

# Proletarian Era

Volume 43 No. 20  
June 15, 2010

Organ of the SOCIALIST UNITY CENTRE OF INDIA (COMMUNIST)  
Founder Editor-in-Chief : COMRADE SHIBDAS GHOSH

Price : Rs. 2.00

## INDIAN PREMIERE LEAGUE SCAM

# Exposes murky face of rotten corrupt capitalism

Sport, as we all know, is a great character building tool. It is a device to sustain physical and mental nourishment—a means to create a healthy mind in a healthy body and foster the spirit of cordiality and friendship. Sport is a source of refreshing entertainment right from the children to the aged. Sportsmanship is an attitude that strives for fair play, courtesy toward teammates and opponents, ethical behaviour and integrity, and grace in victory or defeat. Fair play refers to all participants having an equitable chance to pursue victory and acting toward others in an honest, straightforward, and a firm and dignified manner even when others do not play fairly. It includes respect for others including team members, opponents, and officials. Character refers to dispositions, values and habits that determine the way that person normally responds to desires, fears, challenges, opportunities, failures and successes and is typically seen in polite behaviour toward others such as helping an opponent up or shaking hands after a match. Aim of education, we know, is to develop a person as a socially responsible human being with consummate knowledge about life and how to approach it from a social perspective. Sport too is a time-tested device for bringing about social integration and sense of fraternity. That is why sport has always been regarded as complementary to education. We have seen in history how imbibing true spirit of sports spurred one in discharging his social obligation. During the days of our freedom movement, the urge for liberating the motherland from the tentacles of foreign imperial rule was often expressed in the arena of sports when teams charged with nationalist fervour scored impressive if not iconoclastic victory over much powerful rivals sponsored by the exploitative rulers. Such a victory in a sport event symbolized victory against oppression and suppression, victory of the just and justice against tyranny and terror. Sport also inculcates a spirit of mutual cooperation and coordination in both national and international spheres. This is how sport plays a role in stimulating human spirit and propelling society and human civilization forward.

### **Cricket — latest prey of moribund capitalism**

But sport today is being packaged, advertised and sold no different from a bunch of toiletries or a pack of junk food. Sport is now a product, to be marketed and sold in whichever way as to fetch maximum profit for the operators. Beautiful, uplifting sport is being methodically, mercilessly squeezed, its essence adulterated and sold in the market to the highest bidder. After being immersed in an insoluble market crisis endemic of the system, moribund decadent capitalism in order to satiate its greed for profit maximization is on a prowl—predating on newer areas of investment to drag its gasping existence, and the accompanying rot is spreading thick and fast. Its latest target has been the arena of sports particularly those games which are more popular and hence promise “better” business prospect. As testament to modern sport’s impending submersion into the quagmire of corrupt capitalism, no finer instances can be had than the recently broken mega-scale scam of Indian Premiere League (IPL). Noticing the increased obsession of a sizeable part of sports-loving populace in the world, it was Australian media baron Kerry Packer who first toyed with the idea of converting cricket from a sporting event in to dazzling display of an item number of modern show business that seeks to define entertainment in terms of artificially stimulated excitement, incitement of perverse proclivities and a kind of riotous amusement of imposed glamour and gaiety. It was he who first floated a parallel cricket extravaganza luring top notch cricketers with huge monetary offer so much so as to be able to whisk away many of them from the officially recognized arena of international cricket. ‘Pajama cricket’ or ‘Kerry Packer’s circus’, as it was being called those days soon became the major trend and International Cricket Council (ICC) struck a compromise with Packer, granted approval to the format of a 50-over one day match as against five day long Test cricket and endorsed large-scale commercialization of

*Contd. on page 2*

### **SUCI(C) strongly denounced Bhopal gas tragedy verdict, demanded stringent punishment of the culprits and called for observing All India Protest Day on 9th June**

Reacting to the verdict of the Bhopal District Court on the Bhopal gas tragedy that occurred in the Union Carbide plant in 1984, Comrade Provash Ghosh, General Secretary, SUCI(C) in course of a statement issued on 8 June said that while the countrymen expected that a crime of such magnitude which caused death to nearly 25,000 people and maimed, injured, slow poisoned and seriously affected in some way or other over 5.5 lakh more would be thoroughly investigated with due promptitude and the culprits hauled up, tried and swiftly meted out stringent punishment, the judiciary-administration combine showed unusual lethargy in carrying out the proceedings, diluted the importance of the case by shifting it from the charge of ‘culpable homicide’ to ‘causing death by negligence’ and then allowed legal process to meander on its tortuous path for 26 long years to ultimately end in a travesty of justice. Stunned people of the country find that the eight accused found responsible for the biggest industrial disaster in the history were only asked to pay Rs 1 lakh as fine and undergo imprisonment for just two years. And the height of mockery was that all the accused were granted bail against personal bond of just Rs 25,000 immediately after the verdict was read out. It may be recalled, observed Comrade Ghosh, that Chairman and CEO of Union Carbide, giant US multinational now owned by Dow Chemicals, another notorious US MNC, who was arrested after the deadly leak of poisonous gas was immediately released on bail and then allowed a safe passage to US to quietly avoid all legal actions as his extradition, the government knew, would be denied by the US government citing provisions of bilateral treaty between the two countries. Also in order to suppress the entire crime, the central government in 1989 dropped all criminal charges filed against the Union Carbide authorities and instead entered into an out of court settlement in which the accused US multinational got away by paying on average

*Contd. on page 6*

# Cricket stripped of essence of sports and made pompous commercial extravaganza

*Contd. from page 1*

the game. Since then, cricket no more remained a sport but assumed the character of a commercial venture where pomp and grandeur and not essence of sport dominates with notorious audacity. Soon, it was felt by the quarters of vested interest that in keeping with the present day capitalist practice of not producing goods of long standing use but the preferred 'use and throw' stuff so as to mint super-profit through augmented repeat purchase, one-dayers should give way to a still more truncated format of T-20. In sync with the vulgar consumerism world imperialism-capitalism fostered to suit its sinister class motive, a new adage, "Eat, Sleep and Drink cricket" was coined to make people crazy about the modern version of the game so that it could easily be "sold". The craze is sought to be raised to such a height that the people in following the cricketers cross the thin line that exists between a fan and a fanatic.

## IPL—metamorphosis of cricket

India has been a cricket playing country for long and so there is a fondness of the game here. It could be seen within no time that one-day cricket with coloured dress, white ball, black screen, choice of power play overs and day-and-night play timing became popular among the larger section of the masses not for love for the game per se but because of the craftily woven 'entertainment package' it offered thanks to the courtesy of the sports merchants in the country and outside. Revenue earned from cricket matches held in India was found to be highest in the world. Obviously, it occurred to a section of the ruling capitalists and their agents that why not capitalize on the opportunities unfolding before them by introducing a still more palatable 20-over version so that, cricket, by metamorphosis, could become a billion-dollar fiesta in keeping with the laws of the capitalist market economy and coffers of "those who matter" could swell overnight.

So the Board of Cricket Control of India (BCCI) which comprised and still comprises people having least concern for the game but more concentration on personal gains immediately nodded affirmatively

and Lalit Modi, a person of dubious past floated the idea of IPL. Several big monopolists as well as big film personalities either with their own resource or financed by big corporates and 'secret' investors have floated cricket clubs on ownership basis and hired cricketers round the world through open market purchase based on highest bid. To make the sector yet more attractive, monopolists romped in glamorous film stars to add 'elegance to the show'. Also, it is common knowledge that in order to sell their products, capitalists use attractive wraps and unique advertising and promotional tactics even crossing limits of decency and sobriety. As is the common practice to display women scantily dressed or provocatively posed even for marketing a shaving blade or antiseptic cream, cheerleaders and fashion models were introduced both on field and in the commentator box. The purpose was two-fold. One was to buttress commercial agenda and the other to degenerate the morality and culture of the people so that anything and everything no matter how depraved and debased could be passed as entertainment or art.

Of all the IPL's innovations – cheerleaders, city-based teams studded with international stars, player auction – the most significant, and until recently the least commented on, was the introduction of private ownership of teams. For the first time, representative cricket entities had become private assets. Modernization was equated with privileging of the private sector, with maximizing of profit that could be extracted from the game. The franchise concept of the IPL had given an uncalled for twist to the gentleman's game, pegged as it was on profits for the private owners of the teams. Earlier, sordid monetary affairs were disguised behind the cult of amateurism. The difference with IPL has been that money is in the forefront of the game, its power shameless and explicit.

Whatever the virtues of the cricket played in the IPL, the culture of the IPL – the packaging of the cricket – was soulless and contrived. The common cricket fan by no means remained a stakeholder in this venture. Sportsmanship and fairplay have been banished from

the game of cricket which once epitomized these virtues. Cricketers are "purchased" for each year's tournament by the franchises for their respective teams through auction at fabulous prices, as if they are cattle or horses. Their cricketing talent and skill have become purchasable commodities in the capitalist sports market. MUMBAI Indians spent a staggering \$750,000 to acquire Kieron Pollard, the all-rounder from Trinidad and Tobago, for IPL Season 3 in a tightly contested bid. The huge sums paid to the players, coaches and even support staff like the physiotherapists and 'vocal tonic' providers for a tournament of such small duration cannot but turn them into conceited self-seekers and corrupt them. Their participation in post-match parties is mandatory and such late-night drunken revelries cannot but debauch them as some latest incidents of cricketers getting involved in brawls in the pubs and their tryst with call girls vindicate. Also they become pliable and fall easy prey to lucrative offers for match-fixing from the betting rings organized by speculative capital which rules the roost in present-day capitalist economic activities.

Television commercials and shows, movie industry, fashion industry and many more have begun to eye the cricketers as the money making pie. Not even a single industry is left untouched. Special telecasts on news channels are covered and pre-match and post-match preparations are done not only by cricket teams but also by news channels to increase their Television Rating Point (TRP). And the huge cash generated in the process inflate the bursting coffers of the BCCI officials, IPL bigwigs and their associates, corrupt bourgeois politicians and domestic and foreign monopolists financing the mega project.

## IPL—a money spiller

The IPL was thus projected as an ingeniously conceived and spectacularly executed show, with a lot of frills and thrills. The financial scale of operations of the IPL, the amount of money invested, is truly mind-boggling. It is reported to be a \$4.1 billion cricketing extravaganza. The eight franchises together bid Rs.28.53 billion (\$640.9 million) in

2008 and pay 10 per cent of the amount each year to the IPL before the tournament begins. IPL also gets 20 per cent share of what Sony Set Max earns from telecast rights. The IPL also gets a similar share from central sponsors like DLF or Vodafone. Add to this the new rights sold this year for telecasting the matches live on YouTube and for multiplex rights. The IPL has also levied a licensing fee from Viacom network, which has the right to show the after-match parties. These add upto a few more billions. The IPL website has a market worth of about Rs.800 crores (\$175 million). Whereas in 2008, India's top business house Mukesh Ambani's Reliance Industries made the highest bid of \$99 billion to bag the franchise for the Mumbai team, this year, the Sahara Group and a consortium including Rendezvous Sports World bid \$370 million and \$333 million to bag the two new franchises for the Pune team and the Kochi team respectively that have been awarded. Besides corporate world, the Mumbai film world, as stated above, is also deeply involved in this 3-hour commercial package of a costly IPL *tamasha!* The glamour of the film world attracts. So the cine superstars are made the faces of some of the franchises. Presence of many of these screen heroes and heroines during the matches is working as a crowd puller. The nexus between the film industry and black money and the criminal world is well-known. And as a corollary, IPL's connection with the underworld and black money operation is only but natural.

It is clear that the IPL is a cartel – a group of supposedly independent private interests colluding to control and carve up the market. At the same time, it was being murmured for quite some time that there were serious conflicts of interests within the IPL, and vested interests lobbying for, and acting, clandestinely on behalf of, big business and powerful politicians.

## Scam breaks out

Proving that the murmurs were not baseless, startling disclosures began on April 11, 2010 when Lalit Modi, IPL commissioner and BCCI vice-president tweeted on his website details of the stake holding

*Contd. on page 3*

# Franchise concept of the IPL pegs cricket on profits for private team owners

*Contd. from page 2*

in the new Kochi IPL team that was sold for Rs.1530 crore (\$370 million) on 21 March this year. Modi said that Rendezvous Sports World had been given 25 per cent of the franchise ownership free of cost, out of which Rendezvous "gifted" (technically termed "sweat equity") 18 per cent to one Sunanda Pushkar, a Dubai-based beautician who was close to Sashi Tharoor, Minister of State for External Affairs in the UPA government, and who was expected to marry him soon. Lalit further tweeted that during the bidding evaluation stage prior to award of the franchise, Tharoor had advised Lalit not to check up and investigate the background of "controversial" buyers like Rendezvous. This was a serious allegation that Tharoor, using his position as an Union minister, had influenced the bidding and award procedure so that the franchise right could be granted to the bidding consortium in which Rendezvous was a major partner without checking its background and ownership details. Why? Because, 18 per cent free ownership of Sunanda virtually meant 18 per cent free ownership of Sashi Tharoor himself by proxy. Stung, Sashi Tharoor hit back and the Kochi franchise too joined in the fray. Tharoor also alleged that Modi and others had tried to pressurize the winning consortiums to abandon their bid in favour of another city, Ahmedabad. Through the allegations and counter-allegations between them and Lalit Modi, Pandora's box was opened revealing widespread corruption prevalent in the IPL affairs. But Tharoor had hardly any escape route from the pressure mounted on the government by the opposition seeking his removal. The Congress-led UPA also found that continuing with Tharoor would entail more infamy for it. So he was made to resign from the ministry. But the scandal did not die down.

Meanwhile, disclosures about Lalit Modi's misdeeds had been piling up. It transpired that the rights for developing and maintaining the IPL website had been bagged by a company called Global Cricket Ventures – a Mauritius-based company that is co-owned by Gaurav Burman, step-son-in-law of

Lalit Modi. Besides, Burman's brother Mohit is a co-owner of Kings XI Punjab — one of the eight original franchises awarded under the stewardship of Lalit Modi as the IPL Commissioner. Further, Modi's brother-in-law Suresh Chelaram, a Nigeria-based businessman, owns a sizable stake in Rajasthan Royals, another of the eight original franchises. It was also alleged that Modi was deeply embroiled in generation of black money, money laundering, and betting in cricket (match fixing of certain IPL matches). Allegations against Modi included bribery, kickbacks, insider trading, tax evasion, offshore tax scams and violations of foreign exchange regulations, rigging bids in aborted round of auction, encouraging and attempting collusive bidding, breaching confidentiality clause, arm-twisting successful bidder, non-disclosure of interest or stake in the franchises, misappropriation of funds, irregularities in awarding broadcast and internet rights, ignoring irregularities in one of the franchises in which his kin holds stake, unexplained \$80 million facilitation fee about which BCCI was kept in the dark. Modi was suspended from the post of IPL chairman by the BCCI but that does not mean the buck stops at that.

## IPL — a hotbed of financial irregularities

By its very constitution, the IPL could not but be a hotbed of financial irregularities, manipulations and corruption of every sort on a massive scale. The basic feature which distinguishes IPL from earlier cricket tournaments, as we said earlier, has been the introduction of private ownership of the teams. This is privatization of sports in the worst form. By selling the franchises, the BCCI has been permitting the groups of successful bidders to exploit the huge market of the game for commercial gain. With the staggeringly high prices of the franchises going around with the prospect of matching high super profits, IPL has become the play ground of monopoly capital, joint corporate houses with immense money power and close connections at highest levels.

Though private franchising, and

more broadly the commercial deregulation of the game which apparently created the morass, it is now exposed that behind lies a tangle of conflicts of interest, with IPL and BCCI officials and their relatives financially involved in the private franchises and the broadcasting rights-holders. There have been manipulations of every sort on a stupendous scale for funding the bidders and to influence the bid results for securing the franchises. It is a web that allegedly involves ministers, the CEOs of some of India's biggest corporations, media powers and Bollywood stars. As we have said earlier, it is the big corporate houses, business tycoons and speculators who own the IPL teams. Almost all the BCCI board members or office bearers have direct or indirect stake in the cricket franchisees. BCCI Secretary N Srinivasan owns the Chennai team. After Modi, BCCI has appointed Chirayu Amin, another BCCI top official, as chief of IPL. But Amin is no cricketer personality. He is also a big industrialist, chairman of the pharmaceutical giant Alembic and former president of the Federation of Indian Chambers of Commerce and Industry. Can it be said that he unlike his other colleagues does not have any interest in any of the teams?

And now it has come to light that Sharad Pawar, the NCP chief and union minister of agriculture who had been the BCCI chief earlier and is now frantically trying to occupy the chair of ICC president has interest in one of the franchisees albeit through proxy. Praful Patel, another NCP stalwart and union civil aviation minister is also under scanner. The BCCI has all along been at great pains to ensure that Sharad Pawar's involvement in the scam does not become public. At the initial stage, Pawar tried to protect Lalit Modi. But IT and Enforcement Directorate investigations, prima facie, substantiated allegations of financial irregularities, nepotism and abuse of political authority by Pawar and Praful Patel. Perturbed by the revelations, Congress leaders Pranab Mukherjee and Chidambaram are stated to have bluntly asked Pawar to give up protecting Lalit Modi. But of late, documentary evidences are pouring

in to show Pawar and his family's involvement in the bidding and franchise ownership. He and his family own 3.6 lakh shares (out of 2.07 crore shares) in City Corporation, a Pune-based construction company which bid Rs 1,176 crore for a franchise in March. These shares are held through two companies, Lap Finance and Consultancy Pvt. Ltd. and Namratta Film Enterprises Pvt. Ltd., which are 100% owned by the Union agriculture minister, his wife and daughter Supriya Sule, also an MP. To shield Pawar, the Managing Director of City Corporation claimed that though the bid document was bought and submitted in the name of City Corp., it was in his "personal capacity". Incredible indeed! A tender was bought in the name of a company. Subsequently, the board did not agree to the bid, but permitted the MD to use the company's name for bidding purposes out of his personal finance—an act precluded in the relevant corporate law.

## How do the shady operations take place?

Let us have some idea as to how the ring of dubious operations and money making operates. First one is of chain contracts that are awarded through intermediacy of multiple companies including fictitious entities which are owned by the echelons in the hierarchy of the operations and their financiers. For example, World Sports Group-Mauritius (WSG) and IMG, two companies that received BCCI contracts, are both old business partners in Modi's own businesses. Modi Entertainment Networks runs Fashion TV in India. IMG did business with Fashion TV for years before it won the contract for managing IPL. IMG, a powerful global firm with interests in sports, media and entertainment, was to get 10% of IPL's revenues as management fee. The two parties later renegotiated and IMG was back in the game with a substantially reduced fee. Meanwhile, Multi-Screen Media (MSM), formerly Sony Entertainment Television, had bagged the broadcast rights for 10 years, starting 2008, with a bid of \$918 million and a commitment to

*Contd. on page 4*

## An unholy nexus of corrupt sports officials-politicians-corporate barons-speculators-smugglers forms IPL cartel

*Contd. from page 3*

spend another \$108 million on promoting the event. However, the deal was scrapped a few months before IPL 2009 was to begin, leading to a legal battle between MSM and IPL. MSM lost the case in court as rights were already created in favour of WSG. BCCI sold the telecast rights for the second season of the IPL to WSG-Mauritius in March 2010 for over Rs 335 crore, 50% higher than its deal with Sony Max, a channel owned by MSM. The contract was for a nine-year period as opposed to last year's 10-year contract. WSG India, last year, paid about USD 900 million and WSG Mauritius, it is learnt, had paid the BCCI USD 1.8 billion this year for the contract. It is alleged that by awarding WSG rights at favourable terms, Modi was settling the old dues from his private business. But then MSM opened fresh negotiations with BCCI to regain the broadcast rights within days. A new agreement was created and MSM allegedly paid a "facilitation fee" (read kickback) of \$80 million to WSG to re-acquire IPL TV rights. The payment is reported to have been by MSM Singapore to WSG Mauritius. According to the report, WSG, which owns IPL's overseas rights, was owed \$2.5 million by Modi Entertainment Network from an earlier transaction. One can well see how cluttered and convoluted is the whole operation and how money changes hands or how money accumulating from different sources is ultimately funneled to the concerned beneficiary or beneficiaries working underhand.

Why the payment made to WSG Mauritius? There is a big reason for that. India has a double taxation treaty with Mauritius which stipulates that no capital gains tax (tax to be paid on financial gains arising by sale of immovable properties or shares) to be imposed in Mauritius. Long term capital gains from shares are exempted from tax in India. So any Mauritius-based company can earn completely tax free capital gains income from sale of shares of Indian company. That is why many big corporates and monopolists get a company registered in Mauritius and route their investment in shares in Indian market through that Mauritius

entity. Even Indian operators use this channel to deploy their black money back in India by way of 'Hawala' transaction. A customer approaches a Hawala broker in one Indian city and gives a sum of money to be transferred to a recipient in a foreign destination. The Hawala broker calls another Hawala broker in the recipient's destination, gives disposition instructions of the funds (usually minus a small commission), and promises to settle the debt at a later date. The "unique" feature of the system is that no promissory instruments are exchanged between the hawala brokers; the transaction takes place entirely on the honour system. Hawala works by transferring money without actually moving it. What a novel conduit to make unaccounted money multiply through dubious transaction! Apart from this, large amounts of IPL money are alleged to be coming from "dubious sources", including Mauritius and Dubai, and even black money in Swiss banks is being laundered into white money through this "caricature" of "commercialized cricket".

Violation of law is also rampant. Section 79A(c) of the Companies Act, 1956 (1 of 1956) clearly states that a company may issue sweat equity shares only after completing a year since its incorporation. Rendezvous Cricket Management Pvt Ltd was incorporated on August 23, 2009. It was renamed as Rendezvous Sports World Pvt Ltd on March 3, 2010. Even if one considers the earlier avatar, one year of its incorporation would have been completed only on August 22 this year and hence not entitled to allot the sweat equity to anyone. Sweat equity could be offered only after a special resolution was passed by the company, and it could be issued only to the directors of the company or its employees. "There were two Form 32s submitted by Rendezvous, the second one merely 15 days before the date of auction. Name of Sunanda Pushkar, Tharoor's girl friend, does not figure in any. Under what provision was the sweat equity allocated? Moreover, unlisted companies could issue sweat equity only in accordance with the provisions of the Unlisted Companies (Issue of Sweat Equity Shares) Rules, 2003. Rule 6 clearly

states that the company shall not issue sweat equity shares for more than 15% of its total paid-up capital in a year or shares whose value was not more than Rs 5 crore, that too only after the government's approval. But Sunanda was given Rs 80 crores worth of sweat equity.

The fourth aspect is 'flight' of important documents to undisclosed destinations stated to be beyond the reach of the investigating authorities. Are we to believe that our intelligence wings are so inefficient as not to be able to trace such 'missing' documents? Among the scores of papers that have allegedly gone missing from the BCCI headquarters here, are the papers relating to the highly controversial \$1.64 billion TV rights contract between BCCI, Multi-Screen Media (MSM) and World Sports Group (WSG) involving a suspect "facilitation" fee of \$80 million. They are not with BCCI, nor apparently with suspended IPL chief Lalit Modi. In absence of evidence, all the cases will as usual either be buried or delayed *err long* allowing the culprits to move around freely without a shade of anxiety.

### Nature of money operation

The nature of money operation is worth noting. Idle capital in the hands of monopolists, surplus funds of the large corporate houses, unaccounted accretions in the wallet of the blackmarketers, smugglers, underworld kingpins and market speculators are pooled together to create financial muscle of the franchises. Since there are many stakeholders in most of the franchises, the ownership of these is in the form of consortium. The bid is given by A, the document signed by B, who has nothing to do with the bid and then, separate companies floated in tax havens come in to receive payment. Immediately after winning bids, shares of some of the companies constituting the consortium are sold to other individuals or companies changing the ownership pattern overnight. Many of these transferee companies are fictitious. So tracing the real beneficiaries becomes near impossible. No law mandates to disclose the source of funds of the bidders. So the hawala route, Dubai or Mauritius channel, black money

parking, speculative finance—all are used without any accountability of disclosure. What could be more attractive than a project of this kind for multiplying illegally acquired wealth?

Moreover, under private ownership, management is less hedged in by non-commercial concerns, like ensuring wider access to facilities; they have neither a mandate for nor an interest in promoting the welfare of the game as a whole. Inevitably, franchise holdings become part of larger investment portfolios and are treated accordingly. In English Premier League (EPL) football, the putative model for the IPL, owners have proved extraordinarily reckless in exploiting their assets. The American owners of Manchester United and Liverpool have both used their clubs as financial leverage for other sections of their corporate empires. The IPL has, however, left everybody behind in this regard. In it, each franchise has been given an exclusive right to exploit a designated market, which does not happen in the EPL. The franchises are city or region specific and named accordingly like Mumbai Indians, Chennai Super King or Kolkata Knight Riders. With its team salary cap, local quotas and annual player auction, the IPL provides a heavily protected environment for the franchises.

These are but some examples of how laws are either flouted or circumvented by the shady operators to mint money and how political bigwigs misuse their position to secure undue favours to the self and associates even at the cost of public exchequer.

### IPL-a huge drain on public exchequer

It may be added that though BCCI operates as a business and not a public service, it enjoys the status of a charitable organization and hence out of the tax net. It is also revealed that the BCCI allocates only 8 per cent of its engorged revenues to the actual development of cricket confirming that cricket is only incidental to its scheme of things and the actual objective is conducting a roaring trade in the name of cricket. A pure commercial project like IPL also besides

*Contd. on page 5*



# Laws are either flouted or circumvented by shady operators to mint money

*Contd. from page 4*

enjoying plethora of tax and tariff concessions draws heavily on public resources as well. Huge police contingents are posted at the venues, hotels, airports and other places to provide security to the stars which include besides the cricketers the film personalities, industrialists and key figures of murky bourgeois politics. There is a drain on public exchequer for the purpose. IPL matches in Mumbai and Nagpur were granted duty waiver by Sunil Dattatraya Tatkare of Sharad Pawar's NCP, who holds the finance ministry in the Congress-NCP coalition government of Maharashtra. Before the IPL controversy broke out, a finance department official disclosed that the state would lose around Rs 60-70 crore. When questioned about payment of facilitation fee to WSG, Mauritius, the MSM defended itself by saying that the payments have been made in accordance with applicable laws and as per established international cross-border banking norms and procedures. Facilitation fee of \$80 translates into Rs 425 crores and the decision to park rights with a company in a tax haven like Mauritius is obviously to evade tax in India and that too in a manner where tracing the end beneficiaries would be near impossible. How liberal the government is! When under the pretext of financial constraints and relieving cash-strapped government of shouldering subsidy burden in fuel, fertilizer, electricity and other areas, allocations to public welfare are curtailed in the budget, additional burden of taxes are imposed on the common people and retail prices of petroleum products are sought to be substantially hiked in repeated bouts, a roaring business venture of, moreover, dubious nature like IPL is granted tax exemption.

## The saga of betting

Beyond the controversies surrounding the finances and ownership of IPL teams now raging, there are long-standing murmurs of betting and match-fixing that periodically surface as rumours. One would recall that about a decade back, it was exposed that many of the world's top cricketers were embroiled in the betting net

and minted fortunes through match fixing. The skippers of India and South Africa were fixed under that charge and banned. The South African skipper who divulged many of the secrets including existence of an Indian betting syndicate later died in an accident under mysterious circumstances raising many questions that still remain unanswered. And now the same thing is resurfacing again. In this year's IPL, for instance, an estimated Rs 5,000 crore has already been bet in India and another £2 million (about Rs 13.5 crore) through bookmakers in the UK. Many of the matches are stated to have been fixed.

And curiously enough, a section of the bourgeois media instead of rallying behind the just demand of imposing blanket ban on such gambling and for prosecution of the involved criminals is shamelessly pleading in favour of legalizing the betting. It is argued that with such serious sums of black money sloshing around and criminal elements involved, there is a serious risk of some or large parts of it finding its way to terrorists, drug mafia and the like. Legalizing betting and other forms of gambling would not only bring all of this activity out into the open and hence minimize, if not eliminate, the underworld's role, it would also mean the government would be able to tax it and raise substantial revenues from it. To drive home the point, the media commentators are citing examples of the big imperialist countries where gambling is a recognized industry. The gross revenues of the sector in the US, where different states have different laws, were \$93 billion in 2007, according to the American Gaming Association. The tax revenues accruing to governments were \$5.7 billion (about Rs 25,000 crore).

In the UK, official data puts tax revenues from the gambling sector at £1.5 billion last year (about Rs 10,000 crore). A European Commission study in 2006 estimated the size of the sector in 25 EU member states at •51.5 billion, projected to rise to •64 billion (Rs 380,000 crore) by 2010. The same study also found that the size of this sector was roughly equivalent to 1% of GDP in most member countries. Going by that, it could be presumed

that if we assume that gambling in India would be of a proportionate scale if it were legalized (that is, 1% of GDP), that would imply revenues of the order of Rs 62,000 crore. This once again exposes the murky face of corrupt capitalism. On the one hand, the economy is being gradually made a punter's den while on the other hand, a public opinion is sought to be mobilized by advancing such a gangster's logic of according legal sanction to all such murky acts. One wonders where the country would be led to if such "prudent" advices of the pliant media are accepted.

Even after all these, we are sure we have seen only the tip of the iceberg. More are in the offing. This IPL scam, observed one media commentator, is like an onion: you can peel layer after layer and be stunned by the *masala*.

## Government of India's frail defence

It is not that the Indian government has just come to know about the misdeeds of Lalit Modi through the recent disclosures thrown up by the bickering between Sashi Tharoor and Modi over monetary gains through corrupt means. As reported in the press, a detailed report about Lalit Modi prepared by the Income Tax department has been in possession of the government for over 6 months. It states that Modi who had a record of failed business ventures and defaults till 4 years back has at present a life style that includes a private jet, a luxury yacht and fleet of Mercedes 5 class and BMW cars all acquired in the last 3 years, that is, since the inception of the IPL tournament. The report gives a picture of the corrupt and illegal activities of Modi ranging from his manipulation of land deals in Rajasthan and the existence of a maze of shell companies and offshore entities used to route payments and equity stakes worth hundreds of crores of rupees. For at least over 6 months, the government had definite and official knowledge about Lalit Modi's misdeeds. Yet it kept mum and took no action against him. Because so long as corruption does not appear in public view and surfaces as a scam, the government, irrespective of which party leads it, shuts its eyes to it. But

whenever a scam surfaces, the parliamentary opposition parties, themselves corrupt to the bones, cry foul and raise a clamour as if they are apostles of honesty and the government is forced to make a show of taking some steps to keep up the pretence of its "clean" governance.

It is idle to presume that Lalit Modi has been engaged in corrupt activities of such magnitude without the knowledge, connivance or even participation of at least those high-ups in the government with whom he had to work in close association. In fact, all these orders of investigation, suspension of Modi, changing executives of BCCI or apparent belligerence of Sashank Manohar, the BCCI president, are mere eyewash. Everyone is in the know of all things. Everyone is in connivance or collusion with each other. As the saying goes, one raven will not pluck another's eye. At present, the lid of the murky container has slightly come out because the mutual bickering of the kingpins of this punter's den has overshot the limit a bit. But, it will soon be put in place. Show of an investigation or probe will continue only till such time as the issue is fresh in public memory, only to be overtaken by newer developments and issues, and to be pushed into oblivion. All the warring factions in order to save their respective skins as well as such secure a paying proposition like IPL will bury the hatchet in no time. The bourgeois government will play the mediator's role. Pliant media will be pressed into action to create public opinion in favour of a truce and earliest renewal of the show business. Like all other major scams that had surfaced earlier, IPL too will not be probed to the logical end, the culprits identified and punished because this capitalist system with personal aggrandizement as its motto, breeds corruption, thrives on it and protects it. History will only remain a record keeper of the mucky episode.

## People must rise up

It is clear that what is being seen today is a farce in the name of sports. Not only the sport has been defiled and degraded, even the audience is coerced to accept the

*Contd. on page 6*

## Excuse dished out by the Finance Minister has only given rise to more questions

— Comrade Provash Ghosh

Reacting to the statement of the Union Finance Minister Pranab Mukherjee on the Bhopal Gas Tragedy, Comrade Provash Ghosh, General Secretary, SUCI (Communist) in course of a statement issued on 15 June, 2010 said that after maintaining a conspicuous silence for a few days, the way the Congress as an afterthought has presented through Finance Minister Pranab Mukherjee an excuse to cover up their culpable offence in the Bhopal Gas Tragedy, has stoked up more questions and has increased the magnitude of their sin manifold.

The questions are: Could Arjun Singh as the state chief minister take such an important decision of its kind on his own without the directive, approval or even knowledge of the central leadership of the party and the Prime Minister? Could he allow the main accused of such a horrendous crime to escape even after arrest to USA with honour under official arrangement? Is it to be believed that the then Prime Minister Rajiv Gandhi did not know anything of the matter even though he was very much present in company with Arjun Singh at Bhopal on the very same day when Anderson was granted bail and sent to Delhi, asked Comrade Ghosh.

After thrusting the responsibility on to Arjun Singh in order to save the skin of Rajiv Gandhi, the Finance Minister has tried to plead innocence of Arjun Singh with the plea that with massive people's protest bursting forth after the disaster, Anderson's presence in Bhopal would have entailed law and order problems. This logic, too, does not stand scrutiny. Because, the then Congress government showed enough 'competence' in preserving law and order by brutally baton-charging on the agitating relatives of the dead and injured. What additional problem would have been created had Anderson been present in the city, questioned Comrade Ghosh.

And, even if it is assumed for argument's sake that there was such a necessity, what prompted the ruling party and its government to suddenly grant bail to an under-trial accused of such a heinous crime and allow him a safe passage to his own country instead of shifting him to Delhi or elsewhere in India? Why was he not brought back during all these years? Is it not because of appeasing the foreign multinational and maintaining a friendly relation with US imperialism which is a class necessity of ruling Indian capitalism and its subservient state, observed Comrade Ghosh.

Moreover, there is no propriety of the parties like the BJP and the CPI(M) to complain on this issue. After Rajiv Gandhi's rule at the Centre, VP Singh-led government supported by the BJP and the CPI(M), United Front government supported by the Congress and the CPI (M), BJP-led NDA government, and the last UPA government enjoying support and cooperation from the CPI(M) were progressively saddled in power. All these governments and their constituent as well as supporting political parties did not take any step towards bringing Anderson back to this country, carrying out proper investigation of the Bhopal Tragedy and providing just compensation to the families and relatives of the dead and injured. They did not even utter a single word in this regard. So, would it be wrong to conclude that both the BJP and the CPI (M) are also constrained by the same compulsion as that of the Congress, asked Comrade Provash Ghosh.

## IPL SCAM

*Contd. from page 5*

mutilated formats like IPL as modernized version of the sporting events. An unholy nexus of industrial house-speculative capital-government and corrupt sports officials is controlling the field of sports and running nightclub like entertainment show as the IPL. That is why, the country of over 1100 million people and abounding in sporting talent is lagging far behind others in most of the sports. If this is allowed to continue unabated, the

consequence will be disastrous. Already sports as a whole has almost been stripped of its essence. Now, moves are afoot to put the last nail in its coffin. It has to be thwarted under pressure of organized public opposition. There has to be a countrywide powerful movement against commercialization of sport, to foil the bourgeois conspiracy of turning it into a device of dubious money operation of the hounds, sharks and vultures of the utterly corrupt capitalist order.

## SUCI(C) called for All India protest day

*Contd. from page 1*

just Rs 12, 410 to each victim. Whenever the hapless victims, their family members and common people came out in protest against such inhuman and barbaric act of the government, they received bullets and bayonets of the insolent rulers. None of the governments whether headed by the Congress, BJP or the CPI(M)-backed United Front was ever interested in securing justice for the victims. On the contrary, they were all keen to ensure that the culprit corporate house and the concerned industrial barons and their pliant executives escape unscathed after committing such a savage crime on humanity. It is pertinent to mention here that even after such a lethal incident, the Congress-led UPA government in its proposed 'Civil Liability for Nuclear Damage Bill, 2010', proposes to limit the maximum amount of liability in case of a nuclear accident in any of the nuclear plants at Rs 500 crore and absolve the suppliers and operators of such plants of all other responsibilities let alone criminal charge in case of a nuclear accident. The entire episode glaringly exposes how the governments, irrespective of hue, the administration and judiciary in capitalist India are nakedly serving the class interest of the domestic and foreign monopoly capital and are decidedly anti-people in every bit of their action.

Comrade Provash Ghosh, therefore, called upon the countrymen not to allow such brazenly criminal acts by lying low but build up countrywide powerful movement to wrest justice. Comrade Ghosh also demanded stringent punishment of all the culprits of the Bhopal tragedy, adequate compensation for the victims and their families and immediate effective step to free the site of the accident from dangerous pollution. He also announced that SUCI(C) will observe All India Protest Day on 9th June against this farcical verdict and organize demonstrations on that day in each of the state capitals.

## All Orissa State Conference of Peasants and Agricultural Labourers

On 30 and 31 May, 2010, an All Orissa conference of Peasants and agricultural workers organized by All India KKMS was held at Jamunaposi, Patana in the district of Keonjhar. The open session on 30 May at Jamunaposi Milana ground was attended by thousands of peasants and khetmazdoors including a large number of women from all over the state. Comrade Shambhunath Naik, vice president, AIKKMS and ex-MLA of SUCI(C) presided over. Comrade Raghunath Das, Secretary, AIKKMS, Orissa State Council in his brief speech emphasized the need to develop powerful movement in order to achieve the legitimate demands of the oppressed peasant community. In his address as the main speaker, Comrade Asit Bhattachayya, Member, Polit Bureau, SUCI(C) said that crisis ridden capitalist system is the root cause of all problems tormenting the life of the peasants. After independence, the Indian capitalist class captured the state power and with every passing day, consolidating its exploitative rule that is wreaking havoc in the peasants' life. All the legitimate peasants' struggles must grow conducive to anti-capitalist

movement. Comrade Dhurjati Das, Secretary SUCI(Communist) Orissa State Committee in his speech that the way the multinationals and corporate houses are conspiring to grab the cultivable land in the name of industrialization must be exposed and a strong movement to be launched to resist it. Comrade Panchanan Pradhan, Secretary AIKKMS of West Bengal State Council also addressed.

A presidium consisting of Comrades Shambhunath Naik, Uddhab Jena and Sadashib Das conducted the delegate session on 31 May, 2010. In his address to the delegates, Comrade Asit Bhattachayya dwelt on the historic struggle conducted by Comrade Ghosh to build up SUCI(C) as the genuine communist party and showed how in course of that, he formed AIKKMS as the true fighting organization of the ruthlessly exploited peasants and agricultural workers. An AIKKMS State Council comprising 53 members and a 24 member executive body was elected unanimously by the delegates. Comrades Uddhab Jena and Raghunath Das were elected President and Secretary respectively.



In response to the call given by the Central Committee of the SUCI (C), All-India Protest Day against the farcical court verdict on Bhopal Gas Tragedy was observed throughout the country on 9 June 2010. Appended is a photo coverage of some of them.



From top : New Delhi, Kerala, Muzaffarpur and Angul

From top : Gujarat, Kolkata, Andhra Pradesh and Mumbai



# Bhopal Gas Tragedy Protest Day



Ranchi



## SUCI(C) severely condemns Zionist Israeli attack on Palestine aid flotilla and calls upon world people to rise up in protest

Comrade Provash Ghosh, General Secretary, SUCI (Communist) in course of a statement issued on 3 June, 2010 said that the imperialist superpower-backed Zionist Israeli regime which just a year back carried out a murderous assault on the Palestine freedom fighters of Gaza strip struggling for realizing their just demand for a sovereign Palestine state with its capital in Jerusalem, virtually slaughtered them with beastly savagery has once again, violating all international laws, committed a most criminal act by attacking in international waters a flotilla of boats carrying humanitarian aid to the beleaguered people of Gaza suffering from acute shortage of food, water, fuel, medicine and other essential items owing to the illegal blockade imposed by the Israeli rulers since 2007. Comrade Provash Ghosh severely condemned this ghastly act in which at least nine of the unarmed peace activists have been killed and several others have received grievous injuries due to merciless beating and application of electric shocks.



The extremely mild manner in which the US imperialists have reacted to such a savage act in flagrant violation of all international rules and norms only vindicates the feeling of the right thinking people round the world that but for direct backing of the Pentagon regime, the Zionist Israeli rulers could have never dared to launch such brutal offensives one after another. The President of the European Parliament has also ended his responsibility by issuing a meek protest reaffirming connivance and indulgence of the imperialist superpowers in the barbaric acts of Israeli rulers. Instead of coming out with strong condemnation of this Israeli atrocity let alone taking any punitive measure against the perpetrators of such a heinous crime, the casual manner in which the UN Security Council has ordered for a simple investigation of the incident has been shocking. It only lends credence to the apprehension of the right thinking people that UNO has virtually become a rubber stamp of the US imperialists and their allies, observed Comrade Provash Ghosh.



Comrade Provash Ghosh has called upon all the peace loving democratic minded people of the world to rise in protest and build up powerful anti-imperialist movement throughout the world against such sinister gunboat diplomacy of the imperialist superpowers and their pliant regimes and in support of the legitimate struggle of the Palestinian people.

From top : Bangalore, Mysore, Bhopal and Rohtak

EDITOR-IN-CHIEF : PROVASH GHOSH