of the legal provision requiring permission of the Reserve Bank of India for opening a bank account in South Africa. Shri Shashank Manohar was in a position of authority as President of the BCCI and as Member of the Governing Council. He appears to have failed in taking reasonable steps to prevent contravention of the provisions of FEMA as enumerated above. Shri Shashank Manohar is, therefore,



responsible for evasion and willful contraventions of the provisions of FEMA by the BCCI, as detailed at para 5 below.

(c) Shri N. Srinivasan

Shri N. Srinivasan is the then Hon. Secretary of the BCCI. Investigations revealed that Shri N. Srinivasan had actively participated in the negotiations with Cricket South Africa along with Prof. Ratnakar Shetty and Shri Sunder Raman. The agreement dated 30.03.2009 between the BCCI and CSA was signed by Shri N. Srinivasan. The said agreement was designed for the purpose of evading the provisions of FEMA. Further the evidences show that the remittances were made by Shri M.P. Pandove, the then Hon. Treasurer, BCCI after receiving instructions of Shri N. Srinivasan. Shri N. Srinivasan was aware of the fact that the remittances made to CSA were not in discharge of any legal obligation and not relatable to any genuine trade transaction and the money was transferred to CSA only for getting the same deposited in the bank account of IPL (SA) (PTY) Ltd. which was opened, operated and maintained by the BCCI. Shri N. Srinivasan, in his capacity as the then Hon. Secretary was in charge and responsible to the BCCI for its affairs. Thus it is evident that Shri N. Srinivasan was instrumental in remittance of the amount of USD 4,98,62,799.42 to Cricket South Africa, in spite of being fully aware that the remittances did not correspond to any trading transaction or in satisfaction and discharge of any legal obligation. In terms of the provisions of Section 42 of FEMA, Shri N. Srinivasan appears to be guilty of the contraventions committed by the BCCI as specified in para 5 below.

(d) Shri M.P. Pandove

Shri M.P. Pandove, the then Hon. Treasurer, BCCI had issued transaction instructions to the State Bank of Travancore to remit foreign exchange of US \$ 3,95,00,000/- through telegraphic transfer by debiting the amount from the saving account No. 57027625920 and US \$ 1,03,62,799.42 from EEFC A/c No. 57027444400 of BCCI, both held in State Bank of Travancore, Jaipur Branch. For the purpose of this remittance separate A2 forms were submitted for the total amount of US \$ 4,98,62,799.42. The A2 forms were signed by Shri M.P. Pandove as the Treasurer of BCCI as detailed at para above. Shri M.P. Pandove in his capacity as the then Hon. Treasurer was responsible for the financial affairs of the BCCI. He issued transaction instructions to the AD in spite of the fact that the amount remitted to CSA was not for any current account transaction. He was aware that the transaction instructions were issued for transfer of money to CSA for the only purpose of getting the amount transferred in the name of IPL (SA) (PTY) Ltd. and the remittances were not relatable to any commercial transaction whatsoever. Further Shri M.P. Pandove was aware of the fact that BCCI was the ultimate beneficiary of the remittances and the entire amount was to be used by BCCI and its officials. He



was further aware that at the time of remittance of the amounts, there was no transaction corresponding to the amount remitted. Therefore, Shri M.P. Pandove appears to be guilty of the contraventions committed by the BCCI as specified in para 5 below.

(e) Shri Ratnakar Shetty

Shri Ratnakar Shetty is the Chief Administrative Officer of the BCCI. Although Shri Ratnakar Shetty has denied his involvement in the IPL in any manner, his role in respect of finalization and signing of the agreement dated 30.03.2009 between BCCI and CSA has been confirmed by Shri N. Srinivasan in his statement dated 08.07.2010. Investigations revealed that Prof. Ratnakar Shetty had actively participated in the negotiations with Cricket South Africa along with Shri N. Srinivasan and Shri Sunder Raman. The agreement dated 30.03.2009 between the BCCI and CSA was signed with knowledge of Shri Ratnakar Shetty. The said agreement was designed for the purpose of evading the provisions of FEMA and for the purpose of transfer of funds from BCCI to CSA for crediting the account of IPL (SA) (PTY) Ltd. Shri Ratnakar Shetty was aware of the fact that the remittances made to CSA were not relatable to any genuine trade transaction and the money was transferred to CSA only for getting the same deposited in the bank account of IPL (SA) (PTY) Ltd. which was opened, operated and maintained by the BCCI and the money was to be used by BCCI only. The contravention of the provisions of FEMA by the BCCI as detailed in Para 4 below, has occurred with the consent and connivance of Prof. Ratnakar Shetty. Shri Ratnakar Shetty, therefore, in terms of the provisions of Section 42(2) of FEMA, appears to be guilty of the contraventions committed by the BCCI as specified in para 5 below.

(f) Shri Prasanna Kannan

Shri Prasanna Kannan was working as Manager, business and commercial services, IPL, and was reporting to Mr. Sunder Raman, Chief Operating Officer of IPL and his responsibilities includes raising invoices to sponsors, checking contracts for financial compliances, checking bills and forwarding for authorization and payments, etc. All the bills relating to IPL 2 were raised by emails/invoices etc. and were checked by him and forwarded to Shri Lalit Modi and Shri N. Srinivasan for approval. The bills were forwarded to Shri Prasanna Kannan for payments after approval by Shri Lalit Modi and Shri N. Srinivasan. The contravention by the BCCI as mentioned in para 5 below has taken place with the connivance and consent of Shri Prasanna Kannan and In terms of Section 42 (2) of FEMA, 1999, Shri Prasanna Kannan appears to be guilty of the said contraventions.

(g) Shri Sunder Raman

Shri Sunder Raman was working as Chief Operating Officer of IPL and had actively participated in the negotiations with Cricket South Africa for conducting IPL 2. The



agreement dated 30.03.2009 was executed between the BCCI and CSA with the knowledge that the agreement was intended to evade the provisions of FEMA. The responsibilities of Shri Sunder Raman included checking of contracts for financial compliances, checking bills and forwarding for authorization and payments, etc. Some of the bills relating to IPL 2 were checked by him and forwarded to Shri Lalit Modi and Shri N. Srinivasan for approval. The contravention by the BCCI as mentioned in para 5 below has taken place with the connivance and consent of Shri Sunder Raman and In terms of Section 42 (2) of FEMA, 1999, Shri Sunder Raman appears to be guilty of the said contraventions.

(j) Shri A.K. Nazeer Khan

Shri A.K. Nazeer Khan was the Chief Manager of the Jaipur Branch of the State Bank of Travancore during the relevant period when the said Bank, engaged in transaction in foreign exchange equivalent in contravention of the provisions of FEMA, 1999 as detailed in para 5. The contraventions are attributable to the negligence on the part of Shri A.K. Nazeer Khan, and therefore, he appears to have contravened the above provisions of FEMA, 1999 in terms of Section 42(2) *ibid* to the extent of US \$ 4,98,62,799.42.

**8. Contraventions:**

- i) By making payment of US \$ 4,98,62,799.42 equivalent to Rs. 243,45,30,781/- to CSA, a person resident outside India, otherwise than provided under FEMA, 1999, the BCCI appear to have contravened the provisions of Section 3 (b) of FEMA, 1999.
- ii) By making a payment of ZAR 29,05,50,000/- equivalent to Rs.203,38,50,000/- for the credit of IPL (SA) (PTY) Ltd., a person resident out side India from the account of CSA, otherwise than provided under FEMA, 1999, the BCCI appears to have contravened the provisions of Section 3(b) *ibid*.
- iii) By transferring outside India, foreign exchange amounting to US\$ 4,98,62,799.42 equivalent to Rs. 243,45,30,781/- to CSA, otherwise than provided under FEMA, 1999, the BCCI appears to have contravened the provisions of Section 4 of FEMA , 1999.
- iv) By making a payment of US\$ 103,62,779.42 ( equivalent to ZAR 7,61.48.959/-) equivalent to Rs.48,56,00,781/- from its EEFC account No. 57027644400 maintained with State Bank of Travancore, Jaipur Branch to Cricket South Africa, the BCCI appears to have contravened the provisions of Section 4 read with Section 9 and also read with Regulation 4 of the FEM (Foreign Currency Accounts by a person resident in India) Regulations, 2000 (Notification No. FEMA/10/2000-RB dtd. 03.05.2000) and para 3 of the Schedule thereof.
- v) By opening and maintaining the bank account No. 420948619 in the name of IPL (SA) (PTY) Ltd. with Standard Bank of South Africa, and by acquiring foreign



exchange totaling ZAR 29,05,50,000/- equivalent to Rs.203,38,50,000/- which was credited into the said account by CSA, the BCCI appears to have contravened the provisions of Section 9 of FEMA read with Regulation 3 of the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 and Section 4 of FEMA .

- vi) Further, the BCCI made payments totaling to ZAR 33,08,83,690.55 equivalent to Rs.231,61,85,830/- to various persons from the said Bank Account held in the name of IPL (SA) (PTY) Ltd. By transferring the amount of ZAR 33,08,83,690.55 from the said account, otherwise than provided under FEMA, 1999, the BCCI appears to have contravened the provisions of Section 4 of FEMA, 1999.
- vii) The BCCI borrowed foreign exchange to wit US \$ 60,00,143 equivalent to Rs.30,00,07,150/- from CSA without the permission of the RBI. The BCCI, therefore, appears to have contravened the provisions of Section 6(3)(d) of FEMA, 1999 read with Regulations 3 and 5 of Foreign Exchange (Borrowing or Lending in Foreign Exchange) Regulations, 2000.
- viii) The BCCI, a person resident in India lent foreign exchange equivalent to Rs.44,15,99,200/- to CSA, a person resident in India, without the permission of the RBI. The BCCI, a person resident in India, therefore, has contravened the provisions of Section 6(3)(d) of FEMA, 1999 read with Regulations 3 and 5 of Foreign Exchange (Borrowing or Lending in Foreign Exchange) Regulations, 2000.
- ix) The BCCI has committed an act which had effect of securing that the foreign exchange to wit ZAR 3,82,85,677/- equivalent to Rs.26,79,99,739/- ceased in whole to be receivable in India by BCCI from revenue accruing to them in South Africa from sale of tickets, without the permission of RBI and has thereby contravened the provisions of Section 8 and 10(6) of FEMA read with clause (b) of Regulation 3 of the Foreign Exchange Management ( Realization, Repatriation and Surrender of foreign exchange) Regulations 2000 to the tune of ZAR 3,82,85,677/- equivalent to Rs.26,79,99,739/-.
- x) The BCCI had also failed to take reasonable steps to repatriate ZAR 9,31,567/- equivalent to Rs.66,54,050/- (which they had received as Pouring Rights) to India till date. The BCCI, therefore, appears to have contravened the provisions of Section 8 of FEMA read with Regulation 3 of the Foreign Exchange Management (Regulation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000. (Notification No. FEMA/9/2000-RB dated 03.05.2000).
- xi) The BCCI appears to have contravened the provisions of Sections 4 & 9 of FEMA read with Regulation 3 and Para 1(2), Para 2 of Schedule to Regulation 4 of the Foreign Exchange Management (Foreign currency Accounts by a person resident in India) Regulations 2000 by crediting the amount of US\$ 89,34,040/- equivalent to Rs.41,72,19,671.70 in its EEFC Account No. 57027644400 held with the State Bank of Travancore, Jaipur Branch.



- xii) The Officials of the BCCI, S/Shri Lalit Kumar Modi, the then Chairman and Commissioner of IPL, Shri Shashank Manohar, the then Hon. President, N. Srinivasan, the then Hon. Secretary and M.P. Pandove, the then Hon. Treasurer were in charge and responsible to the BCCI for the conduct of its business, especially with regard to the conduct of IPL 2 in South Africa and therefore, they also appear to have contravened the provisions of FEMA in terms of Section 42 (1) *ibid* as mentioned at S.No. i) to xi) above.
- (xiii) Prof. Ratnakar Shetty, Chief Administrative Officer, BCCI, Shri Sunder Raman, Chief Operating Officer, IPL and Shri Prasanna Kannan, Manager, BCCI appear to have contravened the provisions of FEMA as mentioned at S.No. i) to xi) above, in terms of Section 42 (2) *ibid*.
- (xiv) The State Bank of Travancore, Jaipur Branch has committed the followed contraventions:-
- (a) The State Bank of Travancore, Jaipur Branch, an authorized person under FEMA, failed to comply with the directions given by the RBI under AD (MA Series) Circular No.11 dated 16.05.2000 issued under Section 10(4) and 11(1) of FEMA, 1999 and failed to satisfy themselves that the transaction of effecting remittances by them to CSA, on the instructions/instance of BCCI was not in conformity with the terms of their authorization issued by RBI under Section 10 of FEMA. Moreover, State Bank of Travancore, Jaipur Branch, before undertaking the transaction of effecting remittances to CSA on behalf of BCCI failed to satisfy themselves about the genuineness of the transactions and that the said remittances could not have been made under the Rules governing Current Account Transactions. They also failed to obtain from BCCI such declarations and information to reasonably satisfy themselves that the said transaction did not involve or was not designed for the purpose of any contravention or evasion of the provisions of FEMA or any rule, regulation, notification, direction or order issued there under. Thus the State Bank of Travancore, Jaipur Branch appear to have contravened the provisions of Section 10(4) of FEMA read with AD (MA Series) Circular No.11 dated 16.05.2000 and Section 10(5) of FEMA, 1999 of FEMA to the extent of US \$ 4,98,62,799.42 equivalent to Rs. 243,45,30,781/-.
- (b) The State Bank of Travancore, Jaipur Branch failed to comply with the directions given by the RBI under AD (MA Series) Circular No.11 dated 16.05.2000 issued under Section 10(4) and 11(1) of FEMA, 1999 and failed to satisfy themselves that the transaction of effecting remittances of US \$ 103,62,799.42 to CSA on the instructions/instance of BCCI by debiting the EEFC Account of the BCCI, which was not in conformity with the terms of their authorization issued by RBI under Section 10 of FEMA. Moreover,



State Bank of Travancore, Jaipur Branch, failed to satisfy themselves that the transaction was not a permissible debit to an EEFC Account as provided under Regulation 3 to the Foreign Exchange Management (Foreign Currency Account by a Person Resident in India) Regulations 2000 dated 03<sup>rd</sup> May, 2000. The amount of US \$ 103,62,799.42 could not have been debited from the EEFC Account of the BCCI for remittance to CSA since the debit was not made in connection with payments permitted under the said Regulation. Thus the State Bank of Travancore, Jaipur Branch appear to have contravened the provisions of Section 10(4) of FEMA read with AD (MA Series) Circular No.11 dated 16.05.2000 and Section 10(5) of FEMA, 1999 of FEMA to the extent of US \$ 103,62,799.42 equivalent to Rs. 48,56,00,781/-.

- (c) The State Bank of Travancore, Jaipur Branch failed to comply with the directions given by the RBI under AD (MA Series) Circular No.11 dated 16.05.2000 issued under Section 10(4) and 11(1) of FEMA, 1999 and failed to satisfy themselves that the transaction of crediting an amount of US \$ 89,34,040/- remitted by CSA to the EEFC Account of the BCCI, which was not in conformity with the terms of their authorization issued by RBI under Section 10 of FEMA. Moreover, State Bank of Travancore, Jaipur Branch, permitted credit to an EEFC Account which was not permissible under Regulation 4 of the Foreign Exchange Management (Foreign Currency Account by a Person Resident in India) Regulations 2000 dated 03<sup>rd</sup> May, 2000. The amount of US \$ 89,34,040/- could not have been credited to the EEFC Account of the BCCI since the credit was not permissible under the said Regulation. Thus the State Bank of Travancore, Jaipur Branch appear to have contravened the provisions of Section 10(4) of FEMA read with AD (MA Series) Circular No.11 dated 16.05.2000 and Section 10(5) of FEMA, 1999 of FEMA to the extent of US \$ 89,34,040/- equivalent to Rs. 41,72,19,671/-.

- (xv) Shri A.K. Nazeer Khan, Chief Manager, SBT, appears to have contravened the provisions of FEMA as mentioned at S.No. xiv) above, in terms of Section 42 (2) *ibid*

9. The investigations in respect of various other aspects in the conduct of IPL-2 and other matters relating to BCCI and the franchises of the IPL are in progress, This Complaint is being filed without prejudice to any further action that may be required under law in respect of the other issues and if required, further Complaints will be filed separately.

10. The Complainant, therefore, submits:-



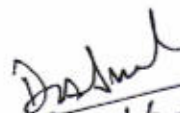
I that the above noticees no 1 to 10 appear to have violated the provisions of FEMA, 1999 as mentioned above, and are liable to penalties under Section 13(1) of FEMA 1999.

II It is, therefore, prayed that this complaint may be taken on record and the noticees no 1 to 6 be dealt with in accordance with law.

III It is further prayed that directions be issued to BCCI to repatriate to India, the amount of ZAR 931567 which has accrued to BCCI as receivable against pouring rights.

IV That the Complainant seeks permission of the adjudicating authority to refer to and to rely, inter alia, on the documents mentioned in the "Annexure-II" to this complaint.

Dated at Mumbai, this 16<sup>th</sup> day of November, 2011

  
16-11-2011  
(D. K. SINHA)  
ASSISTANT DIRECTOR



ANNEXURE-I

REMITTANCES MADE TO CRICKET SOUTH AFRICA BY BCCI TOWARDS  
EXPENSES FOR IPL - 2

Sr No.	A2 Date	Amount in USD	Amount equivalent Rupees to
1	31.03.09	10,00,000.00	5,08,90,000
2	31.03.09	70,00,000.00	35,62,30,000
3	16.04.09	1,00,00,000.00	49,58,50,000
4	27.04.09	25,00,000.00	12,53,50,000
5	27.04.09	50,00,000.00	25,07,00,000
6	19.05.09	1,00,00,000.00	47,85,50,000
7	10.08.09	40,00,000.00	19,13,60,000
8	27.08.10	1,03,62,799.42	48,56,00,781
	<b>TOTAL</b>	<b>4,98,62,799.42</b>	<b>2,43,45,30,781</b>



ANNEXURE- II

1. Minutes of the Working Committee of the BCCI held on 13.09.2007.
2. Minutes of the Special General Body Meeting of the BCCI held on 16.12.2007.
3. Minutes of the Emergent Working Committee meeting of the BCCI held on 22.03.2009, received under BCCI letter dated 11.05.2010.
4. Minutes of the Governing Council Emergency meeting held on 22.03.2009 with the franchisees prior to moving IPL 2009 to South Africa, received under BCCI letter dated 11.05.2010.
5. Agreement dated 30.03.2009 between the BCCI and with Cricket South Africa (CSA) for hosting and staging of the IPL-2 tournament.
6. Statement dated 08.07.2010 of Shri N. Srinivasan, Hon. Secretary of the BCCI.
7. Statements dated 17.06.2010, 02.12.2010 and 09.08.2011 Shri Sunder Raman, Chief Operating Officer of IPL
8. Statements dated 26.04.2011 and 28.04.2011 of Shri. Prasanna Kannan, Manager of BCCI-IPL.
9. Statement dated 29.07.2011 of Shri. Chirayu Amin, presently Member, IPL Governing Council the then Chairman, Indian Premier League.
10. Statement dated 10.08.2011 of Shri Shashank Manohar, the then Hon. President BCCI.
11. Statements dated 04.08.2011 and 19.08.2011 of Shri M.P. Pandove, Honorary Treasurer of BCCI.
12. Statement dated 28.06.2010 of Shri Ratnakar Shetty, Chief Administrative Officer of BCCI.
13. Statements dated 10.12.2010 and 03.02.2011 of Shri.A.K.Nazeer Khan, Chief Manager of the State Bank of Travancore, Jaipur Branch under which transaction details, copies of A 2 Forms and BCCIs request letters regarding remittances to be made to Cricket South Africa, have been submitted.
14. Letters dated 25.06.2010, 29.07.2010, 16.08.2010, 21.01.2011, 03.02.2011, 05.08.2011 and 23.08.2011 of BCCI.
15. Extract of Schedule 3 and notes to Accounts at para 21 (i) of Annual Report for the year 2009-10 of BCCI showing the balance outstanding payable to CSA as Rs.44,001,581.00 as on 31st March 2010.