

BEFORE THE DISCIPLINARY COMMITTEE OF THE BCCI

WITNESS STATEMENT OF MR. LALIT KUMAR MODI

I, Lalit Kumar Modi, S/o Shri K.K. Modi, residing at 117, Salone Street, London state as under :-

Initial Years

1. I joined BCCI on 29th November, 2005 as one of the BCCI Vice Presidents and was given the responsibility as Chairman of the Marketing Sub Committee of the Board. Improving infrastructure, marketing the game correctly to monetize it, maximizing the revenue of BCCI was the clear agenda laid out for me by the then President Mr. Sharad Pawar.
2. It was my dream to make Indian Cricket the most powerful brand in world sport and one that I took up in earnest post November 2005. Having identified the potential revenue streams – I also emphasized to the BCCI the importance of the need for finding right value for BCCI rights. I went about virtually single handedly collating and analyzing all past data on BCCI prices and arrived at a conclusion that cricket in India was getting undersold. The problem as I saw it then was that there very few players in this business of picking up rights and it was easy for them to form a cartel to bring down prices. My job then was to

pitch these players against each other and maximize revenue for BCCI.

3. First off the block in December 2005 was the Team Sponsorship rights. The Sahara Group had earlier paid the BCCI a mere Rs. 78.10 crore for Team India's sponsorship for three years. I was able to market BCCI rights properly by which, Air Sahara won the Team Sponsorship rights for Rs. 313.80 crore almost quadrupling the revenues the BCCI had received the last time around and this was only for the logo's on the players chest and leading arms. There were more revenues to come from the sponsorship of logo's on the player non-leading arm and apparel/kit sponsor.
4. Next on my agenda was the Official Kit Sponsorship Contract. Earlier Official Kit/ Apparel Sponsor for Team India drew little attention. However I was able to market those rights for US \$44 million to Nike. My aim was to maximise the gains from the game for benefit of the game.
5. For the Television Broadcast rights. I arrived at a base price of US \$ 430 million – which once again made many of my detractors publicly ridicule my business acumen. But the result was Nimbus Communication bagged the coveted Global Media Rights of the BCCI for unheard of US\$ 612.18 million from March 2006 to March 2010 in February 2006.

6. It was then that the BCCI became globally as an influential powerhouse, capable in shaping what international cricket will look like in the years to come. As the Chairman of the BCCI Marketing Sub- Committee, I had delivered on all my promises.
7. Incidentally, in the four years prior to my arrival of the BCCI's income was estimated at U\$67m which within a matter of two years had crossed revenues of over US\$ 1 billion. In this manner BCCI came to control close to 80% of global cricket revenues.
8. I did all this by dedicating long hours every day to the game of cricket. My motivation was simple it was my love of cricket, and frustration in knowing that Indian cricket was being short-changed, that encouraged me to fight the system to transform Indian cricket.

IPL

9. For many years, I had dream that India could have a sports league that would be the envy of the sporting world. I dreamt that our national passion, cricket, would captivate fans all over the globe. I had begun dreaming of this domestic inter-city cricket league nearly 20 years before the launch of the IPL. Impressed by the success of American professional sports, I always wanted to start up a professional cricket league in India and therefore IPL has been a very personal journey for me.

10. Way back as 1996, I had approached the BCCI with the proposal of starting a professional cricket league in which games took place over the course of a single day. This ODI format based league that I had proposed, was to have Indian fans cheering for various city-based teams within a domestic cricket league. The plan was to sell the teams as franchises. ESPN would broadcast the matches and they would pay an annual royalty to the BCCI. The BCCI would provide access to its cricket grounds and to the players in the Indian national team. But these initiatives could not materialise.
11. My efforts with the Marketing Committee did not go unnoticed by Mr Sharad Pawar – President of BCCI then and he liked my idea about launching an inter city league and this gave me the courage to present my old plans of an Inter City Professional Cricket League to the Board once again.
12. I knew that the time might be right to build on the concept of an inter-city league, especially since people in the big metros, tended to identify much more with their city than with their state. I asked IMG to give scope and definition to my vision. At that time I did not know if 8 franchises were the right number, nor did I know how long the playing season would last. Lastly, there was this huge question mark over key Indian and International players participating in this sort of a league.

13. I had over the preceding 10 years studied myriad business models of leagues in the United States and Europe and looked at their strengths and weaknesses. It was only after these detailed preliminary investigations that I attempted to put together what best suited cricket in the global context. The final product was then designed with all the safeguards put forth for all our stakeholders and players.

14. With my homework done, I then approached Mr. Pawar the then President – outlining the vision and plan and for the Indian Premier League (IPL) He gave my plan an approval and myself free hand to turn my dream into a reality.

15. The IPL, was meant to be something totally new, and to build it I had to constantly deal with much risk and uncertainty.

16. Within a few days of getting the BCCI's approval I held a formal media briefing in New Delhi, in September 2007, to let the world know that the IPL was just seven months away from its first match. At the time, I did not have a single player to play in the IPL – let alone an Indian Corporate ready to stake their money on a sporting franchise. Simultaneously, the BCCI Working Committee further endorsed the IPL with the creation of the IPL Governing Council.

17. Next on my agenda was a quick trip to South Africa, which at that time hosting the first T-20 World Cup, to figure out the right set of incentives to motivate Indian and International players to

sign on to the IPL. Upon my arrival in South Africa, just after the formal launch of the IPL in New Delhi on 13th September, 2007, I set out to meet with ICC members, as well as with administrators of the various national cricket boards, which had authority over their own national and domestic teams.

18. I knew the IPL would raise two central concerns: the impact it would have on domestic and international cricketing schedules, especially given the rigours of the ICC's Future Tours Program (FTP) and the extra demands it would impose on the already overworked players.

19. It was imperative that I convince executives from the other cricketing boards that the IPL would accommodate their interests and not compromise their control over their own players and calendars. I also had to meet the players in order to convince them that, far from being a hardship, the IPL would benefit them directly.

20. I knew that for the IPL to succeed BCCI had to sign up the very best in International cricket. Without them, the league would stand no chance. Working with IMG, I had classified the top 100 players in the world into four categories, based on their annual earnings and skill levels. I went to South Africa armed with the BCCI's approval to present to players the concept of IPL. Immediately, I started working closely with the IMG, which BCCI had hired to work out the details of the nascent IPL. It was

critical to generate interest for the league amongst prospective franchisees, who would ultimately be investing their revenues in the IPL and finally we needed to have all the Cricket Boards on our side had just set the date for the inaugural game of the IPL in stone as April 18th 2008 and there was simply no looking back for me.

21. I had already had chats with the key players in South Africa and most of them had liked the idea of playing in IPL. To attract players and devised the model that the franchises were free to bid for the players in a free an open auction and pay the cricketers their market prices.

22. The auction format an idea which I conceived – I was sure would strengthen the attraction for the league and also be a key in retaining the top players. I was however, concerned about the prospect of bidding wars, and so I hit up on the India of having Salary Caps and a team bid purse. A second issue that concerned me was the inclusion of domestic players, and the Under-19 players. A third issue was the role certain marquee players would play in the formation of the league. India International Play^{er}s the likes of Sachin Tendulkar, Rahul Dravid, Sourav Ganguly were closely associated with certain cities and it was near inconceivable for these players to play for a different city, so I pre-assigned such key “icon” players to the cities with which they were closely associated for first three years. A final issue

concerned the uncertainty around the availability of certain players. Some players might only be able to play for part of the IPL season.

23. Nevertheless after BCCI approval we began signing up the players taking the tally to 49 players marking the completion of the first phase of activities.

24. Next I turned my attention to Broadcasters and Media Rights Companies – who would actually help fund the IPL through the Media Rights. The primary revenue stream for broadcasters comes from advertisers, who pay to air commercials during breaks in programming. Cricket revenues for Team India had grown by extraordinary multiples, as advertisers recognized cricket as a powerful platform on which to communicate with their target audiences.

25. My initial discussions with several TV broadcasters in India and abroad had not been very promising. Broadcasters had reasoned out that Live TV coverage of the IPL was feasible only if the matches could deliver an average of 4 rating points per game. Thus it all boiled down to when the IPL matches were played, and the audiences they delivered. No one wanted to pay for the rights and most wanted to partner in a revenue share model only.

26. At this point – I was at cross road as to how to make the league a value proposition to fans and advertisers and if I were

to find that winning formula – I knew I could convince a broadcaster to come forward. Day time sports kitty was already controlled by BCCI's International Cricket matches and ICC's tournaments. All the sports broadcasters were at this point already stretched in terms of laying out any more serious monies for cricket. Advertisers also had committed all their resources for the above two products namely ICC and BCCI. Advertisers did not have more resources left to support large scale advertising for another cricketing product. There was already too much cricket and there were no buyers for domestic cricket or even for international cricket which was non Indian based. Cricket at that point attracted close to 90% male audiences. Thus advertisers targeting male audiences had to have cricket in their mix. They had, as I said already, outlayed all their monies to BCCI and ICC products. Every one I called on said they did not believe a domestic league will work. I started to explore why should I not find a solution of targeting women and children and that way I will be able to increase the advertising pot by companies who wanted to reach that audience and that's when I started to look at the product differently. Prime-time television had the potential of delivering the largest audience. Most Indian households had a single TV and it was dominated by family dramas serials. But they had great traction and were the only segment taking most of the advertising money. I saw this to be

an opportunity and took the bold move of suggesting night cricket, prime time, holiday season and every day in April and May every year post cricket season which end in March every year. I worked all alone to conceive, plan and execute the IPL with help from IMG whom BCCI had hired to document the structure of IPL and provide aid in execution. There was a risk that a prime-time IPL broadcast might not garner the potential audiences unless it was compelling enough to attract a broad audience. That is when I thought that it might be possible to tie Cricket with Bollywood. These were the properties which garnered the maximum viewership or advertising monies and TRP's. Mixing the glamour of film with the fast action of Twenty20 cricket could be potentially irresistible for television audiences.

27. Unperturbed by doubts raised by various broadcasters, BCCI members, advertisers, media, marketing gurus as a whole, I went ahead with the global Media Rights ITT and the rights were bought by the World Sports Group. With a bid worth USD \$ 1.026 billion, the IPL had well and truly become a billion dollar baby without a single ball being bowled.

28. I firmly believed that a franchise structure, similar to the one used in American professional sports, had significant benefits over centralized ownership. I personally went around to offices of prospective bidders making powerpoint presentations to Indian

corporates and businessmen with a request to come aboard as a franchisee. But many of them raised serious doubts. There was major scepticism in the market whether there will be any bidders. I decided to make presentations to various people that they should bid for IPL team.

29. I then had little option but to go back to the drawing board. I had to link the valuation of the franchises to their revenue streams. But these depended on the not-yet-finalized money the franchisee would obtain from the broadcasters, title Sponsors and other revenue streams and what would be the full amount to be shared among the franchises.

30. I then decided to allow the franchises to also make money from local sponsorships, gate receipts, merchandizing and hospitality. Cricket stadiums in India could accommodate between 30,000 and 90,000 spectators, thus ticket revenues could be substantial.

31. I then struck upon the idea to pull together the various numbers and build an economic model for investment by the franchisees. We used sealed-bid auction system for the sale of franchise rights. I had hoped to raise a minimum of \$50 million from the sale of each franchise. Equity in sports teams represented a lucrative investment around the world, but I needed a way to communicate the full benefits to potential

owners in India. In India the idea of ownership of domestic team was alien and hard to sell.

32. I spoke to bollywood personalities like Shahrukh Khan and Priety Zinta. Around that time I thought we actually might have a marketable IPL-Bollywood connection. I must say my approaches to big business conglomerates like Reliance Industries and the UB Group – were also beginning to pay dividends as both Mr. Ambani and Mr. Mallya had immediately agreed to make a bid. From then on – I personally made it my agenda to meet and explain the investment rational of the IPL to prospective franchisees. Without its 8 franchisees – the IPL would have been a non-starter. I think that the media broadcast rights won by the World Sport Group a week earlier increased our chances in terms of getting prospective bidders to believe in the IPL. We also made lot of publicity in the media. In the end 11 bidders came forward.
33. In a bid process on January 24th 2008 saw the 8 owners emerge winners for the exclusive Franchise rights for the eight cities based league.
34. We then got down to scouting around for a Title Sponsor and other co-sponsors to build the central pool revenues for the BCCI and 8 other franchisees. Initially we seemed to get no bidders. Once again I hit the road armed with a sales pitch to bring on board the all important Title Sponsor for the league. In mid

February, we opened the bids for the Title sponsorship of the IPL and DLF won the same with the highest bid of Rs. 40 crore per annum. The deal gave DLF Ltd., exclusive Title Sponsorship rights for a period of five years. Here again there were no buyers in first tender and we received no bid, I had to postpone tender and I had to push DLF to finally bid.

35. I sat down with IMG once again and we decided to go with an auction mechanism and issued a set of uniform guidelines to all our eight franchisees giving them a clear overview of the process and rules of the first ever IPL Player Auction in modern sport. The Player Auction was to be conducted by an independent professional auctioneer Mr. Richard Madley who was also appointed as a sole arbiter to all aspects of the Auction.

36. The auction was scheduled to take place on 20.02.2008. There were 81 players in the auction – a combination of cricketers from the Indian national team and foreign cricketers. Each Franchise was then given a total purse of up to US\$5m that they could spend on the auction for players for 2008. We decided that in order to be transparent we would also share with the franchisees the following information: name, nationality, specialisation, base player fee, and expected percentage availability for the inaugural IPL season. As each player was sold, the Franchise was then requested to sign a form confirming the terms of the agreement (name of player, player fee agreed). It

was also stipulated that player fees of any Icon players (the like of Tendulkar, Dravid, Ganguly, Yuvraj) – being 15% higher than the highest player fee in that Franchise’s squad – will count towards the maximum purse of \$5m.

37. With the all important Player Auction done and my dream was slowly but surely turning into a reality. Media was slowly beginning to understand the concept of the IPL and it was full steam ahead.

38. Hero Honda, the country’s largest two-wheeler maker, then came aboard as the co-sponsor with a deal worth USD 4.5 million per annum for a period of three years valuing the co-sponsorship in excess of USD 13.5 million. Hero Honda then decided to extend its co-sponsorship of the league from three to five years and so the deal was worth USD 22.5 million over 5 years. Kingfisher Airlines, the country’s only 5 Star Airline came aboard as the Official Airline and Umpire partner and sponsor of all Third Umpire decisions. Vodafone - was chosen as the Official Telecom partner for the league in multi-million dollar five year deal. Citi – was chosen as the Official Bank for IPL in a five-year multi-million dollar deal. PepsiCo India, was chosen as the Official Beverage Supplier in a deal worth US \$ 12.5 million for a five year period. With all the financial commitments tied-in, I was now finally convinced that we were on the threshold of a bold new cricketing era with the advent of the IPL.

39. My conviction was based on the fact that we had done our homework well researching all the best sporting leagues around the world and then finally adopting a hybrid which would work best in the Indian context. Next I had worked hard to make the IPL relevant for cricket fans in India and around the world by including some of the best and most prodigious cricketing talent from around the world, which only added to popularity of the league. Lastly, from a sporting perspective I had been able to use the franchisee model to induce private participation into the development of the game at the grassroots level and significantly enhance the infrastructure across India through private participation. Now all I needed was some top quality cricketing action to draw in the fans.

40. All eyes were now squarely on the action that was to begin in the IPL on 18.04.2008. Here once again I took a conscious decision to make it interesting. The first match was critical and so I decided that we would have the flamboyant Vijay Mallya's – Royal Challengers Bangalore play host to Shahukh Khan's – Kolkata Knight Riders. I had time and again thought that all we needed for the IPL to come alive was that one spark. Thankfully for the IPL, Brendon McCullum's blistering 158 run world record of 73 balls which he made against the Royal Challengers Bangalore was just the very spark we needed. This was the

defining moment for IPL. The hard work had payed off in the opening game itself. That first game really set the tournament up and fired the imaginations of a billion people in India and advertisers that had up until that point stayed away from Sony who held India rights and the IPL were queuing up in the doorway.

IPL-2

41. Work for the IPL 2009 Season began in earnest in October 2008 with the organisation of an interactive three day Franchisee workshop in Bangkok. The objective was to devise a collaborative strategy to enhance the phenomenal successes of the IPL in season 2. The workshop was attended by over 130 personnel associated with the league and I remember reviewing and discussing threadbare a range of topics - including Player regulations, commercial, logistics, hospitality, ticketing, licensing and merchandising amongst others with everyone involved in year one.

42. Next up on the agenda for Season 2009 was the important - Player Auction at Goa. In the inaugural year, we had not had much luck with English players most of whom were tied up with county commitments. All of that changed with the success of the IPL 2008. The Englishmen were queuing up to play in the IPL. At

the Goa Auction, the total monies at stake was US\$13.59 million for the eight franchisees to select a total of 17 players. England skipper Kevin Pietersen with a reserve price of \$1.35 million was the highest billed player out of the 50 players that were to be auctioned in Goa.

43. The terrorist attack in Lahore on 3 March, 2009 on the Sri Lankan cricket team, put all cricket in the sub-continent under a fine microscope. After all it was the first time – that terrorists had targeted sportspersons and cricketers in the manner that they did. Huge questions were raised around security the world over and pretty soon questions were also raised around the IPL once again. The IPL only had this one window of opportunity between April and May given the tight international commitments due to the FTP. Thus, postponing the IPL was simply never an option.

44. After the Lahore incident, IPL had planned to increase the security budget by as much as ten times and even thought of contracting private security agencies. I had to not only allay the apprehensions of our cricketers, but the Indian government as there were voices of genuine concern. I gave reassurances that sufficient measures had been put in place as was done during the Chennai test between India and England and security arrangements considerably beefed up– all of which seemed to go

unheard. I was ready to change and re-change the dates of the matches scheduled on polling days. I was in constant touch with Home Ministry and even worked on over 123 iterations of the match schedule to ensure that none of our matches were scheduled within a good 72 hours of the elections in that city – but to no avail. Due to elections, six of the eight states said they couldn't guarantee security during the IPL matches. Under fire and taking hits, I did everything in my power to ensure that the IPL would not be relegated to the back burner. I tried to revise and re-revise dates to ensure there are no clashes. I also touched upon the fact that the IPL would look at other domestic venues.

45. BCCI then took a decision, to shift the IPL out of India. I had obviously wanted IPL 2009 to happen in India. Especially, since the entire country was so excited and eagerly awaiting the second edition of the IPL, after the success of the inaugural season. But at the same time, we were very aware of our duty to support all our stakeholders. On 23rd March 2009 under BCCI's directions I left for South Africa. BCCI did not know at that point of time if South Africa would accept and be able to provide all the infrastructure and the help that we needed so we had planned to also explore UK as an option.

46. I and my BCCI colleagues met with Cricket South Africa and they went out of their way to facilitate us and agreed to whatever we wanted and kept their doors open. That afternoon I met with the incoming President - Jacob Zuma, who was kind enough to say that he would declare IPL a national sporting event and that helped BCCI to get over a lot of issues in terms of security and tax issues, all in a matter of hours. The CSA Board offered to give us the 8 venues that we needed. I then asked all our teams from all over the world to start getting into South Africa and in the next 48 hours, we had 700 – 800 people to organize IPL.

47. The new season also brought with it another development the detailed sequence of which I provide in later paragraphs. The BCCI had to terminate its contract with the Sony citing breach of contract. Things came to a head with Sony applied against the termination order to Bombay High Court . After days of see-sawing there was finally clarity on the future of the Media Rights Partners. Sony and WSG signed on again as the Media Rights Partner for the IPL on 25.3.2009. The new deal was considerably higher than the one inked in 2008 when WSG had bought the Twenty20 tournament's multi-media rights and in turn given the rights to Sony for five years.

48. I knew we just had to deliver in South Africa and if we were successful would be nothing short of a logistical miracle. I, together with my team spent many a sleepless night, working tirelessly to pull off the near impossible. Something of this scale had never been done before.
49. The first thing I decided on was, that the timing of the matches would remain the same for viewing in India. So the first game was scheduled at 1600 IST and next at 2000. This would ensure that the IPL back home in India would still remain a prime time television event. That set the ball rolling for the hectic 23 days ahead: Venues to be finalized, ticketing, and most importantly, a marketing campaign that would create enough awareness to fill up the stadiums.
50. We had a big marketing task outside the operational task. It was critical to build awareness around the IPL, its players and the teams.
51. We made a large number of people, relocate from India. This included the BCCI-IPL and IMG event team of 60, television and digital media crew of over 200, the eight team franchises bringing about 30 playing staff each along with 20 coaching staff, executives and team owners for each team.

52. We planned our campaign around the "HEAT IS ON – WHOSE SIDE ARE YOU ON". We used player images of the world class talent that the IPL boasts of, for people to relate with their favourite player and through the player associate with a team. The IPL needed to be seen, heard and read about everywhere and anywhere across South Africa and that is what we set out to achieve. To get the South African public to adopt an IPL team, I recommended that we encourage all the radio stations and their respective disc jockeys to adopt a team. It was vital that they understood the importance of South Africa hosting a successful tournament; this would have a meaningful impact in particular on cross border relationships between South Africa and India. I, on behalf of the IPL, promised South African fans a taste of modern India through a cricketing carnival replete with "fun, entertainment and excitement" for the family. The entertainment line-up came complete with live music performances, entertainment by world famous acts like the Cirque du Soleil, Indian food and a host of other innovations at each game that would make for a wonderful outing for all members of the family. Needless to state the HEAT initiative proved to be a huge hit with the people of South Africa.

53. To kick start the IPL Season 2009 in South Africa we hit upon another ingenious idea to host an IPL Street Carnival. I

approached Hellen Ziller the Mayor of Cape Town and requested her to agree to close down a part of Cape Town for a street carnival and party. The street carnival we thought would help fans identify with our teams and soon enough we had those permissions. We decided to put all the players on their own team floats and take the carnival right through the central business district of Cape Town one of the busiest parts of the city on a Thursday afternoon, just ahead of the start of the IPL 2009 on Saturday.

54. Needless to say that in retrospect that carnival idea was a hit. People started lining the streets of Cape Town right from mid-day, when the carnival parade was scheduled to start only late-afternoon. Not only did we have people lining the streets all along the carnival route, but we also had people pouring into the stadia across all the cities to buy tickets. Finally, after three weeks of much sweat and hard work - when the first ball was bowled to a capacity Newlands crowd on the 18th of April 2009, I could not but help feel my heart swell with pride. My team and I had taken on the seemingly impossible and made it possible.

IPL-3

55. I had always maintained that the IPL, in spite of all its accomplishments, was still very much in its evolutionary phase. And we had promised the fans back home in India that IPL 3 would be bigger and better testimony to which were some of the new changes we had planned to incorporate basis the learnings from the previous two seasons. The IPL 2010 would now have a total of 60 games – with the addition of a third place play-off which was to happen for the first time. In addition to that - from an event management perspective we had decided on adding new venues, which would be treated as home venues for the teams. Next up on the agenda was a drastic improvement in the overall instadia fan experience incorporating the myriad of lessons learnt in South Africa.

56. Work on IPL 2010 began immediately post the conclusion of the inaugural Champions League Twenty20. I met the team and addressed them in terms of expectations from IPL 2010.

57. The immediate next step on my radar was the Franchisee Work Shop to plan for Season 2010. At the three day workshop in Bangkok, all the franchisees, IMG and myself were looking at devising a collaborative strategy to significantly enhance the instadia IPL Fan experience and further build on the successes of the league in IPL Season 2010. The workshop was attended by over 130 personnel associated with the league that reviewed,

discussed and brainstormed on ideas and recommendations across a range of topics - including player regulations, commercial, logistics, hospitality, ticketing, licensing and merchandising amongst others. The workshop also included key learnings from the BCCI-IPL Team (which had now grown to 7 people), IMG and Media rights holders Sony TV and WSG from Season 2009 in South Africa.

58. As part of our strategy to broadbase the accessibility of the league we decided to allow the IPL matches to be telecast legitimately in cinema halls and public venues. For this, it was decided that the best way forward was to allow bids for a global theatrical rights tender. The IPL received two bids for the global theatrical rights tender from Triplecom Media and Entertainment and Sports Direct. The theatrical rights bid by ESD of Rs. 330 crore was the highest and they were granted the exclusive global exhibition rights for audiences in cinema halls, stadia, water borne vessels, buses, trains, armed service establishments, hospitals, bars, hotels, restaurants, airports, railway stations, shopping malls, offices, construction sites, oil rigs, clubs, auditoriums, spas, salons and other similar public venues.

59. Soon after all the 8 franchisees formally kicked off their preparations for the IPL 2010 in earnest. After carefully weighing the balance of their teams the 8 franchisees set about making enquiries for strategic player acquisitions during the IPL Trading

Window and the upcoming Player Auction. The highlight of the auction was the West Indian all-rounder Keiron Pollard who was bought by the Mumbai Indians after a four way tie between Mumbai Indians, Kolkata Knight Riders, Chennai Super Kings and the Royal Challengers Bangalore.

60. Next we signed up a slew of new sponsors for the league to virtually double the Central Revenue Pool for the BCCI and our 8 franchisees. Maxx Mobile - India's leading provider of new-age mobile phones and accessories, was signed on as one of the lead sponsors for multiple properties. Karbonn Mobile came aboard as the official Partner mobile phone and Title Sponsor for the new after party 'IPL Nights'. MRF was the IPL blimp sponsor. While Red Partners was the official food concessionaire and Yog Sports was appointed the Official Merchandise Distribution Partner.

61. I also thought it critical to expand the scope of the IPL beyond the regular playing season of 60 matches and for that IPL decided to partner with Colors (a Viacom18 channel), India's premier Hindi entertainment channel. Through the Colors initiative - IPL planned to launch a series of new entertainment initiatives to attract more fans into the IPL fold.

62. Post all of these efforts - I was happy to observe that many had done their own calculations and figured out that the IPL brand value had virtually doubled ahead of IPL 2010. According

to a report by brand valuation consultancy Brand Finance the IPL brand value stood at USD 4.13 billion (over Rs 18,000 crore) in March 2010, which was almost double of year 2009 value of USD 2.01 billion. When the auction for two new teams took place in March 2010 the Pune franchise was won by Sahara for USD 370 million and the Kochi franchise was won by RSW led consortium for USD 333 million in the auction. Though consistent hard work me and my team had taken IPL, truly to the heights of NBA in USA which was the satisfaction I got on a personal level.

The BCCI Show Cause Notices

63. After the Kochi bid had succeeded, I learned that there was a 25% sweat equity stake and amongst the beneficiaries was one Sunanda Pushkar. Ms Pushkar was Mr Sashi Tharoor's friend and they went on to marry each other in August 2010. The said sweat equity stake appeared to me more in the nature of kickback as Mr Tharoor had all along been batting for Kochi franchise. In the interest of transparency within the IPL I revealed that there was a hidden stake in an IPL team . On 11 April 2010, in a 'Tweet' on the social networking site Twitter, I revealed that Sunanda Pushkar was one of the holders of the 25% sweat equity stake.

64. This revelation caused a political furore. The Government initially firmly stood by Mr. Tharoor, but as the days passed the pressure mounted on Mr. Tharoor and on 18 April 2010 he stood down as Minister of State for External Affairs.

65. At midnight of 25 April 2010, the very evening of the IPL final, I was suspended by the BCCI as Chairman of the IPL and was served with a Show Cause Notice by the BCCI in which it was alleged that I had "committed grave misconduct" and "brought the BCCI into disrepute". The Notice made numerous allegations against me about my conduct whilst I was Chairman of the IPL.

66. The timing of the Show Cause notice with ongoing developments was hard to miss. The then Secretary N. Srinivasan against whom I had always raised issues of his conflict of interest sought to use this opportunity to further his own interests by removing me - one of his most vocal opponents from BCCI. The deterioration in our relationship occurred when in late 2007 Mr. Srinivasan acquired the franchise for the IPL "Chennai Super Kings" team. Mr Srinivasan was the only BCCI office bearer to hold an IPL franchise and right from the outset I always regarded this as a dangerous conflict of interest. In efforts of Mr Srinivasan to oust me Mr Shashank Manohar the then President, whose out of the way interest in Kochi franchisee, I had resisted - and for legitimate reasons- joined as

a willing partner. In quick succession two more Show Cause Notices were issued.

67. Various allegations have been made against me in the three Show Cause Notices. However, I say that BCCI has singularly failed to substantiate any of the allegations in the show cause notices. The then Hony. Secretary and the then Hony. President have chosen not to appear before the Committee to substantiate allegations made by them. This Committee is not entitled to rely on such allegations, made behind my back, by people who did not have courage to face cross-examination on these allegations. I have participated in these proceedings for the reason that incalculable harm has been done to my reputation by motivated allegations.

The Inquiry Proceedings

68. However, I may point out that the enquiry proceedings so far have failed to have the requisite degree of sanctity. The proceedings conducted so far have been unfair and vitiated on many counts including bias, suppression of material facts, failure to disclose their interest on part of the members of the committee, failure to maintain purity and integrity of records and failure to obtain confirmatory mails from the witnesses and or to conduct investigations which may had led to the establishment of

the truth , failure to record statements of witnesses correctly as well as possibly leading witnesses and seeking to interfere with their testimony . Some of these issues have been dealt with in detail in the witness statement given by Mr Mehmood M. Abdi upon which I wholly rely.

69. I and Mr Jaitley have had a history of disagreements arising from internal BCCI politics. In the hotly contested BCCI elections of year 2004 and 2005 while I was strongly supporting the faction led by Mr Sharad Pawar, Mr Jaitley was supporting the faction of Mr Ranveer Mahendra and Mr Jagmohan Dalmiya. In various faction ridden State associations wherever there was a dispute Mr Jaitley and I found ourselves on the opposite side. Frequently Mr. Jaitley was opposing the BCCI in such matters. The actions of Mr Jaitley which I perceived to be against the rules and regulations of the BCCI led me to file a complaint on 9.4.2006 to the then President Mr Sharad Pawar against Shri Jaitley making following allegations :-

a) *"He has connived with Mr Kishore Rungta to initiate a legal proceedings against the president of the complainant (Rajashthan cricket Association) without first bringing it to notice of the Board as mandated by the Rule 6.2.*

- b) *He has connived with Mr Anurag Thakur to initiate legal proceedings against the present President of Himachal Pradesh Cricket Association.*
- c) *He has appeared against the Board in Writ Petition No 495 of 2005 titled " Himachal Pradesh Cricket Association versus Himachal Pradesh Cricket Association and Others in the Hon'ble High Court of Himachal Pradesh at Shimla on 5.4.2006 in spite of knowing that BCCI is a party to the said litigation.*
- d) *He has also used derogatory remarks against the present President and working committee of the Board and has made unsubstantiated allegations against the Board.*
- e) *He has also violated the rules and regulations of the Board by not only appearing on behalf of the Board but by also charging and receiving his fees from the Board.*
- f) *It is submitted that the Association itself has brought disrepute to the game of cricket and to the Board by not holding elections or even the Annual General Meeting of the Association /Company for the last 4 years in spite of the fact that it's Articles of Association provides for holding elections/ Annual General Meeting."*

The copy of the complaint dated 9.4.2006 is already on record.

70. I say that notwithstanding the personal issues between me and Mr. Jaitley I did not raise any issue of personal bias against him believing that while acting as an adjudicator Mr Jaitley would maintain the high standards and tradition of an independent adjudicator and act fairly.
71. However subsequently on 1.8.2012 it became known that the full Minutes of the Governing Council meeting dated 25.6.2010 had been suppressed from me. Mr Chirayu Amin being interim Chairman of the Governing Council of IPL at that time was also aware of the full and complete minutes of the aforesaid meetings but he also failed to disclose the same. The relevant part of such minutes clearly show that Mr Jaitley was involved with the Kochi franchisee and was in a sense the original complainant on behalf of the Kochi franchisee.
72. My twitter disclosures regarding Kochi franchisee have actually led to the present proceedings. The suppression of the minutes of Governing Council meeting on Kochi franchisee and the fact that Mr Jaitley was espousing the cause of Kochi franchisee has shattered my belief that Mr Jaitley could be an independent adjudicator.

73. Mr Srinivasan , at the time Show Cause notices were issued , was the Secretary of the BCCI . Now he is the all powerful President of the Board. Mr Jaitley is now tipped to be out of zonewise turn President of BCCI with the support of Mr Srinivasan . My head can well turn out to be the price of internal political expediency in BCCI.

Role of Mr N. Srinivasan

74. Mr Srinivsan's animosity towards me was on account of a series of differences that we had. Without any finding of the Disciplinary Committee against me and despite my full and forthright reply on record he went on to lodge an FIR against me in Chennai on 13th October 2010. The reasons are not hard to find.

75. I had consistently exposed the then Secretary Mr. N. Srinivasan's improprieties (which at times bordered on illegalities) calculated to inter alia confer wrongful benefits to his own franchisee (Chennai Super Kings) and cause wrongful loss to the BCCI.

76. I had frustrated his attempts at match/umpire fixing; exposed his attempts at formulating polices which benefited his franchisee at the cost of other franchisees and the BCCI. I have also exposed how he had caused a huge loss to the BCCI by allowing

a Bank Guarantee to lapse. He misused his office/post (first) as Hon. Treasurer and (later) as Hon. Secretary to further his personal and private interests at the cost and expense of the BCCI, the Indian Premier League, other franchisees and the game of cricket, and because I had pointed out that his wearing of two hats (administrator and team owner) has placed him in a clear conflict of interest position, he harboured ill will towards me. I list a few instances which indicate Mr. Srinivasan's misuse of his offices in the BCCI. It was my opposition these acts which led him to harbour malice towards me.

- (a) Mr. N. Srinivasan was the Treasurer of the BCCI in December 2007 and also represented India Cements Pvt. Ltd. in the capacity of being its Managing Director. In the same year Mr. N Srinivasan had successfully bid for Chennai Franchisee namely Chennai Super Kings. This was in violation of Regulations 6.2.4 for players, Team officials, Managers, Umpires and Administration which then read thus:-

"No Administrator shall have, directly or indirectly any commercial interest in the matches or events conducted by the Board"

However as the then President BCCI permitted participation in the bidding by India Cements Ltd. it was allowed to participate in IPL auction and succeeded in getting the Chennai franchise.

(b) On 22.06.2008, a meeting of the Working Committee of BCCI was convened, wherein Prof. R.S. Shetty brought to the notice of the members that, the regulations for players, Team officials, Managers, Umpires and Administrators were finalized at the Working Committee meeting of the Board held on 20.08.2000 and that a number of changes have taken place in the ICC Code of Conduct, particularly connected with penalties for Anti Racism, Anti Doping, use of abusive language, etc., hence the BCCI regulations need to be updated. For this purpose a two member committee was formed headed by Mr. Shashank Manohar.

(c) It is to be noted that there was no proposal for amendment relating to commercial activities of Board and involvement of Administrators of the Board in commercial activities. The two men committee's terms of reference was to suggest changes in light of the changes in the ICC Code- anti racism, anti doping, use

of abusive language etc. However, there was no agenda to amend Clause 6.2.4.

(d) The BCCI issued notice dated 27.08.2008 for AGM to be held on 27th and 28th September 2008, however, the agenda was silent on the proposal for the amendment of Clause 6.2.4.

(e) In the AGM allegedly convened on 27.9.2008 Mr. N. Srinivasan was elected as Secretary of BCCI . He circulated the minutes of meeting where the clause 6.2.4 was purportedly amended as follows:-

No Administrator shall have directly or indirectly any commercial interests in the matches or events conducted by the Board excluding events like IPL or Champions League Twenty 20.

(f) Mr. Shashank Manohar led committee clearly with a view to favour Mr. N. Srinivsan even though it was not entrusted with the task of amendment allegedly went not only beyond the scope of the minutes dated 22.6.2008 and recommended changes to Clause 6.2.4 on 12.9.2008 but curiously made no suggestion on the original reference

regarding anti doping made to it in the meeting dated 22.6.2008.

(g) Mr. N. Srinivasan, then consistently pushed policies which were designed only to benefit Chennai Super Kings even at the cost of format of IPL and overlooking the interest of the game.

(h) In the meeting of Governing Council of IPL held on 11th August, 2009, I as Chairman IPL had pointed out that the players contract were for a period of three years and at the end of three years all players would come back to the common pool. This was to be done to ensure that as and when IPL launched new teams, the new owners were not disadvantaged vis-à-vis old teams as the same would have material impact on the price to be realized by IPL / BCCI for new team. This was the fundamental basis of the IPL and as all had signed on, knowing this principles, there should have been no deviation from the same.

(i) Mr. N. Srinivasan however wearing two hats as Secretary BCCI and as owner of Chennai Super Kings objected by stating that the interest of Owners including himself who came in the first round needed to be protected. This was in clear conflict of interest. I therefore stated that I would

discuss this issue with all the owners and present the proposal to the Governing Council.

(j) This issue was thereafter discussed at the IPL workshop held in Bangkok on 11th November, 2009. At this meeting, Mr. N. Srinivasan once again objected and wanted to retain players but the majority of the teams (6 out of 8) were however clearly in favour of bringing all players into the auction pool.

(k) At the next Governing Council Meeting held on 17th December, 2009 I pointed out that my consultation with the team owners had indicated that a majority were in favour of bringing all players into the common pool in 2011. However Mr. N. Srinivasan once again strenuously objected and insisted on a player retention policy of seven players (four Indian and three foreign). It was therefore once again decided and resolved that I would work out the modalities and place necessary regulations dealing with the same at the next meeting.

(l) Since Mr. N. Srinivasan wanted to nip any prospects of losing players or paying for them in an auction, (for his team i.e. Chennai Super Kings) Mr. Srinivasan with co-operation from the then President Mr. Shashank Manohar forced through a resolution at the next meeting of the

Governing Council held on 7th March, 2010, whereby the proposal for retaining seven players was treated as approved. This was inspite of the fact that the majority of the Franchisees had objected and had not agreed to the same.

(m) I was thus over ruled because of strong objection / opposition by Mr. N.Srinivasan whose stand (which was against the interest of the BCCI / IPL but in his personal interest as team owner of Chennai Super Kings) was unfortunately supported by the then President. Mr. Shashank Manohar.

(n) Thus the actions of the Honorary Secretary, BCCI were brazenly abusive and only to benefit Chennai Super Kings as a Franchisee while using this position as Secretary, BCCI despite it being in the interest of IPL and the game that all players would be brought into the common pool at the end of year 3, so that new teams would have level playing field.

(o) Similarly in the case of the auction which took place in 2009 Mr. N. Srinivasan, used his power to alter the auction rules specifically for himself to ensure the Chennai Super Kings could retain their full purse of USD 2 million dollars

and although the purse available to him was only USD 1.85 million as circulated prior to the auction.

(p) Mr. N. Srinivasan used his clout as Secretary to force BCCI to accept back dated player contracts and cancel the contracts of one of his players so that he could have his full purse and there by have a advantage in the bidding process vis a vis other franchies.

(q) In the Governing Council meeting of September 2008 recommendations for year 2009 player trading and squad composition were set out. In respect of the Chennai Super Kings it was clearly mentioned that the number of foreign players were eight in number included Chamara Kapugedera who was signed in the year 2008. The contract entered between India Cements Limited and Chamara Kapugedera was for a period of 3 seasons commencing with 2008 season.

(r) On 24.1.2009, an email was sent by Mr. Peter Griffiths of IMG on auction of players in which it was pointed out that Chennai Super Kings' purse was 1.85 million in which Kapugedera had been continued for \$150000.

(s) On the same line another mail was sent by me to Mr. N. Srinivasan as well as other franchisees on 24.1.2009 .

However on 28.1.2009 a back dated letter was issued by India Cements Limited signed by Shri R. Srinivasan. This letter was back dated to 5.1.2009 and was sent only with the purpose of enhancing the Chennai Super Kings purse to USD 2 million. It was mentioned in this letter that CSK was not renewing the contract of Kapugedera for season of April 2009.

(t) Subsequently on 28.1.2009 itself, under pressure from Mr. Srinivasan another mail was sent by Mr. Peter Griffiths updating the purse available to various teams. In this mail it was mentioned that Chennai Super Kings's purse was increased to USD 2 million.

(u) However till 30.1.2009 no document of Kapugedera's termination was submitted to BCCI or IPL. This is recorded in Peter Griffith's email dated 30.1.2009.

(v) Once other franchisees came to know that there has been termination of Kapugedera's contract and Chennai Super Kings' purse has been enhanced they also wanted to terminate some of their players and increase their purse.

(w) Infact on 4.2.2009 Mr Manoj Badale of Rajasthan Royals wanted cancellation of contract of their player Quinny .He wrote a mail saying that he wanted to do in the same

fashion as Kapugedera was made to disappear from Chennai list.

(x) Rajasthan Royals also wanted to terminate Tanveer and other players and enhance its purse but were not allowed by BCCI.

(y) Further Rajasthan Royals wanted to bid for Flintoff but were sent messages by Mr N. Srinivasan to not bid for Flintoff, whom Chennai Super King's wanted.

(z) This shows that Mr N. Srinivasan was manipulating decisions in IPL to accept backdated cancellation of contracts and forcing them to grant undue benefit/ advantage to Chennai Super Kings.

(aa) That Mr. N. Srinivasan attended the meeting of Governing Council dated 5th February 2009 inspite of conflict of interest and got approved a sum of Rs. 26.20 crores for payment to M/s India Cements (owner of Chennai Super Kings) for alleged loss of profit caused to them due to cancellation of Champions League Tournament.

(bb) The minutes of meeting clearly records that there was no contractual obligation to pay such monies. It is pertinent to note that no claim was ever filed, giving

details of loss incurred, with the BCCI by Chennai Super Kings though other qualifier Rajasthan Royals did not file a full claim giving details of loss incurred.

- (cc) That Mr. N. Srinivasan in the player auction which took place in the year 2009 lost from Mumbai Indian in the auction bid for Keiron Pollard of the West Indies Cricket Board.
- (dd) However, Mr. N. Srinivasan forced Mr. Sunder Raman to make a representation to the West Indies Cricket Board and ensured that Keiron Pollard does not play in IPL for the Mumbai Indian.
- (ee) Mr. Sundar Raman, at the instance of Mr. N. Srinivasan, wrote an e-mail dated 10.03.2010 to the West Indies Cricket Board stating that Keiron Pollard was a part of West Indies FTP series and that IPL does not entertain any player who forms part of the national squad to be in IPL while their FTP is on, to which the WICB via email dated 10.03.2010 replied that all of the players have a retainer contract with WICB and are obligated to play in FTP matches as per their agreement with the exception of Keiron Pollard who is not a contracted player and has made a commitment to the Mumbai Indian to start IPL season. The insistence and keenness of Mr. Srinivasan

to ensure that Keiron Pollard does not play is apparent from his mail dated 12.3.2010.

(ff) Further Mr. N. Srinivasan, during the IPL Season III, in order to get favourable results during the matches with mala fide intentions and by using his position in BCCI as Secretary pressurized the Board and the organizing committee of the IPL to alter the panel of umpires appointed for matches thereby substituting the same by his handpicked panel of umpires from Chennai for the reasons best known to him. This fact is evident from the email dated 4.1.2010 sent by Shri N. Srinivasan to Mr. Sunder Raman.

(gg) I had always objected to Mr. Srinivasan's actions intending to benefit Chennai Super Kings and on account that he was conflicted in his position as office bearer of BCCI.

(hh) Mr.N.Srinivasan as the then Treasurer of BCCI had caused a loss of sixty million US Dollars (US \$ 60 Million) approximately equivalent to Rupees two hundred and forty crores (Rs. 240 crores), in relation to the telecasting rights of Zee TV, by knowingly and deliberately allowing their bank guarantee to lapse. While I had alleged this as a deliberate misconduct, Mr.

Srinivasan's defence on this was one of negligence and oversight.

(ii) All the aforesaid factors made it evident that Mr. Srinivasan would not lose any opportunity to get even if by raising trumped up charges.

(jj) The Show Cause Notice issued by him are malafide need to be looked with that perspective.

Working of IPL

77. At the time of formation of IPL Mr. N. Srinivasan was the Treasurer of BCCI. Since IPL has never been a separate entity but only a committee of the BCCI, all decisions in respect of IPL which had any financial implication or required drawing or disbursing of any funds or providing any guarantees or decisions which required financial compliances were approved by Mr. N. Srinivasan.

78. On 27th September, 2008 Mr. N. Srinivasan became the Secretary of BCCI and Mr. M.P. Pandove became the Treasurer of BCCI. However, even after Mr. N. Srinivasan came to occupy Secretary's chair he continued the old reporting structure by which all clearances of individual bills, payment approvals, disbursement, approvals from regulatory bodies continued to be routed through him. In fact, all of the bills which were sent to the Treasurer's office to pay were routed through the office of the

Secretary. Mr. N. Srinivasan as Secretary made the office of Treasurer almost redundant and unconstitutionally took over his work too.

79. Even though Mr. Pandove was the Treasurer, Mr. N. Srinivasan insisted that all approvals regarding finance be taken from him and was defacto also acting as Treasurer of the BCCI. All cheques and financial instruments were signed by Treasurer only after approvals given by the Secretary, BCCI.

80. The IPL itself had a finance department. This finance department was reporting to the office of the Treasurer, BCCI and was headed by Mr. Prasanna Kannan who was the Chief Financial Officer of the IPL. The finance department also functioned in tandem with the Secretary's office. The financial consultant of IPL was Mr. P.B. Srinivasan who was as well the internal auditor of BCCI. These two persons namely Mr. Prasanna Kannan and Mr. P.B. Srinivasan were closely connected to India Cements Ltd.. Mr. Prasanna Kannan is an employee of India Cements Ltd. while Mr. P.B. Srinivasan is an internal auditor of India Cements Ltd.. All contracts and other actions having financial implication were monitored by the finance department of the IPL. Thus compliances of contracts were monitored by Mr. N. Srinivasan when he was Secretary and then was processed through the Treasurer's office. The financial persons of IPL namely Mr. Prasanna Kannan and Mr. P.B. Srinivasan directly

reported to Mr. N. Srinivasan. Thus, Mr. N. Srinivasan was at the fulcrum of the entire financial dealings of IPL.

81. This entire system of Finance Department was put in place by Mr. N. Srinivasan when he was the Treasurer so that he was kept fully in the loop as far as all the decisions, contracts, expenses etc were concerned. The suggestion in the show cause notice that decisions at IPL were not known to the Secretary unilaterally is absurd and false. Every contract, every expense, would pass through the system and would be known to Mr. N. Srinivasan.

82. The International Management Group (IMG) is a U.S. based organization and is acknowledged to be the world leader, inter alia, in marketing and management of sports, sport persons, sporting events and sporting rights including media rights. IMG were appointed by the BCCI , inter alia, for preparing and helping design IPL foundation documentation (including the Franchise Tender Document; Franchise Agreements, Media Rights Agreements etc.); structuring ,preparation and negotiation of contracts, inter alia, with successful franchisees. IMG had employed/retained lawyers experienced in preparation of contractual documentation concerning sporting events/and commercial rights including media rights.

83. The procedure / methodology typically followed / adopted, in relation to signing contracts, was that:-

- (i) Contracts were executed for matters on which previous approval budgetary or otherwise for the concerned item had already been obtained from the Governing Council.
- (ii) In the others cases, where the contracts pertained to items which were not pre-approved, these contracts were ratified in Governing Council/ General Body meetings. Instances of the same include the South African IPL Contracts/expenses, which were all ratified at the Annual General Meeting of the B.C.C.I. So also the IMG contract with the BCCI executed in September 2007 was subsequently ratified by the Governing Council on the meeting held on 18th October 2007. Various contracts were ratified subsequently by Governing Council of IPL e.g. the appointment contract/service agreement of Sunder Raman was signed in February, 2008 but was ratified in the Governing Council meeting on 3rd April, 2008 as has been admitted by him.
- (iii) Any agreement or contract which inadvertently escaped approval / ratification would be noticed by the auditors of the IPL. These would be marked up in the Audit Report. Such contracts would then be ratified / approved by the Governing Council.
- (iv) The actual contracts that came to me for signing were drafted by the BCCI/IPL Corporate lawyers. The

implementation of the contracts was monitored by the IPL/BCCI Finance Dept in discussion with BCCI/IPL Corporate lawyers. All contracts were signed by me only after legal review.

(v) I did not sign cheques nor did I have final approval on expenses. Whilst Mr. Srinivasan was the Hon. Treasurer he insisted that the Treasurer (and not Secretary) was the proper person to sign cheques and do the final approval of expenses. When he became Hon. Secretary, he contended that the Secretary was the proper person to do final approval of expenses and therefore insisted (and ensured) that everything be routed through him, before going to the Treasurer for cheque payment.

(vi) All members of the BCCI and the members of Governing Council of IPL including Mr. Arun Jaitley and Mr. Chirayu Amin were aware of this procedure which has been consistently followed. This has been noted in several meetings of BCCI/Governing Council of IPL. Also there have been several instances when the Hon. President of the BCCI has himself directed me to execute agreements/contracts.

Allegation of Proxy Status

84. The First Show Cause Notice refers to "reports" suggesting that I have a proxy stake in three franchisee of IPL. However, no evidence has been tendered by the BCCI to substantiate these allegations. These allegations are thus required to be wholly ignored.

85. I state that I do not have a proxy stake in any IPL Franchisee, whether it be Kolkata, Jaipur, Mohali or otherwise. All allegations and/or suggestions and/or innuendos of my having a proxy stake in any franchisee are false. These allegations are completely untrue. There is no material to even remotely suggest so.

86. The Show Cause Notice refers to the fact that Mr. Suresh Chellaran, Mr. Gaurav Burman and Mr. Mohit Burman are my relatives and that they have interest in the Rajasthan and Punjab franchises.

87. Mr. Suresh Chellaram is married to my wife's sister and Mr. Gaurav Burman is my step son-in-law. Mr. Mohit Burman is his brother. Mr. Chellaram is a well known businessman of repute, and Mohit and Gaurav Burman are from the reputable Burman family. These relationships are publicly known facts and member of the BCCI / IPL, have been aware of this all along.

88. In particular, several members of the BCCI and the Governing Council were invited to attend and/or did attend the engagement ceremony and allied functions / events of Mr. Gaurav Burman with my step daughter, which were held on 6th/7th April, 2006, in

Delhi. Likewise, my relationship with Mr. Chellaram was also publicly known.

89. The fact that Mr. Mohit Burman was bidding at the first round was also publicly known. The bid documents submitted by Ms. Priety Zinta, specifically disclosed the fact that Mr. Mohit Burman would be participating in the Punjab XI Franchise. Therefore nothing was concealed from the BCCI and all concerned knew this fact.

90. On 30th January 2008 (before the execution of Franchisee Agreements) an email dated 30th January, 2008 was sent to all successful bidders inviting them for a workshop to be held at Oberoi Hotel , Mumbai. This email was specifically addressed to all persons who had an interest in the franchisees. The persons to whom the email was sent including Mr. Suresh Chellaram and Mr. Mohit Burman. This email was copied to the members of the Governing Council, including Mr. Amin and Mr. Arun Jaitley. Mr. Chellaram and Mr. Burman also attended this workshop and interacted with members of the Governing Council, as team owners.

91. These persons have been present at IPL Tournaments since 2008. IPL badges were issued to these persons as "Team Owners" and they attend IPL events as such.

92. BCCI witness no.4 Sunder Raman specifically confirmed that he (and as he is IPL COO I would gather it applies to BCCI as

well) did not hold any material on the basis of which it could be said that I hold any stake in any of the three franchisees whether Rajasthan Royals, Kings XI Punjab and Kolkata Knight Riders either proxy or benami. He further confirmed that I never kept my relationship with Mr. Gaurav Barman, Mr. Mohit Burman, Mr. Suresh Chellaram any secret. In fact all the e-mails sent to owners included these three and were marked to the entire Governing Council members.

93. Mr. Suresh Chellaram and his family are persons of substantial means. He has extensive business interests. This is true for Burmans as well. Mr. Chellaram and Burmans are persons with very substantial resources of their own. They openly participated in the bidding process with their own funds and cannot be described as my proxies. It is an insult to their integrity and reputation to suggest that they would bid as my proxies. There was no embargo against either Mr. Chellaram or Mr. Mohit Burman from participating in the bidding process or becoming franchisees.

Allegation regarding Rajasthan Royals Franchise Agreement

94. Subsequent to the floating of the 2008 ITT, clarifications were sought by various bidders. These were answered. Query Nos. 58

and 60 and the answers thereto, are of some importance. The same are extracted below:

"58. Section 2.3 of the ITT ("Eligibility to Bid") mentions in the last line that "all Franchises will, for at least the first three years, be located in India". Does this mean that bidders located outside India, will have to operate a subsidiary company in India or can we decide this structuring post the bid process.

Answer: All Franchises will play all their matches in India during the first three years at least, but Franchisees from overseas are entitled to bid for ownership of the Franchises. BCCI need to know the possible structures from which Franchisees based outside India. It is not a requirement of IPL that Franchisees operate an India subsidiary.

60. Can a bidder form a new company after winning the franchisee rights to hold and better manage the franchise. (This new company would be a Group company or a company controlled by the same promoter. This new company will meet all the bid criteria of the BCCI.

Answer: Yes this would be allowed subject to any parent company guarantee which may be required by BCCI."

95. Bidders could therefore float a corporate structure / entities which would hold the ultimate franchisee rights. The bid document as well as the clarifications to the bid clearly envisaged and permitted successful bidders to designate separate entities/companies which would hold the franchise rights. There can therefore be no manner of doubt that franchisee agreement could be executed with an entity (different from the bidder) who had been so designated. It is relevant to point out that on March 31, 2008 an email was sent to all the Franchises (which was copied to members of Governing Council including Mr. Arun Jaitley and Mr. Chirayu Amin) stating:

"At the time of the bidding all of you signed and returned the franchisee agreement.

Some of you had provided that you are to form a new co for the venture. Also your shareholding pattern and exact promoters equity details were required. John Laffhagen will be in touch today with each of you to ensure we get this to you today. Thereby the final agreements can be delivered to you by the franchisee workshop for final signatures. There is no material changes to the agreement from what you signed except that we need the new co if that may the case and share holding issues for your record."

96. In response to the bid floated by BCCI/IPL, thirteen bids were received. Out of these, upon scrutiny, eleven were found to be

eligible. These eleven bids were thereafter opened before the Governing Council and the process of selecting eight successful bidders was carried out. This process was done by the Governing Council with the assistance of the BCCI lawyers in a fully transparent manner, in the presence of all bidders.

97. The Governing Council identified the eight successful / eligible bids and accepted them. One of the bids accepted by the Governing Council was the bid in respect of the Rajasthan Royals which was submitted by Emerging Media (IPL) Ltd.. The decision to accept the bid of Emerging Media (IPL) Ltd. like the other 7 bids, Ltd. was not my individual decision, but the decision of the Governing Council. This fact has been duly minuted in the minutes of the meeting of the Governing Council dated 24.01.2008. The acceptance of the bid of Emerging Media (IPL) Ltd. cannot therefore be faulted.

98. The bid submitted by Emerging Media (IPL) Ltd., which was accepted by the Governing Council itself clearly stipulated that the ultimate franchisee would be an Indian company which would be incorporated. This bid also expressly stated that the exact corporate structure was being finalized. The bid also stated that subject to meeting legal and local jurisdiction controls and regulations, the anticipated corporate structure would be as per the diagram/flow chart, which was set out in the bid itself. The

Letter of Eligibility therefore disclosed the anticipated corporate structure.

99. A bare reading of the Letter of Eligibility dated 22nd January, 2008, makes it absolutely clear that the bidder had disclosed (i) that the franchisee would be an entity other than the bidder; (ii) the franchisee would be an Indian company; (iii) the franchisee (Indian company) would be a 100% subsidiary of a Mauritius Holding Company; and (iv) the ultimate ownership of the franchisee would be held; in identified proportions by three groups.
100. This bid was approved by the Governing Council. In other words the Governing Council expressly approved the corporate structure of the franchisee.
101. The corporate structure of the franchisee i.e. M/s. Jaipur IPL Cricket Pvt. Ltd. is in accordance with the structure as disclosed in the bid document and as approved by the Governing Council. The franchisee therefore has a corporate structure which is in tune with and/or consistent with and/or accords with that which the Governing Council approved.
102. On 31.03.2008 I had written to IMG lawyers and all the franchisees that proposed corporate structure with shareholding and promoter equity details should be given to the IMG who will

prepare the franchisee agreement. Mr. John Loffhagen and Ms. Vandana Gupte of IMG were coordinating in regarding to franchisee agreements.

103. Jaipur IPL Pvt. Ltd. is an Indian company whose shareholders are (1) E M Sporting Holding Ltd. (a Mauritius company) which holds 9990 shares; and (2) Emerging Media (IPL) Ltd. a UK based company which holds 10 shares.

104. This corporate structure could not however be fully implemented and/or operationalised by the date of execution of franchisee agreement. At that time, as a prelude to the corporate structure being finalized, the shares in the franchisee were held by (1) Mr. Ranjit Barthakur and (2) Mr. Fraser Castellino who were also its then Directors.

105. An Agency Agreement dated 11.3.2008 had been signed by M/s. Emerging Media in respect of Jaipur IPL Cricket Pvt. Ltd. with Mr. Ranjit Barthakur. Further Mr. Fraser Castellino was not the owner of the franchisee but an employee. This fact has been confirmed by both Mr. Sundar Raman and Mr. John Loffhagen. In fact subsequently he joined Royal Challengers Bangalore. Even in the bid papers given by Emerging Media Mr. Fraser Castellino was shown as CEO of Emerging Media (bidder). Further as admitted by BCCI witnesses Sundar Raman and John Loffhagen it was Mr.

Badale, Mr.Chellaram and Mr. Murdoch who were owners of the franchisee and known to BCCI as such and not Mr.Castellino or Mr. Barthakur. These two individuals were merely “empowered agents” for the three investor groups.

106. What is critical is that these facts were brought to the notice of the BCCI/IPL corporate lawyers prior to executing the Franchise Agreement with Jaipur IPL (on 14th April 2008). They were in direct contact and touch with the EM IPL and were satisfied with the fact that Ranjit Barthakur and/or Fraser Castellino were empowered as agents to execute the franchisee agreement pending the completion of their corporate structuring.

107. The execution of franchise agreement was being handled by Ms. Vandana Gupte of IMG. Mr. Fraser Castellino, Mr. Ron Raynolds and Mr. Shantanu Chari were in touch with Ms. Vandana Gupte in giving details of entities and explaining the corporate structure of the franchisee. The franchise agreements and tender documents were drafted by IMG team. I signed the agreement after the franchisee signed them. The responsibility of franchise agreement documentation was being handled by Mr. Vandana Gupte of IMG.

108. The franchise agreement was therefore executed by me with M/s. Jaipur IPL Cricket Pvt. Ltd. after it was duly scrutinized by

BCCI/IPL corporate Lawyers. Whilst I may have signed the same, the approval for the document was given by BCCI/IPL team. As Chairman of IPL, I was not and could not be concerned / expected to check these matters.

109. At the time of giving parent company guarantee also the entire structure of Jaipur franchisee was explained by them to BCCI/IMG lawyers. Therefore the parent company guarantee was accepted by BCCI /IMG Lawyers from the Mauritian holding company. It was also explained that the initial investment of \$ 5 million by Jaipur IPL had been made on behalf of the Mauritian company by M/s. Emerging Media. Thus EM Sporting Holdings Limited was known all along known to BCCI and IMG as the parent Company.

110. That nothing unusual was done in the case of Jaipur IPL is evident from the fact that out of the seven franchisee agreement, in only three cases i.e. Rathi Priya Tradings Pvt. Ltd., India Cements and Deccan Chronicle Holdings Ltd., the Franchisee agreement was signed with the successful bidder.

111. In the remaining four cases i.e. in case of UB Group, GMR Holdings Pvt. Ltd., Red Chillies Entertainment Pvt. Ltd, and Preity Zinta the Franchisee Agreements were executed with the corporate entities which were finalized by the successful bidders.

112. In the case of Delhi bid was made by GMR Holdings but franchisee agreement was entered with GMR Sports Pvt. Ltd. In the case of Kolkatta bid was made by Red Chilli Entertainment Pvt. Ltd. but agreement was signed with Kolkata Night Riders Sports Pvt. Ltd. In case of Mohali the bid was made by Preety Jinta, while the agreement was signed with KPH Dream Cricket Pvt. Ltd. and in the case of Bangalore bid was made by United Spirits Ltd. (UB Group) but the franchise agreement was signed with Royal Challengers Sports Pvt. Ltd.

113. It is a matter of public knowledge and known to the members of Governing Council that the ownership of M/s. Jaipur IPL Cricket Pvt. Ltd. is ultimately held by 3 sets of investors who are represented by (1) Mr.Suresh Chellaram and family; 2) Mr. Lachlan Murdoch; and (3) Mr. Manoj Badale. Mr. Chellaram and his family have invested through Tresco International Ltd. BVI. Mr. Murdoch has invested through Blue Water Estate Ltd. (Australia), Mr.Manoj Badale has invested through Emerging Media (IPL) Ltd. UK. Emerging Media (IPL) is a U.K. company whose sole shareholder is Mr. Manoj Badale. He is also one of its two Directors.

114. As stated above, the involvement of Mr. Manoj Badale; Mr. Lachlan Murdoch and Mr. Chellaram is in the public domain and a large number of emails which were sent to franchisee owners

were marked to them. These emails were also been marked to the Governing Council including Mr. Arun Jaitley and Mr. Chirayu Amin. To state or suggest that the BCCI and the members of Governing Council were in the dark as far as the involvement of these persons or that this was suppressed or that it was represented that M/s. Jaipur IPL Cricket Pvt. Ltd. was a venture of Mr. Manoj Badale alone is factually incorrect.

115. That BCCI was aware of the exact corporate structure of M/s. Jaipur IPL Cricket Pvt. Ltd. and the ultimately holding of the three groups is put beyond the shadow of doubt by the fact that when Raj Kundra and Shilpa Shetty bought a share in Rajasthan Royals through their investment company (Kuki Investments) this resulted in an alteration and/or reduction of the share holding pattern of all three groups. BCCI was duly paid a transfer fee which was 5% of the increase in pro-rata value of the franchise. At this time, once again, a complete disclosure was made of the exact corporate structure and/or holding in M/s. Jaipur IPL Cricket Pvt. Ltd. pre and post this transfer. Everyone in the BCCI was therefore fully aware of the corporate structure of M/s. Jaipur IPL Cricket Pvt. Ltd.

116. BCCI witness Sundar Raman accepted that in first quarter of 2009 Kuki investment owned by Raj Kundra purchased some shares in Rajasthan Royals and that the shareholding structure

of Jaipur (IPL) Cricket Pvt. Ltd. and the parent Mauritius company was again sent to BCCI by the franchisee and IPL approved transfer of shares and the transfer fee to be charged was also discussed in the Governing Council meeting dated 11.08.2012.

117. All allegations suggesting that M/s. Jaipur IPL Cricket Pvt. Ltd. was an entity completely different, distinct and unconnected with Emerging Media and that I had of my own initiative, executed a franchisee agreement with an entity wholly alien or different from the selected bidder, are thus simply not true.

118. In this background, it is significant to note that Show Cause Notice skillfully ignores any reference to what the actual share holding pattern of M/s. Jaipur IPL Cricket Pvt. Ltd. is and merely alleges that "on the date of the execution of franchisee agreement" the franchisee (M/s. Jaipur IPL Cricket Pvt. Ltd.) had only two share holders namely Mr. Ranjit Barthakur and Mr. Fraser Castellino. Whilst this may correctly reflect the position as on 02.04.2008, what is conveniently ignored is that the position as prevailing on 02.04.08 was only a transitional arrangement pending the corporate structure given in the bid being fully formulated and put through. The two individuals concerned viz., Mr. Barthakur and Mr. Castellino were mere agents and /or nominees of the ultimate investors pending the corporate structure (disclosed in the bid) being implemented. These persons,

as a part of the process, exited by transferring their share holding in M/s. Jaipur IPL Cricket Pvt. Ltd. (9990 shares) to the Mauritius based parent company which was held by the three groups as aforesaid. EM Sporting Holdings Ltd was incorporated on 5th May 2008. The shareholders of E M Sporting Holdings Ltd were originally (1) Emerging Media (IPL) Ltd; (Manoj Badale); (2) Tresco International Ltd. (Mr. Suresh Chellaram family) and (3) Blue Water Estates Ltd. (Mr. Lachlan Murdoch). Subsequently, Kuki Investments (Shilpa Shetty and Raj Kundra) became shareholders. Documents establishing the facts stated above were submitted by the Jaipur Franchisee and are available with the BCCI.

Allegations of Bid Rigging

119. The allegation that I had a predetermined object to award the two fresh franchisees to two bidders, namely the Videocon Group or the Adani Group remains wholly unsubstantiated after BCCI evidence. The show cause notice presumes that I could decide who the successful bidders would be or ensure that the number of bids was kept to two. This assumption is *ex facie* misconceived. Further no evidence has been led on this count by the BCCI.

120. The drafting of the Invitation to Tender (ITT) was a collaborative exercise involving BCCI-IPL and BCCI corporate lawyers. The two

conditions, which have been described in the Show Cause Notice as being objectionable viz., (i) the bidder have a Net Worth of US\$ 1 Billion and (ii) the successful bidder provide a bank guarantee of total bid amount were inserted after discussions with Andrew Wildblood of the IMG.

121. There was nothing clandestine about insertion of condition to US \$ 1 billion net worth and bank guarantee clause. The working model for 300 million bid amount showed that in ideal situation the franchise would become cash positive only in the 8th year. According to the model, there would have been negative cash flow for the number of years which would have to be funded by the franchise. These models and the requirement of minimum net worth and bank guarantee clauses were discussed by me with Mr. Andrew Wildblood who was thoroughly involved in the tender documentation process. I would say that BCCI was left vulnerable and less secure by subsequent decision of not taking the bank guarantee of the full bid amount and removing condition of net worth of USD 1 Bn.
122. In addition to the collaborative exercise referred to above, the entire conditions regarding net worth and bank guarantee of total bid amount and of Rs.460 crores were personally approved by the then President Mr. Shashank Manohar. I spoke to him

personally and cleared them past him. He has admitted this at the meeting of the Governing Council held on 7th March, 2010.

123. The allegation in the Show Cause Notice that despite the Board having decided that all tender documents be approved by Mr. Bindra, Mr. Srinivasan and me, I did not show the tender documents to them, is factually misconceived. The Show Cause Notice does not even state the date of the Board Meeting at which such a decision was taken. I assume that reference is made to the Meeting of the Working Committee of the Board held in December, 2009. A perusal of the minutes of the said meeting indicates that the resolution passed (Item No. 8) dealt with the Report of the Marketing Committee meeting held 20.10.09 and 2.12.2009. This agenda item had nothing to do with the IPL ITT. IPL being a separate sub-committee of the board was distinct from the Marketing Committee. This is made more clear by item 15 of the agenda of the said meeting where the IPL Governing Council Meeting has been separately discussed. A reading of the business transacted on item 8 and the resolution passed clearly indicate that the requirement that future tenders be finalized by a 3 member committee of Mr. Bindra, myself and Mr. Srinivasan pertained to tenders for TV production rights and media rights and Tenders for non-IPL – BCCI business which is under the jurisdiction of the BCCI

Marketing Committee . They did not pertain to tenders for franchisee bids and not in any event to the IPL T20 rights. This has been admitted also by Mr. Sundar Raman in his evidence that IPL is separate sub committee of the Board distinct from Marketing Committee and item no.8 of Working Committee meeting on 18.12.2009 did not pertain to IPL franchisee tender. There was no resolution of the IPL Governing Council to the effect that tender documents had to be approved by me, Mr. Srinivasan and Mr. Bindra.

124. The requirement that a bidder have Net Worth of US \$ 1 Billion cannot be considered unreasonable. The Reserve Price for the second round of bidding had been fixed at US\$ 225 Million. In the second round of bidding, the successful bids were of US\$ 370 million and US\$ 333.33 million.

125. While putting the ITT out I had asked Peter Griffilts to work on USD 300 Million bid model and on the working of that model break even for a franchisee was coming after 8 years. The franchisee should have had capacity to take on losses for eight years. It would have required persons with deep pockets to own a franchisee as it would have required funding for years together because of high entry level expected at USD 300 million plus. If the franchisee was financially not sound and wanted to survive on IPL for cash purposes, it would have gone bankrupt in first

couple of years thereby badly damaging the format of the game as well as also the brand image of IPL. Further in the second round, we were looking for individuals who could add value to brand IPL. In 2010 there were only two slots available which were much coveted. Even in all other leagues such as NBA gaining entries to new slots is well nigh impossible . If big business houses and celebrities bid for those slots, it would have added to the brand value of IPL.

126. By this time the IPL 20 tournament had become a big success and we wanted Franchisees who had substantial credibility of their own and would bring it to the IPL and not persons who sought to derive credibility from associating with the IPL. It was also the opinion that the persons who become franchisee owners should have interests other than IPL and IPL should not be their only business. We did not want persons who were associating with IPL for cash flow purposes. Rather the entities should have been ready to pay out of pocket for IPL for first 5-8 years. What was desired was well established and solid corporate names. In this background it was an obvious requirement that the Net Worth of the company/person should be 4 times the reserve price of new franchisee team and this reason can hardly be described as unreasonable. Mr. Andrew Wildblood was incharge of relationship with BCCI and I had discussed the matter with

him and pursuant to the discussion we had obtained the number of companies that would meet the net worth criteria from Ambit. Ambit had given an opinion that 73 companies had net worthy of more than US\$ 1 Billion and 156 companies qualified the criterion based on market capitalization. The ITT allowed global participation.

127. The requirement that a bidder have Net Worth of US\$ 1 billion was put in the 2010 ITT after ascertaining that there would be sufficient bidders who would meet this criteria.

128. If the net worth of a person is not less than 4 times his bid, obviously cricket would not be the principle asset of such a person. Thus the suggestion that the amount was unreasonable, when viewed purely as a security for performance, is a deliberate distortion.

129. The requirement that the bidder should provide a sufficient bank guarantee was also not unreasonable. On the bank guarantee clauses, opinion was sought by Mr. Peter Griffiths from Khaitan and Company.

130. The Bank guarantee was necessary to ensure the stability of the IPL as also financial worthiness of the franchisee. The Bank guarantee clauses at the time of bid and during continuity of franchisee were in the interest of BCCI. These would have

safeguarded BCCI in case franchisee defaulted in its obligations qua BCCI. In fact subsequently even the Sahara and Kochi franchisee made representations to BCCI with regard to reduction of fee payable to BCCI. If one of the franchisee went bust it was bound to cause loss to brand image of IPL. Only a bidder with substantial means could stomach loss in the first eight years. To suggest that the 2010 ITT was a "bespoke tender" designed to ensure that only the Videocon Group and the Adani Group would qualify is absurd. Further even after receiving the bids I did not do anything to protect bid of Adani and Videocon from being scrapped. The fundamental basis of issuing a Show Cause Notice is therefore totally misconceived.

131. The BCCI has made out a new case during presentation of its evidence. It has come out with the case that as if in the 17th December, 2009 Governing Council meeting an ITT had actually been approved by the Governing Council. In the meeting of 17th December, 2009 only proposal for two new franchisees were approved but there was no approval for ITT tender. Till 17th December, 2009, there was no copy of franchise agreement ready. The venues were not finalized. There were changes in stadium as Kochi was later included as one of the stadiums. There were many changes in various clauses and schedules which were not finalized. The December, 2009 draft did not carry

franchise agreement and performance guarantee and therefore was not complete and could not have been approved. The various changes in the second ITT were made at various points of times between November, 2009 to February, 2010. The process leading upto the new tender was an incremental process with changes going in the document till last moment. Kochi was not listed as qualifying in December, 2009. In the ITT the changes continued to be made by Mr. Sunder Raman, Mr. Peter Griffiths and Mr. John Loffhagen. The ITT as on 17.12.2009 was not even ready for publication.

132. Even Mr. Arun Jaitley attended the meeting of Governing Council held on 17th December, 2009 and he would know that no such ITT was approved. I disagree with statement of Mr. Sundar Raman that members of Governing Council approved any ITT for two additional franchisees of IPL. Mr. Sunder Raman admits that he had no role regarding approval/disapproval of the agenda items and the Governing Council meetings and the decisions taken in Governing Council could be better described by a member of Governing Council rather than him. Thus, he is no witness to what transpired in the Governing Council meeting dated 17.12.2009 or even meeting dated 11.08.2009. I disagree that one of the item in the agenda was approval of the ITT for

two additional franchisees of the IPL. In fact the Agenda of the meeting as circulated stated at Item No.10 as under:

"IPL Season 2012 : New Franchise – (a) Business Plan, (b) Draft Agreement, (c) Time Line and (d) Tender."

133. The members approved proposal of including two new franchises from year 2011 at a reserve price of US \$ 225 million for 10 years. An incomplete draft ITT was put up alongwith agenda papers, but no such ITT was ever approved. The actual drafting exercise of the tender was infact left to the Chairman, the operational team of IPL and consultants of BCCI for IPL namely IMG. Thereafter in February, 2010, ITT for new franchisees was released by BCCI. The tender was to be opened on 7th March, 2010. The ITT which had been published carried conditions of net worth of US Dollar 1 Billion and bank guarantee clauses. These conditions were specifically approved by the President BCCI. These conditions were widely reported in the media and were therefore, in public domain. The Tender conditions were also on IPL website and in knowledge of Governing Council members. None of the Governing Council members voiced any objection to such conditions.

134. The President of BCCI occupies a unique position in the BCCI set up and enjoys extensive powers. The approval of the President is

treated as a go-ahead in so far as the BCCI as an organisation is concerned. There are multiple examples when the President's approval was treated as Board's approval - this happened when the then Treasurer Mr Srinivasan wanted India Cements Ltd to participate in IPL franchise auction or when various contracts in South African edition of IPL were undertaken on behalf of BCCI upon approval of the President or when the first franchise ITT for IPL in 2007 were floated which had President's verbal approval or when Mr. Chirayu Amin, as claimed by him, participated in City Corporation bid with approval from the President. Thus approval of the President to the conditions in the ITT for two franchisees and going ahead with those conditions was in line with BCCI's practice and there was nothing amiss in this. Even the tender document for two new franchisees after scrapping the earlier one on 22.3.2010 was not sent for approval of Governing Council or when the first franchise ITT which was also not approved by Governing Council.

135. The two new franchisees were the only extension IPL can ever have had on practical basis and looking to the brand value, the new franchisees should be entities of sufficient financial position, who could enhance the brand value of IPL. The conditions of net worth and Bank guarantee were to protect IPL's interest as on expected bid amount of US\$ 300 Million and above.

136. Many Governing Council Members were therefore surprised when in the meeting dated 7th March, 2010 the tender was scrapped on account of these conditions.

137. What is critical however is that the President did not consider it necessary to take the Governing Council into confidence, at the meeting held on 7th March 2010, of the events that had transpired on the previous day. These are set out below:

a. 5 pm on 5th March 2010 was the deadline for submission of bids. The venue for submission of bids was the office of the BCCI at Cricket Centre.

b. By 5 pm on 5th March 2010 only two bids had been received. These were the Videocon bid and the Adani bid. The fact that only two bids were received was prominently telecast in the electronic media on the same day and in the print media on the next day.

c. After the deadline for submitting bids, late in the evening and into the night of 5th March 2010 and in the morning of 6th March 2010, I received several calls from Mr. Shashi Tharoor and his Secretary Mr. Jacob, informing me that a third bid ("Kochi Bid") was coming from Delhi and requesting that I accept the same. I informed him that the deadline for

submission of bids had expired at 5 pm on 5th March 2010 and I had no authority to extend time. Mr. Tharoor told me that he would take up this matter with the President. That the two spoke to each other on several occasions, was independently conveyed to me by both.

- d. Whilst the President and I were sitting together at the Four Seasons Hotel, at about 7 pm on 6th March 2010, a representative of the Kochi Franchise came with the Kochi bid and sought to hand it over to me. I told him that the bid was beyond time.
- e. The President however asked me to accept the bid. He told me that he was the President and he was directing me to accept the bid and issue an acknowledgement showing the time of receipt as 12 noon of 6th March 2010.
- f. I had no intention of compromising and/or violating the integrity of the bid process and ante dating the time of receipt. However, as even with the ante timing of the bid would still be beyond the time for bid submission and as I did not want to create a public confrontation / scene, I purported to do what

the President directed. I endorsed the time of receipt as 12 noon of 6th March 2010 . The President's directions did not make any sense to me, but I did as I was directed. I returned the acknowledgement and retained the bid. I told him that looking to past precedents and based on what had happened in the first round of franchisee tender the late bid would not be accepted in the Governing Council.

- g. The President then told me that he had decided that he would cancel the whole tender process the next day by persuading the Governing Council that the condition of net worth and Bank guarantee were extremely onerous and that the bid deserved to be cancelled. He asked me to tell the BCCI/IMG corporate lawyers to immediately start the process of preparing a fresh ITT (bid document) with deletion of the Net Worth clause and Bank Guarantee clauses to etc. I therefore instructed Mr. John Loffhagen accordingly. Mr. John Loffhagen has, on my request, confirmed this in his e mail dated 9th May, 2010.

- h. It is common knowledge that Mr. Manohar not carry a mobile phone – whenever necessary, we contact him on his wife’s mobile phone or on land lines.
- i. . The meeting of the Governing Council was the next day morning. He therefore used my phone and spoke to Mr. Abhijit Sarkar of Sahara and Mr. Shailesh Gupta of the Jagran Group and asked them to immediately send letters complaining about the bid conditions. These calls are reflected in my telephone records.
- j. In response thereto, in a short while, the letters the President had called for were sent. As he had called the persons concerned from my phone, these were e-mailed to me. This e-mailed were received at 8:13 pm and 10.40 pm.
- k. On the very next day, at the meeting of the Governing Council, the President relied on these letters to persuade the Governing Council to cancel the bid - inter alia pointing out that there had been complaints about the bid conditions. The minutes of the meeting of the Governing Council dated 7th March

2010 speak for themselves. A fresh bid called and, predictably, the Kochi bid went through.

138. The minutes of the meeting of the Governing Council, also reveal several critical facts, which are set out bellow:-

- I) Although the business regarding the bid cancellation was at sr.no.3, it was deferred till the end;
- II) The then President could not and did not deny that I had personally cleared the bid condition with him, but still sought its cancellation, by claiming that he had given his approval generally without reading the document. Mr. Manohar is an eminent lawyer and such an explanation coming from him strains credulity.
- III) Mr. Manohar did not inform the Governing Council about the circumstances in which the complaints had been received.
- IV) The then President did not inform the Governing Council of the events relating to the Kochi and his instructions to me to put a false timing of the receipt of the bid.
- V) The two conditions, which were regarded as offending had been personally cleared by me with the President. The bid was issued on 22 Feb. 2009 and was open till 5 March. During this period no one (including Sahara and Jagaran complained). It is only on the eve of the

Governing Council Meeting (after the Kochi bid was likely to be rejected as being delayed) that the President set in motion a process whose object was to ensure that the bid itself was cancelled.

139. That the actual fact leading to the cancellation of bids are that the President had pre-decided the issue of cancellation on 6th March, 2010 itself without any consultation with the members of the Governing Council. The President advised me to anti time the bid to 12 noon for 6th March 2010. He seemed to be under pressure to ensure that the late bid be included in the bidding process. Since he failed to ensure that the bid could not be excluded he then decided to ensure that the bid process itself is cancelled. Mr. Manohar then started calling various people directing them to get letters of objection from different corporates objecting on the different clauses relating to criterion of US \$ 1 Billion and bank guarantee. To ensure that the infighting amongst the office bearers of the Board does not come out in open, I kept my peace. I had pointed out to the President that the whole process of cancellation was illegal and contrary to ITT but then it seems that he was were committed to Kochi bid and hence under tremendous pressure to cancel the bid.

140. There is not even a shred of material to show that I had attempted to rig the bid process to favour either the Videocon Group or the Adani Group. The allegation that I prepared (or got

prepared) a bespoke tender tailor made for Videocon and/or Adani and/or otherwise ensured that only they could/did qualify stand totally demolished.

141. As a matter of fact, in the Governing Council Meeting dated 07.03.2010 I was not censured, as recorded, in the Minutes and Mr. Sunil Gavaskar, one of India's most eminent cricketers in fact sent an e mail communications to the President regarding the same to which the President agreed. The Minutes of Governing Council meeting dated 7th March, 2010 were circulated through email. The draft minutes recorded that President had reprimanded me. Shortly thereafter on 08.03.2010 an email was received from Mr. Sunil Gavaskar another member of Governing Council stating that nothing in the meeting seemed like a reprimand. This was followed by an email of Mr. Shashank Manohar of the same day that the sentence with the word reprimand should be removed from the minutes. The Governing Council at no point of time viewed the earlier tender issued in February, 2010 as any breach on my part meriting any disciplinary action. In fact after the meeting dated 7th March, 2010, the emails of Mr. Gavaskar and Mr. Manohar show no action was contemplated to be initiated against me on this ground. At no point of time during the period from 8th March, 2010 till my suspension post resignation of Mr. Tharoor was this issue ever raised. The Governing Council at no point of time

found any element of bid rigging in the first tender of February 2010. The allegations of bid rigging in the show cause notice to me meriting initiation of disciplinary proceedings are all after thought.

Allegation of Arm Twisting of Kochi Franchisee

142. I raised serious misgivings about the Kochi bid and had raised legitimate questions, but the then President Mr. Shashank Manohar directed me to sign the Franchise Agreement. These questions stemmed from the fact that the Kochi bid had 25% sweat equity in favor of undisclosed persons, and I was not agreeable to a blank bid like this, in a game as sensitive as cricket. I was insisting that the identity of this 25% sweat equity holder be disclosed – this insistence by me has led to a trail of events that led to the resignation of the then Minister of State for Foreign Affairs Mr. Shashi Tharoor.

143. I deny all allegations of arm twisting of RSW the bidder for Kochi. It is a matter of public knowledge that RSW (and Mr. Shashi Tharoor who was negotiating on behalf of certain investors of RSW) were publicly embarrassed by my disclosures which led ultimately to the resignation of Mr. Tharoor. RSW was therefore biased and has an axe to grind against me and had every reason to try and embarrass me by making false statements. The email dated 16th April, 2010 addressed by it is nothing more than an

attempt to settle past scores. No credibility whatsoever should therefore be attached to such a motivated complaint.

144. BCCI witness Keshav admitted that RSW had also made a bid in the first round (the late bid received on 6th March, 2010) prior to second round in which they succeeded and even in the first round Mr. Shashi Tharoor was coordinating on their behalf with BCCI.
145. The Sahara agreement was executed on 6th April, 2010. The President, on 8th April, 2010 telephonically directed me to execute the Kochi agreement. The Kochi agreement was executed on 11th April, 2010.
146. I had not signed the Kochi agreement because the Kochi bid itself stated that the ultimate franchisee would be a company which would be incorporated. In the case of the Kochi bid, no company had been incorporated. Despite this, the President directed that the Franchisee agreement be executed with persons who would be share holders of the franchisee when it was ultimately incorporated. In no other franchisee has a franchise agreement been executed with the share holders, pending the incorporation of the franchisee company. What needs to be noted is that there was absolutely no urgency whatsoever in executing an agreement even before the ultimate franchisee was incorporated.

147. The two new bidders would only participate in the IPL tournament in 2011 and even the players auction in respect of these teams would be in the month of October.
148. Mr. Sundar Raman admitted that there was no operational consideration for early execution of Kochi agreement. However, the then President of BCCI was keen on signing the agreement with the successful bidder. The Kochi bid was submitted by an entity which subsequently wanted to form the company and on the date of signing franchisee agreement they had still not formed the company.
149. The BCCI had specified the form in which the franchise agreement was to be executed (template). Franchisees were required to execute agreements in this form/template. This template was contained PDF format. This was to ensure that the documents which were actually executed were exactly the same as that required by BCCI and this could be immediately ascertained by looking at the document. Instead of doing so, the Kochi franchisees changed the format of the file and converted the same into a text document and re printed the same in a text document format. This could be because they had changed the draft to include provisions for capping liability. It could also be because some of the promoters (who were paying for their equity and not getting it free) of the Kochi franchisee were getting second thoughts. Mr. Sundar Raman also confirmed that

Kochi franchisee had brought a document, which was re-typed, whereas BCCI- IPL insisted on their bringing the water marked document as provided by BCCI.

150. I deny that I attempted to persuade the Kochi franchisee to give up their right for any reason whatsoever, I deny that I attempted to dissuade them from continuing with the franchises. I deny that I threatened them in any manner as alleged or otherwise or at all. Mr. Sundar Raman admitted that in the meetings of Kochi Franchisee with me, there was no intimidation by me of the Kochi franchisee. I particularly deny the allegation that I informed them that if they continued to persist with their contractual rights I would remove the players spending cap for season 4 and send players costs spiralling or that I should ensure through PIL or environmental litigations that the construction of the Kochi stadium would be delayed or I would assign them a remote or unfeasible location such as Gauwhati or Bhiwani or that I would introduce a player retention policy that would allow insisting franchisees to retain up to six players to reduce their opportunity of getting players. Each of these allegations are not only misconceived but are completely absurd.

151. The allegation that I threatened to remove the player spending cap for season four and send players costs spiraling is to be stated to be rejected. Firstly, any decision to remove the players spending cap could never be my decision but would be the

decision of the General Council. I could therefore never remove the players spending cap. I had no power to do so. Secondly, this allegation also ignores the fact that any removal of player spending cap would not only affect them but would have an implication and effect on other teams. It would therefore have an adverse effect on all franchisees. The Kochi franchisee was not some small time outfit which I could threaten. They comprised persons who had a had a Net Worth of over Rs. 4500 crores. They were backed by a then Union Minister who was actively and minutely coordinating the progress of their bid. The President of the BCCI was also available to help them as events have shown. The accusation that I am twisted them, borders on being inherently absurd and improbable.

152. The allegation that I threatened Kochi franchisee that I would delay the construction of their stadium through PIL and environmental litigation is equally absurd. Any PIL or environmental litigation involves a judicial process and any embargo or judicial interdict can only be by a court of law. It is axiomatic that a court would pass a restraint order or issue an interdict restraining the construction of a stadium if there was anything irregular or illegal in its construction. It is equally axiomatic that no lawful activity would be judicially restrained. To therefore suggest that I threatened them that I would delay the construction of a stadium which have not even been planned

and was not even on the drawing board through PIL and environmental litigations is complete nonsense.

153. The allegation that I threatened the Kochi franchisee that I would assign them a remote and unfeasible location such as Gauhati and Bhiwani to play their matches till the Kochi stadium was constructed is equally unbelievable and absurd. The decision to allot stadia was a decision of the governing council and not my decision.

154. The allegation that I threatened them that I would introduce a player retention policy that would allow existing franchises to retain six players and thus reduce the opportunity of obtaining payers is also false and misconceived. Firstly, any decision to introduce a player retention policy would once again be a decision of by the governing council and not my decision. Therefore, suggest that I had threatened that I would alter the player retention policy, is absurd and unbelievable. Secondly, in so far as the player retention policy was concerned, the Governing Council had discussed this at its Meeting held on 22nd March, 2009. At this meeting I had pointed out that the player contracts, then signed, were for 3 years and at the end of three years all players would come back to the common pool. I had explained that this had been to ensure that as and when IPL launched new teams, the new owners were not disadvantaged vis a vis old teams as this would have a material impact on the

price to be realized by IPL/BCCI for new teams. This was the fundamental basis of the IPL and as all had signed on, knowing this principle, there should be no deviation from the same. Yet then Secretary Mr. N. Srinivasan strenuously objected saying that the interest of owners that came in the first round needed to be protected. The Kochi franchisee was selected at the governing council meeting at 21.03.2010. By then the Governing Council had already taken a decision on player retention policy and therefore the allegation that I suggested that this would be changed is absurd.

155. Sundar Raman admits that in the IPL Governing Council which decides on the player capping and retention policy as also the allocation of stadiums and also that it was my view that after IPL-3 all players should go into the common pool.

156. Even in the e-mail dated 11th April, 2010, the allegations of arm-twisting have not been made. One critical fact to be noted is that all the allegations in the Show Cause Notice pertaining to the Kochi franchise, relate to a point of time prior to the execution of the Franchise Agreement. The Franchise Agreement was executed on 11th April, 2010 (shortly after mid-night of 10th April) the email dated 11th April was addressed much later. The fact that this e mail makes no reference to the allegations contained in the e mail of 16th April, 2010 establishes beyond doubt that the allegations in the e mail dated 16th April, 2010,

were purely retaliatory attempt to get back at me for the embarrassment caused to Mr. Shashi Tharoor.

157. BCCI witness Mr. Keshav also admitted that on 15.4.2010 a press conference was addressed on behalf of Kochi franchise alleging that the Gujarat Chief Minister Mr. Narendra Modi wanted to take away the Kochi franchise from them. Even till this time, no allegation was made against me of arm twisting. On 15.4.2010, Mr. Gaikwad was removed as a spoke person of Kochi Franchise because of political controversy surrounding statement made regarding Gujarat Chief Minister. Kochi franchisee even falsely alleged in media briefing on 14.04.2010 that I made an offer of US \$ 50 million to them to give up the franchise. This was a blatant lie and when I threatened legal action, they dropped this allegation. This allegation was not repeated in the email dated 16.4.2010 nor on 16.4.2010 Kochi franchisee sent a false and concocted mail to the then President BCCI Mr. Shashank Manohar. Surprisingly the email of 11.4.2010 does not contain any of the allegations now made in the email dated 16.4.2010. This shows that all the allegations of Kochi franchise are false and fabricated.

158. I state that no meeting took place on 3.4.2010 with Kochi franchise or its representatives at Four Seasons hotel at Mumbai.

159. In so far as the allegations of the Kochi franchisees are concerned, the following factual position, which they concealed in their emails needs to be noted. These facts are set out below:-

- i. The Kochi bid was submitted by one "Rendezvous Sports World" who was described as an "Unincorporated Joint Venture". The bid stated that if the franchise was awarded to them, they would incorporate a Joint Venture company (JV Co) which would be primarily responsible for the rights and obligations of the franchisee. The persons who were to come together and form/constitute the Joint Venture were (1) Rendezvous Sports World Private Limited (25% share) ; (2) Rendezvous Sports World Private Limited (1%) ; (3) Anchor Earth Private Limited (27%) ; (4) Film Waves Combine Private Limited (12%) ; (5) Parinee Developers and Properties Private Limited (26 %) ; (6)Anand Shyam Estates Developers Private Limited (8%) ; and (7) Mr. Vivek Venugopal(1%). The "Unincorporated Integrated Joint Venture Agreement" submitted by the Franchisee stated that Rendezvous Sports World had been incorporated with the objective of

promoting and developing the game of cricket in India and abroad and had approached the other investors for forming a consortium for enabling them to qualify as bidders and meet the financial and technical criteria specified in the ITT.

- ii. As a part of the process of finalizing the Franchise Agreement, a meeting was held on 29th March, 2010 in New Delhi, at Hotel Maurya, when the representatives of the Un-incorporated Joint Venture Consortium attended. This meeting was also attended by the IMG team and the IPL team. Post this meeting they were given access to the internet portal reserved for franchisees to download various guidelines.
- iii. At this meeting, several members of the Un-incorporated Joint Venture consortium asked questions about the profitability of their investment. They were particularly anxious to know how soon their franchise would make money. They wanted to know whether the franchise should start making money at the end of year one. They were candidly informed that this appeared to be very unlikely. Whilst they would

certainly going to make money they would have to look to a much longer window for recovering what they were investing. This caused a great deal of consternation among them. I told them and that since they obviously had deep pockets and had submitted such a big bid, they should have no hesitation in waiting for a little while. At this time, I was informed by them that although they had submitted a big bid, they still had cash flow problems and that is why they were worried. During these discussions the sweat equity issue was highlighted by them to underscore the point that whilst the other investors would be getting 75% of the equity, they would have to contribute 100% of the cost. Hence the burden on them was that much higher. I also learnt that the sweat equity of 25% was non dilutable and in perpetuity irrespective of losses. I found this unusual. I had not noticed this in any other franchise and pointed this out to them.

- iv. In the interactions that took place between the said persons and the IPL and IMG teams, it was also noticed that contrary to the ITT terms, the

documents submitted by them had put a cap of USD 55 million. This was totally un-acceptable. They were therefore told that this cap had to go and that they had to bring in at least the bid amount of USD 333.33 million together with providing for contingencies like providing for player costs. They would have to execute the Franchise agreement in the form stipulated.

- v. I found this all a little disquieting. I also was a little perturbed by the hesitation shown by the said persons at this very initial stage. The bidders seemed to be hesitating at the very threshold. They had themselves indicated that they did not have an appetite for continuing losses and negative cash flows. Their expectations on returns were un-realistic. Kochi did not have a cricket stadium. The construction of a stadium in Kochi would take time. When I asked them which city they had in mind (considering that each franchisee had its own catchment areas) they wanted to know if they could play at Abu Dhabi. I found this quite astonishing that these persons were getting into this venture with so little

understanding of basic facts relating to team ownership , let alone its finer nuances. I therefore explained to them that this was the Indian League. It could only be played in India. I then explained to them the concept of catchment areas of teams and the stadia still available. I did not want a case where this franchise defaulted or went under because of negative cash flows in the initial few years (such negative cash flows were very likely) . If they were to go under, this would cause a great damage to the IPL image and undermine success of the IPL movement.

vi. Mr. Shahshi Tharoor had called me prior to the meeting and requested me not to go into the identity of the sweat equity owners. This was however not acceptable to me. The meeting concluded with my asking them to amend the agreement and give us details of the persons holding sweat equity. We also told them to update us on the status of the incorporation of the franchisee.

vii. Sundar Raman also admitted that in the meeting of 29.03.2010 at Delhi the Kochi bidders were

apprehensive about a quick return of their investment. Further the Kochi franchisee wanted to keep their liability capped at US \$ 55 Million and also requested if they could play at venues in the middle east. This fact was also admitted by Keshav P.T.. Keshav P.T. further stated that I had objected to the clause by which members of UTV put a cap on their liability.

viii. After 29th March, 2010, I received several phone calls from Mr. Shashi Tharoor inquiring about what was happening about the progress of the Franchise Agreement.

ix. On or around 7th /8th April, 2010, Mr. Manohar called me to inquire about the status of the Franchise Agreement. I gave him the exact status of what had happened. Notwithstanding my protestations (with good reasons), he ordered me to sign the agreement. He told me that that - Ms. Akhila Kaushik, the Legal Advisor of the BCCI will bring the agreement to you and that I should sign it.

x. I next met the members of the Un-incorporated Joint Venture Consortium at the I.T.C. Royal Gardenia Hotel in Bengaluru, in the morning of 10th April. The Franchise Agreement had still not been corrected to remove the cap on liability. I made it clear that I would not sign an agreement with such a cap. I asked Akhila Kaushik to ensure that the franchise Agreement was amended. I also requested that all shareholders be present in the evening to sign the same. We met again at night. By now the agreement had been corrected. Notwithstanding the advice of Mr. Tharoor I inquired about the identity of the person to whom sweat equity had been issued. I was then told that the owner of Rendezvous Sports World Pvt Ltd was a lady called Sunanda Pushkar. When pressed for further details of her identity, I received diverse and evasive replies – one of which was that she was a businesswoman with interests in the Gulf.. My concerns at the lack of clear identity of the sweat equity holder were heightened. When I insisted on getting a clear answer, Mr. Gaikwad who was representing the sweat equity investors

told me he would ask his father and revert. He spoke to his father on the phone.

- xi. As stated earlier, it was at that point of time that I received a call from Mr. Tharoor telling me that it was in my interest that I not ask who the 25% shareholders were.
- xii. Sundar Raman also admitted in the Bangalore meeting Mr. Shashi Tharoor called me asking me not to insist for shareholding details of Kochi franchisee. This was informed by me to the then BCCI President but Mr. Manohar still insisted on me signing the Kochi contract.
- xiii. Although I did not yield to Mr. Tharoor, but the directive of the President to sign the agreement was honoured despite all this. However, I signed the agreement "subject to approval of the Governing Council" - which did not seem to go down too well with the then President.

160. That my doubts regarding efficacy of Kochi franchisee came true when BCCI had to issue a show cause notice to Kochi Franchisee on account of disagreement between Owners (investors and non

paying partners) and BCCI was concerned about stability of franchisee. Things came to such a pass that there were communications between two groups of share holders asking BCCI not to recognize other group.

161. In fact in all this situation, the sequence of events reveal that the President BCCI insisted that non-paying shareholders should be kept in franchisee. Subsequently the members of UTV incorporated a company by the name of Kochi Cricket Pvt. Ltd. in which the shareholding of sweat equity holders was restricted to 10%. The BCCI resigned a new franchisee agreement with this incorporated entity.

162. Kochi franchisee subsequently even refused to pay the full amount due to BCCI or provide requisite Bank guarantees. The Kochi Franchise was terminated by BCCI on 19.9.2011 for non furnishing of bank guarantee of Rs.153.34 crores.

163. The ITT finalized on 22.10.2010 provided for guarantee of the total bid amount. The new ITT after 07.03.2010 GC meeting reduced requirement of the bank guarantee to one year payments by the franchisee to BCCI. Had the original bank guarantee clause put in the ITT of the full amount been in place BCCI would have been protected and at no loss whatsoever however, because of the reduced amount of the bank guarantee the BCCI's interest actually suffered. In the hindsight I say that my decisions on keeping the conditions of bank guarantee and

net worth and not signing the Kochi agreement without proper compliance were all vindicated.

Allegation regarding Television Rights.

164. The allegations pertaining to the IPL Media Rights and the alleged "Facilitation Fee" are thoroughly misconceived and premised upon a signal failure to appreciate basic facts.

165. On November 30th, 2007, the BCCI floated a tender for Media Rights pertaining to the IPL tournament for a period of 10 years commencing 2008 and ending 2017 for the entire world. The entities eligible to participate in the tender process were broadcasters and/or marketing agencies.

166. Three bids were received, in time, in response to the said bid. These were from (1) WSG India, (2) Sony & (3) ESPN. While Sony and ESPN participated as broadcasters, WSG India, a part of WSG group having leading presence in sports rights in Asia participated as Marketing Agency.

167. Prior to the opening of these bids, Sony informed BCCI that it was withdrawing its individual bid to partner as per its internal arrangement with WSG. This left only two bids in the fray, viz the bid of WSG India and the bid of ESPN.

168. The bid of ESPN was found to be fundamentally non-compliant. This bid was therefore not considered further. This left only the bid of WSG India in the fray.

169. The bidding process clearly demonstrated that WSG India and Sony had a business arrangement with each other. In fact the profile submitted by WSG India clearly stated that even prior to this bid, WSG and Sony had dealt and/or collaborated with each other. N.P. Singh admitted in his evidence that the WSG bid, Sony was not a joint bidder but only a channel partner for India, however it had contributed \$ 10 million to the bid made by WSG.

170. A perusal of the bid submitted by WSG India aligned with earlier conversations revealed that:-

- (i) WSG had reached an agreement with Sony that WSG would sub license the media rights for territory of India to Sony; and
- (ii) the Media Rights Agreement submitted along with the bid made the Minimum Guaranteed amounts for years 2 to 5, dependent upon the tournament achieving specified viewership ratings (TAM).

171. Faced with the predicament that the bid might be non-compliant and considering the fact that there was only one bidder remained at the table, discussions between BCCI, WSG India and

Sony and BCCI-IPL corporate lawyers (IMG) took place. During these discussions WSG India suggested that they and Sony have reached an understanding and they will sort their internal agreements and the original sub license arrangements contemplated between WSG India and Sony can be substituted by the following arrangement, if BCCI agrees:-

- a. Two separate agreements can be executed, one between BCCI and WSG India and the other between BCCI and Sony ;
- b. The Sony agreement would be for the Indian sub-continent rights and have a term of five years. Sony had an option to renew the agreement for another 5 years, provided Sony and WSG India jointly executed an extension notice.
- c. WSG India Pvt. Ltd would enter into a 10 year agreement with BCCI for the rest of the world (ROW) rights. Also WSG India would retain the residual period of 5 years of the years 6 to 10 of India rights.
- d. In the event the TAM ratings fell below a prescribed norm, Sony would not be liable to pay the additional amount under its agreement.

- e. In such event, WSG would pay a top up fee, if some or all portion of the rights fee under the Sony Agreement which was dependent on achievement of average TAM Ratings was not paid so that BCCI gets the minimum guaranteed amount.
- f. This arrangement would help in achieving the tender conditions and the bid would become compliant to BCCI getting the minimum guaranteed amount.

172. This indicated that there was a separate internal arrangement between Sony and WSG for making the bid compliant and for the possible extension of Sony's term. The BCCI including myself was completely unaware of the commercial transactions that may have been set out in the internal arrangement between Sony and WSG at that point of time beyond the broad provisions stated above and it is only through press release issued by Sony on 23.4.2010 that I subsequently came to know that Sony was paying WSG (India) US\$ 25 Millions as option fees if it wished to extend the rights to years 6 -10 and the potential exposure of WSG to the rating incentive at the end of the year 5 of circa US \$ 35 millions.

173. The Governing Council of the IPL in its meeting held on 14.01.2008 had noted as under:

"The SONY-WSG bid was complaint to eligibility criteria. The WSG bid mentioned that a part of its Rights Fee

was reliant on the ratings delivery (TAM). However, it was suggested by the Chairman and IMG and agreed by the representatives of both SONY and WSG that in the event of a shortfall between an amount paid over the five year term and minimum licence fee per season, then that shortfall would be made good at the end of the term to ensure compliance with the requirement of reserve price per season by both the parties.

It was agreed between the parties that between IPL and SONY the Indian Sub-continent rights are valued at US\$ 276 million and between IPL and WSG for 10 years global media rights with a carve out for the first 5 years of the Indian Sub-Continent media rights are value at US\$ 642 million. In conclusion WSG SONY won the bid with an offer of US\$ 1.026 billion over a period of 10 years.”

174. Accordingly, two separate agreements were executed on 21st January, 2008. These agreements were expressly approved by the governing council at its meeting held on 25.01.2008.

175. Clause 29 of the agreement dated 21st January 2008 executed with WSG India (WSGI), is important and is therefore extracted below:-

“if the Sony Agreement ends for whatever reason prior to the end of the Rights period, the Licensor will be required to meet with

the Licensee as soon as practicable with a view to agreeing in good faith which of the parties and on what basis the rights pursuant to the Sony Agreement will be exploited within the Indian Subcontinent. Licensor acknowledges that a failure to comply with the clause may have a material impact on the Licensee's rights and obligations pursuant to this Agreement."

176. WSGI agreed with the BCCI that if Sony made any deductions on account of TAM rating, WSGI would pay that amount up to USD 35 Million to the BCCI at the end of year 5. The details of the internal arrangement between Sony and WSG India which was confidential at the time became known when Sony issued a Press Release on 23 April 2010 by which it made known that if it exercised its rights in the Option Deed with WSG for years 6 to 10 Sony was to pay WSG the option fee of US\$25 million plus up to US\$35 million on account of TAM related payment.

177. The amounts which BCCI was to receive under the two agreements with Sony and WSG are set out in a tabular statement below :

Amounts recievable by SONY-WSG under original agreements dated 28/1/2008 (based on a 59 match schedule)

S. No.	Year	Sony (Original Agreement-28/1/2008) (Figures in cr)	WSG(I) (Original Agreement-28/1/2008) (Figures in cr)	BCCI (Original) (Figures in cr)
1.	2008	220	16	236
2.	2009	220	20	240
3.	2010	220	24	244
4.	2011	220	28	248
5.	2012	224	32	256
6.	2013	-	472	472
7.	2014	-	476	476
8.	2015	-	489.6	489.6
9.	2016	-	499.2	499.2
10.	2017	-	510.4	510.4

178. In the first year, IPL became a huge success, however unfortunately the TAM rating of the event was around 4.9, and therefore slightly less than the contractually stipulated minimum of 5. Sony therefore insisted on deducting US\$ 10 million from the payments to be made to BCCI. Mr. Sundar Raman also admitted in his evidence that after IPL -1 Sony declined to pay \$ 10 million to BCCI. BCCI was upset with this approach and raised various other issues of Sony's performance and live telecast to put pressure upon it to pay the deducted TAM amount. Meanwhile because of Sony's

refusal to grant on-air sponsorship to BIGTV, BIGTV walked out of BCCI ground sponsorship agreement. Under the agreement BCCI was to get Rs. 34.27 crores per year for the next four years from BIGTV. Thus on one hand while Sony wanted to deduct amounts for non-achievement of TAM rating on the other hand it had caused direct loss to BCCI of BIGTV sponsorship. I told Kunal Das Gupta that Sony can take the ground sponsorship from BCCI but would in any case have to pay the same amount to BCCI as BIGTV was paying, Sony however refused. BCCI contended that Sony had breached its obligations under the agreement (pertaining to issues of air rights of BIG TV; dirty feed ;incorrect declaration of commercial time sold ; and failure to provide requisite air time to BCCI). BCCI through Mr Paul Manning of International Management Group (IMG) issued legal notices to Sony on 3rd, 10th, 11th and 14th February 2009 alleging various breaches by Sony and pointing out therein that BCCI is entitled to terminate the agreement forthwith. Sony disputed this and threatened to take the matter to Court in the event of a termination. Ashok Nambissan, General Counsel of Sony sent a mail to the affect that BCCI should send a revised invoice of \$ 45 million instead of \$ 55 million. This was the position even after first set of notices for termination were sent to Sony in February, 2009. Additionally BCCI looking to the success of the event had introduced provision of time outs during which advertisements could be run and BCCI wanted a revenue of Rs 75

Crore for year 2 to 5 and Rs 150 Crore for year 6 to 10 in respect of the same. In respect of time outs the Sony's initial contract did not provide for flexibility of BCCI introducing strategic time outs to enhance revenue. I wanted payment of time outs on behalf of the BCCI not only for year 2 to 5 but right until year 10. Sony were telling us that they were still not interested in year 6 to 10 rights from WSG. Sony stated that they would have to make WSG agree for liability of time outs payments for year 6 to 10. Sony initially proposed a revenue share for the strategic time outs without fixed numbers for year 2 to 5 and after much negotiation reluctantly agreed to pay Rs.68 crores to BCCI. I told Sony executives that they and WSG must resolve issue of years 2 to 10 mutually and should come to BCCI for the whole period of years 2 to 10 at the numbers BCCI wanted. The Governing Council was kept fully abreast of these developments and at the meeting of the Governing Council dated 05.02.2009, the Governing Council passed the following resolution :-

"Members took serious note of the breach of MSM (Sony) and the subsequent notice sent by IPL for the breach for not providing the first right of refusal for IPL sponsor (Big TV) and the pull out of Big TCV for that. Chairman also pointed out the other material breaches by MSM (Sony) and the members authorized Chairman to take necessary action against MSM and try and sort out the same and if no solution is found to the satisfaction of

the IPL, Chairman was authorized to find an alternate solution. In finding a solution, Chairman was authorized to finalise adding a 5 minute break after every 10 overs and also negotiate financial revenue for the same to IPL

This meeting was attended both by Mr. Arun Jaitley and Mr. Chirayu Amin

179. I also started discussions with ESPN Star for India rights. Mr. Andrew Marshal, the General Counsel of ESPN Star was apprehensive of complications due to possible legal action by Sony. At my instructions Paul Manning started drafting new media rights agreement with ESPN Star in Macau. ESPN Star had called a meeting in Macau. In the new contract, the value of rights was increased over Sony contract but ESPN was reluctant to negotiate with IPL until Sony's contract was terminated properly as they feared legal consequences. I tried to assuage their fears and convince them to enter into negotiations with BCCI. ESPN were also concerned about WSG agreeing to pass year 6 to 10 India rights to them. They were also concerned about the size of the agreement. Even for 2 to 5 years, if Sony contract was terminated, WSG would have been required to be involved as per the original agreement. The meeting in Macau was inconclusive.

180. Subsequently I instructed Paul Manning and Andrew Wildblood to come to Singapore to attend a meeting with ESPN. I also reached

Singapore. This was around 8th and 9th March, 2009. The proposed meeting did not take place with ESPN. ESPN was not willing to meet until Sony agreement was terminated and they were given certain assurances in the form of indemnity against possible legal action. ESPN had given a document in Macau which contained indemnity clause to ensure that BCCI would cover any risk of loss that may fall upon them due to any claim made by Sony.

181. WSG was as I understood it taking a position that the issues between BCCI and Sony do not pertain to their contract. They wanted additional compensation, if they were to agree on Sony's demand on them for higher figure of time outs for India rights of the year 6 to 10.

182. Andy Kaplan told me that WSG was reluctant to increase their fees for season 6 to 10 for the time outs and that we may work out with Sony the price each year based on the value sold in the previous year. Sony also threw the idea that BCCI should take a tender out for time out rights and the right to match the highest bid should be given to Sony. It appeared to me that Sony was forcing us to prolong the entire matter so that the season could get underway and the parties negotiating position would then change and was not willing to close various issues and their strategy was to take legal recourse without committing the increased amount which BCCI wanted. In between Sony started marketing ground plus on air

sponsorship rights without even agreeing terms with BCCI creating further suspicions. Sony sent an agreement where they put liability of minimum amount of Rs.150 crores of WSG for year 6 to 10. Further they were willing to take liability for grounds sponsorship, if BCCI was willing to sue Big TV. They were further not willing to provide bank guarantee for TAM amount short fall and time outs and wanted a credit period of 180 days for payment of amount for time out. Meanwhile Kunal Das Gupta who had been removed from Sony informed me that Sony was looking to exploit written communications, if any from BCCI, asking for higher amounts and take a stand that there was no breach on their part and BCCI's actions were primarily to seek higher amounts for time outs.

183. It appeared that Sony was purposely delaying the negotiations and freezing a contract. I thereafter asked Akhila Kaushik to file Caveat on behalf of BCCI lest Sony move for interim order in event of impending termination.

184. I asked Paul Manning to draft a letter to potential interested parties to invite offers for IPL media rights for India. BCCI was concerned that Sony may seek prevent BCCI from entering into alternative contract for IPL media rights with third parties.

185. In this background as BCCI and Sony were far from reaching consensus , BCCI terminated the Sony agreement by addressing a letter dated 14.03.2009.

186. This termination happened when the IPL Season-II Tournament was around the corner and IPL was scheduled to start from 8th April 2009. BCCI-IPL corporate lawyers as well as BCCI in house lawyers were acutely conscious that Sony would immediately challenge this termination in Court. Sony had, in fact, threatened in earlier conversations to move court in the event of a termination and take recourse to legal remedies to full extent. BCCI had, even prior to the termination therefore also been exploring other options with other broadcasters/ parties including ESPN, Star Group and NDTV to ensure that third party rights could immediately be created so that in the event of Sony termination, alternate arrangement for media rights could be in place and also keeping in view of the practical position so that Sony did not have an opportunity to move court and obtain a restraint order.

187. BCCI under Clause 29 of the WSG India Agreement was required to agree in good faith with WSG as to which of the parties and on what basis Indian sub-continent rights would be exploited. Simultaneously, it appears even Sony had kept WSG India in the loop as it wanted a tripartite understanding involving BCCI, WSG India and Sony should be arrived at so that any additional amount

paid by it in the event TAM ratings were not achieved could be adjusted against WSGI in the event of exercise of its option to renew the Agreement for year 6-10. This is clear from the Sony press release of 2010. Further I also understood as already indicated from on-going negotiations to resolve matters that Sony also wanted WSG to take liability of amounts of time out for year 6 to 10.

188. The termination notice was sent out by B.C.C.I at 8.14 p.m. on Saturday i.e. 14.03.2009 to SONY. Caveats had already been filed by the BCCI. Sony responded to this letter of termination almost immediately by their advocates letter dated 14.03.2009, served on the solicitors of BCCI by email at about 10.15 p.m. informing them that Sony would be moving court at 11.00 a.m. the following morning 15th March 2009(Sunday) for urgent interim relief.

189. BCCI was extremely concerned that should Sony get any interim relief the next morning, it would seriously prejudice the BCCI. Time was of the essence. Firstly, the IPL Tournament was likely to commence soon and it was essential that an arrangement for broadcast of the matches be put in place immediately. Secondly the legal advice at the time to the BCCI was to try and put in place an arrangement with the third party be put in place before Sony moved court for interim relief.

190. Such was distrust with Sony that IMG advised me to be circumspect while dealing with Sony and that I should have no direct communications lest I may be quoted in any Sony affidavit in Court proceedings. I stated that I would not like to be in oral contact with Sony.

191. As WSG India was the original successful bidder in 2008 , BCCI, having terminated Sony, was required under its contract with WSG India to agree with WSG India as to which of the parties and on what basis Indian sub-continent rights would be exploited. The BCCI was keen to increase the value of its India sub-continent rights. BCCI asked WSG India to consider an arrangement where there would be a mutually agreed termination of the WSG India agreement dated 21st January 2008 so that BCCI could sever and aggregate the India Sub Continent Rights for the longer period 2009-2017 for a significantly increased amount. Without this agreement to aggregate, BCCI could not have achieved much, if any, increase in value. It was further agreed that since this was the sole purpose of the termination and as WSG's model of utilization of IPL rights was built largely on the to sub-licensing, ROW rights would be granted to WSG India on the same terms as before.

192. The negotiations which had been continuing between BCCI & WSG resulted in an agreement being concluded at 3.00 a.m. on 15.03.2009. This agreement was arrived pursuant to the negotiation with Mr. Venu Nair and Mr. Andrew Georgiou who represent the WSG Group and were common directors both in WSG India as well as WSG Mauritius. Mr Manning of IMG represented the BCCI in these negotiations alongside myself and Mr. Sundar Raman . The result of these negotiations was that WSG agreed that it would acquire the rights for the remaining 9 years (2009 to 2017) for the Indian Sub Continent. WSG designated its pre-existing Mauritian arm, WSG Mauritius Pvt. Ltd (WSGM) as the designated company which would enter into and perform the said agreement. The agreement clauses were negotiated and drafted by BCCI-IPL Corporate Lawyers on substantially similar terms, barring minor changes as in earlier agreement entered with WSG India.

193. During the negotiations between BCCI and WSG, WSG agreed to pay the amounts asked for by BCCI which Sony was not prepared to pay. The agreement with WSG Mauritius for Indian Sub-Continent was on far more lucrative and beneficial terms for BCCI than the original Sony agreement of 21st January 2008. The agreement executed between BCCI and WSG (Mauritius) dated 15th March '09 brought to the BCCI an additional benefit of Rs.1705.49 crores. This agreement was thus clearly in the interest of BCCI and

allowed BCCI to leverage its media rights in an unprecedented manner with resultant windfall gains. WSGM agreed to meet financial expectation of BCCI. They were ready to pay the increased amounts which BCCI was demanding from Sony without grounds sponsorship rights for year 2 to 5. WSGM and WSG I were as I understood it part of the same group companies having common directorships.

194. If WSG India Agreement of 2008 had not been agreed to be mutually terminated, BCCI could only have sold the rights for the year 2 to 5 and any broadcaster taking 2 to 5 rights would have been apprehensive of WSG selling 6 to 10 years rights to competitors. Therefore, making WSG India agreed to terminate this contract was a major break through that I achieved. The WSGM contract did not require great deal of additional negotiations as the draft was similar to the earlier Sony contract.

195. I believed at the time that the choice of the Mauritius based company was made by WSG because of tax considerations. It also seemed that this might suit BCCI's legal strategy, since it was a separate legal entity to WSG India which had prior to bid entered into agreement with Sony for media rights of Indian Sub-Continent.

196. As under the original agreement of BCCI dated 21.01.2008 with WSG India, provided that if Sony did not exercise its option for

years 6 to 10, the Indian Sub-continent rights would remain with WSG India, it was necessary to terminate the WSG India as well so that media rights could be reworked and rights for years 2 to 10 could be granted to WSG Mauritius. Accordingly, the agreement with WSG India was terminated through a Mutually Agreed Termination Deed which provided that new WSG India Rights agreements would be entered with WSG Mauritius for Indian Sub-Continent rights and with WSGM or WSG India for rest of the world (ROW) rights. Because of mutual agreement with WSG India rights for year 6 to 10 reverted back to BCCI. This made monetization of those rights for year 2 to 10 possible at significantly increased value. It would have been difficult selling rights for year 2 to 5 rather than year 2 to 10 since value benefits would have come in later years which prior to this arrangement would have continued to be held by WSG.

197. The agreement with WSG Mauritius for Indian Sub-Continent was on far more lucrative and beneficial terms for BCCI than both the SONY agreement dated 21st January 2008, which had been terminated as well as the proposal given by Sony on 11.03.2009.

198. BCCI initial demand from Sony for the commercial resolution of dispute were

- (i) No deduction of additional amount on account of non-achievement of TAM ratings.
- (ii) Payment of compensation for BIG TV loss of sponsorship at Rs.34.27 crores for four years in lieu where of Sony was to get ground sponsorship right for one category.
- (iii) Amount of Rs.75 crore for time outs for year 2 to 5 and an amount of Rs.150 crores for year 6 to 10.

However, Sony refused to agree to BCCI's demands. WSGM agreed to more beneficial terms without asking for any ground sponsorship rights.

199. The agreement with WSG Mauritius brought to the BCCI the additional benefit of Rs.1705.49 crores, as set out in the table below

:-

(Based on a 59 match tournament)

S. No.	Year	Sony initial agreement with exercise of option (Figures in cr)	Amounts being demanded of Sony by BCCI which Sony refused to pay	WSG Mauritius (Figures in cr)
1.	2008	220	-	220
2.	2009	220	$220+34.27+75 = 329.27$	335
3.	2010	220	$220+34.27+75 = 329.27$	340

4.	2011	220	$220+34.27+75 = 329.27$	375
5.	2012	224	$224+34.27+75 = 333.27$	375
6.	2013	424.8	$424.8+150 = 574.8$	571
7.	2014	428.8	$428.8+150 = 578.8$	571
8.	2015	440.4	$440.4+150 = 590.4$	634.4
9.	2016	449.2	$449.2+150 = 599.2$	748
10.	2017	459.2	$459.2+150 = 609.2$	842.49
		Total= 3306.4	Total= 4273.48	Total = 5011.89

Gain from Initial Sony figures (in cr) = 1705.49

(Note: The gains would have further increased considering the fact that the there would have been a pro rata increase of rights fee based on 94 matches per tournament year 2011 onwards)

200. The Agreement was fully in the knowledge of the BCCI as its execution was witnessed by Sundar Raman who was the COO of the IPL and Paul Manning of IMG who drafted the contract on the instructions of the BCCI.

201. As IPL-2 was around the corner it was imperative that WSG Mauritius who were a marketing agency had a confirmed arrangement with an Indian broadcaster. To safeguard the right of BCCI, a clause was introduced in the agreement that in the event of WSG Mauritius not sub licensing the agreement within 72 hours, the rights would revert to BCCI. The clause was specifically incorporated to ensure that BCCI had an exit option in the event WSG Mauritius, for any reason, was not able to obtain a back to back arrangement (sub licence) with a broadcaster. Further since time was of the essence a stringent time line was put to protect the interest of BCCI.

202. As expected Sony moved the court in the morning of 15th March 2009 (Sunday) for interim relief. The court was informed by BCCI litigation Lawyers that they had got notice of the interim application only at 10.00 a.m. and had not been able to obtain instructions from BCCI.

203. The court therefore, passed an order restraining BCCI from entering into any agreement till 17th March and posted the matter for hearing on 16th March (Monday)

204. Shortly thereafter, the BCCI-IPL Corporate lawyers informed the BCCI lawyers present in court about the fact of execution of the agreement between BCCI and WSG Mauritius, early in the morning

of 15th March 2009 and a copy of the agreement executed with WSG Mauritius was also made available to them. The BCCI litigation lawyers duly informed this fact to the Court. Under advice of BCCI lawyers, I also affirmed an affidavit on behalf of the BCCI detailing the factum of the execution of the agreement with WSG Mauritius.

205. The affidavit was drafted by BCCI's Indian advocate Negandhi, Shah and Himayatullah (NSH) and the contents of the affidavit was also discussed with Sundar Raman, CEO of the IPL and Ms Akhila Kaushik, BCCI's legal counsel and the IMG.

206. The matter was heard by the court again on 16.03.2009 when having regard to the fact that third party rights had already been created in favour of WSG Mauritius, the court did not continue the interim relief. The decision to execute the agreement with WSG Mauritius, immediately upon termination of the Sony agreement therefore stood vindicated.

207. Sony thereupon moved an amendment application seeking additional reliefs that BCCI be restrained from approving the broadcaster which WSG Mauritius was required to appoint within 72 hours.

208. Foreshadowing that such an application might be made, BCCI, by its letter dated 15.03.2009 itself granted its previous

approval to WSG Mauritius in respect of certain specified broadcasters and also forwarded the template (standard format) of the approved Media Rights Sub-License Agreement to WSG Mauritius. The list of identified broadcaster included Sony, NDTV, ESPN, Star, Neo Sports, TV 18, NDTV, Sun Astro and Doordarshan. This fact was also brought to the notice of the Court. BCCI also gave a pre-approved draft sub licensee agreement to WSG Mauritius.

209. WSG Mauritius started negotiating sub-license agreement with various broadcasters keeping BCCI informed of the same. WSGM was in negotiation with NDTV and ESPN Star. On 16th March, 2008 a sub-license agreement was entered into conditionally between WSG Mauritius and NDTV Mauritius under which the obligation to pay the required Bank Guarantees to BCCI was retained by WSG Mauritius. This agreement was subject to the approval of the respective Boards of WSG and NDTV.

210. Pending the approval of agreement between WSG Mauritius and NDTV Mauritius by their respective boards and it translating into a binding and enforceable contract, other broadcasters, including Sony and ESPN-Star Sports also continued to negotiate with WSG Mauritius BCCI was kept abreast of such developments by WSG Mauritius. ESPN-Star wanted indemnity from BCCI in case

any loss was caused to it due to legal proceedings arising out of Sony termination.

211. In the meanwhile, on 17th March 2009 the BCCI granted an extension to WSG Mauritius for creating a sub license till 21st March 2009 which was further extended on 20th March 2009 up to 24th March 2009. The issuance of extension letters was to ensure that the agreement between BCCI and WSG Mauritius did not lapse. Had this happened, the consequences for BCCI could have been disastrous. Sony might have sought a further injunction, which it failed to get in the first instance , because third party rights had already been created. The execution of the Extension Letters was as per the advice of Ms. Akhila Kaushik, Legal Adviser, BCCI, who was supervising the on going litigation on day to day basis. In fact Ms. Akhila Kaushik had directed BCCI-IPL Corporate Lawyers to draft extension letters. These Extension Letters record that WSG Mauritius was in an advanced stage of negotiations with several parties including Sony for sub-licencing television rights. These Extension Letters also recorded that they were being issued to ensure that no prejudice was caused to either party in the pending legal action. Another extension letter dated 23rd March, 2009 was prepared by BCCI in house lawyer Akhila Kaushik which I did not sign and was not issued to WSGM.

212. Realizing that it may lose the Indian sub continent media rights, Sony pursued its negotiations with WSG Mauritius for taking sub-license rights for Indian Sub-Continent. During these discussions Sony again insisted that it would like to have previous arrangement of direct license rights from BCCI. In essence it meant that WSG Mauritius would not be able to proceed, as had been contemplated, with Sony as a sub licensee and that WSGM would have to give up its rights for the Indian sub-continent so that BCCI could then grant them to Sony.

213. N.P. Singh admitted that from 16th March, 2009 WSG Mauritius and Sony were in negotiations with each other. This continued on 17th March, 2009 also N.P. Singh admitted that on or about the 17th March and also confirmed by the Sony Press release in April 2010 that Sony and WSGM arrived at broad consensus on the compensation that would be paid to WSG Mauritius, in case WSGM stepped aside for BCCI to enter into a direct deal with Sony. N.P. Singh also admitted that the negotiations continued on 18th March, 2009 and the final understanding was arrived between Sony and WSG on 18th March, 2009. On 18th or 19th March 2009 WSG and Sony representatives had a meeting with me. WSG also informed me that they had agreed that Sony could have a direct license with BCCI for India rights as was the case with the first Sony agreement. WSG informed me that they would step aside so that

rights are granted to Sony and on that basis t Sony would withdraw their petition in Mumbai High Court.

214. Sony wanted direct India rights and this was only possible, if WSG did not have rights for India. The rights had to come back to BCCI for a direct deal rather than a sub license for them to be granted to Sony. For this WSG were ready to step aside and mutually terminate their contract.

215. After WSG stated that they had reached an understanding with Sony I wrote email to the legal team and others that the deal with Sony is done. I also wrote email to various media agencies and advertisers that BCCI was back with Sony. I also wrote an email to BCCI litigation team saying that settlement with Sony is underway and that the Court should be informed of the same. These emails were written on 18.3.2009 and 19.3.2009. Accordingly, upon advice of BCCI-IPL Corporate lawyers, it was decided that, as was done on 21st January 2008, a separate agreement for the Indian Sub Continent could be executed with Sony and a separate agreement for the ROW would be executed with WSG. WSG Mauritius agreed to this rather than have Sony as a sub licensee. All these developments were brought to the notice of the then President Mr. Shashank Manohar from time to time by me.

216. I recall that WSG around the same time informed Paul Manning that they and Sony had reached an understanding to protect WSG's interest as Sony was to be a direct BCCI licensee rather than a WSG sub-licensee.

217. Around 21st or 22nd March, 2009 Paul Manning circulated draft of BCCI agreement directly with Sony which contained the Clause which WSG and Sony had agreed to be inserted to protect WSG's interest.

218. In the initial draft circulated by Paul Manning WSG had got the reversion of rights, if Sony contract was terminated prior to year 10. I wanted changes in the document and wanted those rights to revert to BCCI, if Sony contract now was terminated. I also wanted IPL to have right to retain increase in the number of franchises and prorata increase of the rights fee.

219. Based on these Paul Manning circulated a new Sony draft contract which contained a clause agreed both by Sony and WSG Mauritius to the effect that upon notice of Sony's breach of its agreement with WSGM, BCCI was required to terminate Sony. This did not seem an unusual clause because of Sony's request for a direct contract rather than to act as sub licensee . However, Sony reverted with major corrections in draft sent by Paul Manning. Sony did not want to increase the amount of money payable on increase in the number of teams and more alarmingly wanted a non

terminable contract. This was clearly unacceptable to me as being against BCCI's interest as I thought that this could compromise BCCI future position. Negotiations thereafter continued not on any matter concerning Sony and WSG but concerning Sony and BCCI. I also discussed this with the President and apprised him of the situation.

220. However, Nick Fitz Patrick, the Sony lawyer sent a draft which amongst other things wanted limitation on BCCI's termination rights as well as on limitation on increase of number of teams. This was not acceptable to me. ESPN had also sent its details to WSG which they forwarded to BCCI and I instructed Paul Manning to prepare draft agreement based on ESPN termsheet protecting the rights of BCCI to increase the number of terms. Sony wanted to limit the number of teams to 8 and was insisting on a non terminable contract. On 22.3.2009 I wrote a email that Sony's insistence on non terminable contract was not acceptable. Thereafter WSG was in contact with Sony to resolve the issue of a termination clause in the contract and for increase of rights fee on pro rata basis depending on number of games. Because of Sony's insistence for a non terminable contract, the consent term which were contemplated at one time to filed, could not be filed before the High Court.

221. In the meanwhile, having regard to the statement made by the Home Minister about the inability of the government to provide security for the IPL tournament, the BCCI Working Committee at its emergent meeting held on 22nd March, 2009 passed a Resolution to move the IPL tournament to South Africa or England. The BCCI chose South Africa as the venue and I immediately flew to South Africa on 22nd March, 2009 itself to oversee the arrangements pertaining to the conduct of the tournament. At this meeting the termination of Sony and execution of the agreement between BCCI and WSG Mauritius was extensively discussed. The relevant extract of the Resolution passed by the Working Committee is extracted below:-

"Mr. Lalit Modi also brought to the attention of the members the issue between the official broadcaster "MSM" and IPL. IPL terminated the contract with Sony due to multiple breaches in contract terms by Sony. The total contracted revenue of the IPL till last week was Rs. 9068 crores. He further stated that the Board had immediately signed a fresh agreement with WSG. Mr. Modi added that Sony breached that contract in all 59 matches of IPL by overlaying advertisements on our clean feed. According to the BCCI guidelines in a T20 game a total of 2000

seconds is stipulated for advertisements but Sony breached by inserting 3200 seconds i.e. over 60% of allowed inventory. The value of the revised contract entered into with WSG is for Rs. 14,068 cr. Over the period of 9 years an increase of Rs. 5000 Cr. Sony has agreed to match the amount which WSG has agreed to pay BCCI.

He further stated that on the suggestion of our lawyers we have agreed to an out of court settlement with Sony effective 6.30 am today morning. One of the major points of this agreement was that Sony wanted this agreement to be a non terminable agreement which we have denied to Sony after discussion with the President.

Secondly we also had a restriction on increasing the number of teams from 8 to 10 in the 4th and 5th year. What we have reached in the agreement is we can increase the teams in IPL at any point at their discretion to 10 teams. Further, we can increase to number of teams as and when we want to win the first right to refusal with Sony on a pro rata basis to match the number within 15 days. If not, like in England it would be open to all

broadcasters to bid. He also added that average price per match according to the old contract was one million dollars moving to two million dollars per game for the next 5 years which is close to 200% increase compared to the last contract.”

222. The BCCI strategy to pass on the rights to WSG Mauritius proved judicious when the Bombay High Court delivered its judgment on 23rd March 2009 dismissing the injunction application filed by Sony for the reason that BCCI had already transferred its rights. The said judgment records that on 15.03.2009 when the matter had come up the court had initially passed order restraining the BCCI to enter into agreement upto 17.03.2009 and the matter was directed to be listed on 16.03.2009 at 11.00 a.m. However, on 15.03.2009 itself the lawyers for the BCCI served on the lawyers for SONY an affidavit along with copy of the agreement stating that they had already signed an agreement with WSG Mauritius. Further the order records that thereupon SONY sought an amendment and also sought an injunction that under clause 6.2 of agreement dated 15.03.2009 no broadcaster should be allowed to be appointed. Upon this the court enquired whether the BCCI had approved appointment of broadcaster wherein matter was kept back till 4.30 p.m. for taking instructions. At 4.30 p.m. on 16.03.2009 the

lawyers for BCCI tendered a copy letter dated 15.03.2009 from Chairman IPL pointing out that approval pertaining to broadcasting is already granted to WSGM. It was also mentioned that a template of license agreement to be signed by WSGM had already been approved by BCCI. The Court further noted that BCCI had submitted the agreement with WSG Mauritius is a concluded contract where the transfer of rights from BCCI to WSG Mauritius had taken place. The Bombay High Court held that:

"Even assuming that the aforesaid submission made on behalf of the petitioner would have prima facie been accepted by the Court, at this stage, the petitioner would not be entitled to any ad-interim relief on the ground that the same would directly and/or substantially affect and/or interfere with the enjoyment and/or exploitation by WSGM of their vested rights and present interest in the property which is the subject matter of the contract created in their favour and subsisting in presentii since WSGM is not made party to the present proceedings."

223. BCCI in fact benefited from the two extensions of time granted to WSG Mauritius on 17 and 20 March 2009 as the High

Court judgment was predicated on the vesting of rights in a third party namely WSG Mauritius. These extension letters were fully in the knowledge of BCCI as these were drafted by Ms Akhila Kaushik in consultation with Paul Manning of IMG,. The judgment itself shows that entire facts were in knowledge of BCCI which was contesting the matter against Sony. The extension letter was issued on 17th March, 2009 and 20th March, 2009 to keep the rights alive otherwise the BCCI would have been at risk of loss of litigation in Bombay High Court.

224. Though Sony lost the court litigation, however, there were chances of its litigating further and filing a suit and there was pressure to freeze media rights contract while there was no court proceeding in place. On the evening of 23rd March, 2009, I left for South Africa. At that time through WSG was negotiating both with Sony and ESPN since BCCI could not reach any finalization of its contract with Sony. Until 23rd March, 2009 neither Sony nor ESPN could bring their clauses in line with BCCI requirements. While leaving for South Africa, I had to tie-up the rights up somewhere to secure BCCI's interest. I therefore, instructed Paul Manning that to secure BCCI's interest, he should draft another agreement with WSG Mauritius not allowing them any exit for India's rights so that the amounts payable to BCCI could be secured. I asked Paul Manning to make the new agreement and ask WSGM to sign it. To

the best of my knowledge Venu Nair of WSGM did sign a new agreement on behalf of WSGM for India rights which had no exist clause. However, as I was leaving for South Africa, I could not sign the said agreement and proposed to sign it after landing in South Africa. As per the new agreement it was my understanding that India and ROW rights were firmly with WSG, who would then sub-license them the way they want giving BCCI the required amount. Since I had already written a email on 19th March, 2009 that Sony was back with BCCI and advertisers could go ahead for booking their ads with Sony, to dispel that message, I wrote further emails on 23rd March, 2009 to bring on record the position that Sony was not back with BCCI and WSG had the rights. Paul Manning admitted in his cross examination on 15th September, 2011 that WSG had signed a new agreement on 23rd March 2009. This was meant to be in respect of India rights. On the next day i.e on 16 September 2011, Paul Manning improvised and retracted his statement presumably under pressure from BCCI to say that the new WSG agreement was in respect to ROW rights. However, he could not explain how WSG agreement of 23.3.2009 could be for ROW rights alone when ROW rights had no sub-licensing deadline. This new agreement could only have been in respect to India rights agreement because ROW agreement did not have a sub-licensing deadline. Paul Manning admitted that WSG were unhappy with the new agreement as it had no exit option which in given

circumstances was in context of the India rights contract alone. Paul Manning admitted that BCCI lawyer had called him and asked him to correct his statement. The conduct of BCCI's lawyer in calling a witness and discussing with him while he was giving statement is condemnable to say the least.

225. I believed that WSGM were already at advanced stage of agreements with Sony, ESPN and NDTV. Therefore as far as BCCI was concerned the broadcasters would have been WSGM's sub license for India rights.

226. However, when I landed in South Africa in early hours of 24.3.2009, I received a call from Michael Lynton in which he stated that Sony would agree for a terminable contract and also addition of two new teams and the amount of the media rights fee payable pro rata on increase of number of matches. Possibly he realised by then that I would not budge from my insistence on increase in number of teams and for BCCI to have the right to terminate the Sony contract. It was then after these remaining obstacles were overcome that we were back on track and that BCCI IMG legal team WSG legal team and Sony legal team set across to finalize the agreements.

227. By way of further background N.P. Singh admitted in his cross-examination that post 19th March, 2009 there were no

outstanding issues between Sony and WSG Mauritius and they had exchanged their drafts to finalize their understanding. This seems to be the position set out in the Sony Press release of April 2010 .Between 19th March 2009 to 23rd March 2009 WSG tried to find a solution to the termination clause. On Sony's insistence, I had written emails on 19th March to various advertisers saying Sony was back on IPL. However, by 23rd March, 2009 when things had not settled to dispel confusion in the minds of advertisers, I had to send email again on 23rd March, 2009 to clarify that Sony did not have rights. On 24th March, 2009 Sony agreed to terminable contract and addition of teams to 10. The delay in closing media rights contract between 19th March 2009 to 25th March 2009 had nothing to do with any issue between WSG and Sony rather the only outstanding issues were between BCCI and Sony.N.P. Singh also admitted that in the drafts exchanged between WSG and Sony, their understandings was frozen on 20-21 March, 2009 itself.

228. The requisite documentation between BCCI and WSG India and BCCI and Sony was thereafter finalized by lawyers of all parties. These agreements were dated 25th March 2009. In the agreement executed between Sony and BCCI, the consideration which was payable to BCCI was exactly the same consideration that was payable to BCCI by WSG Mauritius. Under the combination of the new BCCI –Sony and BCCI-WSG Agreements the BCCI gained

an additional sum of Rs.2577.24 crores over and above the amounts otherwise payable under old BCCI-Sony and BCCI-WSG Agreements.

Amounts payable to BCCI under New Agreement
(based on a 59 match schedule)

S. No.	Year	Sony (Agreement - 25/3/2009) (Figures in cr)	WSG (Agreement - 25/3/2009) (Figures in cr)	Total (Figures in cr)
1.	2008	220	16	236
2.	2009	335	20	355
3.	2010	340	24	364
4.	2011	375	28	403
5.	2012	375	32	407
6.	2013	571	47.2	618.2
7.	2014	571	47.68	618.68
8.	2015	634.4	48.96	683
9.	2016	748	49.92	797.92
10.	2017	842.49	51.04	893.53

BCCI Net gains

(based on a 59 match schedule upto 2010 and a
94 match schedule 2011 onwards)

S.No.	Year	BCCI (For Agreement)	BCCI (For Agreement)	Gain
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		28/1/2008) (Figures in cr)	25/3/2009) (Figures in cr)	(Figures in cr)
1.	2008	236(59 matches)	236(59 matches)	0
2.	2009	240(59 matches)	355(59 matches)	115
3.	2010	244(59 matches)	364(59 matches)	120
4.	2011	395.11(94 matches)	642.06(94 matches)	246.95
5.	2012	407.86(94 matches)	648.44(94 matches)	240.58
6.	2013	752(94 matches)	984.92(94 matches)	232.92
7.	2014	758.37(94 matches)	985.69(94 matches)	227.32
8.	2015	780.04(94 matches)	1088.16(94 matches)	308.12
9.	2016	795.33(94 matches)	1271.26(94 matches)	475.93
10.	2017	813.17(94 matches)	1423.59(94 matches)	610.42

Total Gain = 2577.27 (in cr)

229. Though BCCI was aware that WSG Mauritius and Sony had reached an understanding that WSG Mauritius would step aside rather than insist on a sub licence thereby enabling Sony's direct agreement with the BCCI , neither B.C.C.I nor I was aware of the

financial understanding reached between the two as such information is confidential between Sony and WSG. The clauses to ensure that WSG Mauritius be protected were agreed between WSG Mauritius and Sony and subsequently given to BCCI-IMG lawyers there was nothing unusual in such clauses as in the case of sub-license structure in the event of Sony committing default, WSG could have terminated such arrangement.

230. It appears from the media release issued by Sony on 23rd April '10 that in the arrangement where WSG Mauritius gave up its rights, Sony agreed to pay WSG an amount of US\$ 80 million over a period of 9 years. The press release records also that part of this consideration had already been paid. WSG is a marketing company and therefore would have marketed and or sold or licensed its rights in to a third party in the usual course of business and earned either a margin or commission with respect to such sales. Sony had agreed that it would provide necessary protection to WSG Mauritius in the event that Sony defaulted in making payments. Any provisions which may have been inserted in the agreements to ensure that WSG Mauritius was protected was pursuant to an arrangement between WSG Mauritius and Sony and it is they who required that such clauses be inserted so that the inter party arrangement could be effectively implemented. The contract documentation therefore contained relevant clauses and

were drafted by the BCCI lawyers including Paul Manning of IMG on behalf of BCCI who were in any event tasked with the preparation of the contracts. That there was nothing amiss or improper in the entire transaction is also evident from the press release issued by Sony on 23rd April 2010. Sony and BCCI executed the Media Rights Agreement for the India Sub continent on 25 March 2009. BCCI and WSG India executed the Media Rights Agreement dated 25 March 2009 for the Rest of the World territory.

231. The Agreement between BCCI and Sony was in complete notice of the President as also the Secretary of BCCI as also members of the Governing Council of IPL. There was nothing clandestine or secret about the said Agreement. In fact the said Agreement was relied upon in various Court proceedings and affidavits were filed inter alia by Mr. N. Srinivasan the then Secretary BCCI in respect of contents thereof. While BCCI knew that WSG Mauritius had passed on its Indian sub-continent rights to Sony for consideration as a part of its usual business practice it was not aware of the consideration involved in the WSG Mauritius – Sony arrangement. Neither BCCI nor I knew or were expected to be privy to the financial arrangement between WSG and Sony which was purely their internal affair.

232. On 25 March 2009 I sent a congratulatory email to Paul Manning copied into a number of people including Shashank Manohar, N Srinivasan and Akhila Kaushik stating in the material part: *'I would like to on behalf of IPL Governing Council and its stake holders thank you for your invaluable contribution in making the WSG Sony deal happen'* N Srinivasan in response to this email sent a message to me on 25 March 2009 stating *'My compliments on the Sony deal. You are brilliant'*. On 11 April 2009, I scanned forwarded a copy of the Sony Agreement of 25 March 2009 by email to N Srinivasan, BCCI President, Akhila Kaushik, BCCI legal counsel, Prasanna Kannan, CFO of IPL and Sunder Raman, COO of IPL. Both the Sony and WSG Mauritius media rights agreement were ratified by the Governing Council on 11 August 2009. These agreements were specifically considered by the Audit Committee and the questions raised therein were answered by the Governing Council.

233. As clarified by the Press Release of 23 April 2010 Sony agreed to pay this amount to WSG Mauritius for the latter allowing its Indian sub continent rights to lapse so a direct contract between BCCI and Sony could be facilitated. WSG Mauritius was in any event entitled to sub-license the agreement to either Sony as a

broadcaster or any other broadcaster and earn the said fees for itself.

234. All allegations relating to alleged collusion between me and WSG are baseless and without any foundation. I have no interest in WSG India or WSG Mauritius or any entity of the WSG Group. WSG is one the world's largest marketing rights agencies. It is jointly owned by the Lagarde of France and Dentsu of Japan. Lagarde has extensive interests the world over in sporting rights. Lagarde SCA had consolidated net sales for the year ending 31 December 2009 of 7.892 billion euros. WSG is therefore not some fly by night operator acting as a conduit for receiving illegal profits.

235. It is pertinent to point out here Sony has issued a Press Release dated 23rd April, 2010 clarifying these facts. BCCI was not really concerned with the *inter-se* arrangement between WSG Mauritius and Sony since it was receiving the same amount from Sony that it was to receive from WSG Mauritius. The press release issued by Sony also makes it apparent that there was an option fee of \$ 25 million along with potential compensatory fee of \$ 35 million payable by Sony to WSG India even under earlier arrangements entered between them in January 2008. Now having seen the facilitation services fee agreement the facilitation fee was in fact on my interpretation for services rendered by WSG starting from

finalization of initial media rights bid in 2008 culminating to Sony agreement on 25th March, 2009.

236. The premise that the facilitation fee would have come to the BCCI is entirely misconceived . WSG Mauritius was entitled to sub license the agreement to either Sony as a broadcaster or any other broadcaster and earn a fee or margin for itself. This amount would never have been paid to the BCCI. The assumption that the facilitation fee has caused a loss to the BCCI is completely erroneous and misconceived. When WSG India marketed the ROW rights of IPL the world over, based on this flawed logic the amounts which broadcasters across the world pay to WSG India is also then unjustified which BCCI should expect to come to its coffers.

237. The Sony Agreement was being negotiated by various highly experienced parties and their well-qualified Lawyers at London, Los Angeles, Singapore and Mumbai. All this while, I was busy in making arrangements for IPL in South Africa. In fact the original contract came from Los Angeles after signatures of Sony's authorized signatory to me around 9th April 2009 for my signature. After I signed the said Agreement, the scanned copy of the same was forwarded immediately by me to the President BCCI, Secretary, Akhila Kaushik (BCCI in house counsel) , Prasanna Kannan (CFO IPL) and Sunder Raman (COO IPL) on 11th April 2009.

238. The details of the contract with WSG Mauritius and Sony that were in my knowledge were all discussed with the President Mr. Shashank Manohar prior to Working Committee meeting on 22nd March 2009 . I and he both agreed that the new contract with Sony can not contain a clause making it non-terminable. The President Mr. Manohar being a lawyer himself was keeping day to day track of the on-going litigation and subsequent settlement with Sony right upto 25th March 2009. The physical copy of the contract after having been signed by me in South Africa on 9th April, 2009 was scanned and mailed to both the then President and the then Secretary on 11th April 2009 who were all along completely aware of its contents. The Governing Council had ratified the said contract which was also duly considered by the audit committee of BCCI. BCCI had received amounts under the new agreements.

239. I submit that all the developments leading to execution of Sony Agreement and WSG India Agreement on 25.03.2009 were in complete notice of members of the Governing Council. I had been given requisite authority to act by the Governing Council in its meeting dated 5.02.09 and these Agreements were subsequently approved by the Governing Council of IPL in its meeting dated 11th August 2009.

240. It was the interest of IPL that is uppermost in my mind and for which neither Sony nor WSG matter. In fact in respect of dirty

feed violation by ITV which is an international sub-licensee of WSG India, on 26.1.2010 I wrote to BCCI IPL corporate lawyers to take action against WSG and collect all information about their feeds globally and identify the areas where breach of contract can be found in respect of WSG operations. I had also instructed BCCI IPL lawyers to seek information from WSG and if the WSG response was not clear and there was breach of agreement to issue termination notice or ask WSG to terminate ITV. I hold no stake in WSG nor have been any beneficiary nor have received any benefit from it. In fact whenever the issues came where interest of BCCI was concerned i.e. telecasting the match in HD format or issues relating to ITV which was IPL 2010 broadcaster in UK, who were obscuring the bug, I instructed BCCI lawyer to serve termination notice upon WSG. I also instructed Mr. Paul Manning to issue notice to WSG when I was informed about breaches by them of making available IPL highlights in flights.

Allegation regarding Internet Rights

241. The allegations regarding Internet Rights as sought to be levelled in the show cause notice are inherently improbable and completely untrue.

242. Live Current Media ("LCM") was granted rights for development and operation of web portals of BCCI and IPL. For this

purpose LCM had executed two MOUs on 16.04.2008 with BCCI, namely:

- (a) A contract in respect of IPL website, www.iplt20.com; which was awarded for a 10 year term with a minimum guarantee of US\$ 20 million or 50% revenue share whichever is higher.
- (b) A contract in respect of BCCI website www.BCCI.tv which was also for a term of 10 years with a minimum guarantee of US\$ 30 million or 50% revenue share whichever is higher.

243. The contracted period and the contracted consideration both had been approved by the Working Committee of the BCCI in its meeting held on 25.03.2008. Subsequently, the contracts prior to their execution were placed before the Governing Council of IPL and in the Minutes of GC-IPL on 03.04.2008 there was a specific confirmation of ratification of Web Portal Agreement for BCCI and IPL valued at USD \$ 50 million as minimum guarantee spread over 10 years or 50% share of revenue, whichever was greater. This report was also placed before the Special General Meeting of BCCI held on 17.4.2008 at Bangalore and the same was adopted including specific reference to the Web Portal Agreements having minimum value of \$ 50 million for 10 years. The contracts were

signed by me after having taken approval of the then President in this regard.

244. The contracted value as well as the contracted period were approved prior to signing of the agreement by the Working Committee of BCCI as well as by Governing Council of the IPL and the same was also approved by the Special General Body of the BCCI. Thus, at all relevant times the members of the Board / GC – IPL were not only in full knowledge of these contracts but had also granted due approval to them.

245.. BCCI had always found it difficult to obtain desired price for grant of web portal rights. Initially BCCI had entered into an MOU with The Cricket Network Pty Ltd. ("TCN") on 10.04.2006 for grant of web portal rights for a period of 10 years (with an option to extend to further 10 years). However this MOU was on a cost plus revenue sharing basis. There were no fixed monetary numbers coming in for BCCI in the TCN MOU. Since BCCI was not satisfied with the MOU with TCN around July– August 2006 it appointed Accenture India Pvt. Ltd. to, interalia, shortlist potential parties, evaluate RFPs and assist in contract finalisation for web portals. Accenture and the lawyers of BCCI thereafter prepared ITT document for an initial tender of four years. The Tender Notice was thereafter issued by the then Secretary Mr. Niranjan Shah requiring

bids to be submitted latest by 17th December 2007. However, the response to the said tender was lukewarm. The BCCI, thereafter, extended the date till 24th January 2007. Initially, the IPL activities were kept out of the ambit of BCCI web portal. However, post 17th December 2007, a consensus emerged that rights can be better leveraged if same vendor works for both BCCI and IPL portals. Meanwhile, the bids which had arrived in pursuance of BCCI tender were all non-confirming bids. The best bid was by TCN backed by a \$1.3 million guarantee security and they were asking for a 10 year term with remaining guaranteed amount payable per annum to be negotiated but giving no fixed numbers. Thereafter, BCCI started negotiating with the bidders including TCN for upping their offer and also started negotiating with other probable parties. On 29th February 2008 while I was in London, I informed the then President, Mr. Sharad Pawar, on phone about the negotiations going on with cricket.com regarding web portal rights. On 1st March 2008, cricket.com (that is LCM, the then owner of cricket.com) regarding web portal rights. On 1st March 2008, cricket.com agreed for a deal of \$50 million for 10 years and 50:50 revenue share for both IPL and BCCI. Upon this, I, immediately through email, got the monetary numbers from Mr. Sundar Raman, CEO-IPL which BCCI was getting from other parties. By then the other offers through negotiations were in the range of \$ 1 - 1.5 million per annum with revenue shares of 50 to 66%. The deal being negotiated was thus

highly favourable to BCCI. The web portals were required to be launched expeditiously considering start of IPL-1. After receiving concurrence of then President, the drafts MOU were prepared by BCCI-IPL lawyers alongwith LCM lawyers. Those draft MOUs were sent, inter alia, to Mr.Sharad Pawar, the then president, Mr. I.S. Bindra and Accenture Team. On March 21, 2008 I had informed all the office bearers of BCCI and members of GC – IPL about the deal and had received messages of congratulations on the same from them. On March 25th, 2008, the basic term sheet of the agreement proposed to be entered with LCM was presented to the Working Committee which approved the same. Upon this, TCN, which had been negotiating with BCCI, wrote an email dated 26 March 2008 to me protesting on the said MOU. I confirmed on 27th March 2008 that BCCI had gone ahead with the deal, as, despite the first preference granted to TCN, they were not ready to give more than a million odd dollars per year on best efforts. The executed contracts with LCM thus achieved favourable terms for the BCCI/IPL.

246. The LCM contracts were drafted by BCCI lawyers in consultation with Accenture team and it was their duty to check the documentation part of contract and also whether or not Live Current Media Contracts encroached upon any field covered by Nimbus BCCI Agreement. The LCM MOU dated 16.04.2008 in Clause 3.2 stated that LCM shall be entitled to all online BCCI content not

currently committed in existing contracts entered into BCCI contracts. Nimbus had raised its first objection vide letter dated 6.12.2007 regarding the ITT issued by Mr. Niranjan Shah, the then Honorary secretary. However, it appears that BCCI at that point of time, even after the Nimbus objections, did not deem it fit to amend / modify the ITT. Obviously, the legal team of BCCI appears to have been of the opinion that rights of Nimbus under their agreement did not extend to rights in ITT for BCCI portal. The rights granted to LCM in the MOU dated 16.04.2008 were more or less on similar basis as the rights envisaged to be granted in the ITT and the objections raised by Nimbus vide emails dated 9th and 10th October 2008 were also of similar nature as raised earlier. It is pertinent to point out that Live Current Media was not given the right to broadcast coverage of India games live over internet. In fact clause 3.2(vi) referred to footage not used in the World Feed and granted Live Current Media internet usage on a delayed, and not live, basis.

247. However, rather than joining issues with Nimbus and take the matter to arbitration, it was advised by the BCCI lawyers that the ambiguities in Live Current Media MOU, which may possibly result into slight and inadvertent overlap in the Nimbus right may be avoided. Following negotiations, Live Current Media agreed to adjust their rights, to avoid possible overlap with Nimbus rights, if

any, if the minimum guarantee under the Live Current Media contract for BCCI portal would be reduced by \$1.25 million (out of the \$30 million in the contract). This was approved by Mr. N. Srinivasan as Secretary of the Board on the sidelines of the IPL franchisee conference held on 17.11.2008 in Bangkok. In fact, pursuant to the said meeting with Mr. N. Srinivasan, Akhila Kaushik, the BCCI Lawyer sent a mail to me with copy marked to the President recording therein that she was forwarding an addendum to the BCCI Website agreement with Live Current Media as discussed in Bangkok for my approval and that she had already sent a copy of the same to the Secretary.

248. However, BCCI subsequently felt that commercialization of its website was not going well with its image as a non-profit supervisory body and it was felt that BCCI Official Website would be better operated by the BCCI as an information portal without commercial advertisements. In these circumstances BCCI asked LCM to return the rights and licence granted for BCCI website under MOU dated 16.4.2008. LCM vide its letter dated 15th March 2009 agreed to handback to BCCI the portal, while noting that they were doing so on account of BCCI's desire though the BCCI portal was an important part of their overall strategy. LCM also requested in the said letter that as a consideration for handing back the BCCI

website they would request BCCI to agree to transfer of their IPL Agreement to another company, GCV Mauritius.

249. LCM in lieu of returning BCCI rights sought permission to assign IPL portal rights to GCV Mauritius. However as GCV Mauritius was not incorporated till then the rights of LCM were transferred to GCV Singapore which reserved rights to assign them to GCV Mauritius.

250. In these circumstances, while reworking their rights LCM came with a proposal of Novation Agreement, contemplating therein transfer of their rights to GCV Singapore. While the negotiations of the initial LCM MOU were being done by Mr. Mark Melville who was a senior executive in LCM was present during those negotiations on behalf of LCM. LCM subsequently wanted to transfer its website cricket.com to a company GCV which was in the process of being incorporated in Mauritius. This appeared to be an internal arrangement of LCM business. On 31st March 2009 the IPL contract was novated in favour of GCV Singapore. Pursuant to and in line with the earlier request of LCM, it was included in the Novation Agreement at the behest of LCM-GCVS that contract could be

assigned to a Mauritius entity. The salient features of the Novation Agreement were:

1. *From the date of Novation BCCI IPL released and discharged Live Current Media from original agreement and all its claims and demands including minimum annual fee due on October 01, 2008 and January 01, 2008 and accepted the liability of GCVS under the original agreement in lieu of liability of LCM which in turn agreed itself to be bound by original agreement.*
2. *GCV agreed to pay not only the sum due under the LCM-IPL MOU but also agreed to pay BCCI-IPL the sum of \$ 750000 owing from Live Current Media to BCCI in respect of BCCI Official Website.*
3. *The BCCI Live Current Media agreement was mutually terminated simultaneously with signing on the Novation Agreement.*
4. *The agreement contained clause 4.12 with provision of assignment by GCVS, on giving prior written notice to BCCI-IPL to the Global Cricket Ventures Company that is to be incorporated under the laws of Mauritius.*

251. The Novation Agreement with GCV Singapore was signed by Mr. Mark Melville, who negotiated the agreement on behalf of GCV

Singapore. In fact in the Novation Agreement, Mr. Mark Melville signed as Director and CEO of GCV Singapore .

252. The LCM-BCCI agreement was terminated on the same day wherein it was noted that BCCI wished to take back control of the BCCI Website and that LCM would be released of its liabilities therein conditional upon payment of US\$ 750,000 due from Live Current Media which shall be paid by GSVS under the Novation Agreement.

253. The aforesaid Novation Agreement and Termination Agreement were expressly ratified by the Governing Council of IPL in its meeting dated 11.08.2009 and by the Finance Committee of BCCI in its meeting dated 12.08.2009 respectively.

254. BCCI itself felt that the website should be operated in a less commercial manner. On 14th July 2009 GCVS addressed a letter to BCCI that pursuant to the Novation Agreement dated 31.03.2009, they would assign the burden and benefit of the Novation Agreement to Global Cricket Ventures Limited, which as per the Novation Agreement dated 31.03.2009, was to be the Mauritius entity. This was in line with what was agreed in the Novation

Agreement. The letter of assignment from GCV Singapore to GCV Mauritius was also sent by Mr. Mark Melville.

255. In fact Paul Manning has admitted that the initial novation draft novation agreement showed assignment directly to GCV Mauritius to which Paul Manning expressed his reservation as G.C.V. Mauritius had not been incorporated till then. Therefore, the draft was modified and the LCM rights were novated in favour of GCV Singapore. To the best of my knowledge Mr. Mark Melville later headed GCV Mauritius.

256. It is pertinent to point out that though this assignment was in knowledge not only of the Board but was also in public domain however no objection or cavil was ever raised at any given point of time by BCCI to the said assignment taking place to the Mauritius entity. In fact there was nothing unusual in the request of GCV Singapore seeking to assign its rights to GCV Mauritius. Even under the earlier MOU with TCN, TCN had insisted on entering into final agreement through Mauritius route from the tax angle and it was recommended to us by BCCI lawyers ALMT that BCCI can allow sub-license of the agreement to a Mauritius entity. Further to the assignment, GCV Mauritius made payments to the BCCI to the tune of US\$ 2.25 mn to cover the payments that were owed by LCM and agreed to take on the liability of the contract for the next 8 years which added up to a total consideration of US\$ 18.5 mn. As a result

of the same, BCCI was made good on the full US\$ 20mn that they had originally negotiated with LCM for the rights to manage their official website IPLT20.com. Further the \$750,000 that had been owing under the BCCI portal agreement were also paid. The factum of such payments is also well documented in various emails between the Global Cricket Ventures Mauritius and Mr. Prasanna Kanan who is CFO of IPL. Mr. Prasanna Kanan confirmed that the outstanding amount of USD 2.25 mn was transferred by 20th August, 2009 to BCCI Bank Accounts by GCVM.

257. All these circumstances make it completely evident and show that everything that happened was to Board's / Governing Council's complete approval and accord and there was nothing amiss in LCM contracts and subsequent novation to GCVS and further assignment to GCVM.

258. Sundar Raman has stated that the GCV Contract was terminated after GC meeting on 4.4.2011. He further stated that the only issue was the alleged subsequent non payment of rights fee by GCV and not the issue of Novation to GCVS or assignment to GCV Mauritius.

259. In respect of Elephant Capital, the outset I may point out that I have nothing to do with nor am in any manner privy to Elephant Capital investing in GCVM. It is well known that Mr. Gaurav Burman

is my step son –in-law. Though it is correct that he is the Managing Partner of Elephant Capital Plc. which is a private equity business listed on AIM (The Alternative Investment Market) of the London Stock Exchange. However, it is important to note that he is an employee of the fund and not an investor in the said fund. Neither Mr. Gaurav Burman, nor any member of the Burman family are or ever have been shareholders in Elephant Capital. Elephant Capital's shareholders comprise institutional investors from the UK, US and Europe.

260. On 19th November 2009, Elephant Capital publicly announced to the UK markets that it had made an investment in GCV Mauritius of US\$ 10m for a 50% stake however this does not mean or imply that my son in law had a "direct" or "controlling" interest in GCV Mauritius. The allegation that I did not inform the members of the Governing Council of IPL or the Working Committee of BCCI of the alleged direct interest of my son in law in the GCV Mauritius is thus thoroughly misconceived.

261. Please note that Elephant Capital did not invest in GCV Mauritius until November 2009 which is much after GCV Mauritius had already been assigned the web portal rights in question. Further merely by being Managing Partner in the said fund my son in law does not have direct interest in GCV Mauritius. I have nothing to do with investments of Elephant Capital. I am sure that

in line with AIM regulations, Elephant Capital's disclosures regarding investments are all matters in public domain.

262. I have no interest in GCV Mauritius or also Elephant Capital in any capacity.

263. The allegation that the clause in the novation agreement permitting GCVS to assign its rights to GCV Mauritius was allowed to favour my step son in law is completely misconceived. My step son in law has no stake much less "controlling interest" in Elephant Capital. Further the Novation Agreement was entered on 31.03.2009 and web portal rights in pursuance thereof were assigned to GCV Mauritius and intimated to BCCI on 14.07.2009 and full payment of due amount to BCCI had been paid by them on 20.08.2009, while investment of Elephant Capital took place on or around 19.11.2009.

264. The clause of assignment was included in the Novation Agreement dated 31.03.2009 at the request / insistence of LCM/GCVS and had nothing to do with either Mr. Gaurav Burman or M/s Elephant Capital who were not at all in picture then.

Allegation regarding twitter

265. The first e-mail dated 11.4.2010 sent by RSW Sports is extremely important since it establishes that the allegations in the subsequent e mail 16.4.2010 are a clear after thought, fictitiously conjured so as to settle scores on account of the fact that Mr. Shashi Tharoor had to ultimately step down as Minister of State for External Affairs. It is significant to note that the only allegation made in the e mail dated 11th April, 2010, which was sent after the agreement with the Kochi franchise was executed was one of breach of confidentiality. The allegations made in the subsequent e mail dated 16th April 2010 were not made even though these pertained to events prior to 11th April, 2010. I have always forwarded the cause that it is in the interest of the BCCI ; the IPL movement ; and the game of cricket that there be full transparency on the ownership structure and the names of the shareholders in all teams be disclosed. Further by my disclosure of Kochi sweat equity stake holders, there was no breach of any confidentiality clause of the bid document or the franchise agreement.

266. I deny that I leaked any e-mail to the President to the media. The e mails between me and the President were marked was addressed to a large number of persons. No evidence has been brought that I leaked it.

Allegation regarding ECB

267. The Second Show Cause Notice is statedly based on the email dated 02/02/2010 addressed by Mr. Giles Clarke, Chairman of the England and Wales Cricket Board (E.C.B.) to the then President Mr. Shashank Manohar.

268. The email of Mr. Clarke is entirely based on the email dated 31/03/2010 addressed by Mr. Stewart Regan purporting to record what transpired in the course of a lunch meeting where I, Mr. Regan (Yorkshire CCC), Mr. Hodgekiss (Lancashire CCC), Mr. Povey (Warwickshire CCC), Mr. Andrew Wildblood (IMG), and Mr. Peter Griffiths (IMG), were present. The email of Mr. Clarke, forwards the email dated 31/03/2010 and describes the same as "self-explanatory".

269. A bare reading of the email of 31/03/2010 and the email dated 02/05/2010 makes it plainly evident that there is a complete disconnect between the two. The allegations that Mr. Clarke had chosen to make (based entirely on the email dated 31/03/2010) or even the basis thereof, are absent in the email dated 31/03/2010. In particular, there is nothing in the email dated 31/03/2010, which can even remotely be described as (i) a plan to destroy world cricket's structure and especially that in England; (ii) a plan to create a new rebel league; (iii) a plan to remove all Board's powers; and (iv) a plan to involve players in a fashion unheard of. The

allegations made by Mr. Clarke are, on his own showing, not worthy of any credence.

270. The BCCI is well aware that Mr. Clarke and I have had a past history of disagreement and discord. We have, in the past, have had several 'run ins'. Mr. Clarke therefore had an animus against me, was therefore no secret.

271. T20 cricket was invented in England. The ECB had an opportunity from that moment on to transform the English game and to create an English Premier League involving T20 cricket. The current 18 county structure forms the basis for the T20 tournament in England; there has been no radical over-haul. English club executives in England suggested a city-based league in 2008 and Keith Bradshaw, CEO of the MCC was keen to learn about the IPL and put together a proposal with David Stewart of Surrey., In India the IPL had overtaken any efforts in England to set up a new premier league. I believe this caused lot of heart burning in Mr. Giles Clarke.

272. Mr Clarke's first plan to launch an English premier league was, in April/May 2008, to enlist the financial support of Texan businessman Allen Stanford. Mr. Giles Clarke publicly thanked him for his patronage. He flew him into Lord's in a helicopter as a

publicity stunt. In mid-February 2009, allegations of fraud were made against Mr Stanford in America, resulting in public humiliation for Mr. Giles Clarke.

273. Right from the very start of the IPL, Mr. Giles Clarke made it clear he did not approve of its style and he claimed to be worried that we were moving at such a fast pace that smaller international boards would suffer. Mr. Giles Clarke visited India himself on a fact-finding mission about the IPL early in 2008. He saw that the IPL was a resounding success; the crowd loved it and it attracted a large television audience, which was critical to revenue. Mr. Clarke made no secret of the fact that whilst he wanted to replicate the success of the IPL, he wanted something very different. He was a bit condescending about the style of the IPL, which he thought was “glitzy” and brash. As I said above, Mr. Clarke chose not to adopt the IPL model even though it proved it was a workable formula but set about devising a model of his own and enlisted the help of Allen Stanford with a view to putting together a “superseries” T20 tournament. The comments about the “brashness” of the IPL had a hollow ring to them when, as a publicity stunt, Giles flew into Lords in Mr Stanford’s helicopter. The Stanford Super Series did not attract interest from broadcasters and in mid-February 2009, allegations of fraud were made against Mr Stanford, exposing Mr. Clarke to serious public criticism in the media and in English

cricketing circles there were calls on him to resign. The fiasco was in sharp contrast to the IPL's success.

274. Many issues collided in 2008 which meant that throughout that year I had a series of clashes with Giles personally and with others at the ECB acting on his behalf.

The ICL and the rules relating to unauthorised cricket

275. The Indian Cricket League (ICL) was a rebel cricket league, set up in 2007 by Zee Sports (owned by the Essel Group) without the authorisation of the BCCI or the ICC. Mr. Clarke knew well that right from the very start I had called upon the ICC and the cricketing boards to take a strong stance against it. The fact that he knew how hard I had worked to protect the IPL and the BCCI's interests against unauthorized cricket shows that he knew that what he alleged in his email to Mr. Shashank Manohar was false. At an ICC meeting in Dubai in October 2007 at which Mr. Clarke was present we agreed in principle that if any player signed up to the ICL they would be banned from the Champions League and that if any domestic team then signed the player then that team would also be banned. These rules were termed the "rebel regulations", which governed unofficial cricket in the period before formal rules were put in place. In spite of this, the ECB allowed counties to sign

up ICL players and I expressed my concern about it to Mr. Clarke in February 2008. ECB responded on 25 February, 2008 saying that they would not grant permission for centrally- contracted players (ie players with an England contract) to participate in unauthorised events. Mr. Clarke thought I was unreasonable for threatening to ban English teams from the Champions League Trophy if they had ICL players. This was one aspect which made the negotiations about the Champions League very heated.

276. English players did sign up to play in the ICL because it offered big rewards and, unlike the IPL which worked with domestic boards, the ICL did not require an NOC from the home board. On behalf of the BCCI, I called upon Mr. Giles Clarke to prevent an exodus of English players to the ICL. The ECB sought legal advice which indicated that it would be anti-competitive if the ECB refused to let players participate in the ICL. I told Mr. Clarke in April 2008 that the call was his, but if the ECB did allow players to participate in the ICL then the Champions League tournament rules meant that English clubs could not participate.

277. Mr. Giles Clarke's email to Mr. Shashank Manohar of 2 May 2010 was false as he and I were members of the same ICC committee responsible for drafting the rules governing unauthorised cricket; the ICC working party on official and unofficial cricket;

which was set up in July 2008 in response to the problems caused by the ICL. At the meeting of the committee on 26 July 2008 I said it was dangerous to allow an unauthorised tournament owned by one commercial owner as they would lure away players by offering vast sums of money. The views I expressed could not have been clearer; I was against unauthorised cricket. Mr. Giles Clarke was very worried that, because of the anti-competition rules in the UK, there was nothing he could do to stop the ICL setting up in England, unless the ICC put in place rules prohibiting unauthorised cricket. Mr. Giles Clarke wanted to preserve the ECB's monopoly over the management of cricket tournaments. Not only did I say to Mr. Giles Clarke at the time that he was not doing enough to stop players playing for the ICL he and David Collier were actively contemplating establishing ties with Zee Sports (ICL owners) in case I were to be removed from the BCCI in which case they assumed that ICL will be immediately authorized. Mr. David Collier told Mr. Giles Clarke that the ECB was benefiting from a power struggle between ICL and IPL. Mr. Clarke felt that he can not allow me any additional room and felt that if I remained unreasonable he had every right to team up with the ICL. The knowledge that Mr. Giles Clarke had the audacity to suggest to the BCCI that I had done something terrible by plotting a rebel league when all along he was considering going to bed with the ICL knowing that the league was not authorised by the BCCI adds greatly to the offence that I feel about Mr. Giles

Clarke' actions.

278. Mr. Giles Clarke knew, that I was against unauthorised cricket. He also was very familiar with the actual rules themselves, as he had helped draft them. He knew that unauthorised cricket was defined as staging a match or tournament without permission of the governing board, and that mere discussions about ideas for new tournaments or matches could not possibly be interpreted as a breach of any ICC or BCCI rule or regulation.

279. Mr. Giles Clarke also knew, because I copied him into the correspondence, that in March 2009 I had expressly turned down an offer to join an American T20 cricket League because it was an unofficial tournament.

Champions league negotiations

280. The Champions League trophy [CLT20] is an annual Twenty20 cricket international tournament involving the top 2 domestic teams from India, England, South Africa and Australia. Its first tournament was in October 2008, but negotiations with the boards, including the ECB began in October 2007 and became, as far as myself and Mr. Giles Clarke were concerned very heated and acrimonious. It was absolutely obvious to me that Mr. Giles Clarke could not stand me. The ECB, the BCCI, Cricket South Africa [CSA] and Cricket

Australia [CA] negotiated over the share in the venture. As India was contributing about 80% of the media value to the venture insisted, quite reasonably, that India retain 50% of the share in Champions League, with the other boards being offered just over 16% each. Mr. Giles Clarke and the ECB insisted, in the letter of 25 February 2008 that the equity be shared 4 ways, each at 25%. As mentioned above, further problems arose because Mr. Giles Clarke refused to stop English county players signing up to the ICL. As I said above, on 9 April 2008 I told Mr. Clarke that the call was his, but if the ECB could not restrict its players from participating in the ICL then under the Champions League Trophy rules they would be excluded from the Champions League. Mr. Clarke Giles wrote to Mr. Sharad Pawar, the then President of the BCCI on 10 April 2008 expressing his concern about the position in which he found himself. I made it absolutely clear in an email of 23 June 2008 to ECB that ECB and its members cannot continue to push the fair trade argument and expect the rules of the new tournament to allow them to participate and whilst continue to violate the spirit of cooperation we all had agreed upon. They must realise we all have the same goal and we need to restrict mushrooming of rebel leagues.

281. In June 2008, Mr. Clarke issued an ECB press release announcing the Champions League tournament without clearing it

with me. I thought he had jumped the gun. CLT20 board had a meeting in Dubai on 3 July 2008, but the ECB did not confirm its team participation and its adherence to the rule that participating teams cannot have any unauthorised league players in the team. I proposed internally that the ECB's share of the venture be reallocated to zero with BCCI getting 55%, and CA and CSA getting 22.5% each. Meanwhile Mr. Giles Clarke was still insisting on what he described as an equitable share and a moratorium for players who signed for the ICL before 2 November, 2007. This was unreasonable. The BCCI insisted upon a 50% share which all boards had agreed in principle in October 2007.

282. As it turned out Mr. Giles Clarke then went behind my back and, whilst still negotiating with me about the Champions League he started attempting to put together an alternative tournament without India, involving a middle-Eastern businessman. He even went behind my back and contacted IPL franchises to play for the competing league. I was informed by Manoj Badale of this on 28 July 2008. Talks collapsed when the Middle Eastern businessman made his investment conditional upon the participation of India (without which the League had no chance of securing lucrative broadcasting deals). On behalf of the BCCI I refused the invitation for India to participate. I felt that Mr. Giles Clarke had gone behind our back and he could not be trusted, particularly as yet again the

ECB issued a press release about the Champions League before any terms had been finalised.

283. Mr. Giles Clarke was not pleased that I had suggested he had gone behind my back and he complained to the BCCI President that I was damaging relations between our respective boards and wrote a strongly worded letter to the then BCCI President complaining about me on 29 July 2008. The ECB was forced to revert to participating in the Champions League, having lost out on gaining any equity in the competition. It was permitted to enter teams in the competition after confirming that their county champions and runners up did not have any ICL players. As a result, Kent CCC was excluded from participating. Mr. Giles Clarke faced humiliation when the League was announced in a press release on 31 July 2008 and it did not get a seat on the Governing Council of the Champions League, nor a shareholding; Australia and South Africa ended up with a 30% and 20% share respectively. Mr. Giles Clarke faced substantial criticism because of the very significant lost revenue, estimated to be millions of dollars. In the end it was confirmed that only Middlesex CCC would participate in the 2008 CLT20 trophy.

284. It was obvious that Mr. Giles Clarke was angry over the issue- straight afterwards on 1 August, 2008 he accused me of going behind his back to approach Lord's and the Oval about the

staging of Champions League matches. I expressed the view at the time that he had lost the plot as I had never approached Lord's or Oval. I told Keith Bradshaw (MCC CEO) about it and he said he would clarify to Mr. Giles Clarke that it was in fact him and David Stewart (Surrey Chairman) who approached us to say that they would be honoured to host a Champions League match at Lord's or the Oval. I sent a reply to Mr. Giles Clarke on 3 August in an attempt to calm him down, explaining that we had been approached by Lord's and the Oval but there is no way we will approach any of ECB members without the knowledge of the board.

285. Such was Giles Clarke's humiliation over the failure to secure equity in the competition that he was trying to manoeuvre a position where the ECB would become a shareholder in 2009. He was unhappy the ECB was to be excluded from the revenue share of the competition.

286. By October 2008 there were many unresolved issues between me/BCCI on the one hand and Mr. Giles Clarke on the other; we met on 12 October, 2008 to discuss those issues. The meeting was contentious. Mr. Giles Clarke now wanted to release English players for the IPL provided the BCCI released Indian players for their planned EPL.

287. I had further clashes with Giles Clarke over the right to retain players in the Champions League. A question arose about who had priority over a player who plays for 2 qualifying teams. I insisted that the IPL team would get precedence. The same problem arose in 2009.

Clashes over IPL fixture dates and availability of English players

288. English professional cricketers wanted to play in the IPL because it offered big financial rewards. Cricket had long lagged behind other sports (most notably in the UK, football) in the remuneration it offered to players. Quite naturally, the top players wanted rewards to match their ability and value to the clubs. This does not mean that they don't want to play international cricket; indeed it is only their achievements in the international arena that might attract the IPL franchises to invest in them. The pressure from players immediately presented the ECB and Mr. Giles Clarke personally with a headache. The players themselves were the assets of the ECB; they wielded considerable negotiating power and were represented by the Players' Cricket Association [PCA] (headed by Sean Morris). Centrally-contracted players needed to be released by the ECB before they could put themselves forward to participate in the IPL and were required to have a No Objection Certificate (NOC) from their home board. Mr. Giles Clarke made unrealistic demands and was then being forced to back down, which reflected badly on

him. His position in early 2008 was that no English centrally-contracted players would be released to play in the IPL. Indeed he issued a diktat to that effect on 7 March 2008, suggesting that attempting to recruit English players to the IPL was an attempt to incite them to breach their contract . I confirmed to him that I would not allow IPL franchises to sign English players without an NOC.

289. The other juggling act that the IPL presented for Giles Clarke was managing fixture dates of various tournaments. Obviously once English players were released to play in the IPL, then international fixtures and domestic fixtures in which the players might be involved had to have regard to the IPL tournament dates. In fact the IPL tournament had deliberately been given a relatively short window, in April and May which did not clash with English domestic cricket, but it still posed difficulties with international fixtures.

290. The first IPL tournament in 2008 was fixed for dates in April and May, which allowed top English cricket players to participate, subject to their being released to so by the ECB. Some of these dates, however clashed with English domestic fixtures including the England v New Zealand Test series. Mr. Giles Clarke wanted me to reschedule the IPL Season so that this clash could be avoided, but I had to consider the position of other boards as well and Mr. Giles

Clarke would have known that there was not scope for manoeuvre on my part. English Cricketers like Kevin Pietersen and Andrew Flintoff had expressed their keenness to be part of the IPL. Instead of recognizing the realities, Mr. Giles Clarke chose to warn counties that the players should respect the domestic fixtures and he initially refused to let any of the centrally contracted players sign up for the first season of the IPL. I think he wanted it to be known that he would stand up to the IPL. However, by mid-April (by which time the tournament was about to start) Mr. Clarke had to back down, and he said there was no ban which was more embarrassing for him and made it appear that I had "won" the negotiation. Even so, some top English players could not participate because the IPL timetable could not be altered. Giles Clarke took this personally. I don't believe our relations recovered after that; in fact they got worse.

291. In the run-up to the IPL second season in January 2009, we again had a problem with the ECB terms on which they suggested English players be released, and a problem with their proposals for scheduling of the IPL tournament.

292. Late in 2008, at a meeting in November, Giles Clarke had indicated that he wanted to bargain over the release of English players and have Indian players released to play in any EPL. This was an issue for the IPL and not in its interest. The ECB then said

that they would release English players for 15 days if the IPL could be scheduled to finish in April. This was not possible. I wrote a strongly-worded email on 17 November 2008 to Giles Clarke in which I made the IPL position clear and in which I told him he seemed “hell-bent on extracting more than we can give”. Naturally, my refusal to bow to Giles Clarke’s demands wound him up and he pestered us for a meeting in December 2008.

293. High –profile players, including Kevin Pietersen again made it clear that they wished to be released to play in the IPL. This time around the feelings ran even higher; they had all seen the success of the first season and they knew that, not only were the financial rewards great, but there was an opportunity to participate in something genuinely exciting. Through the PCA they made clear their resentment about having been the only international players excluded from playing in the IPL. The players delayed signing their contracts with the ECB. This came at a difficult time for Giles Clarke he was standing for re-election as ECB Chairman and the lack of decision was an embarrassment for him. I initially insisted that players had to be available for 4 weeks if they wanted to participate in the IPL auction. This was reasonable as franchises were not going to bid for players unless they were available to play. I was acting in the best interests of the IPL, but of course this made things more difficult for Giles Clarke and the ECB as he could not easily release

players for this length of time because of clashes with domestic fixtures and he resented me for putting him into a position of conflict with the players. I told the ECB (John Carr) that I understood their predicament and so did not bank on getting any English players. In the end, after some persuading from Sean Morris head of PCA, I relaxed my position in late January and said that the players could participate if they were available for 3 weeks. The ECB was forced to accept this because they recognised that the players wanted to participate in the IPL and if they could not be prevented from taking part a second year running in IPL. Five ECB centrally-contracted players signed up and participated in the 2009 auction, including Kevin Pietersen and Andrew Flintoff who became the highest paid players in the IPL, each getting over \$1.5 million to play 14 games.

294. In fact the agreement almost came off the rails just before the IPL auction as myself and others at the BCCI had another disagreement with Giles Clarke and the ECB over the terms of the release agreement and the right to retain players in connection with the Champions League. Many players had signed contracts with IPL teams and English Counties. In theory a situation could arise in which an IPL team was drawn to play against an English county and a player played in both teams. The position was even more complicated if the player in question played for another

international side (ie not England or India)- these players were referred to as "overseas" players. Either the IPL team or the county would have to give up the player to the other. Of course it was in the IPL interest that the IPL franchise gets first pick of the players, or else that the team that lost out should compensate the other. Mr. Giles Clarke insisted on the reverse and the ECB drafted a player release agreement that provided that the county should have the right over the player. Ultimately the BCCI suggested that the decision be left to the player but that whichever team the player chose should pay the other compensation.

295. I told David Collier at the ECB that he needed to get an answer before we agreed to put the players forward in the auction- this put the ECB under considerable pressure.

296. We had another stand-off the following year, in the run up to the 2010 auction in late December 2009. The ECB, referring to the previous year commitment for players to be available for a minimum of 3 weeks said that players not in the test tour to Bangladesh or those not being "rested" would be available for the entire IPL season. However this meant that some English players might not be released for IPL3 even if they were not selected for the Test tour of Bangladesh in 2010 but were "rested";. This was not

acceptable to IPL as several English test cricketers, including Collingwood and Pietersen now had contractual responsibilities towards their IPL franchisees. The IPL's position was therefore that if Collingwood and Pietersen were not selected for the England test tour they would be expected to fulfil their contractual obligations to their IPL franchises and for the ECB to provide an NOC. I also made it clear that those players being "rested" would not be included in the auction. By mid-January the ECB confirmed that none of the England-qualified players taken up in the 2009 auction (including Collingwood and Pietersen) would be rested from the Bangladesh tour, and would be available to the IPL immediately after the end of the Test series.

IPL 2009 and the move to South Africa

297. In March 2009 we had an urgent need to re-locate the entire IPL tournament to another host country because of security concerns in India arising from the Indian elections. The IPL Council approached the ECB and Cricket South Africa around 22 March, 2009. The first match was scheduled to be played on 10 April, 2009. The relocation at such short notice was a massive undertaking but it was a huge opportunity for the country that got on board, as there was an opportunity to make quite literally millions of dollars as we were offering to pay a fee for hosting the

matches. The ECB, and Giles Clarke personally rallied round and gave every indication that they were keen. From the point of view of the IPL, it was important not to limit our approach to one country - we were far more likely to get a better commercial deal if there were, in effect, 2 bidders and we could not count on everything working out if we put all our eggs in one basket. It seems that Giles Clarke was afraid that I would play the ECB off against South Africa, and of course I did to an extent; partly in order to get the best deal for the IPL, but also because we had so little time. South Africa offered the best commercial deal- offering to host the tournament for US\$4m and IPL to retain all revenues and costs ; the ECB asked for a higher fee plus a ticket commission., we told the ECB that we had decided to host the IPL 2009 season in South Africa. I invited Giles and David Collier to come out to South Africa for the opening weekend and they both declined.

Issues over the dates of the Champions League in 2010

298. There were further clashes with the ECB over the dates of the Champions League tournament in 2010; discussions started in July 2009 , when David Collier told me the English domestic season concluded on 27 September 2010 and so ECB wanted the Champions League tournament to take place in October. The BCCI selected dates in September, 2010 to avoid a clash between a

series of one-day internationals between India and Australia in October, 2010. I suggested that amendments be made to the English domestic schedule. The other domestic boards had fixed their schedule around the Champions League. The English domestic season had to finish before the Champions League started as the Champions League involved the participation of the top two English teams. The ECB suggested that the 2009 finalists participate in the 2010 Champions League, but this was not going to work for a number of reasons, including the fact that the CL tournament would lose credibility if the past years winners participated and the squad had changed.

299. The issue became very heated in February 2010 when I publicly announced the dates of the Champions League and confirmed they clashed with the English domestic season.

300. To make matters worse, Giles Clarke instructed counties that their players were not to be released for the Champions League. This stance meant that English counties stood to lose several million US dollars together with further appearance fees. Giles Clarke decided that the English fixtures should take precedence and that England would rather pull out of the Champions League than have domestic fixtures disrupted. In a meeting on 15 February 2010 which I chaired the Governing Council of the Champions League

unanimously resolved to give the ECB seven days to confirm the availability of its two proposed teams for the 2010 tournament to be held on 10-26 September 2010, failing which there would be no English teams in the 2010 tournament.

301. This all occurred very shortly before Giles Clarke first learnt about the meeting in India on 31 March 2010, so feelings of animosity towards me were likely to be running fairly high.

The meeting on 31 March 2010

302. I did not call the meeting with the English club executives on 31 March, 2010. The English clubs, and Yorkshire in particular, had said to Andrew Wildblood that they wanted to meet me to talk about the success of the IPL. Andrew Wildblood then organised the logistics.

303. For my part I was happy to meet them to discuss the IPL, although IPL season 3 was about to start so it was a very busy time. So far as I was concerned there was no agenda for this meeting and the discussions were very informal. I didn't really pay attention beforehand to the names of the people I was going to meet- Andrew Wildblood organised everything. I recall I had to cancel the meeting at the very last minute- it had been scheduled

for 30 March, 2010 in Mumbai, and I had to go to Delhi so I kept the meeting on 31 March, 2010, at the Bukhara restaurant at the ITC-Maurya Hotel. The meeting as I understood it was to give the English clubs an opportunity to pick my brain because they wanted to gather ideas for a new T20 league in England. I did think it would be interesting to hear what the English clubs had to say about the situation from their point of view. There was absolutely nothing wrong with having such a discussion, and no rule or regulation prevented me from talking to the English clubs.

304. The meeting was attended by Andrew Wildblood and Peter Griffiths from IMG and Stewart Regan, David Hodgkiss and Colin Povey from the English clubs. There were no agenda notes circulated in advance of the meeting, no paperwork to which any reference was made during the meeting and no minutes circulated after the meeting. I did not take any notes. The account given of the meeting in Stewart Regan's email later that day is not how the discussion took place. I did not see this email until the BCCI, prompted by Giles Clarke's email issued its second "Show Cause Notice" on 6 May 2010. Stewart Regan's email is not a "minute" of the meeting- it was not even marked to me.

305. The discussions were driven by what Stewart Regan, Colin Povey and David Hodgekiss wanted to know about the IPL. We

discussed the challenges faced in English cricket and problems experience by the clubs. They told me that they had set up a working group to discuss solutions and that they were hoping to get ideas to feed back to the group. There was no unified "vision". They asked me how I thought an English Premier League could work. They were all frustrated about the lack of vision at the ECB and they wanted some firm ideas to stimulate discussion back home. However, no "deal" was offered or proposed; we simply talked about ideas, and I told them what was obvious: there was an opportunity in England to create an EPL. It struck me that they had not thought through some fundamental points, and it was me who told them that an English League based on an IPL model could only work if broadcasting rights could be sold- whether or not this could happen depended on the terms of the existing ECB contract with Sky.

306. The possibility of existing IPL franchisees investing in an English league was discussed, and I said they might be open to offers, but any offer would come from the ECB or the English League. I would not be involved and could not say whether the Indian franchises might be interested. I also asked why they would want to Indian investment when it was an English league.

307. Stewart Regan recognises in his email that everything has to

revolve around the allocation of a time window in which a new tournament could be staged; only the ICC and the governing bodies could allocate a window so any new tournament could not hope to get off the ground without approval of the governing bodies.

308. I explained how the IPL model worked, explaining the percentage of revenue that goes to franchisees and clubs. I explained how our system of player auctions was unique and we talked about the star players in the game. I also explained that the franchise fee in India goes to the BCCI; if this model were to be adopted, investors and shareholders had the potential also to make a huge profit.

309. I did not offer any guarantees on behalf of the IPL, the BCCI or the franchises. Even to a person having a minimal understanding of Indian cricket, it would be apparent that I could not offer any guarantees. The figures of \$3m to \$5m were mentioned in the context of explaining that each "association" (or "club" to use English terminology) could earn between these figures for staging games. This money would not and could not come from the IPL, and indeed that would contradict the idea that money come through investment from franchisees. In the BCCI model, all clubs share the profits and the associations that host games get an extra staging fee.

310. We talked about the commercial reality of sport today; cricketers could already see that big money was available to them in the IPL- naturally they wanted to be involved. I have explained elsewhere in this statement that the IPL had to negotiate with domestic boards, including the ECB for players to be released, and I told them that we had to insist that players be available (which required a NOC certificate from their home board) if they were to be able to enter the IPL auction.

311. Mr. Giles Clarke also knew I had made every effort to prevent IPL players or franchises holding boards to ransom, by insisting that the Franchises abide by the terms of the franchise agreement and players obtain NOC from home boards. Stewart Regan records that I said I wanted the balance between club and country to be negotiated sensibly rather than end up with everyone falling out. I expressly said that I did not approve of club or franchises doing their own thing and that it had to be structured at national level, the way it had been done in the BCCI.

312. It was recognised that it was an essential pre-requisite to the success of a new league in England to get the ECB on board. I expressed my view that Giles Clarke was an obstacle- he had made a mess of the Champions league negotiations, and had not shown

himself to be open to sensible discussion. Handling Giles Clarke was really a matter for the clubs going forward.

313. At the end of the meeting I invited them all out to the IPL finals- from my point of view this was a friendly invitation to experience the excitement of the IPL, and an opportunity to learn more about it.

314. As I have explained above, I did not see the email sent by Stewart Regan on 31 March 2010 until the BCCI, prompted by Giles Clarke's email of 2 May, issued its Second Show Cause Notice on 6 May 2010. In any event, Stewart Regan's email was sent to all the chief executives of the Category A venues, including ECB board members David Stewart, David Harker and Clive Leach. The large number of recipients indicates it was not Mr Regan's intention to keep any of this secret.

315. Although I would say Mr Regan's email is not at all reflection of what was actually discussed, it is still obvious that the contents of the email do not show that there are any actual plans on foot for a new league, let alone any plans for a league to be outside the remit of the ECB. It would have been obvious to Giles Clarke, as it would to anyone, on first reading of this email that it reveals no underhand plot, no dodgy dealings, simply a discussion about

possibilities for an EPL authorised by ECB.

316. Stewart Regan's email is clearly a rallying call to try and drum up support and enthusiasm from his colleagues in England. It is obvious from his email that all that happened was an exploratory discussion and that absolutely nothing is being offered by me, whether on behalf of the BCCI or the IPL; I simply explained to them what they have to think about in order to get any idea off the ground. That included getting the ECB on board and sorting out time windows, which necessarily means ICC and domestic board involvement.

317. Giles Clarke has admitted that Colin Graves of Yorkshire told him in some detail about the Delhi meeting at the beginning of April 2010. At no time between the meeting on 31 March 2010 and sending his email on 2 May 2010 did Giles Clarke ever contact me to complain that he thought I had done something wrong. He knew me very well. He could easily have picked up the phone and asked me. Giles Clarke admitted he spoke to Mr. Shashank Manohar of the BCCI about it in early April, 2010.. The fact that Giles Clarke was in discussion with Mr Manohar long before sending his email on 2 May, 2010, when he pretended to have been informed about the meeting by a "whistleblower" suggests that Giles Clarke main goal with sending his email on 2 May was to provide the BCCI with another

opportunity to issue a show cause notice.

318. After the meeting on 31 March, 2010 I did not have any contact with any of the English club executives; I had left them with an invitation to come to the IPL finals.

319. I attended a meeting of the ICC Finance and Commercial Affairs Committee on 18 April, 2010 in Dubai and the ICC executive board meeting the following day. Giles Clarke participated via conference call (he had been prevented from flying because of the ash cloud) - he did not say a word to me or to the ICC board about the meeting in Delhi though by that time, as he admitted, he knew all about it, having first been told about the meeting by Colin Graves (Yorkshire) on 5 April, 2010.

320. Mr. Giles Clarke sought legal advice and he tried to find, in vain, a rule that I had breached in order that he could make a complaint about me to the ICC. Giles Clarke wanted to ensure that I was prevented from involvement on the world-cricketing stage even though his lawyers told him on 29 April, 2010 that there was no rule preventing discussions.

321. I first saw the email written by Giles Clarke to the BCCI dated 2 May 2010 on 6 May 2010, when the "Second Show Cause Notice"

was served on me by the BCCI. This was also the first occasion on which I saw Stewart Regan's email. I was appalled by Giles Clarke's email. It was blatantly untrue, and I knew immediately that Giles Clarke must have known it to be untrue. There was no way that Stewart Regan's email could have been honestly interpreted by Giles to reveal a plot to set up a rebel league; it was obvious to me that Giles Clarke wanted to put the boot into me and at the same time to ingratiate himself with the BCCI. He called upon the BCCI to "eradicate" this threat. The BCCI duly obliged; it also ignored the obvious fact that the Regan email revealed no underhand plot and adopted verbatim Giles Clarke's email in its Second Show Cause Notice.

322. I was extremely offended by Giles' inflammatory language: he deliberately and maliciously hyped-up the situation so as to get the BCCI to take action.

Knowledge of falsity

323. Every single bit of Giles'Clarke email was untrue and must have been known by him to be untrue. The impression Giles Clarke deliberately gave in his email was that he had stumbled on a secret plot that had been revealed to him by a "whistleblower". In fact this was total nonsense. He had known all about the meeting in Delhi,

and about what was discussed at that meeting for weeks, because the so-called "whistle-blower" Colin Graves had told him all about it.

324. I had not called the meeting in Delhi, but Giles Clarke knew, from what Colin Graves had already told him that in fact it was the English Counties, and Stewart Regan in particular who had initiated the meeting. In fact, not only did Giles Clarke know all about the meeting long before he sent his email, but so did the BCCI; it had been referred to in the press (Telegraph 13 April, 2010) and also, it seems Giles Clarke had already told Shashank Manohar about it in early April, 2010. It is obvious from the long list of recipients of the Regan email that the meeting was not a secret.

325. Giles Clarke describes the Regan email as "minutes" of the meeting; he does so deliberately so as to elevate the status of the email to make it appear to be an official record. In fact, it would have been immediately obvious to him on reading Stewart Regan's email that it could not be described as a "record" or "minute" of the 31 March meeting; it was very obviously his spin on events which he had hyped-up to drum up enthusiasm.

326. Giles Clarke suggests that the "minutes" are self-explanatory but, rather than leaving the recipients of the email to read the Regan email for themselves and to draw their own conclusions, he

tells the BCCI that the "minutes" "set out a plan to destroy world cricket's structure and especially that in England and create a new rebel league". Even if one takes the Regan email at face value it does no such thing. The Regan email shows that at the meeting I explained how the IPL model worked and the views I am said to have expressed at the meeting represent no more than an expression of the commercial reality. Giles Clarke knows how the IPL model works- he knows that if I am talking about the IPL model, I am talking about an authorised league.

327. It was obvious from the Regan email that if the IPL model was followed, any new league in England would be governed by the ECB- there was no question of removing the board's powers. Stewart Regan's email expressly states that I wanted *the balance between club and country to be negotiated sensibly rather than end up with everyone falling out.*

328. Giles Clarke also would have known, from our dealings over the previous 2 years that Stewart Regan had not got everything quite right. Giles Clarke knew that there was no "new rule" in the IPL tournament requiring players to be available for auction. This was already a rule; as explained above, the discussions about releasing players for the second IPL tournament focussed around

our requirement that, in order to participate in the IPL auction the players had to be available to play.

329. In his email to Mr Manohar, Giles Clarke said that legal action had already been started against English clubs, suggesting that legal action was warranted against me and IMG too. Giles Clarke admits this is not the case that not only had no legal action been started, but that his lawyers had advised him that the English clubs had not breached any rule. It appears he was also advised, on 27 April 2010, that there was nothing wrong with having mere discussions.

330. Giles Clarke says that the ICC Regulations are very clear about “contacts of this nature which are forbidden”. As Giles Clarke well knew, because he worked with me on the committee that drafted the ICC Regulations governing unauthorised cricket, the rules do not prohibit mere discussions. They prohibit the staging of matches or tournaments without Board’s approval.

331. On 8 May 2010, Giles Clarke sent a hard copy version of his 2 May 2010 email to Mr Manohar, presenting it as the “formal” version but he removed 2 sentences. The version of 8 May (which was back-dated 2 May) had been edited so as to remove the reference to legal action being taken and to remove the reference to

a breach of ICC regulations.

332. The email dated 02/05/2010 addressed by Mr. Clarke to the Shashank Manohar makes several statements that are factually incorrect to the knowledge of Mr. Clarke. The allegation that some kind of clandestine initiative to undermine the authority of the ECB was being undertaken by counties with the support behind the back of the ECB assistance from IMG and me as is totally false. Mr. Clarke, was kept in the loop by the 9 counties who in fact held discussions with him on 28th April 2010 in England. There was never an intention to create anything outside the purview of the ECB. This is also apparent, from the long list of recipients of Mr. Regan's original communication (which included ECB executives David Stewart, David Harker and Clive Leach) Colin Graves, who replaced David Stewart on the ECB board has been reported to have stated publicly that not only was the meeting on 31st March 2010 a "fact-finding" mission, but that it was not secret, and that it was Mr. Graves who arranged for Mr. Regan's communication to be sent on to Mr. Clarke. The statement used in the email of Mr. Clarke dated 2nd May 2010, there was a plan to destroy world cricket structure, and specially in England, by creating a rebel league is clearly false to his knowledge and was intended more to sensationalize the matter without any truth in it. Clearly Mr. Clarke had chosen to

deliberately read into the email of Mr. Regan's mischievous content which did not exist. The use of the expression "whistle blower" which was also made with a view to sensationalise the matter and suggest that something clandestine or conspiratorial was going on was totally uncalled for. Accordingly it is wholly misleading for Mr. Clarke to have said in his email that the email dated 31st March 2010 was being passed to Mr. Clarke by a whistleblower or that it was a secret meeting. Lastly, the statement that "*We have already commenced legal action with regard to the English officials and the counties involved*", was a false statement and no legal action has been commenced by the ECB, either against the counties or against any of the officials involved. This statement appears to have been made with a view to prompt the BCCI to act against me: it suggested and was meant to suggest that if the English Board regarded the matter as serious enough to take legal action, the Indian Board should do likewise.

333. The allegations that we discussed plans to create a new rebel league in England or destroy world cricket structure and/or especially that in England or remove board powers or involve players in an unheard of fashion are all incorrect and false. Nothing at the said lunch meeting can even be remotely described as a threat to the authority of the ECB or the structure of world cricket. I

did not moot the idea of a parallel IPL to be conducted with the existing IPL Franchisees, in the UK. The allegations that I offered inducements to gather the support of other counties to my idea of expanding the IPL in England and Wales, are equally incorrect and false.

334. The email dated 31st March 2010, was not even addressed to me and was neither seen nor approved by me. Had this been done, I would have recorded my version of what transpired. I cannot therefore be assumed to have accepted the correctness of what is stated therein. The email dated 31st March 2010 was clearly intended to be no more than a feedback by a representative of one county to others, of his assessment or understanding of the meeting and the possible effect of matters discussed during the lunch meeting on the structure of the English Twenty20 cricket. The county representatives clearly desired that a Twenty20 tournament be successfully launched in the UK and hence some element of exhortative over enthusiasm in the reporting back of what happened was but natural. It seems that the county representatives who addressed the said email was trying to sell the 2020 idea to other counties and this may have led to his exaggerating and of over marketing what actually transpired. Perhaps this is why the email was not marked to me or IMG.

335. The email dated 31st March 2010 expressly records that *"In order to get to this point then the ICC & member governing bodies must be convinced that they should allocate the two time windows above as a priority before any international fixtures are scheduled. Then everything else needs to be built around this"*. This makes it abundantly clear that the vision of the English counties, discussed in the email dated 31st March 2010 was within the framework of the ICC and the governing bodies and not a framework which threatened the supremacy of the governing bodies or contemplated the creation of any form of rogue or unauthorised cricket. The allegations in this behalf in the second Show Cause Notice, and the email dated 2nd May 2010 are therefore falsified by the email dated 31st March 2010.

336. The allegations in the Show Cause Notice and email dated 2nd May 2010 that I was involved and/or concerned in creating an unauthorised league or setting up a plan to destroy the structure of world cricket, have greatly pained me. My effort to curb ICL, which was a rebel league, is well known and well documented and needs no repetition. I have myself been a stickler for norms when it came to official cricket, and then President have been present with me at various meetings with ICC regarding ICL in which Mr. Clarke was also present. In respect of ICL, I always held that Governing Bodies in cricket cannot grant permission to private parties to operate

other than within the official fold. In fact, I have always stood for supremacy of ICC and domestic cricket boards and it was for this reason that I had always opposed any recognition for ICL and other unofficial cricket events. The same are well documented and minuted and notes from the participants who attended such meetings in the year 2008-09 with the then President along with me were sent to various cricket administrators worldwide, including Mr. Clarke. This shows that I have been all for integrity and control of the Governing Bodies and have been instrumental in persuading ICC to formulate its policy towards this objective and provide regulatory regimes with need to have control of Governing Body in each country and protect the game of cricket at home and away. In fact, even the IPL has been structured in a manner that players can only be taken in by the Franchisees after obtaining their respective Board's approval. To even suggest that I would hold out a plan which seems to destroy the world cricket structure or impinge upon the control of various Governing Bodies in their respective countries is not only farfetched but is clearly false to the knowledge of all concerned including Mr. Giles Clarke and the then President Mr. Shashank Manohar. I have consistently taken an unambiguous, unqualified and tough stand, when it came to unauthorised cricket. In fact, all through-out, I am the one who has taken an unambiguous and unqualified stand in respect of unauthorized cricket. In fact, when one of the Rajasthan Royal shareholder held a

meeting with Sheikh Nahyans in respect of a contemplated Arab League I severely reprimanded him. I told him that I am custodian for Indian cricket and I would not allow a franchisee to do something which is in breach of the agreement. I also sent a mail to promoters of Rajasthan Royals with copy marked to BCCI-IPL lawyers John Loffhagen and Andrew Wildblood of IMG, saying that if the said shareholder directly or indirectly associates with any form of unauthorized cricket we would have to take action against them.

337. The mail of Mr. Regan does not even faintly suggest any such challenge to either the authority of the ECB or the BCCI. On the contrary the email clearly states *"in order to get to this point then the ICC and member governing bodies must be convinced that they should allocate the two time windows above as a priority before any international fixtures are scheduled. Then everything else needs to be built around this."* The said email of Mr. Regan further states: *"Modi wants the balance between the club and the country to be negotiated sensibly rather than everyone falling out."*

338. Peter Griffiths has admitted that the meeting with county officials was facilitated by Andrew Wildblood and the county representatives wanted to know IPL's working and how IPL was so successful. Lunch meeting was a courtesly extended and there was no agenda as such and only theoretical discussions took place. It was underlined that the new T-20 format would be under ECB.

There was no guarantee of 3-5 million for the English franchisees nor any talk of inciting any player rebellion against their Boards. Peter Griffiths clearly states that the mail of Stewart Regan is not representative of what transpired at the meeting.

Allegation regarding Theatrical Rights

339. During my study / analysis of the way in which professional sporting leagues were marketed abroad, I had noticed that one of the popular means employed was to supply high quality digital feed/signals, free from advertisements, to cinema halls, clubs, pubs, restaurants and other public venues, where persons would get together and enjoy matches. I was desirous of replicating it on the IPL platform, once the IPL became a success. Post the success of IPL Season 1, I discussed this with the IPL and IMG marketing teams and we all felt that the time had come to replicate this.

340. Supplying digital High Definition, advertisement free, feed to clubs, pubs, etc was relatively simple. The challenge was to transmit it, live, to cinemas. Fortunately, due to concerns, inter-alia, over movie piracy (physical prints being duplicated etc) there already existed, in India, a system by which High Definition digital content/feed could be transmitted live to a network of cinema halls in India. A large number of cinema halls, multiplexes, theatre chains

(PVR; Cinemax; Fun Cinema; Adlabs etc) already had, in place, the technology to receive and project such feed and were using it in the exhibition of films. This was also the case abroad. The infrastructure to implement what was being considered therefore clearly existed.

341. It was therefore decided that the proposal to float a tender for monetizing these rights (hereafter, for convenience called "theatrical rights") be taken forward.

342. In these circumstances, around January 2009, BCCI/IPL corporate lawyers were requested to prepare tender documents for monetizing the 'theatrical rights'. They did so by February 2009, which was well in time for IPL Season 2. A copy of the tender documents, as drafted, was duly sent to the then Secretary as also Ms. Akhila Kaushik, the legal advisor to the B.C.C.I.

343. I was anxious that matters be taken forward speedily. The then Secretary, however, asked me not to proceed further. He informed me that he apprehended that there might be potential tax issues and that he would examine this very carefully and revert. Until then I was to hold my hands. I did as I was told and waited for a response but none came. Whilst the then Secretary vacillated, the deadline for monetizing the theatrical rights expired and the BCCI/IPL therefore lost out on an opportunity to earn substantial amounts: the BCCI lost close to Rs. 10 crores in that year.

345. Fresh efforts were made by me to monetize the theatrical rights for IPL Season 3. Being wiser, in hindsight, I started this soon after the end of Season 2, so that there was enough time on hand. This once again met with resistance from the then Secretary, who reiterated the apprehended tax issues. I informed him that I had already discussed this with Tax lawyers and they were of the view that there was no cause for concern. The then Secretary Mr Srinivasan was however adamant. Ultimately, this issue was taken up before the Governing Council at its meeting held on 11th August 2009. At this meeting also the then Secretary raised the same objection. The members present however unanimously approved the proposal and authorized me to go ahead. This is recorded in the Minutes of the said meeting.

346. Accordingly, an Invitation to Tender (I.T.T.) for theatrical rights was floated. As stated above, the commercial terms of this tender were jointly finalized by the IMG marketing team and the IPL Sales and Marketing team. The legal terms were jointly finalized by the BCCI/IPL legal counsel and the in house counsel for the BCCI. The I.T.T. prescribed that bids were to be submitted by 11 am on 12th November 2009 at Mandarin Oriental Hotel, Bangkok.

347. The salient features of the I.T.T. were as under: -

- a. The Tender was a Global Tender. Any eligible party in India or abroad was free to participate in the tender process;
- b. The bidder, by itself or through a third party, was required to have access to a minimum of 750 cinema halls / screens in India installed with equipment capable of receiving and exhibiting the HD Feed with a criteria of minimum resolution;
- c. The bidder, by itself or through a third party, was required to have the technological capability to effectively exercise the rights to be granted under the ITT.
- d. The bidder was required to ensure that the match feed was relayed in an encrypted format approved by IPL and to prevent unauthorized access to the feed;
- e. The bid was for the matches from 2010 to 2019;
- f. In case of increase in the matches resulting from addition of new franchisees, there had to be a pro-rata increase in the license fee payable;
- g. The minimum license fee payable was US\$ 2 million per year and bids lower than this amount would be rejected.

348. The tender was not restricted to persons who themselves had the technological capability. On the contrary, the tender document permitted that bidders could be marketing right companies, i.e. persons who would tie up with persons having the requisite technical expertise. This was consciously done since exploitation of sports rights involves marketing skills as much as technological abilities. The terms of the tender were therefore consciously structured so as to permit marketing right companies to participate. I also reiterate that the commercial terms of the I.T.T. were finalized by the I.M.G. marketing team in consultation with the I.P.L. sales and marketing team. As already stated above, the issuance of the I.T.T. had been approved by the Governing Council at its meeting held on 11th August 2009. The terms of the I.T.T. were in the public domain and to the specific knowledge of the Governing Council and the then President and the then Secretary. No objection or demur was ever raised to the qualifying criteria stated therein.

349. On 12th November 2009, the theatrical rights bids were opened at the Bangkok IPL workshop, in the presence of Mr. I. S. Bindra, Mr. Niranjan Shah, Mr. Sunder Raman and myself. It was found that two persons had submitted bids. These were (i) Entertainment and Sports Direct ("ESD"); and (ii) Triplecom Media. The bid of ESD was for USD 41.40 million whilst that of Triplecom was for USD 23

million. The bids submitted by ESD and Triplecom were their own independent bids, took their own risk and were not as marketing agents for any one. ESD, in its bid, stated that its technology partner for cinema exploitation was UFO Moviez India Limited whilst its technology partner for public venue exploitation was Valuable Media Ltd. Triplecom, in its bid stated that its technology partner was UFO Movies India Ltd.

350. The bid of ESD was significantly higher than that of Triplecom. It was also more than double the floor price of USD 20 million. It was therefore decided to accept the said bid.

351. The media release of ESD winning the bid for IPL theatrical rights was issued by IPL on the same day. In the media release it was clearly mentioned that the ESD bid was subject to final approval from the IPL Governing Council. It was further mentioned that ESD, had signed with UFO Moviez and Valuable Media for theatrical and public exhibition in India and key global markets. The media release also quoted that UFO Moviez had the largest chain of satellite based digital cinemas in the world with more than 1700 theatres across India. It was also mentioned that Valuable Media Ltd. was engaged in facilitating delivery and playout of stored and live High and Standard Definition content using their proprietary Movie beam technology that was ideal for applications that require both Push and Pull abilities and efficient and secure delivery of

digital media in the high definition formats and that Movie beam is the first digital media platforms certified by Hollywood studios to handle, deliver and store high value content security. This release was issued on the basis of documents and material submitted/supplied by ESD. The fact that ESD had won the bid was also mentioned in the inaugural edition of the IPL Franchise News Letter issued on 27th November 2009, as was the involvement of UFO Movies, and Valuable Media Ltd. Not only was this information available with the IPL/BCCI but this was made publicly known. No objection was raised nor did any one demur.

352. At the meeting of the Governing Council held on 17th December 2009, the then Secretary once again raised the issue of Income Tax liability. The Governing Council, notwithstanding the said opposition, approved the said bid, subject to obtaining an opinion for Mr. S.E. Dastur. (Such confirmation was obtained).The then Secretary however persisted with objections raised. This delayed the execution of the agreement with ESD. BCCI Witness Sundar Raman also agreed that the agreement for grant of theatrical rights was delayed on account of discussion at Governing Council which required opinion on tax issues prior to signing of the agreement.

353. The contract in favor of ESD was executed on 17th/22nd January 2009. The first match of IPL Season 3 was to commence on

12th March 2010. ESD therefore had very little time to get its entire operations in order. A period of more than 2 months had elapsed between the bid of ESD being declared the highest bid and the execution of the agreement with ESD. The operations team of IPL was informed that ESD was a company registered under the laws of Mauritius and therefore would have required a host of permissions/approvals before it could start implementing, in India, the contract awarded to it. By reason of the delay in execution of the Theatrical Rights Agreement ("TRA") ESD was concerned that it might not get the necessary regulatory clearances, in time, to commence and successfully undertake and discharge its operations in India and/or its obligations under the TRA. ESD thought it more prudent, expedient and practical, if it could reduce (if not avoid completely) the apprehended delay in getting various approvals, by simply nominating an Indian company to do so and performing the TRA through it and for this purpose taking an assignment of only a part of its rights (i.e. pertaining to the Indian Territory) under the TRA.

354. ESD therefore proposed to transfer the India rights to an Indian company to be nominated by it. An entity called Crown Infotainment Private Limited (CIPL) was identified as the body that would actually implement the Indian part of the project. ESD would however continue to be liable to B.C.C.I./IPL. Hence though there

would be a transfer of only the right to exploit a part of the rights, the liability of ESD to the B.C.C.I. would continue.

355. On 2nd February 2010, I received a request from ESD seeking permission to assign the rights to CIPL, stating that: -

"ESD undertakes to procure execution of the required documents by CIPL and adherence to the terms and conditions of the Agreement. Further, in terms of the aforesaid Agreement, ESD shall ensure compliance with clause 12 and shall continue to be liable for its obligations towards BCCI notwithstanding the assignment of the Theatrical Rights for the territory of India to CIPL for distribution."

356. I acceded to this limited request of ESD and by my letter dated 2nd February 2010, granted the said permission. As is clearly stated in the letter dated 2nd February, 2010, I however expressly made it clear that the permission granted was subject to the fulfillment of the conditions laid down in clause 12 of the Theatrical Rights Agreement and also specifically clarified that ESD would continue to be liable for the obligations under the Theatrical Rights Agreement notwithstanding the assignment of the Theatrical Rights, for the territory of India, to CIPL.

357. The reasons for my granting permission, are concisely enumerated below: -

- (a) ESD had not sought the permission requested because it wanted to trade in or sell the rights granted to it and walk away;
- (b) ESD had sought the said permission purely because the delay in execution of the agreement with it coupled with the fact that IPL Season 3 was scheduled to start within 2 months, made it difficult (if not impossible) for ESD to exploit its rights, in the territory of India, within the small window that it was left with. It is common knowledge that there can be no certainty about the time required for regulatory approvals. If ESD decided to play it safe and not bank on the same coming through immediately, this decision could hardly be regarded as objectionable. Had the Agreement been executed soon after the ESD bid was accepted, ESD would have had four months for getting the necessary regulatory approvals and permissions and then market these rights itself, in its own name. Unfortunately, the execution of the Agreement was delayed, for no fault of ESD (but purely on account of the objections raised by the then Secretary) by two months. This drastically

restricted the time available to ESD. The request of ESD was thus purely on account of this. This request was to enable and facilitate ESD to perform its obligations – not avoid them;

(c) The request of ESD would cause no prejudice to the B.C.C.I / IPL. ESD would continue to be responsible to the B.C.C.I. / IPL for all the obligations under the Theatrical Rights Agreement. The grant of permission was to facilitate performance not detract there from;

(d) The permission granted itself made it clear that it was subject to the conditions in clause 12 of the Theatrical Rights Agreement. Clause 12 was being re-affirmed, not bypassed;

(e) The rationale behind clause 12 and the permission of the B.C.C.I. was two fold i.e. (1) to prevent trading in rights and (2) to ensure that the assignee would be able to deliver. In the present case both of these were addressed. There was no trading involved and CIPL was the Indian vehicle nominated by ESD for performing a part of the rights For all purposes and intents, it was ESD which was performing the Theatrical Rights Agreement.

(f) I was interested that public in India should not miss theatre experience in IPL-Season-3 and, therefore, the whole mind set was to facilitate exhibition in cinemas rather than to impede it. This was considered by all persons, in the operating Team as an operational issue.

(g) The grant of permission would, in the usual course, have been placed before the Governing Council for ratification. There were large number of instances where the Governing Council has ratified decisions, which were required to be taken quickly and on an emergent basis on account of operational expediency and the need for speedy implementation. If IPL became a global brand and the world's foremost sporting league, this is largely due to the operational flexibility in its functioning. The next Governing Council Meeting was held on 7th March, 2010. The tournament was scheduled to start from 12th March, 2010. Had we waited for the Governing Council approval, this would have been too late. One more year and another Rs.10 crores would have been lost in season 3. The record already reflects how the B.C.C.I. / IPL lost about Rs. 10 crores for IPL Season 2, purely by reason of the inability of the then

Secretary to take a quick decision and the vacillation on his part;

- (h) Subsequent events have established that the grant of permission benefited the B.C.C.I. / IPL. As result of the speedy reassignment of rights, ESD through CIPL were ultimately able to exhibit/show the IPL Season 3 in 700 theatres and 600 public places (which included clubs, restaurants, bars etc. The IPL/B.C.C.I. also stands to gain very substantial amounts, not only for Season 3 but also for future seasons. Had a speedy and sensible decision not been taken and there been a repeat of the rigidity, inflexibility and vacillation that was exhibited in IPL Season 2, this would have been lost

358. Further Sundar Raman admitted the BCCI had corresponded with ESD alone with regard to theatrical rights and not with CIPL. The payment of 2010 Season was also made by ESD and not by CIPL.

359. The grant of permission was also not a secret. The then President and the then Secretary were informed and fully aware of it. The decision was taken in the interest of the B.C.C.I./IPL and has

caused no financial loss or other prejudice whatsoever to the B.C.C.I./IPL. The then President and the then Secretary were fully aware of the same and raised no objection or demur.

360. The assignment to CIPL did not cause any loss to BCCI. No notice for any mal practice was given by BCCI to either ESD or UFO Movie by BCCI. Sundar Raman admitted that prior to IPL-4 the ESD contract was terminated through mutual consent of BCCI and ESD and at no stage was any allegation of mal practice leveled against ESD.

361. The theatrical rights tender was not restricted to persons who were technology providers themselves. The tender was open to any person (otherwise qualified) who had, in place, an arrangement with a technology provider. Entities in India and the world over were free to participate. The two bidders who submitted their bids were not acting as agents. They had submitted bids in their individual capacity as principals. It is they who would be responsible to the B.C.C.I./IPL for the obligations assumed. The tender included marketing right companies. There is nothing unusual in this. This is common to the sports world and the BCCI/IPL. In fact the television rights of BCCI were awarded to Nimbus, IMG, WSG etc, all of who were and are sports rights marketing companies and not broadcasters themselves. As bidders both companies took their own

risk, while for technology they had tie-ups with Valuable Media Ltd. and/or UFO Moviez. Both the bidders complied with the various pre-qualifications as per the bid document issued by BCCI. Clause 2.3.1 (a) of the ITT stated that the "*Bidder must have itself or through a third party access to*". The ITT in fact recognized the fact that the bidder will be permitted to tie-up with third parties. This was so as to increase (and not curtail) the number of persons who could submit bids.

362. Both UFO Moviez India Ltd and Valuable Media Limited are technology providers. They provide technology to whoever seeks it. They are themselves not in the business of marketing of rights and were not bidders. For example, whilst they provide technology to a large number of multiplexes/cinema theatres/chains, they do not engage in the business of distribution or marketing of films or other content, themselves. This is because they do not want to associate themselves with the risk involved in marketing rights. As technology providers therefore they are open to offering their technology to any number of bidders. The fact that multiple or even all bidders wanted a tie up with the same technology provider does not, by any stretch of imagination, lead to the inference that the tender terms were designed to favour any one.

363. I reiterate that the tender was open to any bidder in India or outside (who otherwise met the tender criteria) who had a tie up

with a technology provider having the requisite access. Any number of marketing rights companies could have submitted bids by having a tie up with a technology provider. That this in fact was the case is clear from what is set out above. In India alone at that time there are at least three such technology providers. These are UFO Moviez India Limited with access to more than 1900 screens Real Image with access to more than 1000 screens and Pyramid Saimara with more than 800 screens. Besides there are numerous other players who have digital screens and who could have participated by forming a consortium if they so chose.

364. UFO Moviez India Limited is not owned by the Valuable Group. My inquiries reveal that UFO Moviez India Limited is a professionally managed company and there does not appear to be any management control of the Valuable Group in UFO Moviez India Limited nor does Valuable Group hold any majority stake in UFO Moviez India Limited. The equity in UFO Moviez India Limited is held inter alia by (i) Apollo International; (ii) 3i Venture Capital Fund; (iii) Valuable Group; and ESOP and others.

365. The Theatrical Rights Agreement has been executed with ESD who merely has technology tie ups with UFO and Valuable. In any event the fact that both bidders chose to have technology tie ups with UFO is not surprising considering the fact that UFO is the clear leader in its field. UFO has in place, in India, a dedicated network

and technology to ensure that digital content is relayed to more than 1900 screens. UFO is the leading entity in the field in India. UFO has, till date, released more than 2000 movies through this network.

Allegation regarding FCT

366. This BCCI-Sony agreement provided for, 150 seconds of Promotional Free Commercial Time (FCT), which IPL was entitled to use for itself i.e. for the promotion of the IPL brand itself. The contract with Sony obliged Sony to telecast content, which the IPL would require, in this Free Commercial Time. This condition had been introduced when IPL was at a nascent stage as it was, then, felt that the IPL and/or the IPL brand would benefit from such promotion.

367. In a short period of time however, the IPL brand and the IPL tournament became a resounding success. By the time IPL Season 3 was round the corner, it had become clear that there was no need for "on air" promotion of the IPL. Instead, the 150 seconds of FCT could be gainfully commercially exploited to earn advertising revenue. Conceptually, this appeared relatively straightforward in theory. However, its practical implementation posed two major problems. Firstly, it had to be done, without interfering or eating into the commercial time of 2600 seconds per match that Sony was

entitled to. All time between over's; breaks etc, was already being used by Sony. Hence the planned or fixed slots had already been taken. Secondly, it could not be done whilst the ball was in play. This really meant that there was an extremely small window of time when the bowler walked back to his bowling run up. The availability of even this was highly uncertain since any action replay that was played during this time was regarded as the ball being in play. In a twenty over match, where every ball was important, there were action replays for almost everything e.g. a boundary; a close single; a well bowled delivery; a piece of good or bad fielding; an appeal; a near miss; or even a dot ball. Anything having the slightest excitement would, typically, be the subject matter of a replay. Hence there was absolutely no certainty on, if and when an opportunity would present itself. The reference to 150 seconds in the context of "FCT" was also a little misleading since what it really meant was "possible or potential FCT".

368. The Sony Agreement provided that BCCI-IPL would provide Sony with 2000 seconds of commercial airtime along with 600 seconds of commercial airtime in the Time Outs. Subject to Sony having inserted 2600 seconds of commercial time per match, it was required to provide IPL with a minimum 150 seconds of television airtime spots during every live transmission of matches for purpose

of promoting the IPL, franchisees and the official website of IPL. This was the FCT.

369. In this regard, around last week of January, 2010 discussions took place with Sony to the effect that IPL could show commercial advertisement as a part of the global feed without effecting commercial breaks of Sony in its 150 seconds promotional time. The aforesaid discussions continued well into February, 2010.

370. After various rounds of negotiations and discussions, as aforesaid, in which CEO of IPL Mr. Sundar Raman and BCCI-IPL corporate lawyers and Sony top executives were involved a consensus to the following effect around 4th/5th March, 2010 clearly emerged between IPL and Sony in respect of 150 seconds of FCT:-

a. IPL exploitation of 150 seconds would take place between the balls.

b. IPL's exploitation of the aforesaid airtime would not be restricted to focusing on hoardings only and the airtime would be at IPLs' disposal to use it as it deems fit.

c. The commercial advertisements by IPL would be a part of the feed made available to the Sony and Sony was obliged to broadcast the feed as provided by IPL.

d. That 150 seconds of airtime would not be given by IPL to a single sponsor.

371. BCCI-IPL lawyers had also advised that even otherwise, Sony cannot make an issue out of IPL's exploitation of 150 seconds FCT as the commercial ads would be inserted between the balls and not between the overs or in the period of Time Out.

372. Various draft of amendment deeds were exchanged between BCCI and Sony at that point of time. Sony agreed to BCCI's commercial exploitation of 150 Second FCT. However, Sony wanted concession on Bank Guarantee format in lieu of allowing IPL to exploit 150 seconds FCT. Sony also wanted concession of not paying upfront amount for 60th Match. But BCCI was reluctant to allow any concession on Bank Guarantee clauses. Since these ads were to be inserted in world feed, WSG was unhappy at not being able to receive clean feed. I told Sundar Raman and Paul Manning to tell WSG that if they have any difficulty with 150 seconds ads insertion in clean feed they could return the rights.

373. IPL standard practice was that first draft was prepared by IMG and then circulated to the other party. Paul Manning had advised BCCI not to change the Bank Guarantee clause in Sony contract.

374. However, the concessions that Sony wanted in Jan/Feb 2010 have been given in the 25.6. 2010 contract to them by BCCI

without any quid pro quo. Sony in the draft amendment agreements agreed to commercial exploitation by BCCI of 150 seconds FCT. Sony had wanted change in bank guarantee clause which BCCI had not agreed. After my suspension, the amendment agreement giving IPL the right to exploit 150 Seconds FCT was left out and with a view to clearly favour Sony at the expense of IPL. In the new Sony contract of 2010, Sony got all the concessions it wanted from BCCI. However, BCCI compromised its right to exploit 150 seconds FCT. Going forward it was a commercial loss to BCCI of over USD \$ around 200 million.

375. Coming back to events at that time the meeting of the Governing Council held on 7th March 2010, I explained this possible window of opportunity to the Governing Council. I informed the Governing Council that to the best of my knowledge this had never been successfully executed anywhere earlier but that we wanted to try and attempt to do so, since if it worked, it would greatly benefit the BCCI. The Governing Council was very encouraging and duly authorized me to go ahead and find a prospective partner.

376. The approval from the Governing Council came on 7th March 2010. The IPL Season 3 matches were to commence 4 (four) days later. Within this extremely limited time of four days, we had to find suitable partners who would come on board and get involved in what was regarded by many as a "shot in the dark".

377. I was extremely pre-occupied with the arrangements with the tournament, the actual implementation of this was an operational matter. This was looked after by the Operating Team, which was headed by Mr. Uttkarsh Singh Director Marketing and Mr. Sundar Raman, Chief Operating Officer. I had got them the approval from the Governing Council. With four days to go, I could not be expected to scout around for prospective partners for this venture.

378. The inquiries made by the operating team did not yield any encouraging results. Most people thought it was an ill advised venture. Established advertising agencies therefore did not want to get involved in this un-tried and un-tested project, whose only certainty was the un-certainty that it involved. They were uncomfortable with the format of the advertising time; the absence of any assured or identified slots. They and their clients were also apprehensive that this would be a failure and therefore did not want to commit themselves. Also, unlike traditional advertising, where the advertising agency was not involved in the broadcast, the FCT model required that the advertising agent have a team on the ground, who together with the IPL team was required to take lightning, on the spot, decisions on whether and when an FCT advertisement was to be placed. If this timing went wrong the advertisement would simply be stopped when the ball would come into play. This therefore involved walking a tight rope and needed a

good understanding of broadcasting and handling of the feed, which traditional advertising agencies were uncomfortable with.

379. The sum and substance of all this was that what IPL was willing to offer was a chance to “experiment”. If it worked the BCCI would earn revenue. If it failed, the BCCI would not be responsible. The operating team had the un-enviable task of persuading persons to participate/partner us on this, that too in a day or two, since the tournament was to start four days later. Only someone with a background in broadcasting and advertising and a strong appetite for risk would be interested.

380. M/s Pioneer Digadsys (“Digadsys”) however agreed to come on board. Digadsys was a company of Mr. Kunal Dasgupta. Mr. Kunal Dasgupta was an experienced hand in this field. He was the former Chief Executive Officer of Sony (MSM Satellite (Singapore) Pte Ltd). He had however left before the disputes between Sony and the BCCI which led to the termination of the Sony agreement. He had experience in both advertising and broadcasting and a desire to take on the challenge. Pioneer Digadsys was, thus, selected on a non-exclusive basis to help monetise 150 seconds FCT. Further Digadsys had taken responsibility of having its producers present at each venue and bear its own cost of travel and accommodations to carry out the playout of each ad. They would further ensure that they paid for an independent monitoring agency to obtain

independent telecast certificates acceptable to advertisers and agencies for purposes of billing and collection. Any costs of collection paid to the media buying agencies was also payable by them. Digadsys were clearly told that this was an experiment. Digadsys were getting into it with 'eyes open'. If it failed the BCCI would not be responsible: all losses were its. Also, this would be on a non-exclusive basis. They agreed. It is in these circumstances that the FCT experiment took off.

381. As we treated this as an experiment and were worried about the consequences and legal liabilities, should this fail; we did not want to sign any agreement without involving BCCI/IPL lawyers. We wanted this to be looked at and done by the legal team. Signing an agreement and committing anything in a hurry when we ourselves were not sure how things would pan out might create problems for the BCCI. We did not want legal complications flowing from hastily entering into binding contractual commitments. At this stage, when every hour and minute was critical, involving lawyers of both sides, was hardly practical. We simply did not have the luxury of time. Moreover, advertising industry has a well established practice of agencies issuing Release Orders and deducting a commission from the amounts payable.

382. Our worst fears that this experiment might fail almost proved to be true in the first few days of the tournament. It is to be noted

that execution of this experiment was a complex task. Since the mixing in the feed, was to be done on the ground, noise from the ground as well as ensuring a high quality resolution picture was difficult. Most advertisers had already budgeted themselves, since it was almost the year end and those who were interested had already booked slots on Sony and were not showing any enthusiasm to book through Digadsys. When this was brought to my notice by the operating team, I, in fact, had a rather testy exchange of mails with Digadsys/Mr. Dasgupta. However Mr. Dasgupta and his team pulled it off, the both on advertisement front and on the broadcasting front (where the Digadsys representative, on the field, collaborated with the IPL team in including FCT advertisements in the feed). Advertisements started progressively flowing in and by the end of the tournament, Release Orders worth Rs. 29.75 crores had been received.

383. It was as a result of this experiment, the BCCI/IPL has got Release Orders of almost Rs.30 Crores. More importantly, this experiment has worked and this could have been the basis for a revenue stream by which BCCI could have expected to earn even higher revenue in the years to come.

384. I reiterate that if IPL has become a global brand and amongst the most profitable sporting leagues in the world, it is because of the flexibility that its structure permits and/or exhibits. Further the

then President and the then Secretary were fully of all the facts regarding exploitation of 150 Second FCT.

385. Under the Media Rights Agreement, Sony did not have any rights to the 150 second of FCT. Sony only had an obligation. These rights always belonged to the IPL and BCCI, since all that Sony had to do was to run IPL promotional videos under instructions from the BCCI / IPL. Therefore there was no question of taking back any rights from Sony in respect of the 150 seconds FCT per match. However, more than that, through various rounds of discussions and as evidenced from various emails Sony completely consented to the commercial exploitation of FCT by IPL. This became further clear from the conduct of Sony in running the feed through out IPL season 3. An amendment in the Sony agreement was required to bind Sony to display without interruption the IPL commercial feed of 150 seconds of FCT in its broadcast. Though the amendment agreement was drafted and circulated in terms of what was agreed with Sony it could not be signed since clauses thereof on other issues (unconnected with the FCT) were not finalized.

386. The Show Cause Notice suggests that the absence of a written contract authorizing Digadsys is indicative of some wrongdoing. Nothing could be further from the truth. I have already set out above, the circumstances in which Digadsys were appointed and why no agreement was then executed. The then Secretary and the

then President were all along aware of the same. In any event, Digadsys were appointed as a concessionaire on a non-exclusive basis to help IPL / BCCI monetize the FCT rights. There exists a well-settled industry practice under which an agency is to get its commission which is 15% for the business generated through it. This is also prescribed/recognized under the IBF-AAAI agreement between broadcasters and agencies.

387. Practically, 9000 seconds were only available in theory and not in practice. I reiterate that the actual time per match would depend solely on the duration for which the ball was not in play. This had to be long enough to insert an advertisement. There was therefore no absolute figure of 9000 seconds. Despite these challenges, Digadsys did sell and execute on the ground around half the inventory. The enormity of this will be appreciated when once considers that MSM (Sony) had commenced promoting advertising slots from September, 2009.

388. The rates at which Digadsys sold were comparable to those sold by Sony. In some instances they were higher. Digadsys did well as compared to Sony, if following factors are considered. (i) Sony marketing began several months before the tournament; (ii) was for fixed slots ;(iii) was for Guaranteed slots; and (iv) was for a tested venture. None of this was applicable for Digadsys who had to work their rights on ground without studio facilities. Lastly, the

BCCI/IPL has not suffered any loss since in the absence of Digadsys; this business would not have come forth at all.

389. The third Show Cause Notice seeks to make a huge fuss about the fact that no money had been paid to the BCCI till date of notice. This allegation indicates a complete ignorance of the working of the advertising industry/trade. The reason no money had been paid is because the collection cycle in advertising circles is typically 90 days and that time had not elapsed when show cause notice was issued. Further Digadsys subsequently paid the entire amount received by it after deducting commission of 15% and statutory (TDS and Service Tax) deductions to the BCCI and in this regard Kunal Das Gupta (LKM W-1) has brought the entire position on record.

390. The signing of formal agreement was not insisted upon as this was done on experimental basis with virtually no time for detailed agreement before start of IPL . Further the advertising industry has a well established practice of agencies issuing Release Orders and deducting a commission (which is 15%) from amounts payable. Digadsys was able to sell 5485 seconds of FCT in all and the amount of sales made was Rs.29.75 crores including service tax. Out of this, Rs.15.26 crores was FCT sale made in respect of Karbonn Mobile. In respect of the Karbonn deal BCCI had entered into separate agreement with Karbonn. Sundar Raman as it

transpires told Digadsys that Karbonn was BCCI's concessionaire and who would directly pay to BCCI. The balance ROs amounted to Rs.14.50 crores out of which entire amount was paid by Pioneer to BCCI after deducting 15% as its commission charges as per AAAI and IBF norms which is industry practice. Thus, it was the BCCI which was actual gainer through exploitation of FCT by about Rs 30 Crores . Again it has never been alleged by any party that I stood in any way as a beneficiary of grant of rights to Digiadsys.

391. Thus all the three Show cause Notices are wholly misconceived and are without a shred of merit.

Manner of evidences gathered in support of BCCI's case

392. However before closing my statement it is relevant to mention as to the manner in which the then President and the then Secretary through their machinations sought to create pulls and pressure to ensure that the false hood alleged in their show cause notices perpetuates.

393. First to make Sony tow BCCI line a policy of carrot and stick was adopted. Sony was not misled either by me or WSG and knew the correct position right from the beginning as is evident from their press release of 24th April, 2010. However, Sony was threatened with termination by the then President and the then Secretary and

was also put under threat of criminal case, if they did not terminate the WSG facilitation contract and enter into a new contract with BCCI.

394. N.P. Singh has stated that on 25.4.2010 Sony was called for a meeting with the then President BCCI and the then Secretary BCCI. They were told that BCCI is reviewing their agreement. A week later Sony was again called for a meeting around 02.05.2010. They were told that the agreement dated 25th March, 2009 was not duly authorized by BCCI as I was incompetent to sign the agreement and the agreement would be terminated. BCCI told Sony that it was their stand that agreement was not valid. Further, BCCI also told Sony that as per their understanding WSGM did not provide any facilitation services on behalf of BCCI. As per N.P. Singh the second meeting dated 02.05.2010 was followed by third meeting around 30.05.2010 In this third meeting, it is my understanding that Sony was not only threatened with termination of its contract but also with a criminal case against it. As per N.P. Singh after the third meeting Sony decided to terminate the WSG Contract and pay the amount of facilitation fees to BCCI. As Sony's termination of facilitation deed would have triggered Clause 27.5 of WSGI BCCI agreement, Sony simultaneously asked BCCI to terminate WSGI agreement also. The stage where Sony was coerced was followed by a stage of mutual collaboration between Sony and BCCI. BCCI

offered, if Sony were to co-operate to make the contract even more commercially favourable to Sony. BCCI and Sony then jointly deliberated on ways and means to terminate WSG (India) contract. Subsequently as per N.P. Singh's statement there was another meeting on 04.06.2010 between BCCI and Sony in Chennai. Between 04.06.2010 and 14.06.2010 around two more meetings took place where various drafts of a new agreement were exchanged.

395. BCCI agreed not to utilize 150 Seconds FCT for running commercial ads. It also agreed to Sony's demand for change of bank guarantee clause. It also agreed for 4 time outs of two and half minutes each rather than 2 time outs of 5 minutes each which were not getting good rates from advertisers. Between 14th and 24th June, 2010 as per N.P. Singh further drafts agreements were exchanged and final version was signed on 25th June, 2010. On the same day Sony filed a suit against BCCI and WSGI seeking interim relief against WSGI with the prayer BCCI should not terminate 25th March, 2009 contract if WSGI enforced its rights against the BCCI . It was clearly collusive suit as the old Sony agreement had already been novated. On 28th June 2010, BCCI made a statement in court that BCCI would not terminate MRLA dated 25th March, 2009 with Sony. In the new agreement of 28.6.2010. Sony was allowed to show bugs of channel during telecast of channel while ball was in

play. In the drafting of new Sony agreement, Paul Manning was not involved as I believe he would have advised against giving concessions to Sony without quid pro quo to BCCI. Thus, Sony got the alteration of the bank guarantee clause and other clauses as it wanted. Sony also agreed to pay to BCCI the amounts it had earlier agreed to pay to WSGM. However, at the substratum of this Sony is not at loss because if WSGM succeeds in its dispute with Sony under the the terms of the Facilitation Services Deed , this amount would become payable to WSGM and BCCI would have to refund this additional amount.

396. While signing the new Sony contract, Sony has acted entirely on BCCI's representations that WSG did not provide facilitation services to it. Such BCCI representation would be hard to put to maintain particularly in the face of Sony's own press release of April 2010 before the pressure and coercion appears to have been applied where it states otherwise . The new Sony contract was loaded in Sony's favour. The provision that BCCI could exploit 150 Seconds FCT which Sony had agreed in various drafts of amendment deeds to BCCI's commercial exploitation of 150 Seconds of FCT was removed plus the bank guarantee clause which Sony wanted changed was also duly changed. By removing the right to exploit 150 Seconds FCT BCCI lost an important revenue stream of around USD \$ 200 million. Further rather than five minutes

strategic time out in one go Sony wanted two and half minutes and time outs twice which was also acceded to. BCCI has also committed their full support to any litigation Sony may face with WSG. Thus a lot of uncalled benefits were passed to Sony at the cost of BCCI. But by this policy of carrot and stick BCCI appears to have been successful in inducing Sony to tow its line and be a willing partner in false hood created by the then President and the then Secretary.

397. Similarly IMG was also dealt with a policy of carrot and stick. On 17.05.2010 IMG was called to meet BCCI President Mr. Manohar as also Mr. Amin, Mr. Srinivasan and Mr. Rajiv Shukla where show cause notices issued against me were discussed and to my knowledge IMG was threatened with termination, if they did not provide witness evidence as per the wishes of the then President and the then Secretary. Still later IMG was called for another meeting with BCCI officials to discuss my show cause notices. Rather than calling IMG behind my back it would have been much fairer, if IMG were asked to depose before this committee as committee witness and were asked to speak out the truth regarding whole matter covering the show cause notices. But under threat of termination they were asked to give cryptic statements which in context of material omissions were far from truth.

398. Sundar Raman was also threatened with termination and this fact was also widely reported in the media. He gave statements as if being employee of BCCI it was his duty to tow the BCCI line. His statements are contrary to the minutes of Governing Council . In the Governing Council meeting held on 11th August, 2009 the members of the Governing Council approved all contracts as are mentioned in Annexure-C of those minutes, which inter alia included the contracts entered into between MSM and BCCI and between BCCI and WSG as well as the Novation Agreement between LCM, GCV and BCCI. At IPL we treated these contracts as vendor contracts using the term vendor in its general sense. I have gone through the witness statement filed by Mr. Sundar Raman, the COO of IPL. In para 6 Mr. Sunder Raman refers to Governing Council meeting of 14th August, 2009. I say that there was no Governing Council meeting held on 14th August, 2009, but there was a Governing Council meeting held on 11th August, 2009. I disagree with the statement made by COO Mr. Sundar Raman that the contracts between BCCI and WSG and BCCI and MSM can not be taken as approved in the meeting of Governing Council whereas in fact these contracts were specifically approved in the Governing Council meeting dated 11th August, 2009. I would like to point out that the COO of IPL is not a member of IPL Governing Council and he does not participate in deliberations and discussions of the Governing Council meeting, which is domain Governing Council

members. COO of IPL is kept in attendance to assist with the paper work and presentations as and when called upon. His role, therefore, is largely secretarial in nature. I would say that COO of IPL is not competent to comment on the deliberations, discussions made and approvals granted by the Governing Council or to comment on the minutes thereof. I further submit that in the meeting of 11th August, 2009, the audit observations with respect to IPL 2008 also came up for discussion wherein in respect of the Novation Agreement between LCM, GCV and BCCI it was specifically mentioned that IPL Governing Council ratified the said contract. The minutes of the Governing Council meeting dated 11th August, 2009 were ratified in the Governing Council meeting held on 2nd September, 2009 wherein amongst other members Mr. Shashank Manohar, Mr. N. Srinivasan, Mr. Arun Jaitley and Mr. Chirayu Amin were also present.

399. The malice of Giles Clarke towards me and motivations of Kochi franchisee and their representative Keshav PT to give false evidence after Kochi franchise's mentor Shashi Tharoor was forced to resign have already been adverted to by me in the preceding paras and their statements have to be appreciated in that context.

400. All decisions in respect of the IPL were taken by the Governing Council. These were either "a-priori" approvals or ex-post facto ratifications. All actions of the Chairman who was the executive arm

of the Governing Council were thus effectively controlled by Governing Council. The proceedings of Governing Council were conducted with transparency and agenda notices with all supporting documentations were circulated in advance to the members. The deliberations in the meeting were freely and openly done and the minutes of the Governing Council meetings were accurately recorded and timely circulated. The Governing Council included members like the then President Mr. Shashank Manohar and the then Secretary Mr. N. Srinivasan, Mr. Jaitley and Mr. Chirayu Amin. The decisions taken by the Governing Council were implemented by me and all actions, documents, expenditures, agreements etc. were settled and ratified by the Governing Council. Thus, all Members of the Governing Council are parties to the decisions taken in respect of IPL.

401. Mr. Arun Jaitley and Mr. Chirayu Amin have been the part of the Governing Council since its very inception and hence, been a party and privy to all the decisions and actions taken by the Governing Council. Hence, all the decisions have not only been taken with their concurrence but also have been approved over by them. They have been witness to all the facts set out in my statement.

402. I am not and was never afraid or reluctant to be judged for my conduct as Chairman of IPL. IPL is my legacy to Indian cricket. However I deserved a chance to be judged by a fair and impartial tribunal. Cricket is national passion and this committee is not merely for a private obscure club. I deserved a level playing field against allegations levelled by BCCI . BCCI which has led no evidence worth its name would have been hard pressed for answers before an impartial tribunal. But alas, I would have to play by rules designed to suit my accusers more.

403. To sum up I would submit that BCCI has singularly failed to prove any charges . I would pray that the Committee exonerate me of all the charges.



(Lalit Kumar Modi)

Note-

a) I make this statement without prejudice to the contentions raised in various legal proceedings initiated by me against the BCCI and the Disciplinary Committee.

b) I reserve the right to make additions in this statement in case the Disciplinary Committee takes on record the additional documents filed before it by BCCI on 30.03.2013.

c) I would be exhibiting the documents that I seek to rely upon before the start of cross examination.