

Bombay High Court :BCCI Wins the Legal Battle Against Deccan Chargers, arbitrator order of 4800 crores set aside

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The major relief has been got to the BCCI(Board of Control of Cricket Of India), Bombay High Court got relief set aside the arbitration award of 4800 crores for the illegal termination of the Deccan Chronicles Holding (DCHL) of the team Deccan Chargers in the IPL(Indian Premier League).

After the BCCI terminated the Deccan Chargers from the IPL in 2012,DCHL approached to the Bombay High Court for challenging the termination against the team.



In July 2020, Bombay High Court appointed the Retired Supreme Court Justice CK Thakkar appointed as the sole arbitrator after the DCHL approached to the court. In the month of July last year , arbitral Award was passed against the BCCI that they would have to pay 4800 crores to the DCHL.

The arbitrator held the termination as illegal and awarded DCHL , compensation of Rs 4,814.67 crore plus 10% of the interest i.e.to be computed from 2012.

The BCCI challenged against the order passed subsequently.

Solicitor general of India Tushar Mehta and law firm Cyril Amrarchand Mangaldas were representing in this case and on the other hand Senior Counsel Haresh Jagtiani appeared for the DHCL.

The DCHL is likely to challenge the order.

According to the Section 37 of the Arbitration Act , the remedies available under law ,is that the respondent can challenge the order of a single judge by way of appeal one as stated by Ashish Pyasi, Associate Partner of Dhir and Dhir Associates.

The Dispute has been almost a decade now. In 2012, the DHCL Hyderabad has challenged the illegal termination against the BCCI. The BCCI announced the termination of Deccan Chargers on September 15 ,2012 in a emergency meeting of the League Governing Council.

The team owner of Deccan chargers moved to Bombay High Court challenging the termination but the board Initiated new tender which was won by another Hyderabad franchise. which was won by Kalanithi Maran the Sun TV Network owner.

The whole issue started when DHCL failed to furnish bank guarantee of 100 crore from the nationalised bank to the BCCI.

Earlier also, creditors of DHCL reached to the BCCI for seeking help to recover loans from the DHCL.

The matter came to arbitration when NCLT(National Company Law Tribunal) allows a resolution plan for them.

The NCLT allows the resolution plan submitted by the SREI Group Multiple Asset Investment Trust Vision India Fund, which involved 408 crores in cash, high value assets and a share in Deccan Chargers to be distributed among 37 creditors against their 8180 crore loans.

The operational creditors further extended Rs 154.36 crore to the DHCL.

DCHL had acquired the rights of the Hyderabad Franchise for \$107 million in 2008 for a period of 10 years.

In the first year, the team was at the bottom of the league, making a strong comeback under Adam Gilchrist, DC won the second edition of league.

On Wednesday 16 June 2012, Justice G S Patel “set aside” the award of the arbitration tribunal passed by the sole arbitrator .He said that since 34 crores was due and payable by the BCCI to the Deccan Chronicle Holdings Limited (DHCL) are not yet paid. The same it has to be given by the cricket board with interest. This income was towards the share of the revenue generated from the IPL-rights Income.