

**DRAFT MINUTES OF THE IPL GOVERNING COUNCIL MEETING HELD ON 25TH JUNE 2010
AT BCCI HEADQUARTERS AT 11.00 A.M.**

Following members were present

Mr. Shashank Manohar
Mr. Chirayu Amin
Mr. Niranjan Shah
Mr. N. Srinivasan
Mr. M.P. Pandove
Mr. Sanjay Jagdale
Dr. Farooq Abdullah
Mr. MAK Pataudi
Mr. Sunil Gavaskar
Mr. Ravi Shastri
Mr. Sundar Raman
Prof. R.S.Shetty

The Chairman Shri Chirayu Amin welcomed the members to the meeting.

Leave of absence was granted to Mr. Arun Jaitley, Mr. Rajiv Shukla and Mr. I.S. Bindra.

Agenda Item No.1

(A) To approve minutes of Meeting of IPL Governing Council held on 21st March 2010

- Mr. Chirayu Amin's name to be included in the list of members present.
- The 3rd bidder should read as City Corporation Ltd. and not Amanora as mentioned in page 3 of the minutes.
- Mr. N. Srinivasan pointed out that the financial bids were opened after the documents submitted by the parties were verified and declared eligible by the IMG Lawyer. After the successful bids were announced, the Chairman was authorized to complete the formalities including the Franchisee Agreement.

With these corrections, the minutes were approved.

(B) Matters Arising Out of the Minutes

Mr. Shashank Manohar informed the House that Mr. Arun Jaitley called him up to convey the apprehensions expressed by the Kochi Franchise viz. Rendezvous Sports World. A representative of Kochi Franchise had called Mr. Manohar and told him that although M/s. Sahara had been given letter of allotment as franchisee and the Franchise Agreement was signed, Mr. Lalit Modi had not done the same with them. The representative of Kochi Franchise further complained that Mr. Lalit Modi had been pressurizing them to give up the Franchisee for a compensation of 50 mn US\$. When the same was refused by them, he had been threatening them with severe consequences. Mr. Shashank Manohar further stated that, the Kochi Franchise had complained to the BCCI in writing, and it was one of the charges framed against Mr. Lalit Modi.

According to Mr. Shashank Manohar, he had to intervene in the matter and advise Mr. Lalit Modi to forthwith sign the letter of allotment of Franchise to M/s. Rendezvous Sports World and also sign their agreement without any further delay.

Mr. Shashank Manohar further informed the House that inspite of his advice to Mr. Lalit Modi, harassment of Kochi Franchise at hands of Mr. Lalit Modi continued and after several meetings, Mr. Lalit Modi agreed to sign the agreement with M/s. Rendezvous Sports World.

According to a representative of the Kochi franchisee, Mr. Lalit Modi had been asking details about the shareholders of the Company, particularly with respect to one Mrs. Sunanda Pushkar.

According to Mr. Shashank Manohar, Mr. Shashi Tharoor called him up and informed him about the manner in which Mr. Lalit Modi was harassing the franchisees who had won the bid after being found eligible.

Agenda Item No.2

(A) To approve Minutes of Governing Council meeting held on 26th April 2010.

The minutes were approved.

(B) The Chairman pointed out that, by a circular resolution, Mr. Bharat Patel had been appointed as Advisor to the IPL Interim Chairman.

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 26th April 2010, 6th May 2010 and 31st May, 2010.

l) 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 14th March 2009 at midnight the agreement with MSM was terminated for alleged violations in the telecast of IPL.

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

On 15th 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 17th March 2009 and 20th March 2009. By the last extension, the rights with WSG (Mauritius) were

to terminate at 3.00 a.m. on 24th 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 14th March 2009, on 15th March 2009, Mr. Lalit Modi sent a mail to WSG (Mauritius) informing that they could consider MSM as a broadcast partner.

On 25th 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 25th 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. 25th 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 alleged favoured WSG (India) and thereby caused a loss of revenue to BCCI-IPL to the extent of about Rs. 200 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

(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 24th 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)Fraser Castelino 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 2nd Show Cause Notice issued on 6th 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 31st 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 at least 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 were 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 25th 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 approved the steps 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.

Agenda Item No. 5

Report on the Commercial exploitation of 150 seconds Free Air time during IPL Season-3.

This is already covered under Item No. 3 and 4.

Agenda Item No.6

Report on the investigation into BCCI-IPL by Investigating Agencies

The Chairman advised the Hony. Secretary to update the members about the investigation by the Government Authorities, into IPL activities and accounts. The Hony. Secretary gave a detailed account of the various enquiries from Govt. Authorities and that BCCI had been cooperating with them.

Agenda Item No.7

Report on Viacom18, IPL Nights and IPL Awards

Hony. Secretary informed the house that Viacom18 had sent a legal notice to the Board on account of contract entered by Mr. Lalit Modi with them for and on behalf of the Franchisees. He pointed out that Viacom18 had signed an agreement with BCCI-IPL for IPL Nights, IPL Awards, Rockstar and Fear Factor. It is observed that Mr. Lalit Modi had signed an agreement with Viacom18 assuring them of appearance of cricketer for IPL Fear Factor programme without the consent of players and the BCCI which has contracts with the players. While we have fulfilled 3 out of 4 activities, Viacom18 is bound to pay for the same. As no money has been received and expenses are incurred, the same may be adjusted against payment to franchises.

Agenda Item No.8

Report on Ticketgenie (Ticketing Agency) and match tickets

The Hony. Secretary informed the members that an agency Ticketgenie was appointed by Mr. Lalit Modi without any letter or terms and conditions for ticketing for the 4 play off matches (2 S/F, Third Place and Finals). He also informed them that the agency had not submitted accounts and had not remitted monies till the previous day of the G.C. He

informed the house that Prof. Shetty was looking into the same and will report back to the Hony. Secretary after the internal auditor submits a report.

Agenda Item No.9

To decide on the issue of compensation paid to Rajasthan Royals and Chennai Super Kings on account of cancellation of CLT20 in December 2008.

Hony. Secretary updated the members on the details of compensation paid by IPL on account of cancellation of CLT20 in 2008. He said a letter had been received by the President from Chennai Super Kings offering to return the compensation amount of Rs.13.10 Crores. The members were keen to receive back the identical amount paid to Rajasthan Royals but the decision was differed since the payments had been made by BCCI in 2008 and the General Body had approved of the same.

Agenda Item No.10.

- (a) Report on expenses incurred for IPL office Meeting Room at Four Seasons Hotel**
- (b) Ground transportation bill of Mr. Lalit Modi**

Interim Chairman requested the Hony. Secretary to detail the items on the Agenda related to IPL office Meeting Room at Four Seasons and ground transportation of Mr. Modi. Hony. Secretary updated the members that the Board had received a sizeable amount as expenses towards office of IPL from the Four Seasons Hotel and towards ground transportation for Mr. Modi in various cities. He explained that these bills were to be settled by Mr. Modi or debited to Punjab Cricket Association where Mr. Modi was Vice President. The members supported the views of the Hony. Secretary.

Agenda Item No.11

To note the information received from the Franchisee about share holding as on 31st March 2010.

The members noted the share holding information received from all the franchisees.

Agenda Item No.12

Status of payment to Vendors and service providers

The Interim Chairman requested Prof. Shetty to update on the status of payment to various parties. Prof. Shetty updated the house that the team was looking into all details of payment and once all supporting documents including the information on their corporate structure and share holdings were in place they are sent for processing.

Agenda Item No.13

Letters received from Franchisees

The Chairman updated the Board on the requests letters from two Franchisees related to

- (a) majority Sale of KXIP Franchisee to a new buyer and
- (b) restructuring of GMR Sports

The Committee was of the unanimous opinion not to allow any transfer of shares or restructuring till the investigations are confirmed.

Agenda Item No. 14

To discuss issues arising out of the Franchisees meeting

An informal meeting of the Franchisees was held on 24th June 2010. The President advised that the 3-men Committee could submit a report on modalities of player auction which could be discussed in detail at the next meeting of the Governing Council.

Agenda Item No.15

Any other item with the permission of the Chair

The Hony. Secretary also updated the house about the dues to the franchisees and the Hony. Treasurer was directed to clear the first set of franchisee payments and dues from 2009 immediately along with the payments to staff who were hired to work on IPL in 2010.

Meeting ended with a vote of thanks to the Chair.

CHAIRMAN

