

Statement of Shri. Niranjan Shah Aged 67 Years, residing at Kitabgarh, Shroff Road, Rajkot-360001 recorded under the provisions of Section 37 of the Foreign Exchange Management Act, 1999 on 20<sup>th</sup> January 2012 before the Assistant Director, Directorate of Enforcement, Mumbai.

I am in receipt of your Summon No.T-3/81-B/2008/AD(DKS) dated 16<sup>th</sup> January 2012 calling upon me to appear before you on 19<sup>th</sup> January 2012. I couldn't appear on 19.01.2012 and hence I requested for an adjournment for today which was granted vide your letter dated 17.01.2012. Accordingly, I have appeared before you for giving my evidence and producing documents as mentioned in the summons. Before recording of my statement, I have been explained the provisions of Section 37 of the Foreign Exchange Management Act, 1999, I am now aware that according to the provisions of the said Sections, it is binding upon me to state the truth only. I have also understood that giving false & fabricated evidence and/ or suppressing true facts is an offence, committing which, I shall be liable to be punished under the provisions of the law. I have also been cautioned that my statement can be used as evidence against me or against anybody else in any proceeding under the Foreign Exchange Management Act, 1999 or any other Law. With due understanding of the above facts, and the provisions of Law, and fully understanding my responsibility there under, I am giving my true and correct statement under oath as under:-

*Deshmukh*  
20-1-2012  
Oath administered

*Niranjan Shah*  
20/1/12  
Oath taken  
(Niranjan Shah)

My full name is Niranjan Rasiklal Shah. I am residing at the above mentioned address. I am the Director in Entrack International Pvt. Ltd., having office at 414, Star Plaza, Near Phulchapp Chowk, Rajkot. This company is engaged in distribution of luxury items like Mont Blanc pens. I am a Partner in a printing press called Kitabgarh Printery, Shroff Road, Rajkot.

*Deshmukh*  
20-1-2012

*Niranjan Shah*  
20/1/12

I am the Hon. Secretary of Saurashtra Cricket Association since 1972. I was the Joint Secretary of the BCCI during the period 1991-92 and was Hon. Secretary of the BCCI in 2002-2003 and again from September 2005-September 2008. As Hon. Secretary I was responsible for day to day functioning of the board as its Chief Executive.

At present I am one of the Vice-Presidents of the BCCI representing West Zone. Being the Hon. Secretary of the BCCI, I was a member of the 1<sup>st</sup> Governing Council of the Indian Premier League (IPL) from 2007-2008. After my tenure as Hon. Secretary of the BCCI ended in September 2008, I was appointed as Vice-Chairman of the Governing Council of the IPL in the Annual General Meeting of the board held on 24<sup>th</sup> September 2008 and continued in that post till September 2010.

Q. When and by whom was the concept of IPL presented?

Ans: Sometime in August 2007, the concept was mooted by Shri. Lalit Modi who was one of the Vice-Presidents of the BCCI at that time. He had proposed starting of a cricket league to counter the threat of the Indian Cricket League (ICL). He must have discussed this proposal with the President of the BCCI. An announcement to this effect was made in the Working Committee meeting of the BCCI held on 21.08.2007. In the said meeting Shri. Lalit Modi pointed out that in order to make the project successful, it was necessary to take professional assistance and he proposed and requested that the assistance of IMG may be taken for the purpose. Subsequently this proposal was presented before the Working Committee of the BCCI in its meeting held on 30<sup>th</sup> September 2007 and Shri. Lalit Modi informed that Mr. Andrew Wildblood of IMG would be making a detailed presentation which he did. Shri. Lalit Modi further explained that a franchisee model would be adopted and the franchisees would acquire the teams by bidding. It was further informed by Shri. Lalit Modi in the said meeting that the BCCI was in contact with the other cricketing boards for making their current players available to join the IPL. In the said meeting it was decided that the Board would set up a sub-committee in the form of a sub-committee in the form of a Governing Council to deal with matters relating to IPL.

*D. K. Modi*  
20-1-2012

*Alakh*  
20/1/12

On being asked I state that being the Hon. Secretary of the BCCI, I was a member of the Governing Council.

Q. How was the concept of IPL further executed?

Ans: To start with, tenders were floated inviting bids from interested entities for the media rights. These tender documents were prepared by IMG on instructions of Shri. Lalit Modi. In response to this tender, bids were received from various entities and finally MSM, Singapore was awarded the media rights for the Indian sub-continent and the Rest of the World rights were awarded to WSG, India.

Thereafter, tenders were invited for the franchises and based on bidding, 8 teams were awarded to the bidders based on the amounts bid by them for each location.

Q. It is seen that the various tenders issued in connection with the IPL required the submission of a minimum amount by the bidders as Performance Deposit. Please state how this amount was determined and decided?

Ans: The amount of Performance Deposit was decided by Shri. Lalit Modi and accordingly the bid documents were drafted by IMG. As Secretary, I had no role to play in deciding the amount of Performance Deposit.

Q. Please give details of all Performance Deposits received by the BCCI from entities outside India in connection with the IPL?

Ans: I do not have these details as all records have been handed over by me to the person taking over charge from me as the Secretary.

Q. What was the policy and practice in the BCCI for receiving Deposits prior to bidding for various tenders from foreign entities?

Ans: There is no policy as such within the BCCI. Foreign as well as domestic depositors are treated equally because the tender document (ITT) did not differentiate between these 2 categories.

*D. Kumar*  
20-1-2012

*Chakraborty*  
20/1/12

*Performance Deposit*

Today I have been shown copies of minutes of IPL Governing Council meetings dated 14.01.2008, 24.01.2008, 25.01.2008 and 18.10.2007. I have gone through the said minutes and have put my dated signatures thereon for the purpose of identification. I was present during all these meetings.

Q. It is recorded in the minutes dated 14.01.2008 that Sony, ESPN and WSG have bid for the media rights. Is it possible for any bidder to submit a bid without submission of Performance Deposit?

Ans: Submission of Performance Deposit is a pre-condition for a bid. Hence the above entities could not have submitted a bid without submission of Performance Deposit.

Q. In the minutes of the meeting dated 24.01.2008, Emerging Media, UK is one of the bidders which had bid for the franchisee. How was the fact of submission of Performance Deposit by Emerging Media, UK brought to the notice of the members present in the meeting?

Ans: No specific mention is made in the said minutes about the submission of Performance Deposit by Emerging Media, UK. However, the fact that the bid of Emerging Media, UK was accepted and the bid was declared successful shows that the Performance Deposit was received from Emerging Media, UK.

Q. Did you make an application to the RBI in your capacity as Secretary of the BCCI seeking permission for acceptance of Performance Deposit from foreign entities or for guaranteeing a minimum fee to the foreign players?

Ans: No application was made to the RBI during the time when I was Secretary of the BCCI.

Q. As Secretary of the BCCI during the relevant time what role did you play in ensuring the availability of the foreign players for participating in the IPL?

Ans: I had no role to play as I did not have any discussions with the foreign players or foreign cricketing boards. Everything was arranged by Shri. Lalit Modi. No correspondence with any board was made from my side on this aspect. This is recorded

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in the minutes of the Working Committee held on 13.09.2007 in which Shri. Lalit Modi had stated that the foreign cricket boards had assured him that they would officially make available their current players to join the IPL.

Q. Please state as to how was the decision taken to guarantee a minimum price to the foreign players?

Ans; This decision was taken by Shri. Lalit Modi. All agreements in this respect were drafted by IMG on instructions of Shri. Lalit Modi.

Q. As Secretary of the BCCI, you are authorized to sign all contracts on behalf of the BCCI. Please give details of all contracts signed by you in relation to IPL including players agreements, franchise agreements, media rights agreements etc.?

Ans: In relation to IPL, almost all agreements were signed by Shri. Lalit Modi. I do not recollect having signed any agreement either with the players, franchises or any other entity.

Q. In the minutes of the GC meeting dated 25.01.2008, the members were asked to go through the final players contract. Please state who had signed these contracts?

Ans: These contracts were not signed by me though I was the Secretary at that time. These contracts were signed by Shri. Lalit Modi as per my recollection.

Q. The minutes of the Governing Council dated 24.01.2008 does not contain the names of the persons who attended the said meeting. Please state who all are the persons who attended the said meeting?

Ans: There was another meeting of the Governing Council which was held on 25.01.2008 and I recollect that the same persons who attended the meeting on 25.01.2008 were present on 24.01.2008 and I was present during both the meetings.

Q. In the minutes of the meeting of the Governing Council held on 18.10.2007, on Page 3 at Sr.No 23, there is a reference to Long Form Players Agreement. Please go through the same and explain what is this Long Form Players Agreement ?

*Dabunde*  
20-1-2012

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20/1/12

Ans: As far as I recollect, the agreement referred to above is between the players and franchisees which was waiting for the comments of the senior players in India/ players association of foreign players abroad.

Q. Within the BCCI, please explain the policy followed when any tender is issued?

Ans: As per practice, the Secretary's Office presents the draft tender which is approved by the Marketing Committee of the BCCI and then the tender notice is published through newspapers. Thereafter, bids are submitted by the bidders and in presence of the Marketing Committee and the Secretary, the bids are opened and awarded to the highest bidder.

Q. Was the above practice followed in case of IPL?

Ans: In case of IPL, all tenders were presented by Shri. Lalit Modi and later approved by the Governing Council. I do not recollect whether any prior approval of the Governing Council was taken.

Q. How were the tender conditions decided in respect of IPL?

Ans: The conditions were all decided by Shri. Lalit Modi.

Q. As Secretary of the BCCI, did you approved the tender conditions in respect of IPL?

Ans: The tender conditions were not approved by me as Secretary of the BCCI.

Q. Please state whether the tender conditions were brought to your knowledge?

Ans: Before the tenders were issued, I was not aware of its conditions.

Q. Please explain the system within the BCCI for receiving and accounting any payment?

Ans: When any payment is received, the instruments are received in the BCCI office and then forwarded either to the bank or the Treasurer's office as per instructions of the Treasurer.

*D. Shastri*  
20-1-2012

*Al Shastri*  
20/1/12

Q. Please see minutes of the meeting of the Working Committee of the BCCI held on 16.12.2007. At Sr.No.9 of Item No.11 on Page 4, it is seen that the Finance Committee has noted the list of players who have signed the contract with players for IPL and noted the payments released to the players. Please state who were the players to whom these payments were released and for what purpose. Please also state who had authorized these payments?

Ans: I have seen the said minutes and have put my dated signature on the Page 4 of the said minutes. In this connection I state that I do not recollect now the names of the players who were figuring in the list. I also state that I do not recollect as to who had authorized these payments to the players. However, as Secretary all payments had to be authorized by me.

Q. How was the availability of the foreign players for participation in the IPL ensured?

Ans: The Foreign players with the permission of their parent board entered into a contract with BCCI-IPL and payments were guaranteed to them for ensuring their availability.

Q. How were the Performance Deposits received from the overseas bidders accepted as being in conformity to the conditions of the tender?

Ans: As already stated there foreign as well as domestic depositors are treated equally because the tender document (ITT) did not differentiate between these 2 categories. In case of IPL, in January 2008 for the franchise bid as well as the media rights bid, the Performance Deposit were received in the BCCI office in most cases. In the case of Emerging Media, the Performance Deposit was received in the bank account of BCCI and in the case of Ms. Preity Zinta, Shri. Lalit Modi received the draft of the amount of Performance Deposit directly as far as I remember. The fact of receipt of Performance Deposit was communicated to the Chairman Shri.Lalit Modi by the BCCI staff in Mumbai.

The above statement is given by me voluntarily without any pressure threat or force and is true and correct. I will appear before you as and when called before me.

Dehadi  
20-12-07

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