

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE BOARD OF CONTROL FOR CRICKET IN INDIA**

I. Appointment

We have been appointed as auditors of **THE BOARD OF CONTROL FOR CRICKET IN INDIA** ("the Board") for the year ended 31st March 2018 by the Supreme Court appointed Committee of Administrators (hereinafter referred to as "CoA"), subject to ratification by the General Body of the Board. This report is addressed to the members subject to ratification of our appointment by the General Body of the Board.

II. Report on the Financial Statements

We have audited the accompanying financial statements of "the Board", which comprise the Balance Sheet as at 31st March, 2018, the Income and Expenditure Account for the year then ended and a summary of the significant accounting policies and other explanatory information of the Board (hereinafter referred to as "financial statements" or "Accounts").

III. Management's Responsibility for the Financial Statements

The Management of the Board is responsible for the preparation of these financial statements as per the stipulations of the Rules and Regulations of the Board, the decisions and directions of the CoA, as applicable, and the Orders of the Hon. Supreme Court of India, as applicable, that give a true and fair view of the financial position and financial performance of the Board in accordance with the accounting principles generally accepted in India, including the applicable accounting standards.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Board and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Those currently charged with governance are responsible for overseeing the Board's financial reporting process. In terms of the order dated January 20, 2017 passed by the Hon'ble Supreme Court, we are informed that the Board is currently functioning under the supervision and control of the CoA. In terms of the said order, the Office Bearers are required to function subject to supervision and control of the CoA. Further, the Hon'ble Supreme Court has empowered the CoA to issue all appropriate directions to facilitate due supervision and control. The CoA approved the annual financial statements of the Board for the year ended March 31, 2018 on September 16, 2019 and directed the Office Bearers of the Board to sign the same. With respect to the Hon. Treasurer remark that he has signed the financial statements under protest, as on the date of this report, we have not received any explanation from him for the reasons for such remark. In this regard, we have, however, received communication from the CoA that since all three Office Bearers of the Board who are required to sign the financial statements have signed the same, they are satisfied that the requirements specified under Rule 7(5)(ii) of the Board's Constitution is duly met. The said communication also states that the CoA believe that the financial statements can be considered to be duly signed and issued on behalf of the Board.

Also, see Note 46 of Schedule 17 of the Accounts regarding the approval of the financial statements.

IV. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

Further to the Basis for Reporting referred to in paragraph V below, we have taken into account the relevant Rules and Regulations of the Board, the decisions and directions of the CoA, as applicable, and the Orders of the Hon. Supreme Court of India, as applicable and the applicable accounting and auditing standards and matters which need to be included in the audit report, for the purpose of reporting to the members of the Board.

We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Board has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management of the Board, as well as evaluating the overall presentation of the financial statements.

Having regard to the matters described under the Basis for Reporting referred to in paragraph V below and the Basis for Qualified Opinion referred in paragraph VI below and read with our comments on signing of the financial statements stated under Management's Responsibility for the Financial Statements in paragraph III above, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

V. Basis for Reporting

- a) In accordance with the Standards on Auditing issued by the ICAI, our scope is limited to expressing an independent opinion on the financial statements prepared by the Management of the Board and is not intended to be an independent propriety audit.
- b) As stated in Note 2(c) of Schedule 17 of the Accounts, the financial statements of the Board have been prepared in accordance with the Significant Accounting Policies (Note 2 of Schedule 17 of the Accounts) based on the Management's assessment of various matters relating to the internal investigations, ongoing regulatory / judicial / legal proceedings, litigations, direct and indirect tax disputes, other regulatory compliances relating to the Board, including compliance with laws, regulations, judicial orders, bye-laws and other constitutional documents of the Board etc. which are significant to the Board, and taking into account the decisions and directions of the Hon. Supreme Court of India / CoA, as applicable. The final outcome of these matters, including the related legal interpretations, where applicable, could have a significant impact on the financial statements and the Management's evaluation of the same is very critical and fundamental to the preparation of the financial statements.

Providing an independent opinion on the aforesaid internal investigations, ongoing regulatory / judicial / legal proceedings, litigations, direct and indirect tax disputes, other regulatory compliances relating to the Board, including on compliance with laws, regulations, judicial orders, bye-laws and other constitutional documents of the Board etc. by the Management, is not part of the objectives of our audit since the auditor is not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations and, accordingly, we do not express such an independent opinion.

However, as part of our audit procedures for obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement:

- (i) We made inquiries with the CoA, the Chief Executive Officer and the Chief Financial Officer of the Board ; and performed other required procedures which we considered necessary in accordance with Standard on Auditing (SA) 250 – 'Consideration of Laws and Regulations in an Audit of Financial Statements', issued by the ICAI, in connection with the Board's compliance with laws, regulations etc., the non-compliance of which could have a direct and material impact on the amounts and the disclosures in the financial statements.
 - (ii) We also made inquiries with the CoA, the Chief Executive Officer and the Chief Financial Officer of the Board and the Board's legal / professional advisors; and performed other required procedures which we considered necessary in accordance with SA 501 – 'Audit Evidence - Specific Considerations for Selected Items', issued by the ICAI, in connection with the various significant ongoing regulatory / judicial / legal proceedings and litigations of the Board.
- c) Our audit has been conducted based on the information, responses and explanations, books of account and other records of the Board maintained/provided by the Management of the Board and did not extend to examining the books of account of the recipient(s) of the sums paid by the Board, including those of the State Associations.
 - d) We have reported certain matters for the consideration/confirmation by those in charge of governance of the Board in the form of Audit Observations ("AOs"). Additionally, the AO includes certain matters reported by the auditors in the prior years which had been considered as closed, based on the resolution passed by the members in the past. Our qualified opinion on the financial statements for the year ended 31st March, 2018 considers the responses provided by the Board to the AOs, to the extent applicable.
 - e) Further, our audit report is qualified on account of certain matters reported below in paragraph VI which were also items of qualification in the auditor's report issued for the previous year ended 31st March, 2017.

VI. Basis for Qualified Opinion

- 1. Certain matters relating to prior years, which continue to remain unresolved as at 31st March, 2018, are summarised as under:
 - (a) As stated in Note 7 of Schedule 17 of the Accounts, Current Assets, Loans and Advances - Others (Schedule 6) include Rs. 6.55 Crores receivable from PILCOM. Further, Current Liabilities and Provisions (Schedule 3) include Rs. 9.12 Crores representing amounts received from the PILCOM Account maintained with Citibank N.A. London, which are pending adjustment in the absence of complete information. On the basis of the information made available to us, we are unable to form an opinion regarding the accounting treatment of the aforesaid amounts, including the consequential effects, if any, relating to regulatory compliance requirements thereof.
 - (b) (i) As stated in Note 20 of Schedule 17 of the Accounts, there are certain proceedings / investigations initiated by the statutory authorities, namely, Income Tax, Service Tax, Sales Tax, Directorate of Enforcement, Competition Commission of India, Collector of Stamps - Maharashtra, etc., which are ongoing and are at various stages.
 - (ii) Further, as stated in Note 21 of Schedule 17 of the Accounts, the Board had also referred the investigation of certain matters in connection with the affairs relating to a former Chairman of the Indian Premier League to the Disciplinary Committee of the Board. As part of such internal investigations, the Board has also reviewed various Agreements / MOUs / Contracts, since the Board is of the view that certain agreements purported to have been entered into on its behalf were unauthorised and may, therefore, not necessarily be binding on the Board. Consequent to such reviews of the Agreements / MOUs / Contracts, the Board, pending final determination, has accounted for Incomes, Expenses, Assets and Liabilities with respect to these Agreements

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/ MOUs / Contracts based on the decisions of the IPL Governing Council and the Finance and Working Committees of the Board. Also refer paragraph VI(1)(c) below.

Whilst the proceedings of the Disciplinary Committee have been completed and its report has been considered / approved by the members, the Board is in the process of giving effect to the findings / decisions and taking appropriate action based on the same. The Management of the Board is of the opinion that adjustments, if any, to the financial statements arising out of, *inter alia*, the aforesaid investigation findings and discussions with the counter parties to the Agreements / MOUs / Contracts, as applicable, will be dealt with as and when finally determined.

Pending completion / conclusion of the above matters, we are unable to form an opinion on the same.

- (c) The Board had either accounted for or dealt with the following matters in the earlier years on the basis of the Board's understanding / assessment / available information in the absence of signed contracts / agreements / confirmation from the counter party / all the required documentation:-

Income from Free Commercial Time relating to IPL Season 2010 amounting to Rs. 26.97 Crores, of which Rs. 7.94 Crores is receivable as at 31st March, 2018, as stated in Note 22(IV)(2)(a); recovery of Rs. 3.50 Crores paid to a vendor as stated in Note 22(IV)(2)(b), out of which Rs. 3.00 Crores is receivable as at 31st March, 2018; Minimum Purse Income amounting to Rs. 2.86 Crores receivable as at 31st March, 2018, as stated in Note 22(IV)(2)(c); recovery of Agency Commission paid to a vendor amounting to Rs. 2.70 Crores as stated in Note 22(IV)(2)(d), which is receivable as at 31st March, 2018; Central Licensing Income from two parties relating to IPL Season 2010 amounting to Rs. 1.60 Crore and Rs. 0.50 Crores, as stated in Notes 22(IV)(2)(e) and 22(IV)(2)(f), as respectively at 31st March 2018. Also refer paragraph VI(1)(b)(ii) above.

In the absence of complete information, we are unable to form an opinion on the appropriateness / correctness / completeness / validity of the above referred amounts and the consequential adjustments, if any, that may be required to be made to these financial statements.

- (d) As stated in Note 22(III) of Schedule 17 of the Accounts, during the year ended 31st March, 2015, the Board had accounted for Income from Sale of Tickets of UAE League Matches amounting to Rs. 27.58 Crores (net) on the basis of unaudited information available with the Board. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the adjustments required, if any, to these financial statements in respect of the above matter.

2. As stated in Note 9 of Schedule 17 of the Accounts, the Board, based on professional advice, believes that no provision for income tax is required to be made as it has a good case to continue to avail the exemption under Section 11 of the Income tax Act, 1961 and enjoy the benefits of registration under Section 12A of the Income tax Act, 1961 notwithstanding the demands / disputes raised by the income tax department which have been challenged by the Board before various appellate / judicial authorities. Accordingly, as indicated in Note 10 of Schedule 17 of the Accounts, the Board has represented that the total amount of Rs. 4,658.26 Crores (As at 31st March, 2016 – Rs. 3,679.86 Crores) accounted as receivable in the nature of Tax Deducted at Source / Tax Paid under Protest as at 31st March, 2018 is good for recovery. Further, the Management of the Board is in the process of reconciling the TDS / Taxes Paid under Protest as per the books with the income tax returns / orders / records / other communication from the income tax department duly considering the various TDS disallowances, *suo moto* adjustments by the income tax department against tax demands, etc.

Considering the various assessment proceedings, developments, ongoing disputes, reconciliations, and the legal interpretations involved, we are unable to form an opinion on the provision / adjustments required including the consequential effects, if any, on account of taxation for the current and prior years and the realisability of the Tax Deducted at Source / Tax Paid under Protest.

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3. Certain litigations and arbitration proceedings as under are ongoing as at 31st March, 2018:
- (a) As stated in Note 22(II)(a) of Schedule 17 of the Accounts, in the case of the appeal filed by World Sports Group (WSG), as per the directions of the Hon. Supreme Court, an amount of Rs. 51.04 Crores (Previous Year – Rs. 49.92 Crores) has been recognised in the accounts in the current year as Income from Media Rights from IPL – Season 2017 for the Rest of World Territories. The cumulative differential amount of Rs. 699.01 Crores (As at 31st March, 2017 – Rs. 507.48 Crores), together with the interest on the escrow account amounting to Rs. 170.70 Crores (As at 31st March, 2017 – Rs. 128.58 Crores), aggregating Rs. 869.71 Crores (As at 31st March, 2017 – Rs. 636.06 Crores), has been considered as Unearned Income as at 31st March, 2018, pending the final order of the Hon. Supreme Court.
 - (b) As stated in Note 15 of Schedule 17 of the Accounts, consequent to the termination of the Offshore Tour Agreement in relation to cricket matches in overseas neutral territories entered into by the Board with Zee Entertainment Enterprises Limited (“Zee”) in prior years, Zee initiated arbitration proceedings. The Arbitral Tribunal had passed its order in favour of Zee by confirming the refund claim of Rs. 30 Crores paid by Zee to the Board earlier, along with 11% interest and an amount of Rs. 93.60 Crores towards losses. Subsequently, the Board had reversed an amount of Rs. 10.95 Crores, out of the said amount of Rs. 30 Crores taken to income previously based on its evaluation and has also disputed the award by filing an application for setting aside the award of the Arbitral Tribunal before the Hon. High Court of Judicature at Madras, which is pending. Vide order dated 26th June 2018, the Hon. Madras High Court stayed the operation of the arbitration award pending hearing and final disposal of the application filed by BCCI, subject to the BCCI making payment of a sum of Rs. 30 Crores to Zee within 2 weeks of receipt of the order. BCCI has complied with the said order and, in light of the aforesaid, the execution application filed by Zee in the Hon. Bombay High Court is adjourned till after the application filed in the Hon. Madras High Court is disposed.
 - (c) As stated in Note 14(a) of Schedule 17 of the Accounts, the Board had invoked and encashed the bank guarantee amounting to Rs. 153.34 Crores given by Rendezvous Sports World (RSW) for and on behalf of Kochi Cricket Private Limited (“KCPL”) for the IPL Season 2011 and terminated the Franchisee Agreement entered with KCPL in prior years. RSW and KCPL had initiated arbitration proceedings challenging the encashment of the Bank Guarantee and termination of the Franchise. During the previous year ended 31st March 2016, the Arbitrators have passed awards in favour of RSW and KCPL confirming the refund of Rs. 153.34 Crores towards amounts recovered through encashment of Bank Guarantee and their claim of Rs. 384.83 Crores towards compensation for termination of the franchise, respectively, (with estimated award of Rs. 1,171.15 Crores as at 31st March, 2018) and assessed cost (Rs. 1.22 Crores as at 31st March, 2018). The Board has filed an appeal against the awards of the Arbitrators which is pending before the Hon. Bombay High Court for final hearing.

Pending final determination of the appeal, the Board has accounted the amount of Rs. 153.34 Crores as Amount Received from Encashment of Bank Guarantee under Current Liabilities and Provisions in the Balance Sheet as at 31st March, 2018 and 31st March, 2017. Further, interest income amounting to Rs. 79.15 Crores (As at 31st March, 2017 – Rs. 69.12 Crores) on the amount of Rs. 153.34 Crores invested in fixed deposits has been considered as “Unearned Interest Income” as at 31st March, 2018.

Since the above matters are *sub judice* / under appeal and pending final disposal, the ultimate outcome of which is uncertain at this stage, based on the information and the explanations given to us, we are unable to form an opinion on the additional adjustments required, if any, to these financial statements on account of the above.

4. As stated in Note 41 of Schedule 17 of the Accounts, the Board has, during the year, recorded a provision of Rs. 500 Crores as Provision for Contingencies towards any possible liabilities that may eventually arise out of closure of those matters that are under dispute / litigation as at the balance sheet date. Pending resolution of the matters, we are unable to state the adjustments that may be required to the amount recognised as Provision for Contingencies.

5. (a) As stated in Note 23(f) of Schedule 17 of the Accounts, the Board has accounted for overall total cumulative deficit of Rs. 22.07 crores based on the current understanding / agreement with the ICC Business Corporation FZ LLC (ICC) and the hosting State Associations.

The Board is in the process of discussing the resolution of various matters including certain taxation matters and the resultant cumulative deficit relating to ICC World T20 – 2016 with ICC as at 31st March, 2018.

- (b) Further, as stated in Note 23(b) of Schedule 17 of the Accounts, the Board, pursuant to the agreement / understanding with the ICC, has also accounted for certain transactions / balances in the books, relating to the hosting of ICC World T20 – 2016 tournament on behalf of ICC. In this regard, in the earlier years, the Board has accounted for an amount of Rs. 8.55 Crores as receivable from ICC, Rs. 18.60 Crores as amounts payable to various parties and Rs. 7.34 Crores as the balance in ICC World T20 Bank Account maintained by the Board. The aforesaid transactions / balances have been recorded by the Board on the basis of the available information / understanding of the Board, which has not been subjected to audit.

Pending resolution of the matters stated in 5(a) above, and in the absence of audited information with respect to the balances stated in 5(b) above and all other required information / documentation with respect to the aforesaid transactions / balances relating to ICC World T20 - 2016, we are unable to comment on the additional adjustments required, if any, to these financial statements on account of the above matters.

6. As stated in Note 19(i) and Note 39 of Schedule 17 of the Accounts, Amounts Receivable from State Associations Rs. 868.70 Crores, Foreign Cricket Boards Rs. 1.75 Crores, Sponsors and Right holders Rs. 281.80 Crores, Franchisees Rs. 4.96 Crores and Amounts Payable to State Associations Rs. 2,416.95 Crores, Foreign Cricket Boards Rs. 3.58 Crores, Vendors Rs. 220.48 Crores, Sponsors and Right Holders Rs. 2,473.30 Crores, Franchisees Rs. 38.87 Crores, Players and Match officials Rs. 237.92 Crores, are subject to confirmation and reconciliation.

The Management of the Board has represented that additional adjustments required, if any, on account of the above would not be material and the same will be adjusted in the financial statements as and when identified.

In the absence of confirmation / reconciliation from the aforesaid parties, we are unable to form an opinion on the adjustments required, if any, to these financial statements in respect of the above.

7. As stated in Note 24 of Schedule 17 of the Accounts, the Board conducted T20 matches in the United States of America (USA T20) during the previous year ended 31st March, 2017 and recorded a surplus of Rs. 37.16 Crores during the previous year ended 31st March, 2017. In this regard:

- (a) As stated in Note 24(a) of Schedule 17 of the Accounts, the Board has accounted for Income from Sale of Media Rights for the matches played in the United States of America (USA) amounting to Rs. 34.20 Crores on the basis of current understanding with the Media Rights Holder, in the absence of signed contracts/agreements.
- (b) As stated in Note 24(b) of Schedule 18 of the Accounts, the Board has accounted for Income from Sale of Tickets amounting to Rs. 13.87 Crores on the basis of information available with the Board and the ticket revenue statement on which certain agreed upon procedures were performed by a firm of Certified Public Accountants who have indicated that information with regard to the complimentary tickets is based solely on the email and report of the ticketing agency.

In the absence of sufficient and appropriate audit evidence with respect to the aforesaid matters relating to the USA T20 matches, we are unable to comment on the adjustments required, if any, to these financial statements in respect of the above.

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8. As stated in Note 40 of Schedule 17 of the Accounts, the Hon. Supreme Court of India had passed certain orders and constituted a Committee to look into various matters relating to the Board, including the Indian Premier League. During the year ended 31st March, 2016, the Committee submitted its Report containing various recommendations and during the previous year ended 31st March, 2017, the Hon. Supreme Court of India directed the Board and its member Associations to implement the Report, in line with its Order dated 18th July, 2016, as amended (“the Order”) and appointed a Committee of Administrators to supervise the administration of the Board and oversee the implementation of the Order.

Whilst the Order *inter alia* contains certain compliance requirements for making payments to State Associations, which are yet to be implemented in totality, an amount of Rs. 865.09 Crores has been accounted as Amounts due to State Associations for the year ended 31st March, 2018 (Rs. 901.12 Crores for the year ended 31st March 2017), in accordance with the existing rules and as per the policy followed by the Board.

The Board / Members are in the process of taking up certain matters relating to the Order with the Hon. Supreme Court of India for which the hearings are in progress.

Subsequent to year ended 31st March, 2018, the Hon. Supreme Court of India in its judgment dated 9th August 2018, approved the draft constitution filed by the CoA on 27th October 2017, and ordered that in the event that any State Association does not undertake the compliance with the directions in the Order of 9th August, 2018 then, the direction contained in the orders dated 7th October, 2016 and 21st October, 2016 shall revive.

Since the members are at various stages of compliance with the above directions of the court, we are unable to comment on the consequential impact arising out of any non-compliance with the Hon. Supreme Court order on these financial statements.

VII. Qualified Opinion

Having regard to the matters described under the Basis for Reporting referred to in paragraph V above, and except for the possible effects of the matters described under Basis for Qualified Opinion in paragraph VI above and read with our comments on signing of the financial statements stated under Management’s Responsibility for the Financial Statements in paragraph III above, and also read with the matters described under Emphasis of Matters in Paragraph VIII below, we report as follows:

- a. we have sought and except for not receiving any explanation from the Hon. Treasurer for the reasons for his remark that he has signed the financial statements under protest, we have obtained all the information, responses and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. in our opinion, proper books of account have been kept by the Board so far as it appears from our examination of those books;
- c. the Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account;
- d. in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, except for the possible effects of the matters described in paragraphs VI (1) to (7) of the Basis for Qualified Opinion above, which are not quantifiable, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Board as at 31st March, 2018; and
 - (ii) in the case of the Income and Expenditure Account, of the surplus of the Board for the year ended on that date.

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VIII. Emphasis of Matters

1. Attention is invited to Note 8 of Schedule 17 of the Accounts, read with Notes 3(a) and 4(a) of Schedule 18 of the Accounts and Note 11 of Schedule 17 of the Accounts, regarding TDS matters with respect to PILCOM / INDCOM / WORLD CUP 1996 / Others for the reasons stated therein.
2. Attention is invited to Notes 14(b), 14(c), 16, 17, 18(a) of Schedule 17 of the Accounts regarding the disputes with certain franchisees, media right holders, and others which are pending negotiation or before various legal / judicial forums and the Board's assessment of the same.
3. Attention is invited to Note 34 (b) regarding provision for remuneration to Auditors of Rs. 1.10 Crores debited to Income and Expenditure account, which is subject to the approval of the General Body.
4. Attention is invited to Note 38 for accrual of increments to the CEO in the form of variable linked pay of Rs. 2.63 Crores (including Rs. 0.80 Crores relating to FY 2016-17), during the year, which is approved by majority members of the CoA on 11th June 2019.
5. Attention is invited to Note 43 regarding approval of previous year's Accounts (i.e. for the year ended March 31, 2017), which are subject to the approval of the General Body.

Our opinion is not qualified in respect of the above matters.

IX. Other Matter

Attention is invited to Note 22(II)(b) of Schedule 17 of the Accounts regarding the accounting of Income from Sale of Tickets amounting to Rs. 17.38 Crores relating to Play off Matches during the IPL Season 2017 on the basis of the information audited by other auditors and taken on record by the Board.

The reports of the other auditors have been furnished to us and our opinion, in so far as it relates to the aforesaid transactions and amounts included in these financial statements, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Mumbai, October 18, 2019

V. Balaji
Partner
(Membership No. 203685)
(UDIN: 19203685AAAAAY8767)

THE BOARD OF CONTROL FOR CRICKET IN INDIA

BALANCE SHEET AS AT 31st MARCH, 2018

Rs. in Crores

Particulars	Schedule	As at 31st March, 2018	As at 31st March, 2017
<u>SOURCES OF FUNDS</u>			
General Fund	1	3,001.17	2,991.39
Earmarked Funds	2	2,224.94	1,999.65
Current Liabilities and Provisions	3		
- Sundry Creditors		2,049.10	1,383.30
- Advances		3,484.24	1,767.95
- Other Liabilities		643.78	284.85
- Provisions		513.53	4.72
		6,690.65	3,440.82
Total		11,916.76	8,431.86
<u>APPLICATION OF FUNDS</u>			
Fixed Assets (Including Capital Advances)	4		
- Gross Block		147.87	99.95
- Less: Accumulated Depreciation / Amortisation / Impairment		42.40	38.70
- Net Block		105.47	61.25
Tax Deducted at Source Receivable/ Tax Paid under Protest	5	4,658.26	3,679.86
Current Assets, Loans and Advances - Others	6		
- Cash and Bank		5,526.18	3,769.20
- Inventory		1.01	1.27
- Receivables and Loans and Advances		1,527.38	815.26
- Other Current Assets		98.46	105.02
		7,153.03	4,690.75
Total		11,916.76	8,431.86

Notes to Accounts

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The Schedules referred to above form an integral part of the Accounts

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

V. Balaji
Partner

Place: Mumbai

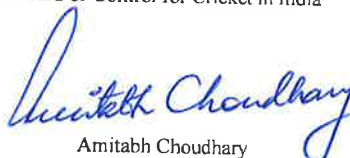
Date: 18th October 2019

For and on behalf of The Board of Control for Cricket in India


C. K. Khanna
Acting President

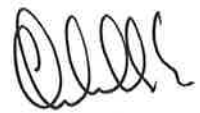
Place: New Delhi

Date: 1st October 2019


Amitabh Choudhary
Acting Hon. Secretary

Place: New Delhi

Date: 1st October 2019


Anirudh Chaudhry
Hon. Treasurer

Signed pursuant to
direction dated 01/10/19
Place: New Delhi
Date: 1st October 19



THE BOARD OF CONTROL FOR CRICKET IN INDIA
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2018

Rs. in Crores

Particulars	Schedule	2017-18	2016-17
INCOME			
Subscription Income from State Associations [Rs. 16,500 (Previous Year - Rs 16,500)]		-	-
Income from Grant of Media Rights		993.60	1,036.80
Income from Men's Senior International Tours / Tournaments	7	414.68	202.65
Surplus from the India tour to United States of America	8	0.00	37.16
Surplus from the Indian Premier League	9	368.51	365.96
Distributions from International / Asian Cricket Council (ICC / ACC) (Refer Note 33 of Schedule 17)		30.62	67.23
Minimum Guarantee Royalty		6.00	6.00
Interest Income	10	202.76	171.28
Other Income	11	9.30	4.47
Total Income		2025.47	1,891.55
EXPENDITURE			
Expenses of Men's Senior International Tours / Tournaments	12	83.16	67.32
Expenditure Related to Other Cricketing Activities	13	381.16	324.09
Production Costs		52.21	75.32
Amounts Due to State Associations (Refer Notes 37 and 40 of Schedule 17)		658.95	694.98
Deficit from Hosting of ICC World T20 - 2016 Tournament	14	0.00	10.53
Establishment and Other Expenses	15	81.51	62.88
Coaching Expenses	16	20.87	14.85
Interest on Funds		127.88	113.27
Depreciation, Amortisation and Impairment	4	3.14	1.80
Prior Period Expenses (Net) (Refer Note 36 of Schedule 17)		9.41	-
Total Expenditure		1418.29	1,365.04
Surplus before Exceptional Item		607.18	526.51
Exceptional Item:			
Provision for Contingencies (Refer Note 41 of Schedule 17)		500.00	-
Surplus of Income over Expenditure		107.18	526.51
Add: Transferred from:			
Infrastructure Development Fund (State Associations) (Refer Note 5(a) of Schedule 17)		-	33.97
Platinum Jubilee Benevolent Fund (Monthly Gratis) (Refer Note 5(b) of Schedule 17)		24.95	24.68
Infrastructure for Cricket Development Fund (Refer Note 5(b) of Schedule 17)		1.80	0.92
Social Initiatives Fund (Cricket for Differently-abled) (Refer Note 5(b) of Schedule 17)		0.49	0.51
Benevolent Fund - General (Non-interest bearing) (Refer Note 5(b) of Schedule 17)		0.36	-
Less: Transferred to: (Refer Note 5(c) of Schedule 17)			
Infrastructure Development Fund (State Associations)		-	(115.00)
Infrastructure for Cricket Development Fund		-	(35.00)
Green Initiatives Fund		-	(35.00)
Social Initiatives Fund (Cricket for Differently-abled)		-	(5.00)
North East Infrastructure Development Fund		-	(50.00)
Player Remuneration / Compensation Equalization Fund		(125.00)	-
Balance Carried to General Fund		9.78	346.59

Notes to Accounts

17

The Schedules referred to above form an integral part of the Accounts

In terms of our report attached.
 For Deloitte Haskins & Sells LLP
 Chartered Accountants

V.N.
 V. Balaji
 Partner

Place: Mumbai
 Date: 18th October 2019

For and on behalf of The Board of Control for Cricket in India

Amul Kumar *Amitabh Choudhary* *Anirudh Chaudhry*
 Acting President Acting Hon. Secretary Hon. Treasurer
 Signed pursuant to direction of 01/10/19 under protest.

Place: New Delhi Place: New Delhi Place: New Delhi
 Date: 1st October 2019 Date: 1st October 2019 Date: 1st October 2019

THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2018

SCHEDULE 1

Rs. in Crores

GENERAL FUND (Refer Note 6 of Schedule 17)	As at 31st March, 2018	As at 31st March, 2017
Balance as per last Balance Sheet	2,991.39	2,644.80
Add: Transferred from Income and Expenditure Account	9.78	346.59
Total	3,001.17	2,991.39



THE BOARD OF CONTROL FOR CRICKET IN INDIA
SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2018

SCHEDULE 2

Rs. in Crores

EARMARKED FUNDS (Refer Note 6 of Schedule 17)	As at 31st March, 2018	As at 31st March, 2017
Col. C.K. Nayudu Centenary Award Fund		
Balance as per Last Balance Sheet	0.28	0.26
Add: Interest @ 6.54% on Corpus (@ 6.90% in Previous Year)	0.02	0.02
	0.30	0.28
Benevolent Fund - General (Non-interest bearing)		
Balance as per Last Balance Sheet	0.88	1.09
Less: Payments made to Beneficiaries	(0.36)	(0.21)
	0.52	0.88
Cricket Museum Fund		
Balance as per Last Balance Sheet	4.56	4.42
Add: Interest @ 6.54% on Corpus (@ 6.90% in Previous Year)	0.13	0.14
	4.69	4.56
Infrastructure Development Fund (State Associations)		
Balance as per Last Balance Sheet	1,153.33	1,003.09
Add: Interest @ 6.54% on Opening Balance (@ 6.90% in Previous Year)	75.35	69.21
Add: Transferred from Income and Expenditure Account (Refer Notes 5(c) of Schedule 17)	-	115.00
Less: Transferred to Income and Expenditure Account	-	(33.97)
	1,228.68	1,153.33
Platinum Jubilee Benevolent Fund (Monthly Gratis)		
Balance as per Last Balance Sheet	42.26	66.59
Add: Interest @ 6.54% on Corpus (@ 6.90% in Previous Year)	0.33	0.35
Less: Transferred to Income and Expenditure Account (Refer Note 5(b) of Schedule 17)	(24.95)	(24.68)
	17.64	42.26
Infrastructure for Cricket Development Fund		
Balance as per Last Balance Sheet	708.85	631.22
Add: Interest @ 6.54% on Opening Balance (@ 6.90% in Previous Year)	46.50	43.55
Add: Transferred from Income and Expenditure Account (Refer Note 5(c) of Schedule 17)	-	35.00
Less: Transferred to Income and Expenditure Account (Refer Note 5(b) of Schedule 17)	(1.80)	(0.92)
	753.55	708.85
Green Initiatives Fund		
Balance as per Last Balance Sheet	35.00	-
Add: Interest @ 6.54% on Corpus (@ 6.90% in Previous Year)	2.29	-
Add: Transferred from Income and Expenditure Account (Refer Note 5(c) of Schedule 17)	-	35.00
	37.29	35.00
Social Initiatives Fund (Cricket for Differently-abled)		
Balance as per Last Balance Sheet	4.49	-
Add: Transferred from Income and Expenditure Account (Refer Note 5(c) of Schedule 17)	-	5.00
Less: Transferred to Income and Expenditure Account (Refer Note 5(b) of Schedule 17)	(0.49)	(0.51)
	4.00	4.49
North East Infrastructure Development Fund		
Balance as per Last Balance Sheet	50.00	-
Add: Interest @ 6.54% on Corpus (@ 6.90% in Previous Year)	3.27	-
Add: Transferred from Income and Expenditure Account (Refer Note 5(c) of Schedule 17)	-	50.00
	53.27	50.00
Player Remuneration/ Compensation Equalization Fund		
Balance as per Last Balance Sheet	-	-
Add: Transferred from Income and Expenditure Account (Refer Note 5(c) of Schedule 17)	125.00	-
	125.00	-
Total	2,224.94	1,999.65



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2018

SCHEDULE 3

Rs. in Crores

CURRENT LIABILITIES AND PROVISIONS	As at 31st March, 2018	As at 31st March, 2017
A. SUNDRY CREDITORS		
Amounts Payable to :		
- State Cricket Associations (Refer Notes 37 and 39 of Schedule 17) - (a)	2,416.95	1,527.82
Less: Advances to / Amounts Receivable from State Cricket Associations - (b) (Refer Note 39 of Schedule 17)	(868.70)	(711.99)
Net Amount Payable to State Cricket Associations - (a-b)	1,548.25	815.83
- Foreign Cricket Boards (Refer Note 39 of Schedule 17)	3.58	0.15
- Franchisees	38.87	122.28
- Players	237.92	263.89
- Others	220.48	181.15
SUB-TOTAL (A)	2,049.10	1,383.30
B. ADVANCES		
Advances / Performance Deposits Received from:		
- Sponsors / Rights Holders	2,473.30	716.48
- Franchisees	-	294.35
Unearned Income		
- Media Rights (Refer Note 22(II)(a) of Schedule 17)	699.01	507.48
- Interest (Refer Notes 14, 17, 22(II)(a) of Schedule 17)	311.93	249.64
SUB-TOTAL (B)	3,484.24	1,767.95
C. OTHER LIABILITIES		
Benevolent Fund	0.70	0.71
TDS Payable	72.86	22.22
GST Payable	333.30	-
Others * (Refer Note 35 of Schedule 17)	236.92	261.92
SUB-TOTAL (C)	643.78	284.85
D. PROVISIONS		
Provision for Employee Benefits	13.53	4.72
Provision for Contingencies (Refer Note 41 of Schedule 17)	500.00	-
SUB-TOTAL (D)	513.53	4.72
Total (A+B+C+D)	6,690.65	3,440.82

* Includes:

- Amounts Received from Encashment of Bank Guarantees from Kochi Cricket Private Limited - Rs. 153.34 Crores (As at 31st March, 2017 - Rs. 153.34 Crores) - Refer Note 14(a) of Schedule 17.

- Amounts Received from PILCOM - Rs. 9.12 Crores (As at 31st March, 2017 - Rs. 9.12 Crores) - Refer Note 7 of Schedule 17.



THE BOARD OF CONTROL FOR CRICKET IN INDIA
SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2018
FIXED ASSETS

A. Current Year (Owned/ Acquired unless otherwise stated)

SCHEDULE 4

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION, AMORTISATION & IMPAIRMENT			NET BLOCK	
	As at 1st April, 2017	Additions	Deletions / Adjustments	As at 31st March, 2018	For the Year ^a	On Deletions / Adjustments	As at 31st March, 2018	As at 31st March, 2017
Tangible Assets								
Leasehold land (Refer Note 30 of Schedule 17)	50	45.64	-	95.64	0.08	0.79	0.87	94.77
Buildings **	1.26	0.06	0.01	1.31	0.87	0.04	0.90	0.41
Improvements to Leasehold Premises	6.41	-	-	6.41	5.87	0.52	6.39	0.02
Training and Fitness Equipments ***	12.36	0.52	0.02	12.86	7.86	0.69	8.53	4.33
Furniture and Fixtures	3.61	0.11	0.01	3.71	1.93	0.06	1.98	1.68
Air Conditioners, Refrigerators and Water Coolers	1.03	0.08	-	1.11	0.80	0.06	0.86	0.23
Office Equipments	4.58	0.05	0.03	4.60	2.28	0.29	2.54	2.30
Computers ***	3.97	0.36	0.09	4.24	3.97	0.06	3.94	0.30
Cars	0.16	-	-	0.16	0.13	-	0.13	0.03
Trophy Replicas and Cricket Memorabilia	1.23	0.03	-	1.26	-	-	-	1.26
Intangible Assets								
Copyright - Books	0.66	-	0.03	0.63	0.63	0.03	0.60	0.03
Trademarks	13.62	1.30	-	14.92	13.62	1.30	14.92	-
Software	0.81	-	0.07	0.74	0.41	0.15	0.49	0.40
CWIP (including Capital Advances)								
Capital Work in Progress	0.25	0.03	-	0.28	0.25	-	0.25	-
TOTAL	99.95	48.18	0.26	147.87	38.70	3.96	42.40	61.25
Previous Year	49.02	50.97	0.04	99.95	36.11	2.61	38.70	61.25

Rs. in Crores

	2017-18
Depreciation / Amortisation / Impairment as per Above	3.96
Less: Depreciation / Amortisation / Impairment relating to IPL Assets (Refer Schedule 9)	0.50
NCA Assets (Refer Annexure I to Schedule 13)	0.32
Depreciation / Amortisation / Impairment as per Income and Expenditure Account (Excluding IPL/NCA)	3.14

** Represents NCA Indoor Stadium constructed on Land owned by the Karnataka State Cricket Association.

*** includes Assets costing Rs. 9.89 Crores located at third party locations (Training and Fitness Equipments - Rs. 7.13 Crores and Computers - Rs. 2.76 Crores)



THE BOARD OF CONTROL FOR CRICKET IN INDIA
SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2018
FIXED ASSETS

SCHEDULE 4

B. Previous Year (Owned/ Acquired unless otherwise stated)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION, AMORTISATION & IMPAIRMENT			NET BLOCK		
	As at 1st April, 2016	Additions	Deletions / Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the Year *	On Deletions / Adjustments	As at 31st March, 2017	As at 31st March, 2016
<u>Tangible Assets</u>									
Leasehold land (Refer Note 30 of Schedule 17)	-	50.00	-	50.00	-	0.08	-	0.08	49.92
Buildings **	1.26	-	-	1.26	3.83	0.04	-	0.87	0.39
Improvements to Leasehold Premises	6.41	-	-	6.41	5.47	0.40	-	5.87	0.54
Training and Fitness Equipments ***	12.36	-	-	12.36	7.06	0.80	-	7.86	4.50
Furniture and Fixtures	3.56	0.05	-	3.61	1.67	0.26	-	1.93	1.89
Air Conditioners, Refrigerators and Water Coolers	1.02	0.03	0.02	1.03	0.77	0.04	0.01	0.80	0.23
Office Equipments	4.30	0.28	-	4.58	87	0.41	-	2.28	2.30
Computers ***	3.87	0.12	0.02	3.97	3.86	0.12	0.01	3.97	0.01
Cars	0.16	-	-	0.16	0.12	0.01	-	0.13	0.04
Trophy Replicas and Cricket Memorabilia	1.05	0.18	-	1.23	-	-	-	-	1.23
<u>Intangible Assets</u>									
Copyright - Books	0.66	-	-	0.66	0.60	0.03	-	0.63	0.06
Trademarks	13.31	0.31	-	13.62	13.31	0.31	-	13.62	-
Software	0.81	-	-	0.81	0.30	0.11	-	0.41	0.51
<u>CPWP (Including Capital Advances)</u>									
Capital Work in Progress	0.25	-	-	0.25	0.25	-	-	0.25	-
TOTAL	49.02	50.97	0.04	99.95	36.11	2.61	0.02	38.70	12.91
Previous Year	47.46	1.72	0.16	49.02	33.00	3.18	0.07	36.11	14.46

* Reconciliation of Depreciation / Amortisation / Impairment as above and the Income and Expenditure Account

	Rs. in Crores
	2016-17
Depreciation / Amortisation / Impairment as per Above	2.61
Less: Depreciation / Amortisation / Impairment relating to :-	
IPL Assets (Refer Schedule 9)	0.49
NCA Assets (Refer Annexure 1 to Schedule 13)	0.32
Depreciation / Amortisation / Impairment as per Income and Expenditure Account (Excluding IPL/NCA)	1.80

** represents NCA Indoor Stadium constructed on Land owned by the Karnataka State Cricket Association.

*** includes Assets costing Rs. 9.89 Crores located at third party locations (Training and Fitness Equipments - Rs. 7.13 Crores and Computers - Rs. 2.76 Crores)



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2018

SCHEDULE 5

Rs. in Crores

TAX DEDUCTED AT SOURCE RECEIVABLE / TAX PAID UNDER PROTEST	As at	As at
	31st March, 2018	31st March, 2017
Tax Deducted at Source Receivable (Refer Notes 10 of Schedule 17)	2,681.74	2,292.39
Tax Paid under Protest (Refer Notes 9 & 10 of Schedule 17)	1,972.84	1,383.81
Taxes Paid - PILCOM / INDCOM / WORLD CUP 1996 (Refer Note 8 of Schedule 17)	3.68	3.66
Total	4,658.26	3,679.86



THE BOARD OF CONTROL FOR CRICKET IN INDIA
SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2018

SCHEDULE 6

	<i>Rs. in Crores</i>	
CURRENT ASSETS, LOANS AND ADVANCES - OTHERS	As at 31st March, 2018	As at 31st March, 2017
A. CASH AND BANK		
Cash on Hand	0.01	0.01
Balances with Scheduled Banks:		
- In Savings Accounts		
- in Escrow Accounts (Refer Notes 3(b) and 22(II)(a) of Schedule 17)	0.03	0.02
- in ICC World Cup T20 2016 Account (Refer 23(b) of Schedule 17)	7.34	11.82
- Others (Refer Note 3(a) of Schedule 17)	2,495.11	977.83
- In Current Accounts (EEFC Accounts)	29.98	86.84
- In Fixed Deposit Accounts		
- in Escrow Accounts (Refer Notes 4(b) and 22(II)(a) of Schedule 17)	828.54	565.03
- Amounts Received from Banks against Encashment of Bank Guarantees - Kochi Cricket Private Limited (Refer Note 14(a) of Schedule 17)	153.34	153.34
- Others (Refer Notes 4(a), 4(c) and 6 of Schedule 17)	2,011.83	1,974.31
SUB-TOTAL (A)	5,526.18	3,769.20
B. INVENTORY		
Stock of Cricket Balls	1.01	1.27
SUB-TOTAL (B)	1.01	1.27
C. RECEIVABLES AND LOANS AND ADVANCES		
Advances to / Amounts Receivable from:		
- Foreign Cricket Boards (Refer Note 39 of Schedule 17)	1.75	2.29
- International Cricket Council (ICC)	32.05	31.08
- International Cricket Council (ICC) relating to ICC World T20 - 2016 Tournament (Refer Note 23(b) of Schedule 17)	8.55	8.55
- Asian Cricket Council (ACC)	0.12	0.12
- Franchisees	4.96	216.10
	47.43	258.14
Amounts Receivable from Sponsors / Rights Holders	281.80	181.69
Advance Infrastructure Subsidy / Other Advances to State Cricket Associations (Refer Note 39 of Schedule 17)	145.37	142.08
Indian Premier League Account		
- Season 2017 (Refer Note 22(II) of Schedule 17)	-	107.23
- Season 2018 (Refer Note 22(I)(a) of Schedule 17)	709.46	-
Entertainment Tax Recoverable (Refer Note 31(a) of Schedule 17)	3.07	2.75
PILCOM (Refer Note 7 of Schedule 17)	6.55	6.55
Service Tax Input Credit (Refer Note 12(III) of Schedule 17)	1.23	39.09
Service Tax Paid/ Reversed Under Protest (Refer Note 12(I) and 12(II) of Schedule 17)	40.98	26.89
MVAT Paid Under Protest (Refer Note 13 of Schedule 17)	66.24	-
GST Input Credit (Refer Note 12(IV) of Schedule 17)	147.84	-
Excess Tax Deducted at Source Recoverable	25.49	11.23
Other Amounts Receivable and Deposits	52.86	41.79
Amounts Deposited with Porthonotary, Hon. Bombay High Court (Refer Note 17 of Schedule 17)	23.35	23.35
	1,551.67	840.79
Less: Provision for Doubtful Receivables and Loans and Advances	(24.29)	(25.53)
SUB-TOTAL (C)	1,527.38	815.26
D. OTHER CURRENT ASSETS		
Interest Accrued on Fixed Deposits (Net)	98.46	105.02
SUB-TOTAL (D)	98.46	105.02
Total (A+B+C+D)	7,153.03	4,690.75



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 7

Rs. in Crores

INCOME FROM MEN'S INTERNATIONAL TOURS / TOURNAMENTS	2017-18	2016-17
Sponsorship Income	406.62	192.71
Participation Fees	1.61	9.94
Prize Money	6.45	-
Total	414.68	202.65
Note:		
Tour-wise summary of Income from International Tours / Tournaments:		
Asia Cup (24 February to 6 March, 2016)	-	9.94
India tour to Zimbabwe (11 June to 18 June, 2016)	-	16.70
India tour to West Indies (21 July to 22 August, 2016)	-	11.13
New Zealand tour to India (22 September to 29 October, 2016)	-	54.96
England tour to India (9 November to 1 February, 2017)	-	75.57
Bangladesh tour to India (9 to 13 February, 2017)	-	6.87
Australia tour to India (23 February to 28 March, 2017)	-	27.48
ICC Champion's Trophy (01 June to 18 June 2017)	19.97	-
India Tour to West Indies (23 June to 09 July 2017)	32.90	-
India Tour to Sri Lanka (21 July to 06 September 2017)	49.35	-
Australia tour to India (12 September to 13 October 2017)	75.69	-
New Zealand tour to India (17 October to 07 November 2017)	57.42	-
Sri Lanka tour to India (11 November to 24 December 2017)	86.13	-
India to South Africa (05 January to 24 February 2018)	65.80	-
Nidahas Cup (06 March to 18 March 2018)	27.42	-
Total	414.68	202.65



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 8

Rs. in Crores

INDIA TOUR TO USA (27 and 28 AUGUST, 2016) (Refer Note 24 of Schedule 17)	2017-18	2016-17
Sponsorship Income	-	7.97
Income from Grant of Media Rights (Refer Note 24(a) to Schedule 17)	-	34.20
Income from Grant of Instadia Rights	-	9.00
Income from Sale of Tickets (Net) (Refer Note 24(b) to Schedule 17)	-	13.87
Total	-	65.04
Service Fees:		
- Production Cost	-	2.85
- Others	-	16.99
Sanction Fees to ICC	-	1.31
Venue Costs	-	0.55
Fees to Players	-	0.57
Fixed Daily Allowance to Players	-	0.29
Travelling Expenses	-	2.16
Stay Charges	-	0.84
Support Staff Expenses	-	0.04
Officials and Selectors Expenses	-	0.35
Miscellaneous Expenses	-	1.93
Total	-	27.88
Net Surplus	-	37.16



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 9

Rs. in Crores

INDIAN PREMIER LEAGUE (Refer Note 22 of Schedule 17)	2017-18	2016-17
INCOME		
Media Rights Income (Refer Note 22(II)(a) of Schedule 17)	893.53	862.42
Franchisees Consideration	268.49	268.49
Management Fees (Refer Note 22(II)(e) of Schedule 17)	26.00	26.00
Sponsorship Income	227.59	215.94
Income from Sale of Tickets:		
- Playoff Matches held in India (Refer Note 22(II)(b) of Schedule 17)	17.38	15.01
Franchisee Licensing Income	-	0.18
Central Licensing Income	1.25	1.68
Income from Slow Over Rate and Other Penalties		1.00
Other Income	0.57	1.17
Total	1,434.81	1,390.89
EXPENDITURE		
League Expenses	82.79	81.65
Amounts Due to State Associations (Refer Note 37 of Schedule 17)	206.14	206.14
Payments to Franchisees:		
- Net Central Rights	467.25	446.63
- Other Rights	0.66	0.17
Expenses of Play Off Matches	10.23	9.20
Medals, Trophies, Consumption of Cricket Balls and Kits and Clothing	2.01	2.01
Agency Fees	27.00	27.00
Prize Money	81.35	81.35
Release Fee to Foreign Boards (Refer Note 22(II)(d) of Schedule 17)	16.20	15.06
Entertainment Duty on Sale of Tickets for Play Off Matches		
- Cost of Ticketing Arrangements with Franchisees (Refer Note 22(II)(c) of Schedule 17)	4.08	3.58
- Hosting Fees for League Matches Paid / Payable to State Associations (Refer Note 22(II)(f) of Schedule 17)	16.80	16.80
- Giant Score Board and Stadium Branding Expenses (Net)	6.73	8.02
- Other Expenses incurred towards League Matches	-	4.64
Entertainment Tax on Sale of Tickets of Play off Matches	3.21	3.64
Opening Night Expenses	24.07	22.18
Accreditation Expenses	1.63	1.75
Administrative and Other Expenses (Refer Annexure to Schedule 9)	115.54	94.06
Loss on Exchange Fluctuation (Net)	0.11	0.56
Depreciation and Amortisation	0.50	0.49
Surplus Transferred to Income and Expenditure Account	368.51	365.96
Total	1,434.81	1,390.89



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

ANNEXURE TO SCHEDULE 9

Rs. in Crores

ADMINISTRATIVE AND OTHER EXPENSES (Refer Note 34(a) of Schedule 17)	2017-18	2016-17
Salaries and Allowances (Refer Note 38 of Schedule 17)	19.56	13.45
Gratuity	1.63	0.46
Retainership Charges	1.48	0.93
Legal and Professional Charges (Refer Note 34(b) of Schedule 17)	0.78	0.82
Expenses on Statistician and Scorer	0.01	0.03
Photography Expenses	0.93	0.93
Meeting Expenses	2.22	2.19
Electricity Charges	0.33	0.50
Advertisement	43.25	44.65
Travelling and Stay Expenses	3.86	4.48
Communication Expenses	0.33	0.40
Printing and Stationery	0.25	0.12
Annual Maintenance Charges	0.33	0.25
Office Expenses	0.15	0.12
Insurance	2.11	2.59
Lease Rentals	2.15	2.92
Rates and Taxes	17.36	9.42
Website Expenses	3.47	2.95
Miscellaneous Expenses	14.18	6.85
Prior period expenses	1.16	-
Total	115.54	94.06



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 10

Rs. in Crores

INTEREST INCOME	2017-18	2016-17
Interest on Fixed Deposits (Refer Notes 14, 17 and 22(II)(a) of Schedule 17)	115.26	128.10
Interest on Savings Bank Accounts	87.50	43.18
Total	202.76	171.28



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 11

Rs. in Crores

OTHER INCOME	2017-18	2016-17
Fees for Domestic Tournaments [Rs. 25,400 (Previous Year - Rs. 25,800)]	-	-
Penalty Recovered during Domestic/ Champions League T-20 Tournaments	-	0.27
Prize Money/Hosting Fee/Participation Fee from ICC for Junior and Womens' International Tournaments	2.95	0.14
Income from Archives	3.52	0.66
Tender Receipts	1.11	1.48
Provision No Longer Required Written Back	-	1.92
Prior Period Income	1.72	-
Total	9.30	4.47



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 12

Rs. in Crores

EXPENSES OF MEN'S INTERNATIONAL TOURS/TOURNAMENTS	2017-18	2016-17
Fees to Players	52.53	39.86
Fixed Daily Allowance to Players	6.01	5.09
Prize Money	6.45	-
Travelling Expenses	6.47	7.00
Stay Charges	6.54	6.99
Match Official Expenses	0.89	0.85
Support Staff Expenses	0.35	1.11
Insurance	0.00	0.01
Security Expenses	0.03	0.06
Officials and Selectors Expenses	0.64	0.15
Miscellaneous Expenses	3.25	6.20
Total	83.16	67.32
Note:		
Tour-wise summary of Expenses of International Tours/Tournaments:		
India Tour to Zimbabwe (11 June to 18 June, 2016)	0.06	3.90
India tour to West Indies (21 July to 22 August, 2016)	0.01	7.80
New Zealand tour to India (Net) (22 September to 29 October, 2016)	-	19.34
England tour to India (9 November to 1 February, 2017)	0.15	20.52
Bangladesh tour to India (9 February to 13 February, 2017)	0.03	3.15
Australia tour to India (23 February to 28 March 2017) (Current Year Rs. 3,476)	-	12.61
ICC Champion's Trophy (01 June to 18 June 2017)	12.53	-
India Tour to West Indies (23 June to 09 July 2017)	5.67	-
India Tour to Sri Lanka (21 July to 06 September 2017)	12.23	-
Australia tour to India (12 September to 13 October 2017)	9.00	-
New Zealand tour to India (17 October to 07 November 2017)	7.52	-
Sri Lanka tour to India (11 November to 24 December 2017)	15.77	-
India to South Africa (05 January to 24 February 2018)	17.52	-
Nidahas Cup (06 March to 18 March 2018)	2.67	-
Total	83.16	67.32



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 13

Rs. in Crores

EXPENDITURE RELATED TO OTHER CRICKETING ACTIVITIES	2017-18	2016-17
<u>DOMESTIC</u>		
Men's Senior Tournaments		
Ranji Trophy	46.63	31.14
Vijay Hazare Trophy	12.43	7.42
Z.R.Irani Trophy	1.01	0.67
Duleep Trophy	4.67	2.59
D.B.Deodhar Trophy	1.34	0.91
Syed Mushtaq Ali Trophy (T/20)	7.01	4.00
Vizzy Trophy	0.34	0.20
Men's Junior Tournaments		
Col. C.K.Nayudu Trophy (U-22)	20.66	11.98
Cooch Behar Trophy (U-19)	21.14	13.56
Vinoob Mankad Trophy (U-19)	4.36	3.10
Vijay Merchant Trophy (U-16)	11.22	6.73
U19 - Inter Zonal Matches	0.78	0.61
U19 - Challenger	0.99	0.16
Affiliate & Affiliate Trophy	-	2.11
U-23 One day Tournament	7.83	-
Women's Domestic Tournaments	23.19	15.49
Sub-total	163.60	100.67
<u>INTERNATIONAL</u>		
India 'A' Tour to Australia	-	4.00
India 'A' tour to South Africa	3.93	-
Newzealand A to India	3.42	-
Junior Team International Tours		
England U-19 Tour to India	-	3.72
ACC Emerging Tournament	0.77	1.46
U-19 World Cup	9.62	-
India U19 Tour to England	2.30	-
Youth Asia Cup 2017, Malaysia	0.83	-
Women's International Tours		
Women's Asia Cup	-	1.15
ICC Women's Championship	-	1.48
West Indies Women Tour to India	-	1.93
Women's Quadrangular series at South Africa	1.62	-
ICC Womens Worldcup	14.90	-
Women's India Tour to South Africa	3.13	-
Aus, Eng and India Tri-series	3.82	-
Women's Bangladesh 'A' tour to India	1.40	-
Sub-total	45.74	13.74
Total C/F	209.34	114.41



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 13

Rs. in Crores

EXPENDITURE RELATED TO OTHER CRICKETING ACTIVITIES	2017-18	2016-17
Total B/F	209.34	114.41
OTHERS:		
Expenses of National Cricket Academy (Refer Annexure 1 to Schedule 13)	31.27	22.86
Expenses of Specialist Academies (Refer Annexure 2 to Schedule 13)	0.33	0.89
Retainership to International Players	68.80	24.84
Lump sum Benefit to Players	1.28	22.80
Distribution of Annual Ranking Awards to Players	6.51	24.14
Gross Revenue Share Payable to Players (Refer Note 32 of Schedule 17)	19.09	37.29
Digital Archive Expenses	1.18	1.19
Consumption of Cricket Balls	2.65	2.94
Selection Committee Fees and Expenses	7.56	7.08
Curators Fees and Expenses	1.48	1.04
Medical Expenses of Players/Umpires	0.46	0.22
Anti Doping Expenses	1.40	0.91
Kits and Clothing	0.33	0.46
Umpire / Referee Development	0.89	0.70
Other Cricketing Expenditure	0.46	0.20
Expenses on Earlier Year Tournaments (Net)	0.53	2.05
Sub-total	144.22	149.61
	353.56	264.02
Expenses Incurred Out of Funds:		
Infrastructure Development Fund (State Cricket Associations) (Refer Note 5(a) of Schedule 17)	1.80	33.97
Platinum Jubilee Benevolent Fund (Monthly Gratis) (Refer Note 5(b) of Schedule 17)	24.95	24.67
Infrastructure for Cricket Development Fund (Refer Note 5(b) of Schedule 17)	-	0.92
Social Initiatives Fund (Cricket for Differently-abled) (Refer Note 5(b) of Schedule 17)	0.49	0.51
Benevolent Fund - General (Non-interest bearing) (Refer Note 5(b) of Schedule 17)	0.36	-
Total	381.16	324.09



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

ANNEXURE - 1 TO SCHEDULE 13

Rs. in Crores

EXPENSES OF NATIONAL CRICKET ACADEMY	2017-18	2016-17
Staff Remuneration and Benefits	2.53	0.69
Office and Administrative Expenses	1.47	0.59
Remuneration to Coaches and Physiotherapist	4.30	3.62
Conditioning Camp Expenses	20.06	16.41
Training Match Expenses	0.06	0.04
Rehabilitation of Players Expenses	1.25	0.62
Professional Charges (Refer Note 34(b) of Schedule 17)	0.13	0.13
Depreciation and Amortisation	0.32	0.32
Miscellaneous Expenses	1.15	0.44
Total	31.27	22.86



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

ANNEXURE - 2 TO SCHEDULE 13

Rs. in Crores

EXPENSES OF SPECIALIST CRICKET ACADEMIES	2017-18	2016-17
Remuneration to Coaches	0.08	0.08
Hosting Fee to Associations	0.25	0.25
Staff Remuneration and Benefits	-	0.31
Camp Expenses	-	0.25
Total	0.33	0.89



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 14

Rs. in Crores

ICC WORLD T20 - 2016 TOURNAMENT (Refer Note 23 of Schedule 17)	2017-18	2016-17
INCOME		
Hosting Fees (Net of Service Tax amounting to Rs. 0.26 Crores (Previous Year - Rs. 7.95 Crores)) (Refer Note 23(a) of Schedule 17)	-	1.73
TOTAL		1.73
EXPENDITURE		
Hosting Fees to Associations (Refer Note 23(a) of Schedule 17)	-	1.79
Service Tax (Refer Note 23(c) of Schedule 17)	-	3.90
Security Costs (Refer Note 23(e) of Schedule 17)	-	5.33
Cost of Tickets	-	1.24
TOTAL	-	12.26
Net Deficit	-	(10.53)



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 15

Rs. in Crores

ESTABLISHMENT AND OTHER EXPENSES	2017-18	2016-17
Salaries and Allowances (Refer Note 38 of Schedule 17)	16.17	10.69
Gratuity	1.65	0.45
Retainership Charges	1.50	0.91
Finance / Working Committee Meeting Expenses	0.06	0.15
International / General body Meeting Expenses	1.50	0.87
Legal and Professional Charges (Refer Note 34(b) of Schedule 17)	33.07	28.60
Lease Rent (including property tax)	0.71	0.89
Rates and Taxes	13.34	4.96
Travelling and Stay Expenses	2.37	2.60
Communication Expenses	0.24	0.30
Printing and Stationery	0.20	0.09
Advertisement	1.38	1.20
Awards and Function Expenses	0.87	2.39
Insurance	1.71	1.51
Loss on Exchange Fluctuation (Net)	0.66	1.90
Miscellaneous Expenses	6.08	5.37
Total	81.51	62.88



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 16

Rs. in Crores

COACHING EXPENSES	2017-18	2016-17
Fees and Expenses of Coaches and Support Staff	18.12	12.77
Fees and Expenses of Physiotherapist	1.62	1.34
Expenses of Conditioning Camps	1.13	0.74
Total	20.87	14.85



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st
MARCH, 2018

SCHEDULE 17

NOTES TO ACCOUNTS (CONTD.)

1. STATUS AND PRINCIPAL ACTIVITIES

The Board of Control for Cricket in India (the Board / the BCCI), is registered as a Society under the Societies Registration Act, 1860 and the Tamil Nadu Societies Registration Act, 1975.

The Board is a full member of the International Cricket Council (ICC) and the Asian Cricket Council (ACC).

The primary objects of the Board as per its Rules and Regulations are promoting, developing and controlling the game of Cricket in India.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Background & Accounting Convention

The financial statements are prepared in accordance with the stipulations of the Rules and Regulations of the Board, the decisions and directions of the Committee of Administrators appointed by the Hon. Supreme Court of India, as applicable, and the Orders of the Hon. Supreme Court of India, as applicable, and on the basis of the decisions taken by the General Body, the Working Committee, the Finance Committee and the IPL Governing Council, as applicable.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

The financial statements are prepared under the historical cost convention, following the accrual concept of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP), including the applicable Accounting Standards.

The accounting policies adopted in the preparation of the accounts are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the year. Such estimates are necessarily based on assumptions regarding several factors. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.

Key sources of judgments and estimation of uncertainty include useful lives of fixed assets, impairment of fixed assets, provisioning for doubtful receivables, estimating the liabilities arising out of taxation, litigations, regulatory/judicial proceedings, etc.

c) Management's Assessment and Matters Significant to the Accounts

The financial statements of the Board have been prepared in accordance with the Significant Accounting Policies and based on the Management's assessment of various matters relating to the internal investigations, ongoing regulatory/judicial/legal proceedings, litigations, direct and indirect tax disputes, other regulatory compliances relating to the Board, including compliance



NOTES TO ACCOUNTS (CONTD.)

with laws, regulations, judicial orders, bye-laws and other constitutional documents of the Board etc., which are significant to the Board, and taking into account the decisions and directions of the Hon. Supreme Court of India / Committee of Administrators appointed by the Hon. Supreme Court of India, as applicable. The final outcome of these matters, including the related legal interpretations, where applicable, could have a significant impact on the financial statements and the Management's evaluation of the same is very critical and fundamental to the preparation of the financial statements.

d) Income and Expenditure Account

The Board has considered the income earned in the nature of Media Rights Income, Income from International Tours, Sponsorship Income, Distributions from ICC and ACC, Other Income, etc. and the Expenses of Men's Senior International Tours / Tournaments, Expenditure Related to Other Cricketing Activities, Production Costs, Amounts Due to State Associations, Establishment and Other Expenses, Interest on Funds, etc. directly in the Income and Expenditure Account. The Surplus/Deficit arising out of IPL/other one off special tournaments is separately determined and disclosed in the Income and Expenditure Account.

e) Fixed Assets

Fixed Assets are accounted at cost. The cost of fixed assets comprises their purchase price net of any trade discounts and rebates, import duties and other taxes, eligible borrowing costs and any directly attributable expenditure on making the asset ready for their intended use.

f) Depreciation and Amortisation

Depreciation on the following assets have been provided on the Written Down Value method duly considering the rates specified in the Income Tax Rules, 1962 to represent the estimated useful lives of the assets, as assessed by the Board:

Particulars	Rate of Depreciation (%)
Training and Fitness Equipment	15
Furniture and Fixtures	10
Air Conditioners, Refrigerators and Water Coolers	15
Office Equipment	15
Computers	40
Cars	15

Buildings constructed on land owned by others are depreciated over 10 years or the intended period of usage, whichever is lower.

Improvements to Leasehold Premises are depreciated over the primary lease period.

Trophy Replicas and Cricket Memorabilia are carried at cost and are not depreciated.

Intangible Assets such as Copyrights, Trademarks etc. are amortised over a period not exceeding 10 years depending on their estimated useful lives. The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, where applicable.

Assets used for a period of less than 180 days during the year are depreciated at 50% of the applicable rates, in the year of acquisition and disposal.

Depreciation is accelerated on fixed assets, based on their condition, usability, etc., as per the estimates of the Board, where necessary.



NOTES TO ACCOUNTS (CONTD.)

g) Revenue Recognition

Revenue is recognised on accrual basis, when there is reasonable certainty of the ultimate realisation, as follows:

- i) Revenue from international tours is recognised based on the earnings from the matches played during the year.
- ii) Sponsorship Income is recognised on the basis of number of matches played based on the contractual terms with the respective Sponsors.
- iii) Media Rights Income, Franchisee Consideration, Rights Income for each Season of the Tournament, Minimum Guarantee Royalty and Central Licensing Income are recognised based on the contractual terms with the respective parties.
- iv) Income from grant of in-stadia rights is recognised on the basis of the contractual terms entered into with the respective rights holders.
- v) Income from Sale of Tickets is recognised on accrual basis in the period in which matches are held.
- vi) Net Distribution of Surplus from the International Cricket Council (ICC) / Asian Cricket Council (ACC) is accounted as and when communicated / determined / distributed by ICC / ACC.
- vii) Subscription Income from the State Associations is recognised on accrual basis based on the rules framed by the Board.
- viii) Income such as franchisee licensing income, additional sponsorship income, disputed revenue claims, prize money income from international tours, interest on delayed payments by sponsors / rights holders, compensation received for cancelled tournaments and other miscellaneous recoveries / claims by the Board are accounted as and when there is reasonable certainty regarding their ultimate realisation.
- ix) Share Transfer Income is accounted on accrual basis based on the contractual terms and in accordance with the directions of the Finance Committee / Working Committee of the Board. Revisions, if any, to the amounts recognised are made as and when revisions are finalised / determined by the Board and when there is reasonable certainty regarding their ultimate realisation.
- x) Any increase / reduction / adjustment of income recognised in the prior years which has been agreed upon in the current year is adjusted against the current year's income.
- xi) Interest Income on fixed deposits is recognised on time-proportion basis and when there is reasonable certainty that economic benefits will flow to the Board.

h) Indian Premier League

Tournament related Income and Expenses of the Indian Premier League are recognised in the Income and Expenditure Account in the year in which the Tournament is completed. Until then, such Incomes and Expenses are carried in the Balance Sheet. The related Administrative and Other Expenses are accounted as a period cost and are booked on accrual basis in the period in which the costs are incurred.

i) International Tours

The Income / Expenditure relating to International Series which are conducted over two financial years are recognised in each of the financial years proportionately on the basis of the number of matches held.



NOTES TO ACCOUNTS (CONTD.)

j) Foreign Currency Transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

k) Stock of Cricket Balls

Closing Stocks of Cricket Balls are considered as inventory and are valued at the lower of Cost determined based on First in First Out method and the Net Realisable Value.

l) Amounts Due to the State Associations

Amounts Due to the State Associations represent those amounts that are determined by the Board as due to the members of the Board in accordance with the established Policies / Rules / Decisions of the Board. Also refer Note 39.

m) Employee Benefits

(i) Defined Contribution Plan

Contributions towards Employees' Provident Fund are made to the Employees' Provident Fund Scheme maintained by the Central Government and the Board's Contribution to the Fund is charged to the Income and Expenditure Account.

(ii) Defined Benefit Plan

The Board estimates its liability towards employees' gratuity based on an actuarial valuation done by an independent actuary using the Projected Unit Credit method as at the Balance Sheet date. Obligation under the defined benefit plan is measured at the present value of the estimated future cash flow using a discounted rate that is determined by reference to the prevailing market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated term of the defined benefit obligation. Actuarial gains and losses are recognised in the Income and Expenditure Account in the year in which they occur. The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

(iii) Compensated Absences

The liability for compensated absences carried forward on the Balance Sheet date is provided for based on an actuarial valuation done by an independent actuary using the Projected Unit Credit method at the Balance Sheet date. The liability includes the long-term component accounted on a discounted basis and the short-term component accounted on an undiscounted basis.

(iv) Other Employee Benefits

Other employee benefits are recognised based on the terms of the employment contract.



NOTES TO ACCOUNTS (CONTD.)

n) Monthly Gratis

The Board accounts for Monthly Gratis as and when paid, being a voluntary/non-obligatory/non-binding payment by the Board, to eligible players / umpires as per the rules approved by the Board.

o) Earmarked Funds

The Board earmarks Funds on a periodical basis out of the General Fund for utilisation towards specified activities of the Board. Interest is credited if applicable to these funds on the corpus / balance available, as decided by the Board, on an annual basis. The unutilised balances in Earmarked Funds are reviewed by the Board on a periodical basis and are written back to the General Fund, wherever required, through the Income and Expenditure Account.

p) Infrastructure Subsidy

Infrastructure Subsidy to the State Associations is accounted based on the claims/relevant supporting documentation submitted by the State Associations, along with independently authenticated certificates of Chartered Accountants obtained by them and furnished to the Board, duly considering the infrastructure subsidy rules formulated by the Board.

q) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Income and Expenditure Account on a straight-line basis over the period of the lease.

r) Insurance Claims

Insurance Claims are accrued for on the basis of claims admitted and to the extent there is no uncertainty in receiving the claims.

s) Administrative Expenses

Administrative expenses include amounts paid / payable to office bearers, players, staff, etc. relating to claims made by them towards daily allowance, travelling allowance, travel expenses, incidental expenses, reimbursements, etc. in accordance with the Board's policies and rules.

t) Goods and Services Tax and Service Tax Input Credit

Eligible Goods and Services Tax and Service Tax Input Credit is accounted for in the books during the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the same.

u) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present or legal obligation as a result of past events for which it is probable that an outflow of economic benefits will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Board or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st
MARCH, 2018

SCHEDULE 17

NOTES TO ACCOUNTS (CONTD.)

a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

v) **Exceptional Items**

Items of income or expenditure from ordinary activities which are of such size, nature or incidence that their separate disclosure is relevant to explain the performance of the Board for the period, are considered as exceptional items in the Income and Expenditure Account.

3. BALANCES WITH BANKS

- a) Bank balances include a savings account having a balance of Rs. 0.47 Crore (Previous Year - Rs. 0.47 Crore) which has been attached by the Income Tax Authorities with respect to the PILCOM/INDCOM/WORLD CUP 1996 tax matters (Refer Note 8 below).
- b) Bank balances include a savings account having a balance of Rs. 0.03 Crore (Previous Year - Rs. 0.02 Crore) which has been retained in a separate escrow account as per the order of the Hon. Supreme Court with respect to the Arbitration with World Sports Group India Private Limited (Refer Note 22(II)(a) below).

4. FIXED DEPOSITS

- a) Fixed Deposits aggregating Rs. 0.80 Crore (Previous Year - Rs. 0.75 Crore) have been pledged with a bank as security for the guarantee of Rs. 0.55 Crore (Previous Year - Rs. 0.55 Crore) issued by the bank on behalf of PILCOM in accordance with the order of the Income Tax Appellate Tribunal (Refer Note 8 below).
- b) Fixed Deposits aggregating Rs. 828.54 Crores (Previous Year - Rs. 565.03 Crores) have been retained in separate escrow fixed deposits as per the order of the Hon. Supreme Court with respect to the Arbitration with World Sports Group India Private Limited (Refer Note 22(II)(a) below).
- c) Fixed Deposits aggregating Rs. 1.54 Crores (Previous Year - Rs. 1.71 Crores) have been provided as margin money for the bank guarantee of Rs. 1.11 Crores (Previous Year - Rs. 1.36 Crores) issued by the bank favouring the Deputy Commissioner, Customs in connection with import of production equipment on re-export basis.

5. FUNDS

- (a) During the year, the Board has distributed an amount of Rs. Nil (Previous Year - Rs. 33.97 Crores) as Infrastructure Subsidy Claims of the State Associations.
- (b) During the year, the Board has utilised an amount of Rs. 24.95 Crores (Previous Year - Rs. 24.68 Crores) out of the Platinum Jubilee Benevolent Fund (Monthly Gratis), Rs. 1.80 Crore (Previous Year - Rs. 0.92 Crores) out of the Infrastructure for Cricket Development Fund, Rs. 0.49 Crore (Previous Year - Rs. 0.51 Crores) out of the Social Initiatives Fund (Cricket for Differently-abled) and Rs. 0.36 Crores (Previous Year - Rs. 0.21 Crores) out of Benevolent Fund - General in accordance with its policy.
- (c) During the year, the Board has transferred an amount of Rs. Nil (Previous Year - Rs. 115 Crores) to the Infrastructure Development Fund (State Associations), Rs. Nil (Previous Year -



THE BOARD OF CONTROL FOR CRICKET IN INDIA

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SCHEDULE 17

NOTES TO ACCOUNTS (CONTD.)

Rs. 35 Crores) to the Infrastructure for Cricket Development Fund, Rs. Nil (Previous Year – Rs. 35 Crores) to the Green Initiatives Fund, Rs. Nil (Previous Year – Rs. 5 Crores) to the Social Initiatives Fund (Cricket for the differently-abled), Rs. Nil (Previous Year – Rs. 50 Crores) to the North East Infrastructure Development Fund and Rs. 125 Crores (Previous Year – Rs. Nil) to the Player Remuneration / Compensation Equilisation Fund from the Income and Expenditure Account out of the total income for the year ended 31st March, 2018 .

6. INVESTMENT OF FUNDS

The Board creates earmarked funds out of its surplus for utilisation towards specific activities. These funds are commingled with the General Fund of the Board and are invested in approved instruments, pending utilisation.

7. PILCOM

The amount shown as receivable from PILCOM as at 31st March, 2018 is Rs. 6.55 Crores (Previous Year - Rs. 6.55 Crores) and is included under Current Assets, Loans and Advances - Others (Schedule 6). During the year ended 31st March, 2009, the Board had received USD 2.16 Million (Equivalent Rs. 9.12 Crores) from the PILCOM Account maintained with Citi Bank N.A., London. Pending receipt of complete information regarding the nature of this receipt, the amount of Rs. 9.12 Crores has not been adjusted against the amount of Rs. 6.55 Crores receivable from PILCOM, but has been included under Current Liabilities and Provisions (Schedule 3). Also refer Note 35 below.

8. PILCOM/INDCOM/WORLD CUP 1996 - TAX STATUS

Below is the Summary of Contingent liability related PILCOM:

(Rs. in Crores)

Forum where dispute is pending	Financial Year to which the amount relates	Contingent liability (including interest and penalty)	Amount paid under protest as at 31st March 2018
Supreme Court	1996	Rs. 88.78	Rs. 2.02
Total		Rs. 88.78	Rs. 2.02

- (a) The Income Tax Authorities have treated PILCOM as an agent of various bodies' agencies and cricketers for World Cup 1996 to whom payments had been made. The payments so made have been treated as income taxable in the respective parties' / persons' hands in India. Accordingly, assessments were completed and demand notices aggregating Rs. 22.40 Crores (Previous Year - Rs. 22.40 Crores) were served on PILCOM as an agent of the said parties/ persons. Penalty proceedings had also been initiated for concealment of income. The Income tax department had also treated PILCOM as an agent of the foreign Boards under section 163 and sought to assess the income of the foreign Boards in the hands of PILCOM as agent. The Tribunal held that PILCOM cannot be treated as agent and as consequence, no income can be assessed in its hands. The Income Tax department had preferred appeals to the Hon. Calcutta High Court against the ITAT order. The Hon. Calcutta High Court disposed of the appeals by a common order holding that PILCOM would be liable as an agent but restored the matter back to the tribunal for all other issues, which had not been adjudicated upon the ITAT. Subsequent to year end, the Board has filed a Special Leave petition to the Supreme Court against the High court's order. Further, the Kolkata tax authorities issued notices to Board in terms of 226(3) of the IT Act on the basis of the order of the Hon. Calcutta High Court. The Board has paid a sum of 2.36 crores under protest.



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SCHEDULE 17

NOTES TO ACCOUNTS (CONTD.)

- (b) In respect of tax to be deducted by PILCOM on payments made, the Hon. Calcutta High Court has passed orders in respect of 2 cases specifying that PILCOM was liable to deduct tax at source on the payments made to Foreign Cricket Boards. The total amount demanded was Rs.0.39 Crore, which was already recovered by the Department. PILCOM has filed Special Leave Petitions (SLPs) before the Hon. Supreme Court against the order of the Hon. Calcutta High Court, which are pending.
- (c) Based on the appeals filed by PILCOM at various appellate levels and the Orders passed by the Income Tax Appellate Tribunal / Hon. Calcutta High Court accepted the claim of PILCOM that the amount received by other Boards (Guarantee Money) and the players (Prize Money) from PILCOM cannot be assessed in the hands of PILCOM except for a demand of Rs. 1.29 Crores upheld by the ITAT.
- (d) In respect of payment made by INDCOM to various parties, Income Tax aggregating Rs.0.83 Crore (Previous Year - Rs. 0.83 Crore) has been paid under protest to the appropriate authorities. Pending resolution of the dispute regarding the applicability of tax deduction provisions of the Income Tax Act, 1961 to the payments made, the Board has not issued tax deduction certificates and such certificates would be issued to the payees should the matter be finally decided against the Board and the amount will be adjusted in the year of resolution of the dispute.
- (e) Amounts recoverable from PILCOM include payments aggregating Rs. 0.45 Crore (Previous Year - Rs. 0.45 Crore) made under protest to the Income Tax Authorities. Further, the authorities had also demanded interest aggregating Rs. 0.64 Crore (Previous Year - Rs. 0.64 Crore) which the Board paid under protest. An appeal had been filed against the demand of interest, which had been dismissed by the ITAT. The Board had preferred an appeal with the Hon. Calcutta High Court, which is pending. Further, the ACIT had raised a demand of Rs. 0.10 Crore (Previous Year - Rs. 0.10 Crore) under Section 220(2) for which the Board had preferred an appeal before CIT (TDS) and paid Rs. 0.10 Crore under protest. The CIT (A) had confirmed the demand of Rs. Nil Crore (Rs. 53,806) for non-deduction of TDS, which the Board has paid under protest and preferred an appeal with the ITAT, which is pending.
- (f) The Board had provisionally been assessed for the income earned by PILCOM during Assessment year 1996-97 from the World Cup 1996 by the Income Tax Authorities and a demand of Rs. 62.68 Crores (Previous Year - Rs. 62.68 Crores) had been served, which had been disputed and against which an appeal had been filed before the CIT(Appeals), which has been settled in favour of the Board. However, the Income Tax Authorities have filed an appeal before the ITAT Bombay against the said order and the ITAT Bombay has adjourned the matter and there is no progress with respect to the same.

Based on professional advice, the Board believes that no liability is required to be recognised in the financial statements in this regard.



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9. INCOME TAX ASSESSMENT STATUS

Below is the Summary of Contingent liability related to Income tax assessments:

(Rs. in Crores)

Forum where dispute is pending	Financial Year to which the amount relates	Contingent liability (including interest and penalty)	Amount paid under protest as at 31st March 2018	Refund adjustment by the authority
Bombay High Court	Section 12 A exemption	Not quantifiable	Not quantifiable	Not quantifiable
ITAT	2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 & 2014-15	Rs. 3,795.34	Rs. 1,808.98	Rs. 2,379.45
CIT (A)	2003-04 & 2015-16	Rs. 1,355.41	Rs. 20.00	Rs. 32.41
Total		Rs. 5,150.75	Rs.1,828.98	Rs. 2,411.86

I. Financial Years 2008-09 and thereafter:

- (a) The Board had registered itself under Section 12A of the Income Tax Act, 1961. During the year ended 31st March, 2010, the Board received a communication from the Director of Income Tax (Exemption), Mumbai stating that the registration granted to the Board under Section 12A of the Income Tax Act, 1961 is not valid from 1st June, 2006, the date on which the Objects and Memorandum of the Board were amended. The Board's appeal with the ITAT against the said communication had been dismissed as non-maintainable by the ITAT. The ITAT has held that the benefits of registration under Section 12A cannot be extended to the amended objects. Before the ITAT, the special counsel of the Department stated that the department had not cancelled the registration of the BCCI and the communication of 28th December 2009 was only advisory. (Refer para 25 of the order). It is in view of the stand of the department that the ITAT stated that the BCCI could rely on this assertion of the Department. However, without prejudice, the Board believes that the benefits of registration under Section 12A would continue to be available for the original objects of the Board. In regard to the observations of the ITAT in paras 27 to 29, the BCCI preferred an appeal to the Bombay High Court which is pending adjudication. Therefore, the consistent stand of the BCCI is that the registration under section 12A is subsisting and has not been cancelled. No order for cancellation of registration as is mandated by section 12AA(3) has been passed.

During the previous year ended 31st March, 2013, the Board had filed an appeal before the Hon. High Court of Bombay against the order of the ITAT and the Board has also filed a writ petition before the Hon. High Court of Bombay to stay the communication of the



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Director of Income Tax. During the previous year ended 31st March, 2015, the Hon. High Court of Bombay admitted the appeal of the Board and directed that both the writ petition and the appeal are interconnected with the same matter and, therefore they would be heard together

- (b) During the previous year ended 31st March, 2009, the Board had also received a letter from the Income Tax Department requesting the Board to analyse its facts and pay the necessary advance tax consequent to the amendment of the definition of "Charitable Purpose" under Section 2(15) of the Income Tax Act, 1961.
- (c) Notwithstanding the above and the status of the assessments for the various assessment years indicated in (III) below, no provision for Income Tax has been made in the books for the year ended 31st March, 2018 and the years ended 31st March, 2009 to 2017 which is similar to the stand taken by the Board for prior periods, since the Board has been legally advised that the Board would continue to enjoy exemption under Section 11 of the Income Tax Act, 1961 considering that the operations of the Board would continue to be covered by the amended definition of "Charitable Purpose" under Section 2(15) of the Income Tax Act, 1961, and the Board would continue to enjoy the benefits of the registration under Section 12A of the Income Tax Act, 1961.
- (d) On 9th August 2018, the Supreme Court approved the new constitution of the BCCI. In compliance of the provisions of section 12A(1)(ab) of the Income Tax Act 1961, the BCCI has preferred an application to the Commissioner of Income Tax (Exemptions)/ Principal Commissioner. The Principal Commissioner of Income Tax has rejected the application vide order dated 28th March 2019. The Board has filed an appeal to the ITAT which is pending adjudication.

II. Periods Prior to Financial Year 2008-09:

The Department has filed appeals for the financial year 1998-99 and 1999-2000 before the ITAT questioning the exemption under Section 11 of the Income Tax Act, 1961. Further, the Department has denied the exemption under Section 11 of the Income Tax Act, 1961 for the financial years 2006-07 and 2007-08 as described in the notes below. Further, the Hon. High Court of Bombay has quashed the writ petitions filed by the Board challenging the reassessment proceedings for the financial years 2003-04, 2004-05 and 2005-06 by the Department in which the exemption under Section 11 was proposed to be denied. However, considering the fact that for the financial years 2000-01, 2001-02 and 2002-03, the Assessments under Section 143(3) have been completed allowing the exemption under Section 11. The tribunal has disposed the departmental appeals and the appeals of the Board. The grant of exemption under section 11 has been upheld. Based on those orders there will be no financial liability on the Board. The Board expects a favourable decision with respect to the disputes relating to the financial years, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 as detailed below based on professional advice and, hence, believes that no liability towards tax is required to be provided for in the financial statements.

III. Year-wise Assessment Status:

- (a) For the financial year 1997-98, the Income Tax Authorities had withdrawn the tax exemption given to the Board under Section 10(23) of the Income Tax Act, 1961 and had raised a demand aggregating Rs. 10.17 Crores (inclusive of interest amounting to Rs. 3.74 Crores). The Board had preferred an appeal with the CIT (A) against the said demand and had deposited Rs. 4.03 Crores under protest. The CIT (A) through its order restored the exemption under Section 10(23) but sustained disallowance of expenditure amounting to Rs. 0.75 Crore. The Board filed an appeal with the ITAT and the ITAT allowed the appeal in favour of the



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Board and referred the matter back to the Assessing Officer for verifying the expenses incurred out of the INDCOM Bank Account, which is pending.

- (b) For the financial year 1998-99, the Income Tax Authorities denied the benefit of Section 11 of the Income Tax Act, 1961 to the Board and raised a Tax demand aggregating Rs. 4.10 Crores (inclusive of interest amounting to Rs. 1.38 Crores). The Board preferred an appeal with the CIT (A) against the said demand. The CIT (A) through its order substantially allowed the appeal but sustained disallowance of expenditure amounting to Rs. 0.10 Crore resulting in a demand of Rs. 0.03 Crore. The Board and the Department have gone in appeal against the order of the CIT (A) before the ITAT, In the meanwhile, the Board had paid Rs. 0.03 Crore under protest and during the year ended 31st March, 2009, the Board received refund of Rs. 2.66 Crores (including interest amounting to Rs. 0.62 Crore), for the financial year 1998-1999 after adjusting the demand of Rs. 0.03 Crore. Subsequent to year end, ITAT appeal has been heard in October 2018 and the ITAT order has been received on the basis of which the Board will have no financial liability.
- (c) For the financial year 1999-2000, the Income Tax Authorities denied the benefit of Section 10(23) and Section 11 of the Income Tax Act, 1961 to the Board and raised a Tax demand aggregating Rs. 18.21 Crores (inclusive of interest amounting to Rs. 5.95 Crores). The Board preferred an appeal against the said demand. The CIT (A) through its order substantially allowed the appeal but sustained disallowance of expenditure amounting to Rs. 0.15 Crore, resulting in a demand of Rs. 0.10 Crore. In the meanwhile, the Board paid Rs. 0.10 Crore under protest and during the year ended 31st March, 2009, the Board received refund of Rs. 3.24 Crores (including interest amounting to Rs. 0.77 Crore), for the financial year 1999-2000 after adjusting the demand of Rs. 0.10 Crore. The Board has gone in appeal against the order of the CIT (A) before the ITAT, which has been heard in October 2018. The ITAT order has been received on the basis of which the Board will have no financial liability.
- (d) The Income Tax Department has disallowed the interest on benevolent fund in assessing the income of the Board for financial years 2000-01, 2001-02, 2002-03, 2003-04, 2004- 05 & 2005-06. For financial years 2000-01, 2002-03, 2003-04, 2004-05 & 2005-06, the disallowance was made at the time of regular assessment and with regard to financial year 2001-02, the disallowance was made during the reassessment proceedings. Based on an appeal filed by the Board against the above disallowance, the ITAT passed an order on 27th March, 2012, holding that interest on Benevolent Fund is allowable as application of income for financial years 2000-01 to 2005-06. The orders were passed under the scenario that the Board is registered under Section 12A and is eligible for exemption under Section 11 of the Income Tax Act, 1961.

For the financial years 2000-01, 2001-02 and 2002-03, Interest on Benevolent Fund has been allowed, as the income of the Board has been assessed allowing the exemption available under Section 11. However, for financial years 2003-04, 2004-05 & 2005-06 the interest on Benevolent Fund has been disallowed since, the income of the Board was assessed as an AOP carrying Business. (Refer Note (e), (f) and (g) below).

Against the order of the ITAT, the department has filed an appeal before the Hon. High Court of Bombay. The Hon. High Court of Bombay has quashed the appeal of the Department for reopening of financial year 2002-03 and upheld the order of the Tribunal.

- (e) The Board received an intimation under Section 143(1) from the Income Tax Authorities for the financial year 2003-04. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 2.80 Crores (including interest amounting to Rs. 0.12 Crores) of which Rs. 1.07 Crores was originally adjusted against the demand for financial year 2000-01. Based on scrutiny assessment, the Board received an order under Section 143(3) wherein the assessment for the



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financial year 2003-04 was completed and an order was passed by the Income Tax Officer (Exemptions), Mumbai. The Board was recognised under Section 12A and the assessment was completed allowing the exemption under Section 11, but there were certain disallowances. Against the said disallowances, the Board had filed an appeal before CIT(A) and the appeal was decided in favour of the Board. Further, the Department filed an appeal against the order of CIT (A) before ITAT and the appeal was decided in favour of the Board. The department preferred an appeal to the Bombay High Court, which was dismissed.

However, during the year ended 31st March, 2011, the Board received a notice under Section 148 from the Income Tax Department stating that the income in respect of financial year 2003-04 escaped assessment within the meaning of Section 147 of the Income Tax Act, 1961. The Board filed a writ petition before the Hon. High Court of Bombay challenging the reopening of assessment, which was dismissed by the Hon. High Court of Bombay against the Board. Following the order of the Hon. High Court of Bombay, the Department completed the reassessment and demanded Rs. 52.41 Crores (including interest amounting to Rs. 21.37 Crores) vide order under Section 143(3) read with Section 147. The Assessing Officer recovered an amount of Rs. 32.41 Crores out of the refund due for the financial year 2011-12 (refer (m) below). Further, the Board also paid the balance amount of Rs. 20 Crores under protest. The Board has filed an appeal with the CIT(A) against the aforesaid order, which is pending.

- (f) The Board received an intimation under Section 143(1) from the Income Tax Authorities for the financial year 2004-05. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 3.51 Crores. Based on scrutiny assessment, the Board has received an order under Section 143(3) of the Income Tax Act, 1961 wherein, the assessment was completed and an order was passed by the Additional Director of Income Tax (Exemptions) Mumbai. As per the order, the Board was recognised under Section 12A and the assessment was completed under Section 11, but there were certain disallowances. Against the said disallowances, the Board had filed an appeal before CIT (A) and the appeal was decided in favour of the Board. Further, the Department filed an appeal against the order of CIT (A) before ITAT and the appeal was decided in favour of the Board. The department preferred an appeal to the Bombay High Court, which was dismissed.

However, during the year ended 31st March, 2011, the Board received a notice under Section 148 from the Income Tax Department stating that the income in respect of financial year 2004-05 has escaped assessment within the meaning of Section 147 of the Income Tax Act, 1961. The Board filed a writ petition before the Hon. High Court of Bombay challenging the reopening of assessment, which was dismissed by the Hon. High Court against the Board.

Following the order of the Hon. High Court of Bombay, the Department completed the reassessment and demanded an amount of Rs. 91.46 Crores (including interest amounting to Rs. 35.57 Crores) vide order under Section 143(3) read with Section 147. The Assessing Officer recovered an amount of Rs. 71.46 Crores by adjusting the refund due for the financial year 2011-12 (refer (m) below) and the Board also paid the balance amount of Rs. 20 Crores under protest. The Board had filed a petition under Section 154 for rectification of mistakes in the assessment order and the outcome resulted in a refund of Rs. 46.93 Crores. However, the said refund is adjusted against the demand of financial year 2012-13 (refer (n) below). The Board preferred an appeal against the assessment order. The CIT (A) through its order partially allowed the appeal and the order giving effect to CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

In addition, the Department has initiated penalty proceedings under Section 271(1) (c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings



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in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed.

- (g) The Board received an intimation under Section 143(1) from the Income Tax Authorities for the financial year 2005-06. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 8.32 Crores (including interest amounting to Rs. 0.63 Crores). The assessment under section 143(3) for the financial year 2005-06 was completed and an order was passed by the Additional Director of Income Tax (Exemptions), Mumbai. As per the order, the Board was recognised under Section 12A and the assessment was completed under Section 11 but there were certain disallowances. Against the said disallowances, the Board had filed an appeal before CIT (A) and the appeal was decided in favour of the Board. Further, the Department filed an appeal against the order of CIT (A) before ITAT and the appeal was decided in favour of the Board. The department preferred an appeal to the Bombay High Court, which was dismissed.

However, during the year ended 31st March, 2011, the Board received a notice under Section 148 from the Income Tax Department stating that the income in respect of financial year 2005-06 has escaped assessment within the meaning of Section 147 of the Income Tax Act, 1961. The Board filed a writ petition before the Hon. High Court of Bombay challenging the reopening of assessment, which was dismissed by the Hon. High Court. Following the order of the Hon. High Court of Bombay, the Department completed the reassessment and passed an order wherein the tax liability has been revised to Rs. 222.93 Crores (including interest amounting to Rs. 99.40 Crores). After adding a further estimated liability of interest of Rs.13.24 Crores, the aggregate demand was Rs. 236.22 Crores. The Assessing Officer recovered an amount of Rs. 192.80 Crores by adjusting the refund due for the financial year 2012-13 (refer (n) below), Rs.12.17 Crores by adjusting the refund due for the financial year 2015-16 (refer (q) below) and the Board also paid an amount of Rs 31.21 Crores under protest. During the previous year ended 31st March, 2016 the Assessing Officer has passed an Order under section 154, which resulted in refund of Rs. 48.25 Crores. However, the said refund is adjusted against the demand of financial year 2007-08 (refer (i) below). The Board preferred an appeal against the assessment order. The CIT (A) through its order partially allowed the appeal and the order giving effect to the CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

In addition, the Department has initiated penalty proceedings under Section 271(1) (c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed against the Board.

- (h) The Board received an intimation under Section 143(1) from the Income Tax Authorities for the financial year 2006-07. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 26.97 Crores (including interest amounting to Rs. 2.34 Crores). Based on scrutiny assessment, the Board has received an order under Section 143(3) of the Income Tax Act, 1961 wherein, the exemption under Section 11 has been denied and the income of the Board has been assessed in the status of an Association of Persons (AOP) and an amount of Rs. 123.45 Crores (including interest amounting to Rs. 29.44 Crores) has been demanded. The Assessing Officer recovered the demand by adjusting the refund due of Rs. 92.68 Crores and Rs. 30.77 Crores in respect of financial year 2007-08 (refer (i) below) and financial year 2008-09 (refer (j) below) respectively. The Board filed an appeal before the CIT (A) against the assessment order. The CIT (A) through its order dismissed the appeal and the order giving effect to CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

In the meanwhile, the Assessing Officer re-opened the assessment for the financial year 2006-07 and the assessment under Section 143 (3)(ii) read with Section 147 was completed and an



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order was passed wherein the tax liability has been revised to Rs.83.43 Crores (including interest amounting to Rs.53.28 Crores). The Assessing Officer recovered an amount of Rs. 17.76 Crores by adjusting the refund due for the financial year 2011-12 (refer (m) below) and the Board also paid an amount of Rs. 67.33 Crores under protest. The Board filed an appeal before the CIT (A) against the order 143(3) read with section 147. The CIT (A) through its order allowed the appeal filed by the Board and the order giving effect to CIT (A) order is awaited. Further, the Department filed an appeal against the order of CIT(A) before ITAT, which is pending.

In the meanwhile, the Department had once again issued a notice under Section 148 reopening the assessment for financial year 2006-07 for the second time. The re-opening proceedings were initiated by the Income Tax Department stating that certain income has escaped assessment. The assessment under Section 143(ii) read with Section 147 was completed for the second time and an order was passed with an additional demand of Rs 52.99 Crores. The Assessing officer recovered an amount of Rs. 52.99 Crores by adjusting the refund due for the financial year 2008-09 (refer (j) below). The Board filed an appeal before the CIT (A) against the aforesaid order. The CIT (A) through its order partially allowed the appeal and the order giving effect to the CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

In addition, the Department has initiated penalty proceedings under Section 271(1) (c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed against the Board.

- (i) The Board received an intimation under Section 143(1) from the Income Tax Authorities for the financial year 2007-08. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 92.68 Crores (including interest amounting to Rs. 9.56 Crores). As indicated in (h) above, the Department has adjusted the refund receivable of Rs. 92.68 Crores (including interest on refund of Rs.9.56 Crores) towards the demand for the financial year 2006-07.

Based on scrutiny assessment, the Board received an order under Section 143(3) of the Income Tax Act, 1961 wherein, the exemption under Section 11 has been denied and the income of the Board has been assessed in the status of an Association of Persons (AOP) and an amount of Rs. 271.02 Crores (including interest amounting to Rs. 54.69 Crores) has been demanded. The Assessing Officer recovered an amount of, Rs. 130.79 Crores by adjusting the refund due for the financial year 2008-09 (refer (j) below), Rs. 115.54 Crores by adjusting the refund due for the financial year 2010-11 (refer (l) below). Further, the Board also paid an amount of Rs. 24.69 Crores under protest. During the year ended 31st March, 2016 the Assessing Officer has passed an Order under section 154, which resulted in refund of Rs. 3.10 Crores. However, the said refund has been adjusted against the demand of financial year 2010-11 (refer (l) below). The Board filed an appeal before CIT (A) against the order u/s 143(3). The Board filed an appeal before the CIT (A) against the assessment order. The CIT (A) through its order partially allowed the appeal and the order giving effect to the CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

In the meanwhile, the Assessing Officer re-opened the assessment for the financial year 2007-08 and the assessment under Section 143 (3)(ii) read with Section 147 was completed and an order was passed wherein the tax liability has been revised to Rs. 152.32 Crores (including interest amounting to Rs.80.25 Crores). The Board had paid the entire amount of Rs. 152.32 Crores under protest against the said demand. The Board filed an appeal before CIT (A) against the aforesaid order. The CIT (A) through its order partially allowed the



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appeal and on giving the effect to CIT (A) order the refund increased to Rs. 191.81 Crores. However, the said refund is adjusted against the demand of financial year 2013-14 (refer (o) below). Further, the Department filed an appeal against the order of CIT (A) before ITAT, which is pending.

In the meanwhile, the Department had issued a notice under Section 148 reopening the assessment for financial year 2007-08 for the second time. During the year ended 31st March, 2016, the Assessing Officer issued an Order under Section 143(3) (ii) read with Section 147 with an additional demand of Rs 53.42 Crores. The assessing officer recovered a sum of Rs. 48.25 Crores by way of adjustment against refund of financial year 2005-06 (refer (g) above) and the balance of Rs. 5.17 Crores was paid by the Board. The Board filed an appeal before CIT (A) against the aforesaid order. The CIT (A) through its order dismissed the appeal. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

In addition, the Department has initiated penalty proceedings under Section 271(1) (c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed against the Board.

- (j) The Board received an intimation under Section 143(1) from the Income Tax Authorities for the financial year 2008-09. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 161.56 Crores. However, Rs. 30.77 Crores of the said refund has been adjusted against the demand of financial year 2006-07 (refer (h) above), Rs. 130.79 Crores of the refund has been adjusted against the demand of financial year 2007-08 (refer (i) above). As per information obtained from the department a further refund of Rs. 77.09 Crores has been adjusted against the demand of financial year 2013-14 (refer (o) below). Based on scrutiny assessment, the Board received an order under Section 143(3) of the Income Tax Act, 1961 wherein, the exemption under Section 11 has been denied and the income of the Board has been assessed in the status of an Association of Persons (AOP) and an amount of Rs.413.59 Crores (including interest amounting to Rs. 69.22 Crores) has been demanded. After adding a further estimated liability of interest of Rs. 27.71 Crores, the aggregate tax demand was 441.30 Crores. The Assessing Officer recovered an amount of Rs. 224.07 Crores by adjusting the refund due for the financial year 2009-10 (refer (k) below), Rs. 70.72 Crores by way of adjustment of refund for financial year 2014-15 (refer (p) below) and Rs. 21.21 Crores by way of adjustment of refund for financial year 2015-16 (refer (q) below). The Board has paid an amount of Rs. 125.31 Crores under protest. The Board filed an appeal before the CIT (A) against the aforesaid order. The CIT (A) through its order partially allowed the appeal and the order giving effect to the CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

The demand is due to income assessed for FY 2007-08 and once again the same income being assessed for FY 2008-09, thus leading to double addition. The Board had also filed a petition under Section 154 to rectify this mistake. During the previous year ended 31st March, 2015, the Department passed orders against Section 154 petition and consequently the tax liability was revised resulting in refund of Rs.71.55 Crore. While rectifying the mistake, the Assessing Officer disallowed the credit of TDS for certain items. Against such disallowance, the Board filed an appeal before the CIT (A). The CIT (A) through its order allowed the appeal and the order giving effect to the CIT (A) order is awaited.

In the meanwhile, the Department issued a notice under Section 148 for re-opening of the assessment stating that certain income has escaped assessment. During the year ended 31st March, 2015, the assessment under Section 143(3) read with Section 147 was completed and an order was passed. The order for reassessment was passed subsequent to the rectification.



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As a result, the refund due reduced to Rs. 60.35 Crores against the refund of Rs. 71.55 Crores, as determined by the rectification order. However, Rs. 52.99 Crores of the said refund has been adjusted against the demand of financial year 2006-07 (refer (h) above) and Rs. 7.36 Crores of the refund has been adjusted against the demand of financial year 2010-11 (refer (l) below). The Board had filed an appeal before the CIT (A) against the aforesaid order. The CIT (A) through its order partially allowed the appeal and the order giving effect to the CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

In addition, the Department has initiated penalty proceedings under Section 271(l) (c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed against the Board.

- (k) The Board received an intimation under Section 143(1)(a) from the Income Tax Authorities for the financial year 2009-10. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 224.07 Crores (including interest amounting to Rs. 18.05 Crores). However, the said refund has been adjusted against the demand of financial year 2008-09 (refer (j) above). Based on scrutiny assessment, the Board received an order under Section 143(3) of the Income Tax Act, 1961 wherein, the exemption under Section 11 has been denied and the income of the Board has been assessed in the status of an Association of Persons (AOP) and an amount of Rs. 337.11 Crores (including interest amounting to Rs. 48.95 Crores) has been demanded. The Assessing Officer recovered an amount of Rs. 67.11 Crores by adjusting the refund due for the financial year 2013-14 (refer (o) below) and Rs. 100 Crores by adjusting the refund due for financial year 2014-15 (refer (p) below) and also paid an amount of Rs. 170 Crores under protest. During the previous year ended 31st March, 2016 the Assessing Officer has passed an Order under section 154 wherein the tax liability has been revised to Rs. 127.15 Crores (including interest of Rs. 76.10 Crores). The Board paid an amount of Rs. 127.15 under protest. The Board filed an appeal before the CIT (A) against 143(3). The CIT (A) through its order partially allowed the appeal and the order giving effect to the CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

In the meanwhile, the Department has issued a notice under Section 148 for re-opening of the assessment stating that certain income has escaped assessment. During the year ended 31st March, 2018, the assessment under Section 143(3) (ii) read with Section 147 was completed and an order was passed with a refund of Rs. 62.71 Crores. However, the said refund is adjusted against the demand of financial year 2013-14 (refer (o) below). The Board filed an appeal before the CIT (A) against the aforesaid order. During September 2018, the CIT (A) through its order dismissed the appeal. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

In addition, the Department has initiated penalty proceedings under Section 271(l) (c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed against the Board.

- (l) The Board received an intimation under Section 143(1)(a) from the Income Tax Authorities for the financial year 2010-11. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 115.54 Crores (including interest amounting to Rs. 6.54 Crores). As indicated in (i) above, the Department has adjusted an amount of Rs. 115.54 Crores of refund receivable towards the demand for the financial year 2007-08. Based on scrutiny assessment, the Board



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has received an order under Section 143(3) of the Income Tax Act, 1961 wherein, the exemption under Section 11 has been denied and the income of the Board has been assessed in the status of an Association of Persons (AOP) and an amount of Rs. 335.39 Crores (including interest amounting to Rs. 19.25 Crores) has been demanded. The Assessing Officer recovered an amount of Rs. 3.10 Crores by adjusting the refund of financial year 2007-08 (refer (i) above), Rs. 7.36 Crores by adjusting the refund of financial year 2008-09 (refer (j) above), Rs. 67.40 Crores by adjusting the refund due for the financial year 2013-14 (refer (o) below) Rs. 36.94 Crores by adjusting the refund due for the financial year 2014-15 (refer (p) below) and the Board paid an amount of Rs. 220.59 Crores under protest. The Board filed an appeal before the CIT (A) against 143(3). The CIT (A) through its order partially allowed the appeal and the order giving effect to the CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT(A) before the ITAT, which is pending.

In the meanwhile, the Assessing Officer re-opened the assessment for the financial year 2010-11 and the assessment under Section 143(3)(ii) read with Section 147 was completed and an order was passed wherein the tax liability has been revised to Rs. 99.15 Crores. The Board filed an appeal before CIT (A) against 143(3) read with section 147. The CIT (A) through its order dismissed the appeal. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending. During the previous year ended 31st March, 2018 the Assessing Officer has passed an Order under section 154 wherein the tax liability has been revised to Rs. 71.68 Crores. The Assessing Officer recovered an amount of Rs.71.68 Crores by adjusting the refund of financial year 2015-16 (refer (q) below).

In addition, the Department has initiated penalty proceedings under Section 271(l) (c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed against the Board.

- (m) The Board received an intimation under Section 143(1) (a) from the Income Tax Authorities for the financial year 2011-12. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 121.64 Crores (including interest amounting to Rs. 6.34 Crores). As indicated in (e), (f) and (h) above, the Department has adjusted an amount of Rs. 121.64 Crores of refund receivable towards the demand for the financial year 2003-04, 2004-05 and 2006-07. Based on scrutiny assessment, the Board has received an order under Section 143(3) of the Income Tax Act, 1961 wherein, the exemption under Section 11 has been denied and the income of the Board has been assessed in the status of an Association of Persons (AOP) and an amount of Rs. 478.84 Crores (including interest amounting to Rs. 69.39 Crores) has been demanded. The Assessing Officer recovered an amount of Rs. 121.94 Crores by adjusting the refund due for the financial year 2013-14 (refer (o) below) and the Board paid an amount of Rs. 355.09 Crores under protest. The Board has also filed rectification petition under Section 154 for short credit of Tax Deducted at Source (TDS), which is pending disposal. The Board filed an appeal before the CIT (A) against 143(3). The CIT (A) through its order partially allowed the appeal and the order giving effect to the CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

In addition, the Department has initiated penalty proceedings under Section 271(l) (c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed against the Board.

- (n) The Board received intimation under Section 143(1) (a) from the Income Tax Authorities for the financial year 2012-13. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 192.80 Crores. As indicated in (g) above, the Department has adjusted an amount of Rs. 192.80 Crores of refund receivable towards the demand for the financial year 2005-06.



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Based on scrutiny assessment, the Board has received an order under Section 143(3) of the Income Tax Act, 1961 wherein, the exemption under Section 11 has been denied and the income of the Board has been assessed in the status of an Association of Persons (AOP) and an amount of Rs. 333.73 Crores was demanded. Thereafter two rectifications orders u/s 154 were issued by which the interest under section 234A was deleted, interest under section 234D was levied and incremental credit for tax deducted at source was granted, the demand was revised to 351.99 Crores (including interest amounting to Rs. 92.41 Crores) has been demanded. The Assessing Officer recovered an amount of Rs. 46.93 Crores by adjusting the refund due for the financial year 2004-05 (refer (f) above) and the paid an amount of Rs. 310 Crores under protest. The Board filed an appeal before the CIT (A) against the aforesaid order. The CIT (A) through its order partially allowed the appeal and the order giving effect to the CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

Subsequent to the year end 31st March 2018, the Assessing Officer has passed an Order under section 154 wherein the tax liability has been revised to Rs. 75.58 Crores. The Assessing officer recovered the amount due Rs. 75.58 Crores by adjusting the refund due for the financial year 2015-16 (refer (q) below)

In addition, the Department has initiated penalty proceedings under Section 271(l) (c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed against the Board.

- (o) The Board received an intimation under Section 143(1) (a) from the Income Tax Authorities for the financial year 2013-14. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 256.45 Crores (including interest amounting to Rs. 12.21 Crores). As indicated in (k), (l) and (m) above, the Department has adjusted an amount of Rs. 256.45 Crores of refund receivable towards the demand for the financial year 2009-10, 2010-11 and 2011-12. Based on the scrutiny assessment, the Board has been assessed in the status of an Association of Person (AOP) and an amount of Rs. 756.49 Crores (including interest of Rs. 45.71 Crores) has been demanded. The Board has filed a petition under section 154 for rectification of mistakes in the aforesaid order. The Department has passed an order under section 154 and revised the Tax Demand to Rs. 404.46 Crores (including interest of Rs. 45.71 Crores). After adding an estimated interest of Rs.89.09 Crores, it resulted in an aggregate demand of Rs. 490.55 Crores. The Assessing Officer recovered an amount of Rs. 58.94 Crores by adjusting the refund due for the financial year 2006-07 (refer (h) above), Rs. 191.81 Crores by adjusting the refund due for financial year 2007-08(refer (i) above), Rs. 77.09 Crores by adjusting the refund due for financial year 2008-09 (refer (j) above) and Rs. 62.71 Crores by adjusting the refund due for the financial year 2009-10 (refer (k) above). The Board has paid an amount of Rs. 100 Crores under protest. The Board filed an appeal before the CIT (A) against the assessment order. The CIT (A) through its order partially allowed the appeal and the order giving effect to the CIT (A) order is awaited. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending.

Subsequently for the year end 31st March 2018, the Assessing Officer has passed an Order under section 154 wherein the tax liability has been revised to Rs. 305.54 Crores. The Assessing officer recovered the amount due Rs. 305.54 Crores by adjusting the refund due for the financial year 2015-16 (refer (q) below).

In addition, the Department has initiated penalty proceedings under Section 271(l)(c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed against the Board.



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(p) The Board received intimation under Section 143(1) (a) from the Income Tax Authorities for the financial year 2014-15. Vide this intimation, the Income Tax Authorities granted a refund of Rs. 207.66 Crores (including interest amounting to Rs. 11.75 Crores). As indicated in (j), (k) and (l) above, the Department has adjusted an amount of Rs. 207.66 Crores of refund receivable towards the demand for the financial year 2008-09, 2009-10 and 2010-11. Based on scrutiny assessment, the Board has received an order under Section 143(3) of the Income Tax Act, 1961 wherein, the exemption under Section 11 has been denied and the income of the Board has been assessed in the status of an Association of Persons (AOP) and an amount of Rs. 280.68 Crores (including interest amounting to Rs. 34.60 Crores) has been demanded. The Assessing officer recovered the amount due Rs. 2.32 Crores by adjusting the refund due for the financial year 2015-16 (refer (q) below) and the Board had paid an amount of Rs. 100 Crores under protest against the said demand. The Board filed an appeal before the CIT (A) against the aforesaid order. The CIT (A) through its order dismissed the appeal. Further, the Board has filed an appeal against the order of CIT (A) before the ITAT, which is pending. Subsequent to year end, the Board received notice under section 263 from the Principal Commissioner of Income tax for the financial year 2014-15, the Board has made submissions in regard thereto. Further, the Board has received order u/s 263 of the Income Tax Act, directing Assessing Officer to make the necessary verifications as per the said order and pass an order accordingly.

In addition, the Department has initiated penalty proceedings under Section 271(l) (c) of the Income Tax Act, 1961. The board has requested the Department to keep penalty proceedings in abeyance till the disposal of the tribunal appeal. Consequently, no order of penalty has been passed against the Board.

(q) The Board had filed its Return of Income for the financial year 2015-16 and was processed resulting in refund of Rs. 490.31 Crores. The refund was adjusted towards the demand for the financial year 2005-06 (refer note (g) above), financial year 2008-09 (refer note (j) above), financial year 2010-11 (refer note (l) above), financial year 2011-12 (refer note (m) above), financial year 2012-13 (refer note(n) above), financial year 2013-14 (refer note(o) above) and financial year 2014-15(refer note (p) above). Further, an assessment under section 143 (3) was completed resulting in demand of Rs.1303.47 Crores. The Board has filed an appeal before the Commissioner of Income Tax (Appeals) against the aforesaid order. Subsequent to year end March 2018, the Commissioner of Income Tax (Appeals) has dismissed the appeal and the Board has filed an appeal to the tribunal against the order of the CIT(A), which is pending for adjudication.

(r) The Board had filed its Return of Income for the financial year 2015-16, which has been taken up for assessment by the Department, pending for adjudication.

IV. The Board, based on professional advice, believes that no provision for income tax is required to be made and it has a good case to continue to avail the exemption under Section 11 of the Income Tax Act, 1961 and enjoy the benefits of registration under Section 12A of the Income Tax Act, 1961 notwithstanding the demands / disputes raised by the income tax department which have been challenged by the Board before various appellate/ judicial authorities. Also refer Note 10 below.

V. All the assessments in respect of which tax is determined as payable by the Income tax Department are being contested/disputed by the BCCI at various appellate forums. The Department at the time of recovery of taxes, either by way of payment under protest or by way



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of adjustment of refunds, computes interest under section 220(2). However since the principal taxes are themselves contested /disputed by the BCCI no part of the interest is debited to the profit and loss account or is provided for.

10. TDS RECEIVABLE / TAXES PAID UNDER PROTEST

TDS Receivable / Taxes Paid under Protest represent:

- a. Tax aggregating Rs. 2.28 Crores (Previous Year - Rs. 2.28 Crores), which had been deducted on behalf of PILCOM.
- b. The amount of TDS aggregating Rs. 0.83 Crore (Previous Year - Rs. 0.83 Crore) paid under protest in respect of payments made by INDCOM to various parties.
- c. Tax aggregating Rs. 0.37 Crore (Previous Year - Rs. 0.37 Crore), which had been deducted on income accruing to INDCOM but in respect of which tax deduction certificates had been issued in favour of PILCOM.
- d. Tax aggregating Rs. 0.18 Crore (Previous Year - Rs. 0.18 Crore) deducted on income accruing to INDCOM.
- e. Tax aggregating Rs. 0.90 Crore (Previous Year - Rs.0.90 Crore) deposited under protest in respect of a matter settled in favour of the Board. However, the Income Tax Authorities have preferred an appeal against the order of CIT (A).
- f. Tax aggregating Rs. 4.03 Crores (Previous Year - Rs. 4.03 Crores) referred to in Note 9(III)(a) above.
- g. The amount of Interest on TDS aggregating Rs. 1.09 Crore (Previous Year - Rs. Nil) referred to in Note 11(g) below.
- h. Tax paid under protest amounting to Rs. 1,972.84 Crores (Previous Year - Rs. 1,383.81 Crores) for various financial years.
- i. TDS Receivable amounting to Rs. 2,681.74 Crores (Previous Year - Rs. 2,292.39 Crores) which includes amounts adjusted by the Department on a basis against the demands outstanding for various years.

The total amount of TDS and Income Tax Paid under Protest receivable by the Board from the Income Tax authorities as at 31st March, 2018 amounts to Rs. 4,658.26 Crores (Previous Year - Rs. 3,679.86 Crores). The Board would be entitled to a refund of the tax deducted from the payments made to it and tax paid under protest, together with interest thereon, if it is held that it is exempt from Income Tax. Also refer Note 9 above.

Further, the Board is in the process of reconciling the TDS / Taxes Paid under Protest as per the books with the income tax returns/ orders/ records/ other communication from the tax department duly considering the various TDS disallowances, suo moto adjustments by the Department against tax demands, etc.

In the opinion of the Board, the entire amount of TDS receivable/ Tax Paid under Protest is good for recovery as at 31st March, 2018, since the Board believes that it is exempt from tax.



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11. TAX DEDUCTIBLE AT SOURCE

Below is the Summary of Contingent liability related to Tax Deducted at Source:

(Rs. in Crores)			
Forum where dispute is pending	Financial Year to which the amount relates	Contingent liability {including interest and penalty}	Amount paid under protest as at 31 March 2018
Assessing officer	1992-93 to 1996-97 and 1998-1999, 2010-11, 2013-14, 2014-15,	Rs. 9.52	Rs. 1.09
CIT (A)	2010-11 to 2016-17	*Rs. 693.55	Rs.140.00
Total		Rs.703.07	Rs. 141.09

*includes Rs. 217.96 Crores towards interest

- (a) The TDS Officer made a demand for the financial years 1992-93 to 1996-97 and 1998-1999 on the Board for non-deduction of Tax on Guarantee Money paid to Foreign Boards. The Board has succeeded in the appeal before the CIT(A). On appeal by the Department, the ITAT Mumbai in its order dated 28th February, 2007 remanded the matter to the Assessing Officer for examining the nature of payments and after ascertaining the true character of payments to then decide on their taxability. The TDS Officer called for certain details such as MOU between the Board and the Foreign Boards and evidence to prove that "Guarantee Money" is not of income nature, which was provided by the Board to the TDS Officer. There is no further progress in the matter.
- (b) The Income Tax Department demanded TDS amounting to Rs. 0.23 Crore on the Board for Guarantee Money paid to the Australian Board for the financial year 1995-96. The same was paid by the Board under protest during April 2001. The Income Tax Appellate Tribunal by its order dated 25th May, 2007 allowed the appeal in favour of the Department. The Board filed an appeal in the Hon. High Court of Bombay and the matter has been sent back to the Income Tax Officer (International Taxation) for examining the nature of payment and to then decide on its taxability, which is in progress.
- (c) During the financial year 2011-12, the Board received intimation under Section 200A of the Income Tax Act, 1961 for the financial year 2010-11 regarding short deduction of TDS amounting to Rs. 9.09 Crores (including interest of Rs. 0.90 Crore). The Board requested for details regarding the same from the Department and there is no further progress in the matter.
- (d) The Board received a letter from ACIT (TDS) dated 15th March, 2012 stating that TDS amounting to Rs. 0.20 Crore is outstanding to be paid by the Board with respect to the financial year 2010-11. The Board requested for details from the Department and there is no further progress in the matter.
- (e) The Board received an order under Section 272A(2) of the Income Tax Act, 1961 dated 16th December, 2011 from ACIT (TDS) levying a penalty for late filing of Quarterly TDS Statements(s) for the Assessment year 2011-12. A demand of Rs. Nil Crore (Rs. 46,200) has been raised. The Board preferred an appeal against the said demand before the CIT (A). The CIT (A) disallowed the appeal and confirmed the penalty. The Board had filed an appeal against the order of CIT (A) to ITAT, which has been decided in favour of the Board.
- (f) During the previous year ended 31st March, 2016, the Board has deducted tax on the payments made to Cricket Australia and Cricket South Africa in connection with the discontinuation of the CLT20 Tournament (Refer Note 23 below) by way of abundant caution, since the Board believes that no tax is required to be deducted on such payments.



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The Board had paid an amount of Rs. 359.17 Crores under protest against the demand. The Board had filed an appeal under Section 248 of the Income Tax Act, 1961 for the aforesaid with CIT(Appeals) with regard to the same. Subsequent to the year end 31 March 2017, the CIT (A) same is taxable in India and rejected the claim of BCCI. The Board has filed an appeal against the order of CIT (A) before the ITAT which is pending for adjudication.

- (g) During the year ended 31 March 2017, the Board has received two notices under section 276B from Income Tax Officer - (International Tax) demanding information relating to the payments made by the Board to non-residents, reason for delay in remittance of TDS thereon etc. for the financial year 2013-14 and 2014-15. The Board has filed its reply stating that all tax deducted by the Board on payments made to the non-residents have been remitted by the Board along with the interest, if any. As at 31 March 2018, the hearings in this connection are pending to be concluded by the Department.
- (h) On 4th January 2018, a survey under section 133A (2A) of the Income Tax Act, 1961 was carried out at BCCI office. Post survey orders were passed under section 201/201(1A) for the financial years 2010-11 to 2016-17 with aggregate demand of Rs. 693.55 Crores (Rs. 475.59 crores towards liability and Rs. 217.96 crores towards interest). The Board has preferred appeals before CIT (A). Subsequent to year-end, CIT (A) pronounced order against the Board. The Board has filed appeal with ITAT, which is pending. Against these, the Board has paid Rs. 18.02 Crores TDS under protest in the month of January, 2018 (i.e. post survey) & Rs. 140 Crores. Subsequently against these demands the Board further paid Rs. 278.05 Crores under protest.

Based on professional advice, the Board believes that tax has been deducted where applicable on all payments made and hence there is no financial exposure on this account.

12. SERVICE TAX

Below table summaries contingent liability of Service tax:

(Rs. in Crores)			
Forum where dispute is pending	Financial Year to which the amount relates	Contingent liability (including interest and penalty)	Amount paid under protest as at 31st March 2018
High Court	2010-11	Rs. 3.79	Rs. 1.60
CESTAT	2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2015-16	Rs. 619.78	Rs. 9.84
Commissioner of Service tax	2004-05, 2005-06, 2012-13, 2013-14, 2009 to 2014, 2014-15, April 2015 to June 2017, 2008-09 to 2010-11, 2011-12, 2008 to June 2010, 2008-09 to 2010-11, 2013-14, 2009 to 2012, 2011, 2014-15, October 2011 to June 2012, 2012 to 2016, 2015-16	Rs. 215.51	Rs. 20.72
Total		Rs. 839.08	Rs. 32.16



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I. SHOW CAUSE-CUM-DEMAND NOTICES

The Board has received various show cause cum demand notices during various financial years. The amounts demanded and the nature of demands by the Service Tax Department are summarised below:-

- (i) An amount of Rs. 2.76 crores towards Service Tax on Advertising Agency Services for the financial year 2004-05.
- (ii) An amount of Rs. 42.81 crores towards Service Tax on sponsorship money/ logo money, royalty income and media rights (BCCI) under categories of Advertising Agency Services and Intellectual Property Services for the financial year 2005-06.
- (iii) An amount of Rs. 1.72 Crores towards Service Tax on Franchisee Share Transfer Fee, Player Fees, Franchisee Licensing Income and pouring Rights for the financial year 2008-09.
- (iv) Financial Year 2009-10:
 - An amount of Rs. 0.46 Crore towards Service Tax on Franchisee Share Transfer Fee, Player Fees and Pouring Rights.
 - An amount of Rs. 0.07 Crore towards Service Tax on Franchisee Licensing Income for the financial year 2009-10.
- (v) Financial Year 2011-12:
 - The demand of Rs. 0.11 Crore along with Interest on wrongly availed Service Tax Input Credit against the same amount of Rs. 0.05 has been paid under protest. Subsequent to year- end March 2018, Assistant Commissioner of CGST has passed order in original. The Board has filed an appeal against the order with the Commissioner of Service Tax (Appeals).
 - An amount of Rs. 0.02 Crore towards the Service Tax Input Credit on Catering, Air Travel Services, Rent a cab etc.
- (vi) Financial Year 2012-13:
 - An amount of Rs.5.02 Crores towards Service Tax on Media Right Income under Franchisee Services.
 - The demand of Rs. 0.15 Crore along with Interest on wrongly availed Service Tax Input Credit against the same amount of Rs 0.08 has been paid under protest. Subsequent to year- end March 2018, Assistant Commissioner of CGST has passed order in original. The Board has filed an appeal against the order with the Commissioner of Service Tax (Appeals).
- (vii) Financial Year 2013-14:
 - An amount of Rs.7.42 Crores towards Service Tax on Media Right Income under Franchisee Services.
 - An amount of Rs.0.25 Crore towards Utilisation of Service Tax Input Credit on air travelling.
- (viii) Financial Year 2014-15:
 - An amount aggregating to Rs. 15.08 crores towards Service Tax on Media Right Income under Franchisee Services
 - An amount of Rs.0.02 crore towards Utilisation of Service Tax Input Credit on air travelling.
- (ix) Financial Year 2015-16, 2016-17 and April 2017 to June 2017 :



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- An amount of Rs. 0.01 Crore towards Air travel Cenvat credit.
 - An amount of Rs. 36.32 Crores towards Service Tax on Media Right Income under Franchisee Services.
- (x) Service Tax on Non-Monetary Items:
- The Board has received show cause-cum-demand notice for an amount of Rs.17.03 Crores towards Service Tax on non-monetary consideration relating to Media Rights for IPL Season 2009 to IPL Season 2014.
 - The Board has received show cause-cum-demand notice for an amount of Rs.9.99 Crores towards Service Tax on Reverse Charge Mechanism for IPL Season 2009 to IPL Season 2012.
- (xi) Service tax on amounts encashed from bank guarantees:
- The Board has received a show cause-cum-demand notice for an amount of Rs. 22.66 Crores towards service tax on amount received by the Board through encashment of bank guarantees relating to Kochi Cricket Private Limited (Refer Note 14(a) below) and Nimbus Communication Limited (Refer Note 17 below).
- (xii) During the year ended 31 March 2018, the Board has received a Show Cause Notice amount of Rs. 0.35 Crore towards reversal of Cenvat credit on attributable to the sponsorship services for the financial year 2012-2013 to 2015-2016. Subsequent to year-end March 2018, Assistant Commissioner of CGST has passed order in original. The Board has filed an appeal against the order with the Commissioner of Service Tax (Appeals).
- (xiii) Subsequent to year ended 31 March 2018, the Board has received a Show Cause Notice amount of Rs. 53.11 crore towards reversal of Cenvat credit on Sponsorship Income for the financial year 2012-2013 to 2015-2016 against the same Board has reversed Cenvat credit for an amount of Rs. 16.91 crore under protest.
- (xiv) The Board has received Show Cause Notice demanding interest on reversal of Cenvat Credit of Rs. 3.81 crores for the period April 2008 to June 2010.

II. ORDERS/APPEALS

- (a) During the year ended 31st March 2016, the Board had received orders from the Commissioner of Service Tax confirming demands aggregating Rs. 131.19 Crores towards service tax on media rights income (IPL) for the financial years 2008-09 to 2011-12 by categorising the receipts relating to media rights income as being in the nature of Franchisee Services. The department has also sought to levy a penalty of Rs. 114.00 Crores. The Board disputed the Order and filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT) against the aforesaid order by paying an amount of Rs. 9.84 Crores under Protest. Subsequent to year end the CESTAT has confirmed the demand against Board vide Order dated 10th December 2018 against which Board has filed of Appeal before Mumbai High Court.
- (b) During the year ended 31 March, 2015, the Board received an order from the Commissioner of Service Tax confirming the demand of Rs. 1.60 Crores along with Interest and Penalty of Rs. 0.93 Crore towards Service Tax on production cost of IPL Season 2010 by categorising the payments as towards provision of Programme Producer



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Services. The Board has paid Rs. 1.60 Crore and Interest of Rs. 1.25 Crore and Penalty of Rs. 0.93 Crore under protest against the aforesaid order. The Board filed an appeal before CESTAT and CESTAT has confirmed the demand against Board vide Order dated 6th August 2018 against which Board has filed Appeal before Mumbai High Court on 28 January 2019.

- (c) Service tax on amounts received from ICC Business Corporation FZLLC (IBC) in relation to the World Cup T20 held in India:

The Board has received an order for an amount of Rs. 13.85 Crores towards rejection of service tax refund claim made by the Board for the services provided to International Cricket Council (ICC) through IBC in connection with the ICC T20 World Cup 2016. The Board had filed Appeal with Commissioner (Appeal), which is dismissed by Commissioner (Appeal) vide Order dated 30th July, 2018, against which Board has filed of Appeal before CESTAT.

- (d) The Board has received an order for an amount of Rs. 0.12 Crore from the Commissioner of Service Tax (Appeals) with respect to Service Tax on certain Input Services. The matter has been remanded back by the Commissioner of Service Tax (Appeals) to the adjudicating authority for re assessment, which is pending. Subsequent to year end 31 March 2018, Joint Commissioner of CGST passed order in original dated 13 May 2019 confirming demand of Rs. 0.00 Crores (Rs. 6,592) and dropped the demand of Rs. 0.12 (Rs. 12,60,769).

- (e) Subsequent to year ended March 31, 2018, the Board has received the order from the Commissioner of CGST & C.EX, Mumbai confirming the demand aggregating Rs. 328.14 Crores and penalty of Rs 32.81 Crores levied under section 76 of the Finance Act, towards service tax on media rights income and sponsorship income for the financial years 2006-07 to 2012-2013, as being in the nature of Franchise Services and Intellectual Property Services respectively.

The order also imposes a penalty of Rs. 0.01 Crores under Section 77(2) of Chapter V of the Finance Act, 1994 and confirms interest at the appropriate rate under Section 75 of the Finance Act, 1994 on the service tax amount to Rs. 328.14 Crores determined as above.

The Board has disputed the order and has filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT) against the aforesaid order and has paid an amount of Rs. 24.61 Crores under Protest, as the Board believes it that it has a good case.

- (f) The Board has received an order for an amount of Rs. 0.03 Crore from the Commissioner of Service Tax (Appeals) with respect to Cenvat credit on chartered air flights. The Board has disputed the order and has filed an appeal before the Commissioner (Appeal), subsequent to year ended 31 March 2018 the Commissioner (Appeal) vide Order dated 09 July, 2018 has set aside demand of Rs 0.03 Crore.
- (g) The Board has filed refund application with service tax department on 18th September 2017 for refund of Rs, 135 Crores service tax paid for sponsorship transaction with M/s Technology Frontiers India Pvt. Ltd (TFIPL). TFIPL has paid service tax vide challan no 00053473103201800815 amounting to Rs. 135 Crores and hence no service tax is



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payable by the Board. Subsequent to year end 31 March 2018, Assistant Commissioner CGST Mumbai rejected the refund claim since refund was claimed beyond statutory limit prescribed by law. The Board has filed an appeal against the order before CESTAT.

Based on professional advice, the Board believes that it has a good case and accordingly, has replied to the above show cause-cum-demand notices / commissioner of Service Tax orders listed in above contesting and challenging the claims of the Service Tax Department.

III. SERVICE TAX INPUT CREDIT

As at 31st March, 2018, the Board has accounted for an amount of Rs. 1.23 Crores (Previous Year Rs. 39.09 Crores) as Service Tax Input Credit on various services received from third parties and has disclosed the same as receivable under "Service Tax Input Credit" (Schedule 6). The Board has claimed / is in the process of claiming the same as input credit in the Statutory Returns with the service tax / Goods and Service Tax authorities. The Input Credit has been accounted for based on the assessment of the Board and professional advice obtained by the Board regarding the future utilisation/ recoverability of the same.

IV. GOODS AND SERVICES TAX INPUT CREDIT:

As at 31st March, 2018, the Board has accounted for an amount of Rs. 147.84 Crores (Previous Year Rs. Nil Crores) as GST Input Credit on various services received from third parties and has disclosed the same as receivable under "Goods and Service Tax Input Credit" (Schedule 6).

The Board has claimed / is in the process of claiming the same as input credit in the Statutory Returns with the Goods and Services Tax authorities. The Input Credit has been accounted for based on the assessment of the Board and professional advice obtained by the Board regarding the future utilisation/ recoverability of the same after making due adjustments towards potential disallowances, if any.

13. SALES TAX /VAT ASSESSMENT STATUS

Below is summary of contingent liability of sales tax:

(Rs. in Crores)			
Forum where dispute is pending	Financial Year to which the amount relates	Contingent liability (including interest and penalty)	Amount paid under protest as at 31 st March, 2018
Delhi Sales Tax appeal	1996-97 to 2001-02	Rs. 1.00	-
MVAT Commissioner of Sales Tax (Appeals)	2007-08 to 2009-10	Rs. 487.20	Rs. 16.24
MVAT Commissioner of Sales Tax	2011-12 to 2016-17, April 2017 to June-2017	Rs. 86.63	Rs. 50.00
Total		Rs. 574.83	Rs. 66.24



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- (a) The Delhi Sales Tax Authorities assessed the Board's income from Broadcasting Rights for Sales Tax and completed assessment for financial years 1996-97 to 2001-02 and raised Sales Tax demands aggregating Rs. 1 Crore. The Board preferred appeals against the said demands. The Delhi Sales Tax Authorities have kept the appeals pending and the demand in abeyance.
- (b) The Board has received an Assessment Order under MVAT Act, 2002 dated 5th February 2018 from the Assistant Commissioner of State Tax, Mumbai, imposing VAT demand with interest and penalty on sale of franchise rights, merchandise rights, sale of space for advertisement, sale of trademark for sponsorship for FY 2007-08: Rs. 108.82 Crores, FY 2008-09: Rs. 165.77 Crores and FY 2009-10: Rs. 212.61 Crores. Against the said demand, Board paid amount of Rs. 3.63 for FY 2007-08, Rs. 5.53 Crores for FY 2008-09 and Rs. 7.09 Crores for FY 2009-10 under protest as pre-deposit for filing of Appeal. The Board has filed Appeal before Deputy Commissioner of Sales Tax (Appeals-III), Mumbai against order of assessment, penalty, interest under Section 26 of the MVAT Act, 2002 and received stay order on 25th April 2018 on recovery of balance amount till disposal of appeal.
- (c) On 20th February 2018 MVAT authorities carried out search and seizure operations at BCCI Head Quarter alleging that VAT is payable on sale of media rights by BCCI, and imposed tentative MVAT liability of Rs. 86.63 Crore (excluding interest & penalty). The Board has paid the VAT demand of Rs. 50.00 Crore on 8th March 2018 and 19th March 2018 against the tentative liability raised by MVAT department. The Board has received notice under section 23 of the MVAT Act, 2002 and under Rule 9-A of the Central Sales Tax (Bombay) Rules, 1957 from Assistant Commissioner of Sales Tax, for assessment proceedings for FY 2011-12 to FY 2016-17 and for the period April 2017 to June-2017. Submission has been made by the Board during the course of Assessment and order awaited from MVAT authorities. Subsequent to year end March 2018, the Board has received an assessment order for the year 2011-12 from the Assistant Commissioner of Sales Tax, Mumbai, imposing VAT demand of Rs. 117.27 Crores with interest and penalty on sale of Media Rights, franchise Consideration, Minimum Guaranteed Royalty Income, Central Licensing Income, Archives Income, sale of tenders etc. Now orders from MVAT authorities are awaited for FY 2012-13 –FY 2016-17 and the period April 2017 to June-2017.
- (d) Subsequent to year end March 2018, the Board has received notice under Sub-section (2), (3), (3A) or (4) of Section 23 of MVAT Act, 2002 and notice under Rule 9-A of Central Sales Tax (Bombay) Rules, 1957 for assessment proceeding for the period April 2010 to March 2011. Submission has been made by Board during the course of assessment proceeding and order is awaited for the same.

14. IPL FRANCHISEE ARBITRATION / LEGAL PROCEEDINGS

- (a) Kochi Cricket Private Limited:

During the year 2010, Rendezvous Sports World (RSW) was selected as one of the new Franchisees. Subsequently, Rendezvous Sports World formed a Company under the name Kochi Cricket Private Limited (KCPL) and KCPL entered into a Franchise Agreement dated 12th March, 2011 with the Board. As per the Franchisee Agreement, KCPL was required to submit an unconditional bank guarantee on or before 22nd March, 2011 in respect of the Franchisee Consideration. KCPL had not submitted the aforesaid unconditional bank guarantee.



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In view of the above default committed by KCPL, the Board invoked and encashed the bank guarantee dated 27th March, 2010 given by RSW for and on behalf of KCPL for the IPL Season 2011 amounting to Rs. 153.34 Crores and terminated the Franchisee Agreement entered with KCPL. The same has been considered under Current Liabilities and Provisions (Schedule 3) as at 31st March, 2018 (Also Refer Note 35 below). Further, the interest income amounting to Rs. 79.15 Crores (Previous Year Rs. 69.12 Crores) on the amount of Rs. 153.34 Crores invested in fixed deposits has been considered as "Unearned Interest Income" as at 31st March, 2018 under Schedule 3.

The subject dispute culminated into arbitration proceedings. During the year ended 31st March, 2016, the Arbitrator had passed awards dated 22nd June, 2015 in favour of RSW and KCPL confirming the refund of Rs. 153.34 Crores along with Interest @ 18% from September 2011 with respect to RSW towards amounts encashed by the Board from the Bank Guarantee and their claim of Rs. 384.83 Crores with respect to KCPL towards compensation for termination of the franchise along with Interest @ 18% from September 2011 (total estimated award of Rs. 1,171.15 crores including interest of Rs. 632.98 Crores up to 31st March, 2018) and assessed cost of Rs.0.50 Crore and Rs.0.72 Crore for RSW and KCPL, respectively.

In consequence to the amendment of the provisions of the Arbitration and Conciliation Act, 1996 with retrospective effect from 23rd October, 2015, KCPL and RSW filed the execution applications seeking execution of the arbitral award dated 22nd June, 2015 against which the Board has filed Chamber Summons *inter alia* praying for dismissal of the said execution applications filed by KCPL and RSW.

During the previous year ended 31 March 2017, the chamber summons filed by the Board were dismissed, following which the Board has filed a Special Leave Petition in the Supreme Court which was disposed on 15th March 2018.

The Board filed arbitration petitions before the Hon. Bombay High Court on 15th September 2015 for setting aside the awards of the Arbitrator. On 13th April 2018 the Hon. Bombay High Court was pleased to admit the Arbitration Petitions filed by BCCI. The award passed in the arbitration between KCPL and BCCI was unconditionally stayed. The award passed in the arbitration between RSW and BCCI was stayed subject to BCCI depositing 50% of the awarded sum with interest up to the date of deposit, and to provide fixed deposit receipts in respect of the remaining 50% with interest up to the date of deposit, with the Hon. Bombay High Court

As per order dated 13th April 2018 passed by the Hon. Bombay High Court, BCCI deposited an amount of Rs. 194.97 Crores on 27th April 2018, and submitted fixed deposit receipts for the sum of Rs. 194.97 Crores, aggregating Rs. 389.94 Crores, with the Hon. Bombay High Court.

In April 2018, KCPL filed Special Leave Petition ("SLP") in the Hon. Supreme Court, challenging the order dated 13th April 2018 ("Impugned Order") passed by the Hon. Bombay High Court. The SLP was disposed off vide order dated 11th May 2018, whereby the Hon. Supreme Court modified the Impugned Order to the extent of directing BCCI to deposit a sum of Rs. 100 Crores with the Hon. Bombay High Court within a period of two months from the date of its order, which amount will abide the final order of the Hon. Bombay High Court. The Hon. Supreme Court also directed that the said amount may be kept in fixed deposit.



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Also on 10th July 2018, in compliance with the order dated 11th May 2018 passed in the SLP, BCCI deposited a sum of Rs. 100 Crores, with the Hon. Bombay High Court. The Arbitration Petitions are pending before the Hon. Bombay High Court for final hearing.

(b) Sahara Adventures Sports Limited:

Sahara Adventures Sports Limited ("Sahara") entered into a Franchise Agreement with the Board. During the year 2011, the Board has received letters from Sahara seeking reduction in the Franchisee Fees for the IPL Season 2011 due to reduction in the number of games, resulting in alleged financial loss to them. The Board, based on legal and professional opinion obtained by it, rejected the request made by Sahara for the reduction in the Franchisee Right Fee for IPL Season 2011. Though Sahara had paid the Franchisee Fee for IPL Seasons 2011 and 2012 in full, it has initiated arbitration proceedings against the Board seeking a reduction in the Franchisee Fees.

Sahara filed an arbitration petition in the Bombay High Court seeking an injunction restraining the Board from terminating the Sahara agreement pending arbitration proceedings. The Bombay High Court held that the Board should not terminate the Sahara agreement if Sahara provides the requisite bank guarantee in terms of the agreement for the IPL Season 2014. Subsequently, the Working Committee of the Board, at its meeting held on 26th October, 2013 approved the termination of the Franchise in view of the non-submission of the Bank Guarantee for the IPL Season 2014.

With respect to IPL Season 2013, Sahara paid part of the franchise fee amounting to Rs. 57.37 Crores as per invoice raised by the Board and defaulted in relation to the balance franchisee fee of Rs. 133.86 Crores. In view of the continued default by Sahara for payment of the balance franchisee fee despite repeated demands for the same by the Board and the failure to provide a fresh bank guarantee for IPL Season 2014, the amount of Rs.133.86 Crores was recovered by the Board by invoking the Bank Guarantee furnished by Sahara under the Franchise Agreement for IPL Season 2013 and the same has been appropriated against the amounts receivable from Sahara. The arbitration proceedings was initiated by Sahara claiming an amount of Rs. 1,438.72 Crores towards alleged excess payment of franchisee fee, loss of damages and damages suffered in terms of goodwill and reputation along with further interest till the date of realization, against which BCCI has filed counter claim of Rs. 1,606.24 Crores along with further interest till the date of realization. On 21 July 2016, the Sole Arbitrator withdrew from the arbitration. SASL filed a Commercial Arbitration Application before the Hon. Bombay High Court and sought for appointment of another Sole Arbitrator to continue the proceedings. On 28th November 2017, the Honorable Bombay High Court has appointed another Sole Arbitrator to continue the proceedings. After the completion of pleadings and framing of points for determination, both the parties were directed to file the affidavits of evidence of their witnesses and both the parties filed their witnesses. The cross examination of the witness is pending.

(c) Deccan Chronicle Holdings Limited:

Deccan Chronicle Holdings Limited ("Deccan") entered into a Franchise Agreement with the Board. Deccan failed to pay the outstanding sums to the players and the Board has considered it as a material adverse effect upon the reputation and / or standing of the League, BCCI, the Franchisee and the Team entitling the Board to terminate the Franchisee Agreement with immediate effect by written notice.



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Further, Deccan was served with a winding up notice by the third party and a winding up petition was instituted against Deccan. In view of the above default committed by Deccan, the Board terminated the Franchisee Agreement entered with Deccan with effect from 14th September, 2012.

Deccan filed an arbitration petition with the Hon. High Court at Bombay seeking stay of the termination letter issued by the Board. The Hon. High Court in its interim order dated 1st October, 2012 stayed the effect of the termination notice subject to Deccan furnishing an irrevocable and an unconditional bank guarantee of a nationalised bank of Rs. 100 Crores to the Board and upon failure of Deccan to furnish a bank guarantee, the order would cease to be in effect. Upon Deccan's failure to furnish a bank guarantee within the stipulated time, the interim stay order stood vacated and the termination became effective 12th October, 2012.

In the meanwhile, arbitration proceedings have been initiated by Deccan relating to its claim of Rs. 4,579 crores along towards loss of profit, loss of value of franchisee, franchisee running expenditure, loss of business opportunity and legal expenses etc. and a counterclaim of Rs. 36.21 crores has also been filed by BCCI. Final arguments in the matter are complete and the parties have submitted written submissions. During this course, BCCI became aware that National Company Law Tribunal ("NCLT"), has passed order dated July 17, 2017 in the matter filed by the third party to appoint Interim Resolution Professional and declaring a moratorium. After being brought to the notice of Lt. Arbitrator by the BCCI, the board requested to suspend the arbitration proceedings till the disposal of the proceedings in the NCLT or the moratorium ceases to have effect. The prayer has been accepted by the Lt. Arbitrator vide order dated May 12, 2018 to suspend the arbitration proceedings, including pronouncement of the award. Based on legal advice. The Board is confident that the claims against it are not sustainable.

15. DISPUTE WITH ZEE ENTERTAINMENT ENTERPRISES

Zee Entertainment Enterprises Limited ("Zee") initiated arbitration proceedings against the Board in connection with the Offshore Tour Agreement for the DLF – Abu Dhabi Cup held during 2006-07. Zee claimed refund of an amount of USD 7.46 Million (equivalent to Rs. 30.00 Crores) which, according to Zee, was paid as an advance to the Board in 2006-07. This amount was accounted as Income by the Board in 2006-07 based on an oral understanding with Zee which was pending to be incorporated in the Offshore Tour Agreement. In earlier years, the Board had reversed an amount of USD 2.46 Million - Equivalent to Rs. 10.95 Crores, out of the said amount of Rs. 30.00 Crores recognised as income earlier based on various developments.

Further, Zee also claimed an amount of Rs. 480.40 Crores toward losses alleged to have been incurred on account of cancellation of the contract. The Board filed its counter claim of Rs. 450.10 Crores against Zee.

The Arbitral Tribunal passed an award in favour of Zee and confirmed the claim of Rs. 30.00 Crores (with 11% interest) and an amount of Rs. 93.6 Crores (with 11% interest) towards damages and losses. The Board has filed an application for setting aside the award of the Arbitral Tribunal with the Hon. High Court at Madras. Vide order dated 26th June 2018, the Hon. Madras High Court stayed the operation of the arbitration award pending hearing and final disposal of the application filed by BCCI, subject to the BCCI making payment of a sum of Rs. 30.00 Crores to Zee within 2 weeks of receipt of the order. BCCI has complied with the said order and, in light of the aforesaid, the execution application filed by Zee in the Hon. Bombay High Court is adjourned till after the application filed in the Hon. Madras High Court gets disposed of.



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16. ARBITRATION WITH PERCEPT HOLDINGS

Percept Holdings Private Limited ("Percept") and Percept D'mark Gulf LLC ("Percept D'mark") initiated arbitration proceedings against the Board for cancelling the tender for the "BCCI Ratings and Awards", which was floated by the Board in August 2006 in which Percept was declared as the successful bidder. In the Affidavit of Evidence filed by Percept, as amended, it claimed an amount of Rs. 125.42 Crores from the Board for cancellation of the tender.

Percept D'mark filed a separate claim before the same arbitrator for dispute regarding the Overseas Neutral Venues Tri series Sponsorship agreement and made a claim of USD 15.25 Million (equivalent to Rs. 82.96 Crores). The Board filed its reply statement disputing the claim of Percept and filed a counter claim of USD 1.14 Million (equivalent to Rs. 5.83 Crores). The arbitration process is in progress.

17. MATTERS RELATING TO NIMBUS COMMUNICATIONS LIMITED

(a) Disputed Matters with Nimbus Communication Limited:

Media Rights:

The Board entered into a Media Rights License Agreement ("MRLA") dated 15th October, 2009 with Nimbus Communications Limited ("Nimbus") for sale of Television Rights for International and Domestic matches in India for the period 2010-2015. Nimbus did not pay the Media Rights Income for some of the matches held in India to the Board, resulting in an outstanding amount of Rs. 324.20 Crores as at 31st March, 2018. Further, an amount of Rs. 41.84 Crores is also receivable from Nimbus as at 31st March, 2018 towards the Service Tax on media rights income for the financial year 2010-11. Consequent to the non-payment of the dues by Nimbus, the Board terminated the agreement with Nimbus and the parties initiated arbitration proceedings. The Board has also amended its Arbitration Petition so as to include Neo Sports Private Limited, a Subsidiary of Nimbus, within the scope of its claims. The parties have made claims and counter claims before the Arbitrator.

In the proceedings under the Arbitration and Conciliation Act, 1996 filed by the Board, the Hon. High Court of Bombay passed an ad-interim order directing Nimbus to deposit in court an amount of Rs. 305.00 Crores. Nimbus filed an appeal with the Hon. High Court of Bombay, which, vide its order, upheld the order of the single judge and directed Nimbus to furnish solvent security in the form of a Bank Guarantee of a nationalised bank for a sum of Rs. 305.00 Crores to the satisfaction of the Prothonotary and Senior Master. Nimbus could not furnish the Bank Guarantee to the satisfaction of the Prothonotary and Senior Master.

Nimbus filed a Special Leave Petition with the Hon. Supreme Court against the aforesaid ad-interim order. The Hon. Supreme Court, vide its order dismissed the special leave petition. The Board has also filed Contempt Petition in the Hon. High Court of Bombay against Nimbus.

As regards the MRLA arbitration, the arbitral tribunal pronounced the award in favour of BCCI vide Order dated 30th March, 2017 directing Nimbus to pay an amount of Rs. 386.09 Crores (including interest @ 12% p.a. up to 18th August, 2012 amounting to Rs. 23.34 Crores). Further, the Order has also directed the payment of interest @ 9% p.a. from 18th August 2012 till the date of settlement along with costs of Rs. 0.25 Crore.



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The Board has also filed a petition before the Hon. Bombay High Court to execute the aforesaid award dated 30th March 2017 and to commence appropriate proceedings against Nimbus. The Hon. Bombay High Court has allowed the said application. The MRLA arbitration award became executable on June 30, 2017.

A Winding up petition has been filed by the State bank of Hyderabad against Nimbus before Hon. Bombay High Court which was admitted vide order dated April 17, 2017.

In light of appointment of official liquidator, Hon. Bombay High Court in his capacity as the provisional liquidator of Nimbus has filed petition in Hon. Bombay High Court on June 30, 2017 challenging the MRLA award. The Hon. Bombay High Court has admitted the petition and adjourned the final hearing of the Commercial arbitration petition. The hearings are pending.

Production Cost and Equipment Supply:

As at 31st March, 2018, an amount of Rs. 18.74 Crores is payable by the Board to Nimbus in respect of the Production Cost Agreement and the Equipment Supply Agreement for the services received in financial year 2011-12.

Nimbus has filed a separate arbitration application and appointed a sole arbitrator. Nimbus has also filed a rejoinder with an application seeking an order from the arbitrator directing the Board to provide security for the amount payable under the Equipment Supply Agreement.

Production Cost Agreement:

With respect to the Production Cost Agreement, the arbitrator had passed an order in favour of Nimbus, directing the Board to pay an amount of Rs. 9.81 Crores towards Production Cost. Further, the order has also directed the payment of Interest @ 10% p.a. from 1st May, 2013 along with costs of Rs. 0.76 Crore. The estimated cost relating to interest as at 31st March, 2018 is Rs. 3.03 Crores. The Board had filed an arbitration petition seeking an order for adjusting the amounts payable by BCCI under the Production award against the amounts receivable from Nimbus under the MRLA. During the year ended 31st March, 2017, the Hon. Bombay High Court directed the Board to deposit the amount payable to Nimbus with the Porthonotary and Senior Master, Bombay High Court.

Equipment Supply Agreement:

With respect to the Equipment Supply Agreement, the Arbitrator has passed an order in favour of Nimbus, directing the Board to pay an amount of Rs. 8.70 Crore towards Equipment Supply. Further, the order has also directed the payment of Interest @ 10% p.a. from 1st May, 2013 along with costs of Rs. 0.08 Crore. The estimated cost relating to interest and other costs as at 31st March, 2018 is Rs. 1.79 Crores. The Board filed an arbitration petition for adjustment of the same against the amounts receivable by the Board from Nimbus. During the year, the Hon. Bombay High Court directed the Board to deposit the amount payable to Nimbus with the Porthonotary and Senior Master, Bombay High Court.

Accordingly, the Board has deposited an aggregate amount of Rs. 23.35 Crores (Rs. 10.51 Crores towards Equipment Supply Agreement and Rs. 12.84 Crores towards Production Cost Agreement) to with the Porthonotary, which has been disclosed as "Deposit with Hon. Bombay High Court" under Current Assets, Loans and Advances (Schedule 6) as at 31st March, 2018.

A Winding up petition has been filed by the State bank of Hyderabad against Nimbus before Hon. Bombay High Court which was admitted vide order dated April 17, 2017, in which the



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Official Liquidator, Bombay High Court was appointed as the Provisional Liquidator of Nimbus.

During the current year ended March 31, 2018, the Hon. Bombay High Court inter alia disposed of the arbitration petition filed to adjust the amounts receivable from Nimbus and confirmed the order passed regarding the amounts deposited. No further appeal was filed in this regard by the official liquidator.

Net Amount Receivable:

As at 31st March, 2018, a net amount of Rs. 347.30 Crores (Rs. 324.20 Crores receivable towards media rights income plus Rs. 41.84 Crores receivable towards service tax on media rights netted off with Rs. 18.74 Crores payable towards production cost and equipment supply) is outstanding from Nimbus.

Also Refer Note 17(c) below.

(b) Suits Against Banks for Encashment of Bank Guarantee:

Consequent to the non-payment of dues under the MRLA by Nimbus, the Board terminated the agreement with Nimbus as indicated above and in the meanwhile, sought to invoke the guarantees amounting to Rs. 1,601.56 Crores issued by certain banks on behalf of Nimbus. However, the banks have not honoured the invocation of the guarantees by the Board and the Board initiated suits against the banks with the Hon. Bombay High Court and also submitted the statement of outstanding amount receivable from Nimbus under the Media Right Income along with interest claim at a rate of 12%.

The Hon. Bombay High Court vide a common order granted conditional leave to the banks to defend the suits subject to deposit of an aggregate amount of Rs. 400 Crores with the Porthonotary. The Board preferred Special Leave Petition (SLP) before the Hon. Supreme Court challenging the common order of the Hon. Bombay High Court to deposit the amount of Rs. 400 Crores with the Porthonotary. The Hon. Supreme Court directed that the amount of Rs. 400 Crores be disbursed to the Board subject to Board providing an undertaking that the said amount would be repaid with interest (calculated in the manner stipulated by the Hon. Supreme Court) if the banks succeed in the suits. Based on the undertaking provided by the Board, this amount has been received by the Board in May 2013.

As the Hon. Bombay High Court has vide an order dated March 1, 2018 directed winding up of Nimbus, the banks have filed chamber of Summonses in each of the Third party notices to substitute Nimbus with official liquidator, Bombay High Court. The hearings are pending.

(c) Adjustment of Receivables from Nimbus:

Consequent to the receipt of Rs. 400 Crores through encashment of bank guarantees in May 2013 as stated in (b) above, the Board adjusted the amount received from banks through encashment of bank guarantee with the net amount receivable amounting to Rs. 347.30 Crores and the balance amount of Rs. 52.70 Crores has been disclosed under Current Liabilities and Provisions in Schedule 3 (Refer Note 35 below). Further, the interest income earned by the Board as at 31st March, 2018 on this amount aggregating to Rs. 20.31 Crores (Previous Year Rs. 16.87 Crores) has also been disclosed under Unearned Interest Income under Schedule 3.



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- (d) The Board believes that the termination is valid and the claims made by Nimbus are not sustainable.

18. ARBITRATION/DISPUTES WITH OTHERS

a) Dispute with Maxx Mobilink Pvt. Ltd (Maxx):

The Board and Maxx Mobilink Pvt. Ltd. ("Maxx") entered into two sponsorship agreements dated 3rd March, 2010 for a period of three years each appointing Maxx as an official sponsor of the "Play-offs matches" and the "Strategic Time Out" in the IPL. Maxx failed to provide the bank guarantees for IPL – Season 2012 and the Board terminated the sponsorship agreements and has invoked arbitration under the sponsorship agreements.

During the previous year ended 31st March 2017, with respect to the Sponsorship Agreement for the playoffs matches and Strategic Time out, the arbitrator has passed an order in favour of the Board, directing Maxx to pay an amount Rs. 8 Crores towards Play-off matches and an amount of Rs. 15.20 Crores towards Strategic Time Out. Further, the order also directed the payment of Interest @ 12% p.a. from 4th April 2013 along with costs of Rs. 0.65 Crore. As at 31st March, 2018, no amounts have been received by the Board from Maxx. No income has been accrued in the books with respect to aforesaid amount granted by the arbitrator and will be appropriately dealt with at the time of actual receipt.

b) Pakistan Cricket Board:

The Board has received a notice from Pakistan Cricket Board (PCB) seeking a compensation of USD 69.58 Million (equivalent Rs. 450.51 Crores) for not playing any bilateral series with Pakistan in accordance with the Memorandum of Understanding signed between the Boards in 2014.

Subsequent to year ended March 31, 2018, the Dispute Panel constituted by the ICC's Dispute Resolution Committee, by its arbitral award dated 20th November 2018 has dismissed all claims made by the PCB against the BCCI.

19. OTHER CLAIMS AGAINST THE BOARD NOT ACKNOWLEDGED AS DEBT AND BOARD'S ASSESSMENT OF OFF-BALANCE SHEET EXPOSURE

- (i) The Board has received various other claims from its vendors, franchisees and other parties for an amount of Rs. 39.76 Crores (Previous Year - Rs. 23.72 Crores) (to the extent quantifiable).
- (ii) The amount of contingent liabilities, claims, etc. disclosed in the financial statements shown above represents the best possible estimate arrived at on the basis of the available information. The uncertainties are dependent on the outcome of the various legal proceedings, if any, which have been initiated by the Board or the claimants as the case may be and, therefore, cannot be predicted accurately. In the opinion of the Board, the above claims against the Board / contingent liabilities are not sustainable, and have been suitably dealt with in the financial statements, where required. Hence, no further liability / provision is required to be accounted for in the financial statements in this regard.



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20. ONGOING PROCEEDINGS

Various statutory authorities such as the Income Tax Department (Refer Note 9 above), Service Tax (Refer Note 12 (I) and 12 (II) above), Sales Tax (Refer Note 13 above), Directorate of Enforcement, the Directorate General of the Competition Commission of India, Collector of Stamps – Maharashtra, etc. have requested for certain details and explanations from the Board and have initiated their regulatory proceedings / investigations.

- (i) The Directorate of Enforcement has issued various show cause notices on the Board relating to transactions of Indian Premier League on certain matters, including *inter alia*, remittances made in connection with IPL Season 2009, remittances towards certain consultancy services, facilitation fee agreement between certain parties, alleged guarantees given to players, performance deposits received, etc. amounting to Rs. 2,421.62 Crores as at 31st March, 2018 (Previous Year Rs. 2,421.62 Crores) for alleged contraventions with the provisions of the Foreign Exchange Management Act, 1999. The Board has filed its responses to all the above show cause notices and hearings / proceedings are in progress.

Subsequent to year end on 4th June 2018, the BCCI received an order dated 31st May 2018 passed by the Adjudicating Authority in the adjudication proceedings (“Final Order”) relating remittances made in connection with IPL Season 2009 levying a total penalty of Rs. 82.67 Crores against which the BCCI has filed appeal with the Hon, Appellate Tribunal constituted under FEMA.

Meanwhile, the BCCI also received a letter dated 12th July 2018 and an e-mail dated 11th June 2018 from Mr. N Srinivasan (former Hon. Secretary of the BCCI) and Mr. M.P. Pandove’s (former Hon. Treasurer of the BCCI) offices, respectively, seeking indemnity from the BCCI in relation to the penalty imposed on them by the Adjudicating Authority vide the Final Order of Rs. 11.53 Crores and Rs. 9.72 Crores on Mr. N. Srinivasan and Mr. M.P. Pandove, respectively. Based on legal advice obtained BCCI has agreed to a deposit on their behalf any amounts required to be deposited before the Appellate Tribunal under their respective Appeals against the Final Order, subject to (a) a subsequent finding of ‘willful act or default’ on their part by any competent court of law or authority, in which event the amounts so deposited would be recoverable by the BCCI from Mr. N. Srinivasan and Mr. M.P. Pandove, respectively; and (b) refund of the amounts deposited by the BCCI on their behalf, if any, if Mr. N. Srinivasan and Mr. M.P. Pandove are successful in challenging the Final Order.

The BCCI also received two e-mails dated 3rd August 2018 and 7th August 2018 from attorney of Mr. Lalit Modi (former Chairman, IPL) and a letter dated 10th August 2018 from Mr. Lalit Modi advocates, Vide the said e-mails and letter, Mr. Lalit Modi has claimed indemnity from the BCCI in relation to the penalty of Rs. 10.65 Crores imposed on him by the Adjudicating Authority vide the Final Order. The BCCI has till date not responded to Mr. Lalit Modi’s e-mails and/or letter. Vide letter 10th August 2018, Mr. Lalit Modi has stated that he would approach the Courts seeking an appropriate remedy if the BCCI fails to communicate its decision with respect to his claim.

- (ii) The Competition Commission of India (CCI) had issued an order on the Board stating that the Board had abused its dominant position in contravention of Section 4(2)(c) of the Competition Act, 2002 and imposed penalty amounting to Rs. 52.24 Crores. The Board had filed an appeal before the Competition Appellate Tribunal (CAT) challenging the above order.

During the year ended 31st March, 2014, the Competition Appellate Tribunal issued a stay order directing the Board to remit 25% of the penalty and, accordingly, the Board had paid an amount



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of Rs. 13.06 Crores under protest as at 31st March, 2015. During the previous year, the CAT issued an order directing the CCI to hear the matter afresh and passed orders directing CCI to refund the amount of Rs.13.06 Crores with interest, which has been received by the Board during the year ended 31st March, 2016. In line with the CAT Order, the Directorate General of CCI has commenced the hearing afresh and has requested further information from the Board, which has been provided by the Board. During the year ended 31 March 2017, the Directorate General has submitted a supplementary report and the CCI has passed an order directing the Board to file its written submission/objections to the supplementary report, which has been provided by the Board.

During the year ended 31st March 2018, CCI has passed an order on the Board stating that BCCI is guilty of abuse of dominance position in contravention of Section 4(2)(c) of the Competition Act, 2002 and in addition to imposing a penalty amounting to Rs. 52.24 Crores, the CCI had issued some directions. An appeal challenging the CCI order had been filed with National Company Law Tribunal ("NCLAT"). NCLAT has issued a stay order directing the Board to remit 10% of the penalty and accordingly, the Board has paid an amount of Rs. 5.22 Crores under protest as at 31st March 2018 and the hearings are in progress.

- (iii) Various Government investigating agencies have also sought information from the Board relating to the transactions with certain State Associations as part of their scrutiny / investigation of the affairs of such State Associations.
- (iv) During the previous year ended 31 March 2017, the Board has received show cause notices from the Collector of Stamps, Maharashtra under Sections 67, 67A and 68 of Maharashtra Stamp Act, 1958 demanding information relating to the various contracts and agreements entered and executed by the Board in the State of Maharashtra and in other states from the year 2005 onwards and the details of stamp duty paid, if any, thereon. The Board has filed its reply to the notices and is in the process of providing other required information to the Department and taking other required actions, as necessary. As at 31st March 2018, based on legal advice obtained, the Board believes that no stamp duty is required to be paid on the contracts already entered into by the Board, and therefore, the Board is confident of succeeding in its defense.

Whilst the proceedings initiated by various statutory authorities are ongoing and are pending before various forums, based on its evaluation and professional advice, the Board believes that due disclosures have been made for the ongoing disputes / regulatory and other proceedings, along with the opinion of the Board, wherever required, based on its assessment.

21. INTERNAL INVESTIGATIONS / REVIEWS

- a. During the year ended 31st March, 2011, the Board had issued three show cause notices to Mr. Lalit Modi, former Chairman of the Indian Premier League (IPL) with respect to the operations of the IPL and other related matters for which responses have been received from Mr. Lalit Modi. The Board had also filed a First Information Report (FIR) against the former Chairman of the IPL. The members, at the Special General Meeting held on 3rd July, 2010, ratified the decision of the Hon. Secretary to refer the above matter to the Disciplinary Committee of the Board.

The report of the Disciplinary Committee was placed before the Special General Meeting (SGM) and based on the findings of the report, the SGM approved the report of the Disciplinary Committee. Further, the Board had appointed a firm of Chartered Accountants to investigate into the affairs of the IPL in relation to various matters, including Contract Compliance, Authorisation for Expenditure, etc. The firm of Chartered Accountants has submitted its investigation report to the Board.



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Pursuant to the aforesaid internal investigations, the Board has reviewed various Agreements / MOUs / Contracts since the Board is of the view that certain agreements purported to have been entered into on behalf of the Board were unauthorised and may, therefore, not necessarily be binding on the Board. Consequent to such reviews of the Agreements / MOUs / Contracts, the Board, pending final determination has accounted for Incomes, Expenses, Assets and Liabilities with respect to these Agreements / MOUs / Contracts based on the decisions of the IPL Governing Council, the Finance and the Working Committees of the Board. Also Refer Note 22(IV) below.

Whilst the proceedings of the Disciplinary Committee have been completed and its report has been approved by the members, the Board is in the process of giving effect to the findings / decisions and taking appropriate actions based on the same. The Board is of the opinion that adjustments, if any, to the financial statements arising out of the above, *inter alia*, investigation findings, discussions with the counter parties to the Agreements / MOUs / Contracts, as applicable, will be dealt with as and when finally determined, in accordance with its accounting policies.

- b. The Board has also initiated reviews / verification of the affairs / payments made to State Associations as part of its overall monitoring, which are in progress.

22. INDIAN PREMIER LEAGUE

I. IPL Season 2018:

- a. The Indian Premier League – Season 2018 was held in India during the period from April to May 2018. In accordance with the accounting policy of the Board, the advance, for expenditure to be incurred for IPL Season 2018, as at 31st March, 2018 amounting to Rs. 709.46 Crores will be charged to the Income and Expenditure Account in the financial year 2018-19. Hence, the same has been included under Current Assets, Loans and Advances – Others (Schedule 6) as at 31st March, 2018.

II. IPL Season 2017:

The Indian Premier League – Season 2017 was held in India from 5th April, 2017 to 21st May, 2017 during the financial year 2017-18 (IPL - Season 2017). The tournament related Income and Expenditure (Schedule 9) of IPL - Season 2017 have been considered in the Income and Expenditure Account for the current year in accordance with the Accounting Policy of the Board.

- a. Media Rights Income:

Central Rights Income from Sale of Media Rights comprises:

Particulars of Agreement	Party	Rs. in Crores	
		IPL – Season 2017	IPL – Season 2016
Sale of Media Rights Within Indian Sub-Continent (Refer Note below)	Multi Screen Media Private Limited (Substituted effective from 1 April 2014 in place of MSM Satellite (Singapore) Pte. Limited (MSM) pursuant to	842.49	812.50



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	Novation Agreement dated 28 March 2014)		
Sale of Media Rights in Select Territories Outside Indian Sub-Continent (Refer Note below)	British Sky Broadcasting Limited, ESPN Inc., Novi Digital Entertainment Private Limited and Sub Licensees (per agreements with World Sports Group (India) Private Limited (WSG))	Limited to – 51.04	Limited to – 49.92
Total		893.53	862.42

Notes:

The Board had initially entered into an agreement dated March 25, 2009 with MSM. Subsequently, the Board had entered into an Amended Media Rights License Agreement dated June 25, 2010 which was subsequently amended vide agreement dated December 21, 2012 (“Amended Agreements”) with MSM amending certain terms of the Original Agreement dated March 25, 2009, including the commercial terms. Subsequently, the Board has entered into a Novation Agreement dated March 28, 2014 between MSM Satellite (Singapore) Pte. Limited (MSM) (referred as “Transferor”) and Multi Screen Media Private Limited (referred as “Transferee”) pursuant to the Scheme of Arrangement between the Transferor and Transferee which was sanctioned by the High Court of Judicature of Bombay, as per which the broadcasting business of the Transferor has been transferred to the Transferee effective April 01, 2014 on the terms and conditions set out in the Novation Agreement resulting in the release and discharge of Transferor from the Original Agreement and to substitute the Transferee as a party to the Original Agreement in place of the Transferor effective April 01, 2014.

Accordingly, the Board has recognised an amount of Rs. 842.49 Crores for IPL Season 2017 as per the Novation Agreement.

The Board entered into an agreement with World Sports Group India Private Limited (“WSG”) dated March 25, 2009 with respect to the Media Rights for Rest of the World for telecasting the Indian Premier League for the period from March 15, 2009 to January 31, 2017. Subsequently, the Board, vide letter dated 28 June 2010, rescinded the contract attributing fraud and misrepresentation by WSG. MSM is also pursuing legal action against World Sport Group (Mauritius) Ltd. relating to certain payments made by them to WSG Mauritius. Also refer Note 21 above.

WSG challenged the above and filed a petition under Section 9 of the Arbitration and Conciliation Act, 1996 restraining the Board from creating any third party rights which were conferred to WSG under the above contract. The said application was dismissed by a single judge of the Hon. High Court of Bombay. However, the Division Bench of the Hon. High Court of Bombay allowed the appeal filed by WSG. The Board filed an appeal with the Hon. Supreme Court against the order of the Hon. High Court and the Hon. Supreme Court held that the Board shall be entitled to award the media rights which was earlier covered under the agreement with WSG dated March 25, 2009 to third parties by following the standard tender procedures subject to the condition that the Board shall honour all the Sub License Agreements entered into by WSG. Further, the Hon. Supreme



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Court also held that pending disposal of the case, all amounts received by the Board, including monies received from the Sub Licensees, shall be remitted into an Escrow Account to be opened by the Board and the Board will be entitled to draw the amount equivalent to the license fee it would have received from WSG, if the agreement dated March 25, 2009 had not been terminated.

The WSG agreement term was valid till 31 January 2017 with an option to extend the Rights period for IPL 2017, while the order given by Hon. Supreme Court of India states deemed receivership for WSG agreement will end on 31 January 2017. Board is of the view that the end date mentioned in the agreement is not valid and has further obtained the order from Hon. Supreme Court of India dated 14 July 2017 for receivership rights of IPL 2017.

Based on the aforesaid Supreme Court Order, the Board has entered into Media Rights Agreements with the following Rights Holders for an aggregate consideration of Rs. 192.41 crores for IPL Season 2017, out of which the Board has received an amount of Rs. 189.21 crores (net of tax withheld of Rs. 2.39 Crores and Exchange loss of Rs. 0.81 Crores):

				Rs. in Crores
Name of Rights Holders	Agreement Date	Rights Granted	Territories Covered	Media Right Fee for IPL Season 2016
British Sky Broadcasting Limited ("British Sky")	January 13, 2014	Television, Internet and Mobile	United Kingdom, Republic of Ireland, Isle of Man, Channel Islands and the European Territories	33.60
ESPN Inc. ("ESPN")	July 30, 2015	Television, Audio, Internet and Mobile	United States of America and its Territories	31.61
Novi Digital Entertainment Private Limited ("Novi")	February 10, 2015 and amended on April 25, 2016	Television, Internet and Mobile	Rest of the World and the Middle East	127.20
		Audio Rights	Rest of the World, Europe and Africa	
		Delayed Internet and Mobile Rights	Indian Sub-continent	
			Total	192.41

Further, the Board has invoiced an amount of Rs. 56.36 Crores on account of agreements with the Sub Licensees of WSG out of which, an amount of Rs. 53.37 Crores (net of tax withheld of Rs. 1.79 Crores and Exchange loss of Rs. 1.20 Crores) has been received by the Board as on 31 March 2018.



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The details of the amount invoiced on account of the Sub Licensee Agreements are as follows:

Name of the Sub Licensee	Region	Amount (USD)	Rs. in Crores
Gulf DTH FZ LLC (Refer Note Below)	Middle East and North Africa	5,500,000	36.20
Supersport International (Pty) Ltd	South Africa, Sub Saharan Africa and Islands adjacent thereto	3,000,000	20.16
Total		8,500,000	56.36

Note: Based on the assignment agreement entered into between Pehla Media & Entertainment FZ LLC and Gulf DTH FZ LLC dated 17 July 2016, the rights with respect to Middle East and North Africa were assigned by Pehla Media & Entertainment FZ LLC to Gulf DTH FZ LLC with respect to IPL Season 2017.

The Summary of amounts received by the Board from various Rights Holders and the Media Rights Income eligible to be recognised are as under:

Particulars	Rs. In Crores		
	As at 31st March, 2017	Additions during the year	As at 31st March, 2018
Amounts received from Rights Holders (A)	531.01	189.21	720.22
Amounts received from Sub Licensees (B)	258.35	53.36	311.71
Amount eligible to be recognised as per Hon. Supreme Court Order (C)	281.88	51.04	332.92
Differential amount considered as Unearned Income (D=A+B-C)	507.48	191.53	699.01
Interest Earned on Escrow Accounts (Fixed Deposits and Savings) (E)	128.58	42.12	170.70
Total Unearned Income (D+E)	636.06	233.65	869.71

b. Sale of Tickets of Play-Off Matches:

The ticketing income relating to the Play Off Matches have been accounted by the Board based on the separate Ticket Revenue Statements audited by other Chartered Accountants. The details of the Income from Sale of Tickets for the Play Off Matches considered in the financial statements are as under:

Venue	Event	Rs. in Crores
Mumbai	Play Off Matches – Qualifier 1	7.44
Bengaluru	Play Off Matches – Qualifier 2	2.46
Bengaluru	Play Off Matches – Eliminator	3.85
Hyderabad	Play Off Matches – Final	6.29
Income from Sale of Tickets - Playoff Matches (Gross)		20.04
Less: Service Tax Output Liability		2.66
Income from Sale of Tickets of Playoff Matches (Net)		17.38



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c. Ticketing Arrangements with Franchisees:

As per the Agreements entered into by the Board with the Franchisees, the Board is entitled to receive 5% of the tickets for all the league matches held at each venue. For IPL Season 2017, the Board has revised its ticketing arrangement with 6 Franchisees from the existing allocation of 5% of tickets to a fixed number of Hospitality tickets for each of the home matches. As per the revised arrangement, the Board has agreed to pay a specified sum of consideration to the Franchisees and has also agreed to incur hospitality and catering expenses for the Guests of the Board and the Franchisees, in lieu of the aforesaid ticketing arrangements. Pursuant to the same, the Board has incurred Rs. 4.08 Crores towards Hospitality & Catering Expenses for the matches.

d. Release Fees to Foreign Cricket Boards:

The Board has accounted for an amount of Rs. 16.20 Crores relating to the Release Fees payable by the Board to the foreign cricket boards for organizing the player registrations, coordination with the club/association to which the player represents and granting No Objection certificates to the players and enable the players to play for their respective franchisees in the IPL Season 2017. As per the directions of the IPL Governing Council, the aforesaid Release Fees of Rs. 16.20 Crores have been determined at the rate of 10% of the sum of league fees payable by the Franchisees to the players.

e. Management Fees

Pursuant to the suspension of two IPL Franchisees, namely, Chennai Super Kings and Rajasthan Royals, the Board has entered into Franchisee Agreements with 2 New Franchisees, Gujarat Lions (Intex Technologies (India) Limited) and Rising Pune Supergiants (New Rising Promoters Private Limited) (herein after referred to as "New Franchisees") on 8 December 2015 in addition to the remaining 6 Franchisees (herein after referred to as Existing Franchisees) through a Reverse Bidding Process (with both bids being Negative Bids) for 2 IPL Seasons – IPL Season 2016 and IPL Season 2017 and has accounted the sums received pursuant to the contractual terms as Management Fees for IPL Season 2017 in accordance with such agreements.

Team Name	Agreement Dated	Management Fees Rs. in Crores
Gujarat Lions	08 December 2015	10.00
Rising Pune Supergiants	08 December 2015	16.00
Total		26.00

The key terms and conditions of the Franchisee Agreements entered into with the New Franchisees are as follows:

- (a) Negative Bid refers to a Bid where Management Fees is payable by the New Franchisees to the Board each year in accordance with the timelines as agreed in the agreement.
- (b) The Board shall pay the Prize Money and Play Off Standing Fund as may be due to the New Franchisees in respect of each year at the same time any such payments is being made to the Existing Franchisees.



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- (c) The New Franchisees have acknowledged and agreed that they shall have no rights on any Central Rights Income and the attributable share based on the calculations is to the account of the Board.

Considering the above terms as agreed with the New Franchisees and approved by the IPL General Council, the Board has evaluated and retained the method of allocation of the Net Central Rights Income between the Board and the Existing Franchisees, as specified in the existing Franchise Agreements. Further, the share of Net Central Rights Income attributed to the new Franchisees selected on a reverse bidding process has been appropriated by the Board considering that the New Franchisees have no rights to receive the Net Central Rights Income and the same is to the account of the Board.

f. Hosting Fees For League Matches Paid / Payable To State Associations

As per the Stadium Agreements entered into by the Board with the Franchisees and Hosting State Associations, the Board has agreed to pay an amount of Rs.0.30 Crores per league match hosted by the State Associations totaling to a cost of Rs.16.80 Crores for IPL Season 2017.

III. IPL Season 2014

Income from Sale of Tickets of UAE League Matches:

As per the decision taken by the IPL Governing Council and addendum agreements entered into with the Franchisees, the rights and obligations relating to UAE league matches vest with the Board and the Franchisees shall have no rights or obligations in relation to the staging of the Matches.

The Board, in the Hosting Agreement entered into with Emirates Cricket Board ("ECB"), entitled ECB to print and sell tickets for the opening ceremony and all the league matches and ECB shall remit the amounts received from sale of tickets to the Board after deducting VAT or local taxes and ticketing expenses.

Accordingly, during the year ended 31st March, 2015, the Board had accounted for Income from Sale of Tickets relating to the league matches held in the UAE amounting to Rs. 27.58 Crores (net) on the basis of the amounts received from ECB and the unaudited information obtained from ECB.

IV. Prior IPL Seasons:

(1) Settled Matters:

a. Web Services Income:

(i) IPL Season 2009 and IPL Season 2008:

The Board accounted for Web Services Income amounting to USD 4.25 Million (equivalent Rs.18.98 Crores) during the prior years based on the Memorandums of Understanding with Live Current Media Inc. (LCM) and, consequently, an amount of USD 4.25 Million (equivalent Rs.18.98 Crores) was receivable from LCM as at 31st March, 2015. As at 31st March, 2015, the Board received an amount of USD 3.25 Million (equivalent to Rs. 14.51



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Crores) from Global Cricket Ventures, Mauritius (GCV) for Web Services Income based on the Novation Agreement entered into by LCM in favour of GCV.

Pursuant to the internal investigations, as indicated in Note 21, the Board had not recognised the aforesaid Novation Agreement and accordingly, considered the amount of USD 3.25 Million (equivalent to Rs. 14.51 Crores) as payable to GCV, which had been disclosed under Current Liabilities and Provisions (Schedule 3) as at 31st March, 2015. Also Refer Note 35 below.

Further, pursuant to the decision of the Members at the Annual General Meeting, the Board terminated the novation agreement entered into with LCM and GCV and had invoked arbitration proceedings against GCV.

During the year ended 31st March, 2016, the Board and GCV entered into a settlement agreement dated 24th November, 2015 in terms of which both parties have withdrawn their respective claims against each other and the settlement agreement has also been filed with the Arbitral Tribunal.

Accordingly, based on the settlement agreement, the Board adjusted the amounts received from GCV (Rs. 14.51 Crores) against the amounts receivable from LCM (Rs. 18.98 Crores) and provided for the balance receivable from LCM pending regulatory approvals for reversal/write off amounting to Rs. 4.47 Crores in the books of account, which was disclosed as an exceptional item in the financial statements for the year ended 31st March, 2016.

b. Arbitration with Viacom 18:

With respect to the advertisement spots as per the settlement agreement, BCCI has recognized an amount of Rs. 0.41 crores as advertisement income in FY 2016-17. Since it is a non-monetary transaction the expense should have also been recognized in FY 2016-17 to this extent. Since the expense is not recorded Viacom account is showing a debit balance in the books for this amount which has to be written off.

(2) Other Matters:

a. Income from Free Commercial Time:

Pioneer Diagsys Services Private Limited ('Pioneer Diagsys'), an advertising sale company, undertook on behalf of the Board to commercially exploit the sale of 150 seconds air time available to the Board. Based on the understanding of the Board with Pioneer Diagsys, the Board is eligible to receive a total income of Rs. 29.75 Crores (including Service Tax of Rs. 2.78 Crores) for the sale of 150 seconds air time, which includes an amount of Rs. 16.55 Crores (including Service Tax of Rs. 1.55 Crores) receivable from United Telelinks towards 50 seconds advertisement during Strategic Time out for the IPL Season 2010, though the Board does not have a formal contract with the above parties.

Based on the above, the Board recognised an income of Rs.26.97 Crores for the IPL – Season 2010, out of which the Board received a total amount of Rs.19.03 Crores from the above parties as at 31st March, 2018. The Board is confident of receiving the balance outstanding amount of Rs.7.94 Crores from the above parties in due course.



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b. Security Facilities Agreement with Visual Impact:

The Board accounted for an amount of Rs. 5.00 Crores paid towards security facilities for IPL – Season 2010 based on the agreement entered into with Visual Impact. The members of the Board at the Annual General Meeting authorised the then Hon. Secretary to look into the possibility of recovering part of the payment made to Visual Impact consequent to the internal investigations conducted by the Board (Refer Note 21 above).

During the year ended 31st March 2015, a mutual termination agreement had been entered into between the Board and Visual impact and in accordance with this agreement, Visual impact will pay Rs 3.50 crores by 7 equal monthly instalments of Rs.0.50 crores each from 31st January, 2015. Whilst the entire amount outstanding of Rs. 3.50 Crores is fully receivable by 31st March, 2018, the Board has received only one instalment of Rs. 0.50 Crore as of 31st March, 2018 and accordingly, the balance amount of Rs. 3.00 Crores has been disclosed under “Other Amounts Receivable” under Current Assets, Loans and Advances - Others in Schedule 6.

c. Minimum Purse Income:

As per the decision of the IPL Governing Council, the Franchisees were required to spend a minimum amount of USD 3.3 Million at the first player auction held in 2008. Any shortfall in spend at the auction would have to be paid by the Franchisee to the Board. During the year ended 31st March, 2011, based on decision of the Working Committee held on 28th August, 2010, the Board accounted for an amount of Rs. 2.86 Crores as Minimum Purse Income receivable from one of the Franchisees of the IPL, for not spending the minimum amount of USD 3.3 Million in the first IPL Auction held in 2008 though the same is challenged by the Franchisee.

d. Recovery of Agency Commission from World Sports Group:

During the prior years, the Board accounted for an amount of Rs. 2.70 Crores paid as Agency Commission to World Sports Group (‘WSG’) (Rs. 0.90 Crore each for IPL Season 2008, 2009 and 2010). The members of the Board at the Annual General Meeting approved the proposal to recover all amounts that have been paid to WSG on account of Agency Commission. Accordingly, the Board reversed the agency fees paid for the IPL Seasons 2008, 2009 and 2010 amounting to Rs. 2.70 Crores during the year ended 31st March, 2011 and considered the same as recoverable from WSG. Further, no cost for the Agency Fees aggregating Rs. 1.80 Crores has been accrued for the IPL Seasons 2011 and 2012, pending formal termination of the Agency Fee agreement with WSG.

The amount of Rs. 2.70 Crores has been included under “Other Amounts Receivable” as at 31st March, 2017 under Current Assets, Loans and Advances - Others in Schedule 6. The Board is confident of recovering the total amount of Rs. 2.70 Crores from WSG in due course.

e. Central Licensing Income – Bandelier S.A. :

The Board entered into an agreement dated 11th March, 2010 with Bandelier S.A for providing the license to Bandelier S.A. to use the IPL trademarks and designs in high end products such as swiss watches, cuff links, etc. As per the terms of the agreement, the consideration receivable by the Board from Bandelier S.A. for IPL – Season 2010 is the



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higher of Rs. 1.60 Crores or 10% of the Gross Sales of the licensed products by Bandelier S.A.

However, as at 31st March, 2018, the Board neither received the minimum fee of Rs. 1.60 Crores for IPL Season 2010 from Bandelier S.A. nor did it receive the statement of gross sales of the licensed products made by Bandelier. Considering the above and in view of the uncertainty in receiving the amount from Bandelier S.A, on grounds of prudence, no income, including the minimum fee of Rs. 1.60 Crores, has been accrued by the Board for the IPL Season 2010. The aforesaid amount will be appropriately dealt with at the time of actual receipt.

f. Central Licensing Income – Yog Sports - IPL Season 2010:

The Board entered into an MOU dated 13th February, 2010 with Yog Sports Private Limited for the appointment of Yog Sports as the Merchandise Distribution partner. As per the terms of the MOU, the minimum guaranteed consideration receivable by the Board from Yog Sports for IPL – Season 2010 is Rs. 1.50 Crores. In view of the non-receipt of the consideration from Yog Sports, the Board encashed the Bank Guarantee provided by Yog Sports amounting to Rs. 0.50 Crore and accounted for the same as income during the year ended 31st March, 2011. As at 31st March, 2018, the Board has not accounted for the balance amount of Rs. 1.00 Crore in view of the uncertainty involved in receiving the same.

The parties have initiated arbitration proceedings in accordance with the terms of the MOU and an arbitrator has been appointed.

23. ICC WORLD T20 – 2016 TOURNAMENT

The ICC World T20 – 2016 Tournament (“Tournament”) was organized in India from 8th March to 3rd April, 2016. For the purpose of hosting and organizing the tournament, the Board entered into a Host Agreement with ICC Business Corporation FZ LLC (“ICC”).

(a) Hosting Fees

As per the Host Agreement, the Board is entitled to receive Hosting Fee of USD 250,000 for each match (excluding warm up matches) of the men’s competition and USD 1,000,000 for all the matches relating to the women’s competition.

Accordingly, the Board recorded an income of Rs. Nil (Previous Year – Rs. 1.47 Crores) (equivalent to USD Nil (Previous Year – USD 0.25 Million)) for zero match (Previous Year - 1 match) of the men’s competition and Rs. Nil (Previous Year – Rs. 0.26 Crores) (equivalent to USD Nil (Previous Year – USD 0.04 Million)) relating to the women’s competition hosted during the year ended 31st March, 2018, aggregating to Rs. Nil (Previous Year – Rs. 1.73 Crores (net of service tax of Rs. 0.26 Crores)).

Further, in connection with hosting of matches in India, the Board entered into stadium agreements with each of the Associations hosting the matches as per which, the Board has recorded hosting fees payable to Associations amounting to Rs. Nil (Previous Year - Rs. 1.79 Crores) for the matches held during the year ended 31st March, 2018.

(b) Expenses for Staging the Tournament

As per the Host Agreement entered into by the Board with ICC, the expenses for staging of the Tournament were incurred by the Board on behalf of ICC (“Event Budget”). For this purpose, the



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Board had opened a separate bank account for the purpose of the staging of the tournament in India. The funds received from ICC for the purpose of incurring the expenditure related to the tournament were credited to this bank account and all significant expenditure in connection with the staging of the tournament were transacted through this account.

As at 31st March, 2018, the balance in the Bank Account maintained by the Board amounting to Rs. 7.34 Crores (Previous Year - Rs. 11.82 Crores), amounts payable to various parties amounting to Rs. 18.60 Crores (Previous year – Rs. 23.45 Crores) and the amounts receivable by the Board from ICC in connection with staging the Tournament on behalf of ICC amounting to Rs. 8.55 Crores (Previous Year payable amounting to Rs. 8.55 Crores), have been recorded in the books of account based on the available information and the Board's understanding with ICC, which have not been subjected to audit.

(c) Service tax

As per the Host Agreement entered into by the Board with ICC, indirect taxes, if any applicable in relation to the Tournament, are to the account of the Board. Accordingly, the Board has remitted and accounted the service tax on the amounts received from ICC (as per (b) above) and recovery of production costs etc. aggregating to Rs. Nil (Previous Year - Rs. 3.90 Crores). Since, as per Host Agreement, the Board was liable to pay all taxes, Service Tax paid, as above, had been charged to the Income and Expenditure Account for the previous year ended 31 March 2017.

(d) During the previous year ended 31 March 2017, the Board had received communication from ICC with regards to the potential tax exposure on ICC on the media rights income earned by ICC from the World T20 – 2016 hosted in India and the contractual requirements of the same. The Board had been professionally advised that it does not have any financial exposure in respect of the aforesaid matter and the Board is in the process of discussing the matter with ICC and the consequential impact, if any, will be dealt with on conclusion of the same.

(e) During the year ended 31st March 2017, the Board, based on the claims received from the Mumbai Cricket Association and Vidarbha Cricket Association, has recognized an amount of Rs. 5.33 Crores towards security costs incurred by the above mentioned State Cricket Associations in excess of the amounts budgeted, and therefore, the same have been borne by the Board.

(f) An amount of Rs. Nil (Previous Year - Rs. 10.53 Crores) and a cumulative deficit of Rs. 22.07 Crores has been accounted by the Board from hosting the ICC World T20 – 2016 tournament based on the understanding / agreement with the ICC. The Board is in the process of discussing the resolution of various matters including taxation matters and the resultant cumulative deficit relating to ICC World T20 – 2016 with ICC as at 31st March, 2018.

24. INDIA TOUR TO UNITED STATES OF AMERICA

During the previous year ended 31 March 2017, the Board had entered into a Memorandum of Understanding (MOU) with the West Indies Cricket Board for hosting the two T20 matches in Florida, USA on 27th and 28th August 2016 and the Board had recorded a net surplus of Rs. 37.16 Crores during the previous year ended 31st March, 2017. In this regard:

(a) The Board has accounted for Income from Sale of Media Rights for the matches played in the United States of America (USA) amounting to Rs. 34.20 Crores on the basis of current understanding with the Media Rights Holder, in the absence of signed contracts/agreements.



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- (b) The Board has accounted for Income from Sale of Tickets amounting to Rs. 13.87 Crores on the basis of information available with the Board and the ticket revenue statement on which certain agreed upon procedures were performed by a firm of Certified Public Accountants who have indicated that information with regard to the complimentary tickets is solely based on the email and report of the ticketing agency.

The Board believes that additional adjustments required, if any, on account of the above would not be material and the same will be adjusted in the financial statements as and when identified.

25. PROVIDENT FUND

During the year, the Board has remitted a total amount of Rs. 2.38 Crore (Previous Year - Rs. 0.79 Crore) as its contribution towards Provident Fund for the employees of the Board in accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

26. EMPLOYEE BENEFITS

A. Gratuity

The Board's obligation towards gratuity payable to its employees is a defined benefit plan. The Board does not have a funded gratuity scheme for its employees. The details of the key actuarial assumptions used in the determination of gratuity liability are as under:

Actuarial Assumptions	2017-18	2016-17
Discount Rate	7.90%	7.50%
Future Salary Increase	15.00%	10.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

- (i) The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.
- (ii) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligations.

B. Compensated Absences

The Key Assumptions used in the Actuarial Valuation as provided by Independent Actuary, are as follows:

Particulars	2017-18	2016-17
Discount Rate	7.90%	7.50%
Future Salary Increase	15.00%	10.00%



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 17

NOTES TO ACCOUNTS (CONTD.)

27. OPERATING LEASES

The Board has operating lease agreements as a lessee primarily for its administrative offices. The lease term period is about 3 to 10 years. An amount of Rs. 2.61 Crores (Previous Year – Rs. 2.90 Crores) has been debited to the Income and Expenditure Account towards lease rentals for the year.

28. FOREIGN CURRENCY ASSETS AND LIABILITIES

As at the year end, the foreign currency assets and liabilities are given below:

Particulars	Currency	As at 31st March, 2018		As at 31st March, 2017	
		Foreign Currency in Million	Amount in Rs. Crores	Foreign Currency in Million	Amount in Rs. Crores
Current Liabilities and Provisions	USD	1.25	8.17	0.89	6.03
	GBP	0.12	0.98	0.43	3.70
	EURO	0.13	1.07	-	-
Current Assets, Loans and Advances	USD	11.11	72.33	18.35	119.79
	GBP	0.03	0.26	0.05	0.44

As per the policy, the Board does not take any forward / other derivative contracts.

29. NON-MONETARY TRANSACTIONS

As part of the various agreements entered into by the Board has earned the following significant non-monetary incomes from its sponsors / rights holders. Such transactions have not been recognized in the Statement of Income and Expenditure:

- (a) During the year, as per the terms of the sponsorship agreement with Nike India Private Limited, the Board received apparel, footwear and other accessories from Nike free of cost for distributing to the players and support staff of the cricket teams.
- (b) As per the terms of the Media Rights Agreement between the Board and Multi Screen Media Private Limited, MSM spent a minimum amount of Rs. 30.00 Crores towards advertisement spend for Indian Premier League Season 2017.
- (c) As per the terms of the Sponsorship Agreement between the Board and Yes Bank Limited, Yes Bank spent not less than Rs. 4.00 Crores in out of pocket marketing expenditure for Indian Premier League Season 2017.

As per the terms of the Sponsorship Agreement between the Board and Pepsi, the Board has received free of cost quantities of stock for each match held during the year, as specified in the Sponsorship Agreement.

30. PURCHASE OF LAND FOR NATIONAL CRICKET ACADEMY

The Board had initially proposed to establish a state-of-the-art sports training facility in Devanahalli near Bengaluru for the functioning of the National Cricket Academy. In this regard, the Board entered into an agreement with the Karnataka Industrial Area Development Board (KIADB) for purchase of 50 acres of land for a total consideration of Rs. 49.97 Crores, which was paid by the Board during the year 2010-11.



THE BOARD OF CONTROL FOR CRICKET IN INDIA

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During the year ended 31st March, 2014, an interim order has been passed by the Hon. Karnataka High Court staying the notifications dated 8th December, 2011 issued by the KIADB for allotment of the land to the Board.

In view of the litigations involved, the Board through its letter has informed KIADB that the Board is no longer interested in acquiring the stated land and has requested KIADB to refund the amount paid of Rs. 49.97 Crores along with interest of 12% per annum from the date of payment till refund of the said amount.

During the previous year ended 31st March, 2017, in consideration of the amount of Rs. 50.00 Crores (including Rs. 0.03 Crore paid in the current year) paid by the Board, the KIADB, vide letter dated 28th February, 2017, allotted 25 acres of land on lease for a period of 99 years with a yearly lease premium of Rs. 875,000 (including Rs. 250,000 towards maintenance charges) to the Board. Accordingly, the amount of Rs. 50.00 Crores has been capitalized as Lease Hold Land under Fixed Assets (Schedule 4). Subsequent to the previous year ended 31st March, 2017, the lease hold land has been registered in the name of the Board on 18th May, 2017.

Further, subsequent to the previous year ended 31st March, 2017, the Board, through its letter to KIADB, requested for allotment of additional 15 acres of land connected to the existing leased land. Pursuant to the same, KIADB, vide allotment letter dated 15th July, 2017, allotted 15 acres of land on lease for a period of 99 years for a consideration of Rs. 37.50 Crores along with a yearly lease premium of Rs. 15,000. Accordingly, the Board paid the aforesaid amount of Rs. 37.50 Crores along with the registration fees of Rs. 8.14 Crores and completed the registration / other formalities in this regard for the aforesaid land.

31. ENTERTAINMENT TAX RECOVERABLE

- a) As at 31st March, 2018, the Board has recorded an amount of Rs. 3.07 Crores (As at 31st March, 2017 – Rs. 2.75 Crores) as Entertainment Tax Recoverable, as indicated below:

Event	Authority	Rs. in Crores	
		2017-18	2016-17
CLT20 -Season 2009	Government of NCT of Delhi	0.72	0.72
CLT20 -Season 2011	Entertainment Tax Office, Bangalore	0.73	0.73
IPL Season 2012 – Play off matches	Entertainment Tax Office, Bangalore	0.01	0.01
IPL Season 2013 – Play off matches	Entertainment Tax Office, Delhi & Kolkata	0.38	0.38
CLT20 -Season 2013	Entertainment Tax Office, Bangalore	0.09	0.09
IPL Season 2014 – Play off matches	Entertainment Tax Office, Kolkata & Mumbai	0.07	0.07
IPL Season 2015 – Play off matches	Entertainment Tax Office, Punjab, Hyderabad, Mumbai and Kolkata	0.29	0.29



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2018

SCHEDULE 17

NOTES TO ACCOUNTS (CONTD.)

Event	Authority	Rs. in Crores	
		2017-18	2016-17
IPL Season 2016 – Play off matches	Entertainment Tax Office, Delhi	0.46	0.46
IPL Season 2017 – Play off matches	Entertainment Tax Office, Bangalore	0.32	-
Total		3.07	2.75

The above amounts represent Entertainment Tax paid by the Board for matches not held / pertaining to tickets which remained unsold. The Board is following up with the concerned Entertainment Tax Departments and is confident of recovering the amount paid, hence, the Board has disclosed the same under Current Assets, Loans and Advances – Others (Schedule 6).

- b) During the year ended 31st March, 2013, the Board had received a show cause notice from Entertainment Tax Department, New Delhi directing the Board to deposit Entertainment Tax at the rate of 15% on the sponsorship amount received for the IPL / CLT20 matches held at Delhi since 2008. However, during the previous year, the Board has obtained a stay order from Hon. High Court of Delhi on the notices issued by Entertainment Tax Department and there has been no further progress on this matter.

32. GROSS REVENUE SHARE PAYABLE TO PLAYERS

In accordance with the decision of the working committee and as per the established practices of the Board, 26% of the Gross Revenue of the Board as calculated in accordance with the basis approved by the Board, is to be distributed to players as fees and allowances. Whilst the revenue of the Board is determined as per the audited accounts of the current financial year, the payments deducted for arriving at the 'balance amount' payable to the players are on the basis of the eligible payments expected to be made during the period from 1st October, 2017 to 30th September, 2018 as per the contract. For the year ended 31st March, 2018, an estimated provision of Rs. 19.09 Crores (Previous Year - Rs. 37.29 Crores) has been made in the books as "Gross Revenue Share Payable to Players".

33. DISTRIBUTIONS/PARTICIPATION FEE FROM INTERNATIONAL CRICKET COUNCIL / ASIAN CRICKET COUNCIL

I. INTERNATIONAL CRICKET COUNCIL

- (a) In accordance with the Accounting Policy of the Board, the Board has recognized a total income of Rs. 29.58 Crores (Previous Year – Rs. 66.56 Crores) representing the distribution of surplus by the International Cricket Council ("ICC") for various tournaments, annual distribution income as approved by ICC and annual ranking awards announced by the ICC, the details of which are as under:

Particulars	Rs. in Crores	
	2017-18	2016-17
ICC Distribution	23.07	60.01
Royalty Payment – 2014 and 2015	-	0.11
Annual Ranking Awards	6.51	6.44
Total	29.58	66.56



THE BOARD OF CONTROL FOR CRICKET IN INDIA

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- (b) The new revenue distribution model, proposed to be adopted by the International Cricket Council, is applicable for the period from 1 January 2016, and is in the process of being finalized by the ICC. The manner and quantum of distribution to be received by the Board, if any, pertaining to the period up to 31st March, 2018 will be accounted by the Board as and when finalized/ determined by the ICC, in accordance with the Board's accounting policy.

II. ASIAN CRICKET COUNCIL

In accordance with the Accounting Policy of the Board, the Board has recognised a total income of Rs. 1.04 Crores (Previous Year – 0.67 Crores) representing the Distribution Income for Asia Cup received from the Asian Cricket Council (“ACC”).

34. INCOME AND EXPENSES

- a) The Board incurs certain common costs in the nature of administrative and other expenses which have been allocated by the Board to Indian Premier League and the Board's Tournaments. These allocable common costs attributable to Indian Premier League have been recorded under Indian Premier League (Annexure to Schedule 9).
- b) Establishment and Other Expenses (Schedule 15) include Rs. 0.68 Crore* and Rs. 0.18 Crore (Previous Year Rs. 0.68 Crore and Rs. 0.18 Crore); IPL Administrative and Other Expenses (Annexure to Schedule 9) include Rs. 0.30 Crore* and Rs.0.03 Crore (Previous Year Rs. 0.30 Crore and Rs.0.03 Crore); Expenses of NCA (Annexure 1 to Schedule 13) include Rs. 0.12 Crore* and Rs. 0.03 Crore (Previous Year Rs. 0.12 Crore and Rs. 0.03 Crore) towards Remuneration to Auditors and Internal Auditors, respectively. (*Subject to approval by the General Body of the Board.)
- c) Establishment and Other Expenses (Schedule 15) also include Rs. 0.28 Crores (Previous year Rs. 0.67 Crores) paid towards professional fees for certain non-audit services rendered by the Audit Firm and Rs. Nil Crores (Previous Year Rs. 1.02 Crores) paid towards professional fees for certain non-audit services rendered by an entity, which is a member of the global network of the Audit Firm.
- d) The Board is in the process of reviewing certain transactions / contracts duly considering the contractual terms / conditions / professional advice; similarly, there are certain additional sums receivable which are dependent on the successful negotiations / final determination. Since the aforesaid sums are contingent / uncertain in nature, the same has not been accounted and will be dealt with as and when the entitlement of the Board is established with certainty, in accordance with the other accounting policy of the Board.

35. OTHER LIABILITIES

The amount of Rs. 236.92 Crores (Previous Year Rs. 261.92 Crores) disclosed as others under Other Liabilities in Current Liabilities and Provisions (Schedule 3) comprises of the following:



THE BOARD OF CONTROL FOR CRICKET IN INDIA

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SCHEDULE 17

NOTES TO ACCOUNTS (CONTD.)

Particulars	Rs. in Crores	
	As at 31st March 2018	As at 31st March 2017
Amounts Received from Banks on Encashment – Nimbus Communications Limited (Refer Note 17 above)	52.70	52.70
Amounts Received from Banks on Encashment - Koolji Cricket Private Limited (Refer Note 14(a) above)	153.34	153.34
PILCOM (Refer Note 7 above)	9.12	9.12
Others	21.76	46.76
Total	236.92	261.92

36. PRIOR PERIOD EXPENSES

The financial statements for the year ended 31st March, 2018 include certain prior period expenses (net) amounting to Rs. 8.84 Crores (Previous year Rs. Nil). The details of the same are as under:

Particulars	Rs. In Crores	
	2017-18	2016-17
Conditioning Camp Expenses	0.02	-
Consumption of Cricket Balls	0.01	-
Expenses - Men's Junior Tournaments	0.34	-
Expenses of Conditioning Camps	0.49	-
Expenses of Men's Senior International Tours / Tournaments	0.13	-
Fees and Expenses of Coaches and Support Staff	0.02	-
Gross Revenue Share Payable to Players	(1.72)	-
Legal and Professional Charges	0.14	-
Men's Junior Tournament	0.07	-
Miscellaneous Expenses	3.67	-
Payments to Franchisees - Net Central Rights	1.10	-
Production Costs	0.02	-
Rates and Taxes	4.55	-
Total (Net)	8.84	-

37. AMOUNTS DUE TO STATE ASSOCIATIONS

Amounts Due to State Associations represent those amounts that are determined by the Board as due to the members of the Board in accordance with the established Policies / Rules / Decisions of the Board / Committee of Administrators.



THE BOARD OF CONTROL FOR CRICKET IN INDIA

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NOTES TO ACCOUNTS (CONTD.)

38. RELATED PARTY TRANSACTIONS

Related Party Relationships

Particulars	Year Ended 31st March 2018
Office Bearers	Mr. C. K. Khanna, Acting President Mr. Anirudh Chaudhry, Hon. Treasurer Mr. Amitabh Choudhary, Acting Hon. Secretary
Key Management Personnel	Mr. Rahul Johri, Chief Executive Officer ("CEO") Mr. Santosh Rangnekar, Chief Financial Officer

Related Party Transactions

Particulars	Cumulative Amount of Transactions (Rs. in Crores)	
	Office Bearers	Key Management Personnel
Expenses for the Year	1.40	12.65*
Reimbursement of Expenses for the Year / Incurred on their Behalf	1.08	1.06
Advances / Receivables as at 31st March, 2018	0.09	0.08

*Includes accrual of increments to the CEO in the form of variable linked pay of Rs. 2.63 Crores (including Rs. 0.80 Crores relating to FY 2016-17), during the year, which is approved by majority members of the CoA on 11th June, 2019.

Note: Related parties are as identified by the management and relied upon by the auditors.

39. CONFIRMATIONS AND RECONCILIATIONS

In respect of transactions with State Associations / Foreign Cricket Boards / Vendors / Sponsors and Right Holders / Franchisees/ Players and Match officials for the year ended as at 31st March, 2018, balances are subject to confirmation and reconciliation. Amounts receivable from State Associations are Rs. 868.70 Crores, Foreign Cricket Board are Rs. 1.75 Crores, Sponsors and Right holders are Rs. 281.80 Crores and Franchisees Rs. 4.96 Crores as at 31st March 2018. Amounts due to State Associations Rs. 2,416.95 Crores, Foreign Cricket Board Rs. 3.58 Crores, Vendors Rs. 220.48 Crores, Sponsors and Right Holders Rs. 2,473.30 Crores, Franchisees Rs. 38.87 Crores, Players and Match officials Rs. 237.92 Crores are outstanding as at 31st March 2018.

Adjustments required, if any, on account of the above would be adjusted in the financial statements as and when identified.

40. PROCEEDINGS BEFORE THE HON. SUPREME COURT

The Hon. Supreme Court of India had passed certain orders and constituted a Committee to look into various matters relating to the Board, including the Indian Premier League. During the year ended 31st March, 2016, the Committee submitted its Report containing various recommendations and during the previous year ended 31st March, 2017, the Hon. Supreme Court of India directed the Board and its member Associations to implement the Report, in line with its Order dated 18th July, 2016, as amended ("the Order") and appointed a Committee of Administrators (CoA) to supervise the administration of the Board and oversee the implementation of the Order.



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Whilst the Order *inter alia* contains certain compliance requirements for making payments to State Associations, which are yet to be implemented in totality, an amount of Rs. 865.09 Crores has been accrued for the year ended 31st March, 2018 as Amounts due to State Associations, cumulative Amounts due to State Association as at 31st March, 2018 is Rs. 1,766.22 Crores in accordance with the existing rules and as per the policy followed by the Board. Also refer Note 37 above.

Subsequent to year ended 31st March 2018, the Hon. Supreme court of India vide its judgment dated 9th August 2018, approved the draft constitution filed by the CoA on 27th October 2017, subject to some modification. In the same order the court also issued the below directions:

- The Registrar of Societies under the Tamil Nadu Societies Registration Act, 1975 shall upon presentation of the said constitution by the CEO, register the documents forthwith and report the compliance by way of report to the Secretary General of the court within four weeks.
- Upon the registration of the said constitution of the Board, each of the members shall undertake the registration of their respective constitutions on similar lines within a period of 30 days thereafter. A compliance certificate must be furnished to the CoA, which shall file a status report before the court with reference to the compliance undertaken by the State Associations; and
- In the event that any State Association does not undertake the compliance with the above said directions, the direction contained in the orders dated 7th October 2016 and 21st October 2016 shall revive.

In compliance with the above judgement dated 9th August 2018, the constitution of the Board (as approved by the Hon. Supreme court) was presented by the CEO to the Registrar of Societies under the Tamil Nadu Societies Registration Act, 1975 on 21st August 2018, which was registered on the same day. On 23rd August 2018, CoA communicated to all the members the registered constitution along with the format of the compliance certificate that must be furnished to the CoA within 30 days from the date of CoA communication in terms of the court judgment dated 9th August 2018. The members are at various stages of compliance with the above directions of the court.

41. DETAILS OF PROVISIONS

The Board has made provisions towards any possible liabilities that may eventually arise out of closure of those matters that are under dispute / litigation as at the balance sheet date:

Rs. in Crores				
Particulars	As at 1st April, 2017	Additions	Utilization	As at 31st March, 2018
Provision for contingencies	-	500	-	500
	(-)	(-)	(-)	(-)

Note: Figures in brackets relate to the previous year.

The amounts disclosed in Notes 7 to 22 above as under dispute are gross of this provision. This provision has not been set off against the amounts under dispute as such net disclosure of the dispute or providing any additional information of the provision would seriously prejudice the position of the Board in the said disputes, as permitted under the accounting standards.

42. APPOINTMENT OF AUDITORS

The Committee of Administrators, by letter dated 29th August 2018, appointed Auditors of the Board for the financial year 2017-18, subject to ratification of appointment by the General Body, as and when Annual General Meeting is held.



THE BOARD OF CONTROL FOR CRICKET IN INDIA

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st
MARCH, 2018

SCHEDULE 17

NOTES TO ACCOUNTS (CONTD.)

43. APPROVAL OF PREVIOUS YEAR'S FINANCIAL STATEMENTS

The financial statements for the previous year ended 31st March 2017 were approved by the CoA on 24th October 2017 and signed by the Office Bearers on 25th October 2017. As per the amended constitution of the Board referred to in Note 40 above, the financial statements are required to be approved by the General Body. However such General Body is yet to be formed.

44. PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to the current year's classification.

45. SUBSEQUENT EVENTS

All events subsequent to 31st March, 2018 and up to the date of approval (Refer Note 46 below) have been duly considered by the Board and the adjustments, if any, on account of the same have been appropriately dealt with in the financial statements. Material subsequent events that require disclosure in the financial statements have been duly made-Refer Notes 8, 9, 10, 11, 12, 13, 14(a), 14(c) 15, 17(b), 18(b), 20(i) and 40 above.

46. APPROVAL OF THE FINANCIAL STATEMENTS

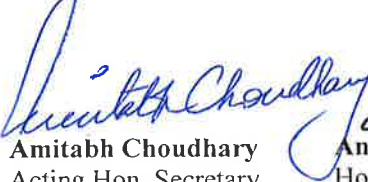
As per the amended constitution of the Board referred to in Note 40 above, the financial statements are required to be approved by the General Body in Annual General Meeting. However, such General Body is yet to be formed. Consequently, in connection with the preparation of the Financial Statements for the year ended 31st March, 2018, the Management and the CoA have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Board and income earned / expenses incurred during the year after reviewing the levels of authorisation and the available documentary evidences, the overall control environment and the audit observations made by internal and external auditors of the Board. The Management and the CoA have also confirmed that the value of the Current Assets, Loans and Advances on realisation in the ordinary course will not be less than the value at which they are recognised and disclosed in the financial statements and all known liabilities / contingent liabilities have been provided for / disclosed, as appropriate. Further, the Management and the CoA have confirmed that various internal investigations, ongoing regulatory / judicial / legal proceedings, litigations, direct and indirect tax disputes, other regulatory compliances relating to the Board, including compliance with laws, regulations, judicial orders, bye-laws and other constitutional documents of the Board, where applicable, have been duly considered / dealt with in the preparation of the financial statements. Based on the above, and duly taking into account the relevant disclosures made in the financial statements, these financial statements have been approved by the CoA, for issuance on 16th Sept 2019 and have authorised the Office Bearers of the Board to sign these financial statements as required by the amended constitution of the Board on behalf of the Board.

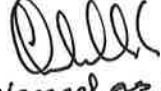
For and on behalf of the Board of Control for Cricket in India




C.K. Khanna
Acting President

Place: New Delhi
Date: 1st October 2019


Amitabh Choudhary
Acting Hon. Secretary


Anirudh Chaudhry
Hon. Treasurer

*signed as per
COA direction of 01/10/19
under
Protest.*

Place: New Delhi
Date: 1st October 2019

Place: New Delhi
Date: 1st October 2019

