

NOTE ON CLT20 CANCELLATION BY BCCI AND ILLEGAL GAIN OF USD 500 MILLION CAUSED TO ESPN STAR

The Champions League T20 television rights were taken by ESPN Star in September 2008 for a period of 10 years for a value of USD 900 Million. The first five seasons were priced at USD 55 Million each year totaling USD 275 Million while last five seasons were priced at USD 125 Million each year totaling USD 625 Million.

The inaugural edition was supposed to have started in December 2008 but the Mumbai terror attacks in November 2008 led to the cancellation the event. The tournament finally got going in 2009 with roll over of ESPN rights and obligations by 1 year i.e. the rights period was to start from 2009 and end in 2018. In the sixth edition ESPN bore the burnt of paying USD 125 Million which was an upshot of over USD 70 Million which it had been paying each year for the last 5 years.

It had been ESPNs biggest desire to any how get the contract cancelled and get the contract off its back and all its energies had been directed towards this end. Payments of USD 500 million in next 4 years with abysmal ratings and disproportionate returns were looming large over it.

It appears that ESPN Star had finally managed to pull the right strings in the BCCI. What price was exchanged can be anybody's guess- looking to half a billion dollar of monies involved. First the BCCI announced around 15th May 2015 unilateral scrapping of the CLT20 tournament in favour of a mini IPL to be conducted in the Middle East – which in any way would have completely absolved ESPN of its obligations to pay under their agreement with CLT20,

and Then the BCCI unilaterally decided to even cancel the proposed mini IPL as not feasible.

There can hardly be any parallel to this most gross example of hefty illegal pecuniary benefit to Rupert Murdoch and corresponding illegal loss to BCCI – which is a public body and as per law declared by Kerala High Court and upheld by Supreme Court amenable to Prevention of Corruption Act in India. In fact, offences under Anti-Corruption Code as well as Indian Penal Code of Criminal Breach of Trust and Cheating are well established – but is anybody bringing it into limelight. The loss has also meant loss of USD 500 Million of forex and failure to repatriate the foreign exchange due in the books of BCCI which itself is a major FEMA violation and could attract penalty of 3 times on the BCCI.