

**BEFORE THE DISCIPLINARY COMMITTEE OF BCCI**

In the matter of:

Disciplinary Proceedings  
Against Mr. Lalit K Modi  
BCCI Administrator  
(under suspension)

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(P R Raman)  
Counsel for BCCI

BEFORE THE DISCIPLINARY COMMITTEE OF BCCI

In the matter of:

Disciplinary Proceedings  
against Mr.Lalit K. Modi,  
BCCI Administrator,  
(under suspension)

Objections to the Application to provide copies of documents filed by  
Mr.Lalit K Modi on 23rd July, 2010

The BCCI respectfully states as under:

The application to provide copies of documents is partly contested by the BCCI. The list of documents sought for in the application are dealt with in seriatim as follows:

- (a) Copy of the minutes of the meeting of the Governing Council dated 25th April, 2010 along with list of members present.

There was no meeting of the Governing Council on 25th April, 2010. If the CSA is referring to the minutes of the meeting of the Governing Council held on 26th April, 2010, the BCCI has no objection to furnish a copy thereof and accordingly it is sent along with this response. The minutes disclose the members present and absent.

- (b) Copy of the minutes of the meeting of the Governing Council dated 25th June, 2010 along with the list of members present.

The minutes of this meeting are under preparation. In the usual course, they would be sent in advance to the members and placed in the next meeting of the Governing Council for approval. It is an admitted position that a decision was taken in this meeting to terminate the WSG - BCCI agreement and enter into the fresh agreement with MSM (Satellite) Singapore Pte. Ltd. There is no relevance of the entire minutes to the disciplinary proceedings. The BCCI has no objection to hand over the relevant draft extract relating to the discussion on the Show Cause Notices issued and the MRLA with WSG. The draft minutes would be circulated to the members and confirmed only in the next meeting. Hence, these draft minutes may be referred to only to draw the inference that decisions were taken based on discussions and nothing else. Other than three members namely Mr.Arun Jaitley Mr. Rajiv Shukla, and Mr.I.S.Bindra, all other members were present at this meeting of the Governing Council.

- (c) Copy of the minutes of the meeting of the Special General Body dated 3rd July, 2010 along with the list of the members present.

The minutes of this meeting also are under preparation. They would be prepared and sent in advance to the General Body members before the AGM of the BCCI scheduled to be held in September, 2010 and unless the minutes are approved by the General Body, they cannot be termed as the official record of happenings in the SGM. Here again, the BCCI does not have any objection to submitting the draft minutes but this can be referred to only for the broad purpose of confirming the decisions taken therein.

- (d) Agenda for the meeting dated 25th April, 2010 of the Governing Council.

There was no meeting of the Governing Council on 25th April, 2010. If the reference is to the meeting held on 26th April, 2010 there was no agenda circulated for that meeting. At any event, the Agenda for any meeting of the Governing Council would not be relevant to these proceedings.

- (e) Agenda for the meeting dated 24th June, 2010 of the Governing Council.

The Agenda for this meeting is of no concern of the CSA. Agenda for any meeting of the Governing Council would be totally irrelevant to these proceedings.

- (f) Copy of the amended agreement dated 25th June, 2010 executed by BCCI with MSM (Satellite) Singapore Pte. Ltd.

Since this document has a clause imposing restrictions to retain the information therein as confidential, the BCCI has sought for permission from MSM (Satellite) Singapore Ptd. Ltd. to mark this document in the present proceedings. Permission has been obtained on condition that this document would be to the knowledge of only those participating in these proceedings and an undertaking be given that it would not be disclosed to any other person nor be used for any purpose other than these disciplinary proceedings. Subject to the Disciplinary Committee safeguarding the interests of the BCCI in this manner, the document will be produced.

It is submitted that the CSA cannot be allowed to expand the scope of the proceedings to beyond defending himself.

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BCCI relies on the following judgments of the Apex Court in support of its contentions:-

- A. For the proposition, documents of the nature of intra organizational communications preliminary to the holding of enquiry have really no importance unless the Enquiry Officer wants to rely on them for his conclusions

**Krishna Chandra Tandon Vs. Union of India AIR 1974 SC 1589**

- B. For the proposition, it is not necessary that each and every document must be supplied to the delinquent, instead only material and relevant documents are necessary to be supplied to him

**Chandrama Twari Vs. Union of India 1988 (1) SCR 1102**

- C. For the proposition, it is for the delinquent to plead and prove that non-supply of document will cause prejudice and result in miscarriage of justice.

**Union of India Vs. Alok Kumar 2001 (4) SCALE 92**

- D. For the proposition, It is not sufficient to say that copies of the documents were not supplied on demand but it must further be shown that the non-supply has impaired one's right to make an effective and purposeful representation.

**Kamarunissa Vs Union of India reported in 1991 Cri LJ 2058,  
Adishwar Jain Vs. Union of India reported in 2006 (11) SCC 339**

- E. For the proposition, only relevant and vital documents are required to be supplied.

**Sunila Jain Vs Union of India reported in 2006 Cri LJ 636, Ummu Saleema Vs. B.B. Gujral reported in 981 (3) SCR 647**

- F. For the proposition, non-supply of documents on which the Enquiry Officer does not rely during the course of enquiry does not create any prejudice to the delinquent

**Syndicate Bank Vs. Venkatesh Gururao Kurati AIR 2006 SC 3542**

Date: 27<sup>th</sup> July 2010

(P.R. RAMAN)  
COUNSEL FOR BCCI

**MINUTES OF THE GOVERNING COUNCIL MEETING HELD ON  
MONDAY 26<sup>TH</sup> APRIL 2010 AT BCCI HEAD QUARTERS AT 10.00 A.M.**

The following members were present:-

Mr. Shashank Manohar	President, BCCI
Mr. Niranjan Shah	Vice Chairman
Mr. I.S. Bindra	
Mr. Chirayu Amin	
Mr. Arun Jaitley	
Mr. Rajiv Shukla	
Mr. MAK Pataudi	
Mr. Sunil Gavaskar	
Mr. Ravi Shastri	
Mr. N. Srinivasan	Hony. Secretary, BCCI
Mr. Sanjay Jagdale	Hony. Jt. Secretary, BCCI
Prof. R.S.Shetty	Special Invitee

Leave of absence was granted to Dr. Farooq Abdulla and Mr. M.P. Pandove.

Mr. Rajiv Shukla proposed and Mr. Arun Jaitley seconded that Mr. Shashank Manohar Chair the meeting. Mr. Shashank Manohar then Chaired the meeting.

The Chairman welcomed the members to the meeting and informed them that a Show Cause Notice had been issued to Mr. Lalit Modi under Article 32(iv) of the Rules and Regulations of the BCCI immediately after the conclusion of IPL-3.

He further informed that Mr. Lalit Modi had been placed under suspension pending enquiry and proceedings into the complaints.

The Chairman then explained to the members the charges framed against Mr. Lalit Modi and informed the house that Mr. Modi has been given 15 days time to reply to the Show Cause Notice issued by the Hon. Secretary.

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The Chairman then proposed the name of Mr. Chirayu Amin as the Interim Chairman of the Indian Premier League and the members unanimously supported the proposal.

The Chairman assured Mr. Chirayu Amin that the Board would extend all the necessary help to him to discharge his responsibilities as Interim Chairman of the Indian Premier League.

The Chairman also proposed that Mr. MAK Pataudi, Mr. Sunil Gavaskar and Mr. Ravi Shastri would look into all cricketing aspects of the Indian Premier League.

Mr. MAK Pataudi, Mr. Sunil Gavaskar and Mr. Ravi Shastri would talk to the franchisees and take their views before finalizing their report on the modalities for player auction for the 10 IPL teams which will be considered by the Governing Council.

The meeting ended with a vote of thanks to the Chair.

**Chairman**

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Extracts from the Draft Minutes of the IPL Governing Council Meeting held on 25<sup>th</sup> June 2010

**Agenda Item No.3 & 4**

**Show Cause Notices Issued to Mr. Lalit K. Modi and to decide on Media Rights Agreement with WSG and MSM**

The Chairman requested Mr. Shashank Manohar to update the members on the Show Cause Notice issued to Mr. Lalit Modi and his response to the same.

- Mr. Shashank Manohar informed the members that the Board had issued three Show Cause Notices to Mr. Lalit K. Modi on 26<sup>th</sup> April 2010, 6<sup>th</sup> May 2010 and 31<sup>st</sup> May, 2010.

1) In the first Show Cause Notice the main charges prima facie stated against Mr. Lalit Modi were :-

a) Media Rights Agreement

Mr. Shashank Manohar explained to the members that BCCI-IPL had in January 2008 invited tenders for Broadcast Rights and the following agreements approved by the Governing Council were signed.:-

1. Agreement with MSM for India rights
2. Agreement with WSG (India) for Global rights.

On 14<sup>th</sup> March 2009 at midnight the agreement with MSM was terminated for alleged violations in the telecast of IPL.

On 15<sup>th</sup> March 2009, Mr. Lalit Modi entered into a Mutual Termination Agreement with WSG India and WSG (Mauritius).

On 15<sup>th</sup> March 2009 itself Mr. Lalit Modi awarded the Media Rights to WSG (Mauritius) without calling for fresh bids for Indian Sub-continent.

WSG (Mauritius), being a Marketing Company, was given 72 hours to find a broadcaster. This facility was further extended by 72 hours on 17<sup>th</sup> March 2009 and 20<sup>th</sup> March 2009. By the last extension, the rights with WSG (Mauritius) were to terminate at 3.00 a.m. on 24<sup>th</sup> March 2009, if they failed to get a broadcaster. It is interesting to note that while Mr. Lalit Modi had terminated the MSM agreement for alleged violation on 14<sup>th</sup> March 2009, on 15<sup>th</sup> March 2009, Mr. Lalit Modi sent a mail to WSG (Mauritius) informing that they could consider MSM as a broadcast partner.

On 25<sup>th</sup> March 2009, Mr. Lalit Modi records a letter to WSG (M) stating that since WSG (M) had been unable to find a broadcaster within 72 hours, the rights have reverted back to BCCI. WSG (M) signs the said letter in confirmation.

Consequently on 25<sup>th</sup> March 2009, Mr. Lalit Modi entered into a mutual deed of termination of the agreement with WSG (Mauritius) and on the same day i.e. 25<sup>th</sup> March 2009, he entered into the following agreements –

- (1) Agreement with MSM for India territory
- (2) Agreement with WSG (India) for Global Rights

Mr. Shashank Manohar further informed the members that, while signing the new agreements with MSM and WSG (India), 600 seconds of extra time was available for

commercial exploitation in view of the decision to introduce strategic time out in IPL-2.

While the Rights fee of MSM was increased from 1bn US\$ to 1.6bn US\$, the Rights fee for WSG (India), who also had the same advantage of additional 600 seconds was kept at 85mn USD as in the previous agreement.

Mr. Shashank Manohar stressed the fact that Mr. Lalit Modi had allegedly avoured WSG (India) and thereby caused a loss of revenue to BCCI-IPL to the extent of about 425 Crores.

Mr. Shashank Manohar further stated that an agreement was entered into between MSM and WSG (Mauritius) according to which MSM was to pay WSG (Mauritius) a 'Facilitation Fee' of 80mn US\$ (INR 425 Crores).

There was a Clause in the BCCI-IPL Agreement with MSM that if MSM fails to pay any amount due under the WSG-MSM agreement to WSG (M), BCCI-IPL would terminate the agreement with MSM. A copy of the agreement between MSM and WSG (Mauritius) was made available to the Board by the SONY officials.

Similarly, in the BCCI-IPL Agreement with WSG (India) there was a clause whereby (a) BCCI would terminate the MSM agreement if they fail to pay Facilitation Fee to the WSG (Mauritius) and

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(b) BCCI would pay 80mn US\$ (INR 425 Crores) to WSG Mauritius if MSM did not honour their commitment of Facilitation Fee to WSG (Mauritius).

The members expressed surprise at such clauses in the agreements

Mr. Shashank Manohar concluded that Mr. Lalit Modi had compelled MSM to agree to the payment of 'Facilitation Fee' of Rs.425 Crores to WSG (Mauritius) when in fact, the Rights were with BCCI from 3.00 a.m. of 24<sup>th</sup> March 2009 onwards.

According to him the 'Facilitation Fee' appeared to be a kick back which Mr. Lalit Modi managed for parking the Media Rights of IPL with WSG (Mauritius) for 10 days.

Mr. Lalit Modi in his reply to the Show Cause Notice has stated that he was not aware of the 'Facilitation Fee' and the clauses in the agreements and had signed the agreement which was given to him by the Corporate Lawyers of BCCI-IPL. .

- Irregularities in Franchisee Agreement

Mr. Shashank Manohar also explained to the members the alleged irregularities with respect to the Rajasthan Royals. The franchisee bid was won by Mr. Manoj Badale on behalf of Emerging Media. However, Mr. Lalit Modi signed a Franchise Agreement with Jaipur IPL Cricket Pvt. Ltd. It is important to note that when this agreement was signed neither Mr. Manoj Badale nor Emerging Media held any shares in Jaipur IPL Cricket Pvt. Ltd. There were only 2 shareholders –

- (1) Fraser Castelino
- (2) Ranjit BarThakur

Later, these 2 shareholders (1) Frazer Castelfino and (2) Ranjit Bar Thakur have transferred their shares to various people including Mauritius entities which is supposedly owned by Mr. Chellaram who is husband of Mr. Lalit Modi's Sister-in-Law. The above transactions are illegal and against the rules of the franchisee bid tender document and the agreement itself.

Mr. Shashank Manohar further stated that some 11% share of Jaipur IPL have been shown to be transferred to M/s. Kuki Investment which is claimed to be Mr. Raj Kundra's company without being formally approved by the IPL Governing Council.

- Web Portal Rights

According to Mr. Shashank Manohar, BCCI had entered into a Web Portal Agreement for both BCCI as well as BCCI-IPL with one Live Current Media. Live Current Media sold its rights to a company called Global Cricket Ventures, which is a Mauritius based company and a Novation Agreement was entered into between BCCI-IPL, Live Current Media and Global Cricket Ventures. While placing the Novation Agreement for approval before the Governing Council, the members were kept totally in dark about the fact that Mr. Gaurav Burman, step Son-in-Law of Mr. Lalit Modi, had purchased 50% of the stake in Global Cricket Ventures and his direct interest in the same. It could not be a coincidence that GCV purchased internet rights for WSG immediately thereafter.

II) Mr. Shashank Manohar further pointed out that the 2<sup>nd</sup> Show Cause Notice issued on 6<sup>th</sup> May 2010 was based on a complaint received from Mr. Giles Clarke, Chairman of ECB. Mr. Giles Clarke complained that Mr. Lalit Modi

had invited representatives of the Counties and held a meeting in Delhi. In this meeting, the minutes of which were recorded by one of the representatives of the Counties. It is found that Mr. Lalit Modi was exploring starting of IPL in England. The minutes clearly indicate that Mr. Lalit Modi's plan of starting a league similar to IPL, involving the IPL Franchises. The plans proposed by Mr. Lalit Modi are detrimental to the game of cricket and World Cricket at large. He has been asked to explain as to how he could make such representations in the presence of IMG representatives without the authority of Governing Council making false inducements to endanger the interest of ECB, BCCI and World Cricket.

- III) A Third Show Cause Notice was issued on 31<sup>st</sup> May 2010 which calls upon Mr. Lalit Modi to explain the award of the Theatrical Rights for IPL and the award of commercial exploitation of 150 seconds of Free Commercial Time. Mr. Shashank Manohar pointed out that in 2008 Mr. Lalit Modi had brought forward a proposal for award of Theatrical Rights. As there was only one proposal, the President had advised him to bring atleast 2 quotations for a fair decision to be taken. Accordingly, ITT for Theatrical Rights was approved and Mr. Lalit Modi called for Tenders for Theatrical Rights and the same were opened at the IPL Governing Council meeting at Bangkok. It is observed that both the parties who submitted bids had tied with the same agency which provides technical assistance. The highest bidder was awarded the Theatrical Rights. However, just 15 days after the rights was awarded to M/s. Entertainment Sports Direct, a Mauritius based Company. They wrote to Mr. Lalit Modi that they were transferring the Theatrical Rights to M/s. Crown Infotainment for better exploitation of the rights.

As far as the commercial exploitation of 150 seconds is concerned, the rights were awarded to M/s. Pioneer Digadsys a company with which Mr. Kunal Dasgupta was associated. Incidentally, Mr. Kunal Dasgupta was the CEO of MSM when the agreement was terminated by BCCI-IPL due to serious broadcast violations. Mr. Shashank Manohar highlighted the fact that there is no agreement with M/s. Pioneer Digadsys and the Board had not received any money so far. He wondered how BCCI-IPL would recover the money on this account in the absence of any records / agreements.

- At this stage, the members were informed that following several meetings with MSM (Singapore) Pte Ltd., they have agreed to an amendment of the agreement dated 25<sup>th</sup> March 2009. As per the amended agreement, they have agreed to pay BCCI-IPL Rs.300.0 Crores which was part of the 'Facilitation Fee' as a part of the rights fee as per the schedule of payment agreed with WSG (M) earlier. They have also sent a letter stating the MSM (Singapore) Pte Ltd. will file a suit against WSG (Mauritius) in the Mumbai High Court for recovery of Rs.125.0 Crores and this money would be paid to BCCI-IPL when realised.
- Members unanimously appreciated the efforts taken by President and Hony. Secretary. The Hony. Secretary was authorized to sign the amended agreement with MSM with immediate effect.

- Members further authorized the Hony. Secretary to immediately terminate the BCCI-IPL and WSG (India) agreement for global rights as WSG (India) had followed fraudulent business practice.

DRAFT MINUTES OF THE SPECIAL GENERAL MEETING OF THE BOARD  
HELD ON 3<sup>RD</sup> JULY 2010 AT BCCI HEAD QUARTERS, MUMBAI

The following members were present:-

Mr. Shashank Manohar  
Mr. Arun Jaitley  
Mr. Chirayu Amin  
Mr. N. Shivalal Yadav  
Mr. Arindam Ganguly  
Mr. M.P. Pandove  
Mr. N. Srinivasan  
Mr. Sanjay Jagdale  
Mr. S.P. Bansal  
Captain (In) U.K. Thapa  
Mr. Ranbir singh Mahendra  
Mr. Mohd. Aslam Goni  
Mr. Jagmohan Dalmiya  
Mr. Ranjib Biswal  
Mr. Goutam Roy  
Mr. Amitabh Choudhary  
Mr. K.P. Kajaria  
Mr. Dilip Vengsarkar  
Mr. Sevanti J. Parekh  
Mr. Ajay Shirke  
Mr. Rajesh Patel  
Mr. Niranjana Shah  
Mr. K.S. Viswanathan  
Mr. Srikantha Datta N.R. Wadiyar  
Mr. D.S. Chalpathy  
Mr. G. Ganga Raju  
Mr. T.R. Balakrishnan  
Mr. Rajiv Shukla  
Mr. Jyotiraditya Scindia  
Mr. C.P. Joshi  
Mr. Sudhir Dabir  
Mrs. Jhanja Tripathy  
Mr. Dayanand Narvekar  
Mr. Anurag Thakur  
Mr. Tika Subba  
Mr. H.B. Singh  
Mr. Rajesh Dave  
Mr. Abdul Bari Siddiqui

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Shri Shashank Manohar was in the Chair. He welcomed Mrs. Jhanja Tripathy representing Railway Sports Promotion Board, who was attending the BCCI meeting for the first time.

The Chairman briefed the members about the purpose of calling the Special General Meeting and took up the first item on the agenda.

**ITEM NO. 1 : To ratify the action of the Hon. Secretary BCCI in referring the charges against Mr. Lalit K. Modi contained in the three show cause notices to the Disciplinary Committee of the BCCI.**

The Chairman observed that the three show cause notices issued to Mr. Lalit Modi and his replies to the same had been circulated to all the members. He then went on to explain in brief to the members, charges against Mr. Lalit Modi and his response to the same.

**A.. Irregularities in finalizing the Franchisee Agreement**

At the first bidding process for the 8 teams held in January, 2008, the bid for the Rajasthan team was won by Emerging Media IPL, a London based company. The eligibility letter submitted with the bid shows Mr. Manoj Badale as a 100% owner of that company. However, on inspecting the documents, it is observed that Mr. Lalit Modi signed the franchisee agreement on behalf of BCCI in April 2008 with Jaipur IPL Cricket Pvt. Ltd., a totally different entity. The shares of Jaipur IPL Cricket Pvt. Ltd. were held by 2 persons viz. (1) Mr. Frazer Castellino and (2) Mr. Ranjit Barthakur. Subsequently, these two individuals have transferred the shares to others.

The Franchisee Agreement clearly mentions that no transfer of shares would be permitted for the first three years.

Mr. Lalit Modi's reply to this charge is that, Mr. Frazer Castellino and Mr. Ranjit Balthakur were holding the shares on behalf of others as agents and there was nothing wrong in the Franchisee Agreement.

**B.. Bid Rigging**

The 2<sup>nd</sup> charge against Mr. Lalit Modi was that he had changed the conditions in the ITT inviting bids for the 9<sup>th</sup> and 10<sup>th</sup> teams of IPL. Mr. Lalit Modi had introduced unreasonable conditions in the ITT like bidders to have networth of 1 Billion US Dollars and they should give a Bank Guarantee of 465 crores without the approval of the Governing Council. To this charge Mr. Lalit Modi has replied that the Tender documents were prepared by the IMG lawyers and the disputed terms were introduced by them after IMG had conducted a survey and found that the conditions introduced in the ITT were reasonable for inviting the bids. The Working Committee of the Board had taken a decision in December 2009 that all Tender documents should be approved by Mr. I.S. Bindra, Mr. N. Srinivasan and Mr. Lalit Modi before publishing the same. To this Mr. Lalit Modi's reply is that the Working Committee's decision was not binding on the IPL and it was

restricted to the BCCI tenders. Mr. Lalit Modi has stated that the President had approved the terms in the ITT. The Chairman told the house that he had no knowledge of these unreasonable terms introduced in the ITT inviting fresh bids for the additional 2 franchisees.

According to the Chairman it was Mr. Niranjan Shah who called him and informed him that some unreasonable terms like net worth of 1.0 Billion US Dollars and Bank Guarantee of 465.0 Crores was introduced in the ITT and some of the interested parties have been complaining about the same.

The Chairman further stated that he called up Mr. Lalit Modi who was at Phuket and told him about the unreasonable conditions in the ITT. On 7<sup>th</sup> March 2010, the IPL Governing Council meeting cancelled the tender because of the unreasonable terms which were probably introduced to favour certain bidders.

According to the Chairman, fresh tenders were floated without the said unreasonable terms and the bids were won by M/s. Sahara and M/s. Rendezvous Sports when the bids were opened on 21<sup>st</sup> March 2010 by the IPL Governing Council.

While Mr. Lalit Modi signed the Franchises Agreement with Sahara, he was delaying the signing of the agreement with Rendezvous Sports. According to a complaint received from Rendezvous Sports, Mr. Lalit Modi had been pressuring them to give up their franchisee. Mr. Modi further told them that he would not allow them to play matches at Kochi and instead would send them to play at smaller towns like Guwahati and Bhiwani. Mr. Lalit Modi further told them that he would remove the cap on player auctions making it difficult for them compete with other franchisees.

In his reply Mr. Lalit Modi states that the complaint of Rendezvous Sports is a motivated one and was given only after Mr. Shashi Tharoor lost his ministership. The Chairman however clarified out that the complaint was received much before Mr. Shashi Tharoor resigned.

### C.. **Television Rights**

The 3<sup>rd</sup> charge against Mr. Lalit Modi relates to the Broadcast Rights.

In 2008, BCCI-IPL entered into an agreement with WSG (India) for Global Rights for 10 years whereas an agreement was entered into with Sony for India Rights for 5 years. There was a clause in the contract with WSG (India) that if Sony contract is terminated the rights would revert back to WSG (India).

There were some complaints against Sony of violations during the telecast of IPL matches in the first IPL season and it was brought to the notice of the IPL Governing Council by Mr. Modi. The Governing Council had authorized Mr. Lalit Modi to negotiate in this matter and find a solution to the problem. Mr. Lalit Modi terminated the Sony contract at midnight on 14<sup>th</sup> March 2009 and at

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2:00 am an agreement of mutual termination was signed between BCCI-IPL, WSG (I) and WSG (M) where WSG (I) surrendered its rights. All this was done without any authority of the Governing Council.

At 3.00 a.m. on 15<sup>th</sup> March 2009 an agreement was entered into between WSG (M) and BCCI-IPL and WSG (M) was given 72 hours to find a broadcast partner. On 15<sup>th</sup> March 2009 Sony filed a suit against BCCI pleading that BCCI be restrained from awarding the Broadcast Rights to any other party.

WSG (M) was given 2 further extensions of 72 hours on 17<sup>th</sup> March 2009 and 21<sup>st</sup> March 2009 to find a suitable broadcaster. However, WSG (M) was unable to find a broadcast partner till the deadline of the 3<sup>rd</sup> extension ended viz. at 3.00 a.m. on 24<sup>th</sup> March 2009. This clearly shows that WSG (M) was not holding the rights beyond 24<sup>th</sup> March 3.00 a.m.

The Chairman further pointed out that although Sony agreement was terminated on 14<sup>th</sup> March 2009 due to the so called serious breaches, on 15<sup>th</sup> March 2009 Mr. Lalit Modi in his email to WSG (M) states that they could consider Sony as the broadcast partner. On 25<sup>th</sup> March 2009 a termination agreement is signed between BCCI-IPL and WSG (M). On 25<sup>th</sup> March itself, an agreement is entered into between BCCI-IPL and Sony granting 10 years of India Rights at an enhanced rights fee of 1.6 Billion US Dollars. On the same day, another agreement is entered into between BCCI-IPL and WSG (I) for Global Rights for 10 years at the existing media rights fee of 85 Million US Dollars

It is interesting to note that while the Media Rights fee was increased by 60% for Sony due to the fact that 10 minutes of strategic time would be available to the broadcaster, the Media Rights fee of WSG (I) for the same facility was not increased at all.

The Chairman further pointed out that in the agreement between BCCI-IPL and WSG (I), a clause was introduced whereby if Sony fails to pay WSG (M) the 'Facilitation Fee' of 80mn USD, BCCI would terminate the agreement with Sony and if we donot terminate the agreement with Sony, BCCI would pay 80mn USD to WSG (M).

When we asked Sony about the Facilitation Fee, it was found that there was an agreement between Sony and WSG (M) not known to BCCI, according to which, Sony was to pay WSG (M) a 'Facilitation Fee' for Rs. 425.0 Crores.

In reply to the charge Mr. Lalit Modi says that he was not aware of the Facilitation Fee and he came to know of the same through media just as BCCI did.

Mr. Lalit Modi further says that he entered into an agreement with WSG (M) to prevent Sony from getting an injunction against BCCI and that he had signed the agreement prepared by the BCCI Corporate Lawyers. This explanation of Mr. Lalit Modi was not acceptable as the rights should have gone to the WSG (I) in

the first place and it is very clear that the Facilitation Fee is a payment for parking Media Rights with WSG (M) for 10 days.

**D. Internet Rights**

The Chairman informed the members that in 2008, BCCI had entered into an agreement with Live Current Media for the website and internet rights for BCCI as well as IPL.

The Chairman informed that in 2009, a Novation Agreement was entered into between BCCI-IPL, Live Current Media and Global Cricket Ventures (Singapore). On going through the documents it is found that the rights are transferred to Global Cricket Ventures (Mauritius) and 50% of the share of Global Cricket Ventures (M) was purchased by a company called "Elephant Capital" in which Mr. Gaurav Burman, step son-in-law of Mr. Lalit Modi is the Managing Partner. This information was never revealed to the Governing Council of BCCI-IPL. To this charge Mr. Lalit Modi replies that, it is true that his step son-in-law was the Managing Partner of Elephant Partner, however, he did not find it necessary to disclose this information as the same was available on the website of the company.

**E. Leakage of Internal Correspondence between him and the members of the Board**

To this charge Mr. Lalit Modi replies that he had leaked the information as some members were selectively leaking information to the media.

According to the Chairman, this reply is not correct and it is only Mr. Lalit Modi who continuously leaks all information and internal correspondence to the media.

Another charge against Mr. Lalit Modi was the refusal to convene a meeting of the IPL Governing Council when the Chairman advised him to do so. According to Mr. Lalit Modi it was his prerogative to call the Governing Council meeting and the Hony. Secretary BCCI had no right to convene a meeting of the Governing Council.

According to the Chairman, Mr. Lalit Modi is wrong because as per the rules and regulations of the Board, the Secretary has a right to convene meetings of the Committees and IPL is a Sub-Committee of the Board.

**2<sup>nd</sup> Show Cause Notice**

The Chairman informed the house that the 2<sup>nd</sup> Show Cause Notice was issued to Mr. Lalit Modi on 31<sup>st</sup> May 2010 and it was based on the written complaint by an email from Mr. Giles Clarke, Chairman, ECB. This email was accompanied by a report of the meeting which Mr. Lalit Modi had with the representatives of some counties of England along with Mr. Andrew Wildblood of IMG.

Mr. Lalit Modi had invited the Chairman and CEO from the prominent Counties of ECB and held a meeting with them to explain his plans about starting a parallel cricket league in England on the lines of IPL, and involving some of the franchisees of IPL.

According to Mr. Giles Clarke, the representatives who attended this meeting, prepared a report of the proceedings. Mr. Lalit Modi's plan to start a parallel league without the permission of ECB was highly objectionable and the contents of the report of the said meeting were extremely serious which were aimed at destroying world cricket.

Mr. Lalit Modi had told the representatives present, that he would get the players on his side as also the franchisees and the Boards would not be able to stop this league from being held.

According to the Chairman, Mr. Lalit Modi had plans to start a parallel cricket activity and he had even suggested holding Test Matches, ODIs and T20 thereby trying to take over the control of world cricket.

To this charge, Mr. Lalit Modi replies that he had an informal meeting with the representatives of the Counties and Mr. Giles Clarke's complaint is mainly because he is opposed to Mr. Lalit Modi for various reasons. Mr. Lalit Modi also replied that the report of the meeting had not been interpreted properly.

**3<sup>rd</sup> Show Cause Notice**

The Chairman reported that the 3<sup>rd</sup> Show Cause Notice was issued on 31<sup>st</sup> May 2010, the charges against Mr. Lalit Modi are:-

**(a) Theatrical Rights**

BCCI had invited tenders for Theatrical Rights, two bids were received from (1) Entertainment Sports Direct (Mauritius) (2) Triplecom Media Pvt. Ltd. Both these parties were marketing agencies and while ESD had Valuable Media as its Technology Partner. Triplecom had UFO Movies as its Technology Partner. It is interesting to note that both UFO Movies and Valuable Media Ltd. are sister concerns of the Valuable Group of Companies. The bid was won by ESD for an amount of 41.4mn USD for a period of 10 years. Mr. Lalit Modi signed an agreement ESD on behalf of BCCI-IPL. However, within 15 days of signing this agreement, Mr. Lalit Modi approved the request of ESD to assign their rights to an Indian company Crown Infotainment Pvt. Ltd., which had UFO Moviez India Ltd. as the Technology Partner. Interestingly, it is found that Crown Infotainment Pvt. Ltd. is a part of the Valuable Group. Trade inquiries revealed that there is only one entity in India which has the technology and resource to downlink live feed and transmit across the country and this entity is the Valuable Group.

Mr. Lalit Modi in his reply to this charge states that, he gave the permission to ESD for assignment because there was a delay in executing the agreement and it drastically restricted the time available to ESD to exploit its rights.

- (b) The Second charge against Mr. Lalit Modi is about marketing of the 150 seconds of FCT per match. On going through the documents, it is observed that the rights for marketing 150 seconds FCT was given to M/s. Pioneer Digadsys without the permission of the Governing Council and we are told that the company belongs to Mr. Kunal Dasgupta, former CEO of Sony. There is no agreement and therefore, the terms and conditions are not known. On going through the documents available it is found that while Pioneer Digadsys raised invoice for 4.5 to 5.0 lakhs for 10 seconds. There was a written offer from IMG for Rs. 7.5 lakhs for 10 seconds. The net revenue due to BCCI, which is yet to be received is around Rs.30.0 Crores. We are not sure whether BCCI will receive this amount.

To this charge Mr. Lalit Modi replies that he was busy organizing the IPL matches and it was the management team of IPL which looked after this job and they may be asked to explain.

The Chairman then invited the members to deliberate on the action of the Hony. Secretary for referring charges against Mr. Lalit Modi to the Disciplinary Committee. The members unanimously approved the action of the Hony. Secretary to refer the charges against Mr. Lalit Modi for a thorough enquiry by the Disciplinary Committee of the BCCI because the replies given by Mr. Lalit Modi were prima facie not satisfactory and needed to be enquired into. The members were of the opinion that the charges and the replies of Mr. Lalit Modi required a further enquiry.

**Item No.2.**

**To reconstitute the Disciplinary Committee of BCCI for holding enquiry against Mr. Lalit Modi**

The Chairman informed the members that a Disciplinary Committee was constituted at the AGM of the Board held on 27<sup>th</sup> September 2009. The members of this Committee were Mr. Shashank Manohar, Mr. Arun Jaitley and Mr. Chirayu Amin. The Chairman informed the members that Mr. Lalit Modi had leveled some allegations against him and also Mr. Lalit Modi stated in his reply that he would like to call me as one of the witnesses during the enquiry. In view of this, the Chairman thought it fit to recuse himself as a member of the Disciplinary Committee and requested the members to suggest another member of the Board to replace him as a member of Disciplinary Committee. The house unanimously approved Mr. Jyotiraditya Scindia as a member of the Disciplinary Committee along with Mr. Arun Jaitley and Mr. Chirayu Amin.

**Item No.3.**

**To Discuss and take any other appropriate decisions with regard to the conduct of the IPL and matters arising thereof.**

The Chairman informed the members that several new information has come to light regarding the conduct of the IPL. Chairman and some other people connected with the conduct of IPL after the Show Cause Notices were issued to Mr. Lalit Modi.

He stated that after collecting all the documents from Mr. Lalit Modi when we started going through these documents we came across an agency by name 'Ticketgenie', which was used for selling tickets for the 4 matches including the Final conducted by the IPL directly. There is no agreement between BCCI-IPL and Ticketgenie and we are not aware of the number of tickets printed, number of tickets sold and the total revenue that BCCI has to receive from Ticketgenie.

Only last week, Ticketgenie transferred Rs. 10.0 Crores to BCCI almost 2 months after the Final match of IPL which was played on 25<sup>th</sup> April 2010.

The Chairman further informed the house that, BCCI-IPL had entered into an agreement with M/s. Viacom18 for telecast of IPL Nights, IPL Awards, IPL Rockstar and a reality show 'IPL Fear Factor' for a total of Rs. 45.0 Crores per year. Out of this, 15.0 Crores was the payment for IPL Awards.

We are now given to understand that the amount payable by M/s. Viacom18 to BCCI is Rs. 10.0 Crores and not 15.0 Crores as per the email exchanged. The Chairman then gave an example of the expenses incurred for ground transportation during IPL Matches. The Company 'Travel House' engaged by IPL has raised a bill for over Rs.1.0 Crore and out of this, the expenses for Mr. Lalit Modi alone is about Rs.40.0 lakhs. This is for the use of Mercedes and BMW cars by Mr. Lalit Modi. He further told the house that BCCI-IPL had engaged and used the services of a travel agency, in which Mr. Lalit Modi's mother was the Chairperson and held 67% of the share.

The Chairman also informed the members that BCCI had questioned the IMG lawyers who according to Mr. Lalit Modi, had drafted all the IPL Agreements. When the lawyer was shown the papers and asked whether it was proper for the franchise agreement to be entered into with Jaipur IPL Cricket Pvt. Ltd. when Emerging Media had won the bid. The Lawyer replied that he had never advised Mr. Lalit Modi to do so.

As far as the unreasonable terms of a net worth of 1.0bn USD and a Bank Guarantee of Rs.465.0 Crores introduced in the ITT for the two new franchisees, the IMG Lawyer pointed out that these conditions were introduced in the ITT on the advise of Mr. Lalit Modi.

With regard to the Media Rights agreements, the IMG lawyers have clarified that they were not aware of the agreement between WSG (M) and Sony regarding payment of 'Facilitation Fee'. When they were questioned, as to why they had included some clauses in the agreement between BCCI-IPL and WSG (I) which were detrimental to the interest of BCCI, the reply was that they had advised Mr. Lalit Modi about the downside of such clause for BCCI but Mr. Lalit Modi insisted on including the clause.

The Chairman informed the house that BCCI had succeeded in getting the additional Media Rights fee of Rs. 300.0 Crores from Sony. Further, Sony had filed a suit against WSG (M) in Bombay High Court and have promised that Rs.125.0 Crores paid by them to WSG (M) would be given to BCCI when they would succeed in the matter.

The Chairman further informed that BCCI has cancelled the Media Rights agreement with WSG (I) for Global Rights in order to protect the interest of BCCI.

The members expressed their concern at the disclosures made by the Chairman and they wanted the Board to take stern action against individuals and agencies who had caused loss to BCCI and had damaged the reputation of the Board.

The members were of the opinion that while the Disciplinary Committee could go on with the enquiry against Mr. Lalit Modi, the Board should consider filing criminal charges against the individuals and the agencies involved in the IPL matter.

The house then unanimously passed the following resolution :-

“RESOLVED that the President BCCI, Shri, Shashank Manohar is hereby authorized to take legal action, both Civil and Criminal if found necessary, on the basis of facts as ascertained against Mr. Lalit K. Modi and any other persons/body for acts done by them which have caused wrongful loss to the BCCI.”

The meeting ended with thanks to the Chair.

CHAIRMAN