Business of Sports

Shaping a Successful Innings for the Indian Sports Industry

A Report

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Sports has been a force for good ever since humanity existed. It brings people together, catalyses cultural and societal change, encourages free spirit, instills discipline and significantly enough, teaches people to win and lose. History corroborates all the above - Jesse Owens winning those gold medals in the 1936 Summer Olympic games thereby becoming a symbol of equality, Muhammad Ali winning the world heavyweight championship in 1964 at the age of 22 thereby redefining tenacity, to Sachin Tendulkar epitomising the values of an average middle class and many others.

Intrinsically, the importance of sports too has been in promoting an active healthy lifestyle, creating a culture of sportsmanship and team spirit and helping in the overall development of an individual. To a nation, however, promoting sports brings in the spirit of the game, the national pride, a sense of social inclusiveness and of course employment opportunities. With increased government spending on local and global sports events and Indian athletes winning international acclaim, sports seems to be on a steady footing but there is still lots that needs to be done.

The Confederation of Indian Industry (CII) has a National Sports Committee dedicated to Sports that is facilitating the creation of a sporting culture in India. Therefore, as part of CII’s India@75 vision, the Committee has developed a plan to broad-base sports in India, help in infrastructure development and provide technical support for athletes through professional coaching and training centres to nurture and groom talented sportspersons. The National Sports Committee of CII is working towards creating an ecosystem for Governments and private sector companies to combine efforts, and invest in sports. Through continued engagement and dialogue with the Government, industry and sports’ bodies, CII is enabling an environment that will be focused on promoting a sporting culture in India and one that will place a special emphasis in recognising sports as an industry.

One of the many steps that CII took was to partner with KPMG to develop a report on the Business of Sports. The report explores and assesses the sports ecosystem in India, identifies the various stakeholders concerned and addresses their specific issues and challenges. The paper provides recommendations for both the Government and private stakeholders’ efforts in enabling sports in India and emphasises the need to collaborate and synergise efforts, so as to take the Indian sporting industry to the next level.

I would like to take this opportunity to extend my appreciation to the KPMG and CII teams who worked in developing this document.

I would also like to thank my colleagues at the National Sports Committee, CII, for their passion and dedication towards building sports in India.
Sports is a rapidly growing industry worldwide.

The global sports industry is estimated to be worth around USD 600 billion comprising a range of associated businesses such as sports manufacturing, retail, tourism, sports medicine, venues & infrastructure, media & hospitality and merchandising.

While sports is an organized business in developed economies, this has been a Government led initiative in India where corporate sector’s presence have often been through corporate social responsibility channels. The exception has been the commercial sporting formats leagues, especially in cricket, where corporate sector has been very active in recent years.

It is critically important to build a dynamic sporting culture in India and the need for the government and the private sector to collaborate to strengthen the sports industry. Inadequate public resources for sports and low prominence of non-cricket sports impede our performance in the global sporting arena.

Corporate funding in sports may therefore be the answer to ignite sports development in India. The gestation period for realizing return on such investments may be long, but global experience shows us that it could be potentially rewarding.

This report attempts to highlight the common grounds and creates a roadmap for Sports to meet Business!
The global sports sector is estimated to be worth USD 480–620 billion\(^1\). However, in India, sport is yet to be recognised as a sector and there is no comprehensive study on the industry’s estimated size in the country. The sports sector may comprise several segments such as sports tourism, sporting goods (manufacturing and retail), sports apparel, amateur and professional sports, recreational sports, high school and college athletics, outdoor sports, sports businesses such as sports marketing firms, the sport sponsorship industry and sport governing bodies.

A thriving sports sector usually has significant socio-economic impact, as it is instrumental in improving the physical health and mental agility of a nation’s human resources, and in promoting unity and national pride. In fact, sport as an industry contributes to about one to five per cent to the GDPs of various countries. However, a lack of sports culture in India has deferred the formation of a similar industry in the country despite growing awareness, interest and successes in various non-cricket sports such as archery, badminton, boxing, chess, hockey, tennis, snooker, billiards, shooting and wrestling at prominent international competitions.

Due to a lack of industry status and lack of sports culture, corporate investment in sports in India has traditionally been limited to CSR initiatives. However, international and domestic examples have shown that investment in sports has high potential tangible return on investment (RoI), albeit a long gestation period for commercial returns in case of league franchises, and has significant intangible RoI as well. The intangible RoI stems from increased brand awareness, brand building among target customers and increased brand loyalty through community engagement by utilising the mass medium of sports.

The main modes of private investment and private sector association with sports include:

- **Non-profit**: These include CSR initiatives and investments in the sector by leading corporate houses, and non-profit foundations. These foundations are chiefly involved in providing opportunities to children from the underprivileged sections to take up sports, supporting promising sportspersons in accessing world-class training facilities and developing sporting infrastructure.

- **For profit**: This pertains to the commercial interests in the sports sector, and covers the entire spectrum of sports goods manufacturing, retailing, establishing sports academies, providing sports curriculum services to schools and colleges, owning leagues and franchises, player management agencies, media houses, infrastructure development companies and other companies that seek marketing avenues for their brands through sponsorship association with sports tournaments and players.

In India, non-profit association with sport is more common. For-profit investment in sport in India mainly includes sponsorships and owning leagues and franchises. The commercial success of Indian Premier League (IPL) in cricket has led to a surge of similar commercial formats in other sports such as badminton, football and hockey. Reasonable success of the Indian Badminton League (IBL) and the Hockey India League (HIL) — sports that don’t enjoy the same popularity as cricket, has

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\(^1\) “The Sports Market,” AT Kearney, 2011
shown that leagues are a good medium for generating interest and driving sports culture besides the potential RoI. These leagues may therefore not only benefit their respective sport monetarily, but also boost their uptake in the country.

Thus, with the burgeoning middle class of India and an increasing disposable income, media coverage of international and domestic sports and television and internet penetration, the time is opportune to form an organised sports sector with requisite policy support that further facilitates sports commerce and leagues of this nature.

However, long term sustainability of commercial efforts such as leagues will likely thrive on profitability metrics driven by India’s performance at global events, their popularity in the country and the consequent rise in audience interest. Thus, the leagues that could be an agent to rise in sporting culture require support from a well developed sports ecosystem that can sustain people’s increased interest by breeding more quality sportspersons who can win laurels at international sporting events and elicit further enthusiasm. The success of leagues and development of sports ecosystem therefore drive each other. This further underlines the long-term nature of commercial returns in leagues due to its dependence on the development of the sports ecosystem in the country in the long run.

In keeping with the above, the Confederation of Indian Industry (CII) has re-adopted the Government’s twin objectives of broad-basing sports and achieving excellence in them, as part of its India@75 vision for sports because working along these objectives would drive business of sports. The CII vision is further linked to winning a desired number of medals in the 2020 Olympics. The Olympic sports that India excels in are not medal-intensive, with the exception of shooting and wrestling.

Therefore, a good strategy for attaining the CII India@75 vision could be to continue strengthening the base of sports that India excels in while investing in building a talent pool for sports that have a high medal potential, such as aquatics and athletics.

The Government has been working towards developing the overall sports ecosystem to increase medal wins, albeit few implementation issues and limited resources. However, concentrated and joint efforts are required from both the Government, in terms of adequate policy support such as provision of industry status and relief on import duty for sports equipment to private sector, and the private sector in terms of building innovative sustainable business models for creation of sports infrastructure, academies and franchises, to allow business of sports to grow beyond leagues and sponsorships and turn India’s sporting vision into reality.

**Sports Vision of India**

<table>
<thead>
<tr>
<th>CII India @75 vision for sports</th>
<th>Achieving excellence in sports</th>
<th>Goals to be achieved</th>
<th>Government support</th>
<th>Corporate Support</th>
</tr>
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<tbody>
<tr>
<td>Broad-basing sports</td>
<td></td>
<td>• Win 20 gold medals at Olympics 2020</td>
<td>• Sports infrastructure in Tier II/III towns</td>
<td>• More coaches and equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Scholarships for children in rural areas</td>
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Source: CII

**Sports ecosystem**

Sports ecosystem comprises different dimensions or segments that go into establishing and developing a sport and various stakeholders in each segment. The evolution of a sports ecosystem may be evaluated by the extent of interaction and awareness among stakeholders, within and across various segments. The levels of transparency and professionalism of the system, coupled with growing awareness of all stakeholders, decide the extent of the sports ecosystem’s evolution.
Identifying key stakeholders and addressing their issues and challenges is likely to go a long way towards strengthening the sports ecosystem in India. While the sports ecosystem is largely driven by the Government and Government-run bodies currently, the role of private sector stakeholders is on the rise and can be crucial to get the desired momentum:

- **Sports governance:** The role of private sector in sports governance is limited. However, there are instances of private sector deals with sports federations for overhauling/improving the respective sport. Such deals provide the usually cash-starved National Sports Federations (NSFs) a financial breather to go about implementing plans for their respective sport’s improvement.

- **Talent scouting and training players and trainers:** There is a reasonable presence of private academies being run on a self-sustainable basis by former players of various sports. These academies try becoming sustainable by saving on capital expenditure through levers such as leasing playgrounds from schools and government institutions, rather than owning space. There is also a significant presence of leading corporate houses through their CSR initiatives, and non-profit foundations in the talent scouting and training players segment.

- **Sports coaches and trainers:** Sports coaches and trainers are primarily trained in Government-run institutes. There are some private universities as well that offer courses in sports, physical education and other sports-related sciences, albeit on a limited scale. Private sector contribution in this segment is also seen by way of certain academies that provide active consultation to the Government in addressing the skill gap in sports coaching in India, and through private academies and sporting leagues that appoint a foreign coach who in turn shares expertise with Indian coaches.

- **Infrastructure:** Private sector contribution to sports infrastructure is minimal and is limited to PPPs for sports infrastructure development and operation. Some non-profit efforts towards stadia development have also been witnessed, but they are limited in number.

- **Sports equipment industry:** Key stakeholders in this industry are equipment manufacturers, retailers, consumers, and private sports academies. While India is a major exporter and manufacturing hub of certain sports goods, importing equipment for some non-popular sports significantly increases their cost.

- **Leagues and tournaments:** Key stakeholders involved in this segment are broadcasters, franchises, National Sports Federations (NSFs), sponsors and spectators. The role of broadcasters and league owners in designing a spectator-friendly format becomes crucial to the commercial success of leagues, for instance the IPL, HIL, etc.

- **Performance incentives:** Central and state Governments provide a majority of performance incentives to sportspersons in the form of government and PSU jobs, pension funds, educational scholarships and cash endowments. The role of private players is currently limited, but it is emerging gradually with the advent of non-profit foundations providing athlete sponsorships, and sports consulting firms that help athletes with post-retirement planning.

Though private players are involved in various capacities in the sports ecosystem, the business of sports in India continues to be at a nascent stage. Investing in leagues has become an important for-profit mode of entering the sports sector. However, profitability in the league format has also been a concern especially for non-cricketing sports leagues that elicit little interest from broadcasters due to inadequate spectator base — considering the fact that media rights is one of the biggest sources of league revenue.
The sports sector has long gestation periods for investments. For instance, it took cricket sustained investments a long time to transform itself from being a gentleman's game to being a game of the masses. Its current mass popularity attracts huge crowds, numerous sponsors and high media rights bids for various tournaments. This has helped the Board of Control for Cricket in India (BCCI) become a successful and self-sustainable federation and has turned the game into a major source of revenue generation. The task at hand, therefore, is to examine the inherent challenges in the sports ecosystem and address them. The key is to inculcate a culture of sports that would help improve our players’ performances and generate spectator interest.

Further, there are issues with respect to direct and indirect tax that need to be addressed. Taxation of artistes, sportspersons and foreign teams participating in various national and international sporting/entertainment events in India has been a vexed issue. There are issues on the indirect tax front as well such as those relating to levy of import duty on sports equipment. Addressing such issues is important to improve the sports ecosystem of the country.

**Key issues and recommendations**

Some key issues have been identified across various segments of the ecosystem and a set of recommendations have been suggested to drive their resolution. The following table highlights these recommendations.

<table>
<thead>
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<th>Table1: List of issues and recommendations</th>
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<tbody>
<tr>
<td><strong>Segment of the ecosystem</strong></td>
</tr>
</tbody>
</table>
| Overall | Lack of sports culture in India | • Nationwide campaign to raise awareness on sports  
• Implementation of a uniform sports policy across all states  
• Active regional/local media supporting the cause of developing sports in India |
| | Limited funding avenues in sports | • Provision of industry status to sports |
| Sports governance | Lack of transparency | • Strict implementation of the Sports Bill 2013 |
| | Limited community-level engagement in sports despite the Panchayat Yuva Krida Aur Khel Abhiyan (PYKKA) | • Incorporation of a community-level Engagement Team under the aegis of Ministry of Youth Affairs and Sports(MYAS) which may also help NSFs organise competitions |
| | Limited commercial focus of governing bodies | • Institution of a Corporate Relations Team under the aegis of MYAS that could help Sports Authority of India (SAI) and the community-level Engagement team to deliver on their plans |
| Talent scouting and training of players and trainers | Lack of coordination among the concerned bodies affecting professional uptake of sports | • Identifying and promoting collaboration among all concerned stakeholders to encourage more innovative business collaborations |
| | Lack of coaches and technical know-how on sports in India | • Collaboration between SAI and National Sports Federations (NSFs) to train coaches |
| | Scarcity of playing spaces and high capital expenditure required to establish private training academies | • Allowing access of public infrastructure to private training academies in lieu of reasonable fees  
• Consideration of alternative modes of financing such as revenues from naming rights by private academy owners |
<p>| | Imposition of customs duty on training equipment imported by private academies vs. duty exemption on the same import by the Government | • Relief/exemption from duty for private academies if the equipment is imported for academy players who have consistently performed well at the inter-state or national level or above |
| | Inadequate support to former sportspersons launching private academies | • Continued increase of public-private fund such as the National Sports Development Fund (NSDF) could provide financial support to upcoming academies |</p>
<table>
<thead>
<tr>
<th>Segment of the ecosystem</th>
<th>Issue</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent scouting and training of players and trainers</td>
<td>Lack of awareness on opportunities for sports coaches</td>
<td>• Central and state Governments and NSFs may promote awareness on opportunities for sport coaches by providing case studies on typical career paths, opportunities for further development and companies’ recruiting coaches</td>
</tr>
<tr>
<td></td>
<td>Lack of specialised courses in nutrition, sports medicine and psychology</td>
<td>• Evaluation of demand by the Government for these courses and the establishment of lucrative incentives by the Government for their inclusion in existing private and public universities</td>
</tr>
<tr>
<td>Sports infrastructure</td>
<td>Insufficient legacy planning for various games hosted by India leading to poor asset monetisation</td>
<td>• Legacy planning to be done before the construction of stadia/assets begins in order to incorporate future requirements post international events as per the legacy plan into design of assets</td>
</tr>
<tr>
<td></td>
<td>Limited implementation of existing schemes</td>
<td>• Mandatory implementation and periodic review by the Central Government on the status of implementation of schemes such as PYKKA and National Playing Fields Association of India (NPFAI), at the state level</td>
</tr>
</tbody>
</table>
|                                          | Limited corporate investment in sports infrastructure development     | • Revision of policies and consideration of methods such as innovative PPP models by the Government to attract corporate investment in sports.  
• Creation of repository of case studies of successful instances of corporate investment in infrastructure |
| Sports equipment                         | Lack of a unified representation for the sports equipment industry    | • Integration of sports apparel exports with the Sports Goods Export Promotion Council (SGEPC) for holistic promotion of the sports products sector |
|                                          | Non-recognition of some sports training import items as sports goods  | • Government policy could be targeted at bucketing some equipment for sports training under sports goods and levying customs duty accordingly, for instance wrestling mats and boxing gloves may be treated as just sports goods and not classified under generic gloves and mats |
| Leagues and tournaments                  | Lack of transparency in the governance of leagues                     | • Implementation of a uniform robust legal framework for governance across all leagues |
|                                          | Poor monetization of leagues                                         | • Better packaging of events can make the leagues spectator-friendly |
|                                          | Limited engagement of franchises with local communities              | • Concentrated efforts by franchises to engage with local community to build fan base and, hence, attract audiences |
| Performance incentives for sportspersons  | Lack of policy ensuring financial security post-retirement for some players | • Collaboration among NSFs and sports consulting firms to plan players’ careers post-retirement |
|                                          | Limited career options within the sports ecosystem                    | • Provision of industry status to sports  
• Active collaboration among stakeholders to help strengthen the commercial aspect of leagues and franchises. |
| Direct tax                                | • Lack of clarity on the:                                             |                                                                                   |
|                                          |   – Rates at which prize money and unguaranteed participation fee would be taxed. |                                                                                   |
|                                          |   – Taxability of global sponsorship and advertisement revenue and prize money i.e., whether to tax global sponsorship, advertisement revenue and prize money in India and to what extent. |                                                                                   |
|                                          |   – Taxation mechanism if there is a triangular treaty scenario.       |                                                                                   |
To further develop these recommendations and work on additional initiatives, it is recommended to form a Joint Working Group (JWG) comprising stakeholders from relevant ministries of the central and state Governments, sports governing bodies such as NSFs and State Sports Association (SSAs), private players such as corporate organizations and media houses and other Government societies such as Central Board of Secondary Education (CBSE) and National Council of Educational Research and Training (NCERT). The following table presents the key stakeholders that could be part of the JWG and the likely benefits from the formation of such a committee.

Table 2: Stakeholders and potential to them from the formation of JWG

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Potential benefits from the formation of JWG</th>
</tr>
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</table>
| Central and state Governments                   | • Formulation of a holistic policy  
• Realization of the Government’s vision on sports gets expedited by leveraging existing capabilities of other JWG stakeholders |
| Sports governing bodies such as NSFs, SSAs and Indian Olympic Association (IOA). | • Potential increase in sponsorships through networking  
• Inclusion of suggestions from sports governing bodies on the formulation of common governance framework across all sports |
| Corporate organizations                         | • Increased awareness among various stakeholders on private sector activities in various segments of the sports ecosystem  
• Increased ideation and collaboration on strengthening the commercial potential in sports  
• Increased support to corporate houses investing in sports, with a focus on PPP models |
| Media                                            | • Exploring opportunities for increasing popularity and viewership for sports in India |
| Other Government agencies/societies such as NCERT, CBSE and National Skill Development Corporation (NSDC) | • Support from various stakeholders, especially the Government, toward implementing a holistic education and workforce training policy/plan |

Lack of sports culture and non-recognition of sports as an industry in India are among the major challenges for the business of sports in the country, which is expected to gain momentum by the introduction of more leagues on the lines of IPL. The gestation periods in the sports sector may be long, but it has high revenue generating potential and the Government and private sector should synergize their efforts to establish a flourishing sports industry in India. This can not only generate commercial returns but investment in sports could also lead to high social return on investment (RoI) in terms of brand building by reaching out to a significant segment of the population. Therefore, the time is ripe to facilitate investment mobility so that corporate houses that are already engaging in sports can upgrade to for-profit sporting ventures, while business houses that are not involved in sports so far may consider this sector as an ideal avenue for CSR activities.
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1. Introduction
Globally, the sports sector is estimated to be worth USD 480–620 billion\(^1\) and contributes about 1–5 per cent to the GDPs\(^2\) of various countries. In India, sport is yet to be recognised as a sector and there is no comprehensive study on the industry’s estimated size in the country. Moreover, the definition of the term ‘sector’ is ambiguous and differs from country to country. West Virginia University, United States, has defined the sports industry as one that consists of several different segments, including sports tourism, sporting goods (manufacturing and retail), sports apparel, amateur and professional sports, recreational sports, high school and college athletics, outdoor sports, sports businesses such as sports marketing firms, the sport sponsorship industry and sport governing bodies.

The definition highlights the vastness of the sports sector and association with several other industries such as education, real estate, infrastructure, tourism, manufacturing and retail. India’s Draft National Sports Development Bill, 2013, recognises 66 kinds of sport. Even if a few of the recognised sports are fully developed and monetised, sport as a sector can contribute significantly to the country.

The young burgeoning middle class of India with their increasing disposable income offers huge consumption potential for the business of sports. The viewership of sporting events has been steadily rising in the country and so is general awareness on fitness. This is good news for the industry, as this would foster the adoption of active lifestyle by people through various means, including playing various sports. However, there is a need to vigorously promote a sporting culture in the country to encourage the consumption of community sports. This would, in turn, facilitate the creation of an environment that is conducive to sports commerce.

- 29.3 per cent\(^3\) population in the age group of 0-14 years
- Middle class as a percentage of population is estimated to increase from 4 per cent in 2005 to 41 per cent by 2025\(^4\)
- The average share of educational and recreational activities in the annual household consumption is estimated to increase from 5 per cent in 2005 to 9 per cent by 2025\(^4\).

India hosting international events has also increased awareness on sports in the country, and, subsequently, about their socio-economic impact. The establishing of sporting leagues in India has made sports more commercial, though cricket has benefited the most. Some noteworthy events in recent years are:

- Commercial success of cricket and the Indian Premier League (IPL)
- Launch of leagues similar to IPL in other sports such as hockey, football, badminton and golf by sports federations in collaboration with private parties
- Hosting of global sporting events such as the Commonwealth Games (2010), Cricket World Cup (2011), Formula 1 Grand Prix (2011 onward) and the World Chess Championship.

2. “Sports Retailing in India: Opportunities, Constraints and Way Forward,” INDIAN COUNCIL FOR RESEARCH ON INTERNATIONAL ECONOMIC RELATIONS, June 2010
1.1 Importance of sports to a nation

Sports can make significant socio-economic impact on a nation and its citizens. It plays an important role in ensuring physical fitness and healthy lifestyle among the citizens of a country. It unites people from diverse backgrounds, hence promoting peace and development. With the Government providing numerous opportunities to sportspersons, sports also promotes social inclusiveness. The sports sector has the potential to make significant contribution to the economy. Though there is no study in India that assesses the socio-economic impact of the sector, a study undertaken by Sport England in 2013 highlights the significant contribution that it could make to a country’s society and economy.

The potential of sport in bringing about a positive social change is evident from initiatives such as the ‘FIFA Football for Hope’ movement. This is a global movement that seeks to provide visibility and support to various social organisations that use football as an instrument in their social development programs. ‘Sport the Bridge’ is another such initiative that lays emphasis on sport pedagogies to promote social inclusion among street children in Ethiopia.

India’s economic growth potential, thanks to a large young population, is of interest to the entire world. Inculcating a healthy sporting culture among its youth to build a physically and mentally sound nation is integral in ensuring sustainable growth in the future. As per a survey conducted by EduSports in 2011–12 covering more than 49,000 across the country, obesity is increasing among schoolchildren in urban India with one in four in the metros and one in six in non-metros being overweight9. According to the survey, about 39 per cent children do not have correct Body Mass Index levels and about 20 per cent demonstrate signs of obesity. Nearly one in two children covered under the study have poor flexibility levels and body strength. It has been observed that fitness levels drop sharply as children grow older, highlighting the risk of an unfit generation. The survey highlights lack of structured inclusive sports curriculum as the primary reason for alarming obesity and poor health levels apart from lack of proper sports infrastructure and urban lifestyle.

Case study: socio-economic impact of sports on England

Economic impact

- In 2010, sports and sports-related activities generated a Gross Value Added (GVA) of £20.3 billion, contributing to about 1.9 per cent of England’s total GDP while placing it within the top 15 industry sectors in the country.
- The sector is estimated to support over 400,000 full-time equivalent jobs, which is about 2.3 per cent of all the jobs in the country.

Social impact

Apart from economic impact, sports also make significant social impact in the following ways:

- Participating in sports is believed to curb youth crimes and anti-social behaviour. It also leads to improved health and education standards.
- Sports also impact the environment positively since it encourages more physical activity such as walking and cycling, which reduce emissions and congestion.
- It encourages volunteering and the estimated economic value of sport-related volunteering in 2010–11 was £2.7 billion.
- Performance in sports is one of the major drivers of national pride.

Case study: Sport the Bridge

Based out of Berne, Switzerland, Sport the Bridge is an NGO that aims at the personal development of children through sports in the country and across the globe.

Sport the Bridge runs a special program in Addis Ababa, Ethiopia, that serves more than 60,000 street children7. The NGO seeks to help these children re-integrate into the society and families by imparting lessons on social behaviour through sports. Sport the Bridge, Ethiopia, currently supports about 200 children and helps them prepare for family life through sports such as soccer, martial arts, athletics, tennis, basketball, circus, juggling and dance8. This initiative was nominated for the Beyond Sport Award7 in the category of best project for social inclusion in 2009 and is part of the FIFA Football for Hope8 movement since 2010.

1.2 Performance of India in sports

The survey supports the findings of a previous study conducted by the Government of Kerala among schoolchildren as part of its Total Physical Fitness Program. Kerala ranks high on health and education parameters in comparison to majority of the Indian states. However, the fitness standards of schoolchildren in the state were found to be low in comparison to the minimum recommended standards. In 2010–11, only ~16 per cent of the state’s children from classes five to 10 met the minimum recommended standards on all health-related physical fitness test items. The results of the Government of Kerala survey highlight that the overall fitness levels of schoolchildren across the country is dismal.

Therefore, sports not only instil pride among a nation’s citizens, but they also facilitate social and economic development of a nation. This can be achieved by building a sporting culture in the country. That’s why CII has adopted the Government of India’s objectives of achieving excellence in sports and broad-basing them as part of its India@75 vision. CII’s India@75 vision as a means of building strong sporting culture aims to attain the following objectives:

- **Achieving excellence in sports** - Win 20 gold medals at Olympics 2020.
- **Broad-basing of sports in India** - Create sports infrastructure accessible to common people in tier 2/3 cities; appoint coaches in infrastructural facilities and provide them with equipment; provide 10,000 children in rural areas with scholarships to pursue sports.

How far India is from achieving these objectives can be assessed by analysing its past performance at international sporting events. This may also help identify potential improvement or focus areas, and bring the country closer to achieving its goals for the sector.

### 1.2.1 Performance at international events

India is not considered a sporting nation and lags in majority of sports. Its performance has not stood out at international events such as the Olympic Games. However, at an international level India excels in a few sports such as badminton, boxing, cricket, tennis, shooting and wrestling. This demands a thorough analysis of India’s performance at recent sporting events to formulate a strategy for Olympics 2020.

The country’s performance has not been up to the mark at various Olympic Games. India’s medal tally has witnessed marginal improvement in the past few Olympics Games, with the 2012 games being the best so far for the country. India’s Olympic medal tally has increased from zero in 1988 and 1992 to one each in the 1996, 2000 and 2004 Olympics. This was followed by three medals in 2008 (including the first Olympic gold medal for India) and six medals at the London Olympics 2012. However, India lags far behind countries such as Australia, China, Japan, South Korea, Russia, the U.S. and some smaller countries such as Ethiopia and Cuba, which have traditionally performed better due to their core competence in some individual sports like athletics and boxing, respectively. India’s Olympic Games 2012 performance can be judged on the following parameters, where the country won only:

- 3.3 medals per USD 1 trillion of GDP versus 10.5 of China, 40.2 of Russia, 162.3 of Ethiopia, 217.4 of Cuba and 808.5 of Jamaica
- 0.005 medals per 1 million people (population) versus 0.331 of China, 0.564 of Russia, 0.076 of Ethiopia, 1.331 of Cuba and 4.425 of Jamaica

---


Figure 1.1: Comparison of performance of nations in terms of medals, medals to GDP and medals to population at the Olympics

<table>
<thead>
<tr>
<th>Nations</th>
<th>Medals</th>
<th>Medals to GDP (USD trillion)</th>
<th>Medals to Population (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>6</td>
<td>0.095</td>
<td>1.406</td>
</tr>
<tr>
<td>China</td>
<td>10</td>
<td>0.117</td>
<td>2.932</td>
</tr>
<tr>
<td>Russia</td>
<td>8</td>
<td>0.096</td>
<td>1.543</td>
</tr>
<tr>
<td>United States</td>
<td>104</td>
<td>0.065</td>
<td>0.311</td>
</tr>
</tbody>
</table>

India has traditionally performed better in the Commonwealth Games and Asian Games than the Olympics and it has managed to rank among the top nations. This may be attributed to the fact that less countries participate in these games than the Olympics and some of the top Olympic nations, such as the United States, People’s Republic of China (not part of the Commonwealth but takes part in the Asian Games), Russia, Germany and France, do not participate in these games.

Nonetheless, as shown in Figure 1.4 and Figure 1.5, India’s performance at the Commonwealth and Asian Games has improved considerably over the years.

Figure 1.2: India medal tally and rank in Commonwealth Games since 1990


India has performed well in certain non-Olympic sports as well, such as cricket, chess, snooker and billiards.

### Table 3: Achievements of India in certain non-Olympic sports

<table>
<thead>
<tr>
<th>Sport</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cricket</td>
<td>• Winner of Cricket World Cup in 1983 and 2011</td>
</tr>
<tr>
<td></td>
<td>• Winner of World Twenty20 in 2007 and 2013 ICC Champions Trophy</td>
</tr>
<tr>
<td></td>
<td>• Indian women’s chess team finished fourth in the Chess Olympiad at Istanbul in 2012</td>
</tr>
<tr>
<td></td>
<td>• Indians won eight medals at Maribor, Slovenia, in the World Youth Chess Championship 2012, including three gold medals</td>
</tr>
<tr>
<td></td>
<td>• Parimarjan Negi won the Asian Continental Championship 2012 at Vietnam</td>
</tr>
<tr>
<td>Snooker and billiards</td>
<td>• In the last 20 years, India has won the World Championship five times</td>
</tr>
<tr>
<td></td>
<td>• Pankaj Advani has eight world titles under his belt. He also won the gold medal for the English Billiards Singles event at the Asian Games. He won the World Billiards Championship in 2009 and 2012</td>
</tr>
<tr>
<td></td>
<td>• Anuja Thakur won the WLBSA ladies world billiards championship in 2005 and Chitra Magimairaj won the Australian Open Women in 2008</td>
</tr>
<tr>
<td></td>
<td>• India has performed well at the Asian Games since 1982, winning a gold medal in each of the games.</td>
</tr>
</tbody>
</table>
Contribution of individual states at the Olympics, Commonwealth Games and Asian Games

An analysis of India’s performance at various international events also highlights the contribution of a few states in India’s success.

1. Performance at the 2008 and 2012 Olympics

India has won nine medals in total in the last two summer Olympics. If we categorise athletes on the basis of states where they received a majority of their training or spent a substantial portion of their youth, then two medals can be attributed to Haryana (Vijender Singh and Yogeshwar Dutt), two to Andhra Pradesh (Saina Nehwal and Gagan Narang), two to Delhi (Sushil Kumar) and one medal each to Punjab (Abhinav Bindra), Himachal Pradesh (Vijay Kumar) and Manipur (Mary Kom).

2. Commonwealth Games 2010

India showcased its best performance so far at the Commonwealth Games (CWG) 2010 with an overall medal tally of 101 medals. Haryana’s performance was significantly better than other states. Punjab, Maharashtra, Andhra Pradesh were other states that performed well. The contribution of Manipur, considering it has a small population, was also significant.

Figure 1.4: Contribution of individual states to India’s CWG 2010 medal tally


3. Asian Games 2010

Out of the total 65 medals won by India at the Asian Games 2010, 20 were won by sportspersons from Haryana. Sportspersons from Manipur, Kerala, Karnataka, Andhra Pradesh and Maharashtra also performed well.

This holds true for domestic games as well, with a few states accounting for a significant share of the total medals.
1.2.2 Performance of states in the National Games

The National Games 2011 were held in Jharkhand. Figure 1.5 demonstrates that Manipur and Haryana were the best performing states on the basis of the number of gold medal wins.

**Figure 1.5: Number of gold, silver and bronze medals won by top 15 states respectively at the National Games 2011**

The absence of large states like Uttar Pradesh, West Bengal, Gujarat and Rajasthan from the top 15 states could mean that these states are not doing enough to cultivate their sporting talent.

**Figure 1.6: Number of medals won at the National Games per 1 million population of state**

The absence of large states like Uttar Pradesh, West Bengal, Gujarat and Rajasthan from the top 15 states could mean that these states are not doing enough to cultivate their sporting talent.

Figure 1.6 establishes that states such as Haryana, Jharkhand, Kerala, Manipur, Mizoram and Punjab fare well on the medals-to-population ratio. But populous states such as Bihar, Gujarat, Orissa, Rajasthan, West Bengal and Uttar Pradesh lag behind. These states should work toward instilling a sporting culture and producing successful sportspersons.
1.2.3 Learning from the leading states

Athletes from Haryana and Manipur have been making significant contribution to India’s performance at recent global events such as the Olympics, Commonwealth Games and Asian Games. The two states are also among the top performing states in the last few editions of the National Games of India. Their success can be attributed to the policies of their respective state Governments and to the presence of a healthy sporting culture. These states can be the role models for other states, and the country as a whole.

Case study — Haryana

Even though the state has less than 2 per cent of India’s land and population, its contribution to national sports has been higher than other states. The credit for Haryana’s success can largely be attributed to Government policies in the past few decades.

The Haryana Government has adopted a focussed approach to develop sports. The state’s sports policy was launched in 2006 and has been regularly revisited and updated — there has been an increase in the incentives for sportsmen and several initiatives have been launched. Three important aspects of the state Government’s policy are:

1. Talent spotting and grooming: The Government has launched the ‘Play 4 India’ initiative with an aim to enable young boys and girls to realise their athletic potential and subsequently hone their skills by providing support. Under this initiative, a Sports and Physical Aptitude Test (SPAT) is conducted in all schools across the state to identify high potential athletes in the 8–14 age group. About 5,000 children — with boys and girls in equal numbers — are identified, and a sport is allocated to them based on seven physical parameters such as strength, flexibility and the reaction time of various body parts. These students are then supported financially and provided with training, proper diet and health checkups. A yearly appraisal assesses the progress and further assistance is provided based on this assessment. Sporting events are held from block level to the state level throughout the year for students to compete and hone their skills.

2. Infrastructure: To support development of sports, the state has built the following infrastructure such as:
   - 46 schools to train athletes, including provision of free hostel, games kit and food
   - 71 stadiums at block level with full-time coaches, managed by district authorities, school management and parents
   - Sports complex in every district
   - A sports library and a centre for conducting research in sports medicine
   - Centres of Excellence for individual sports such as academies for boxing in Bhiwani and wrestling in Rohtak and Sonepat

3. Incentives: The Government provides several incentives to winners and other stakeholders in sports:
   - Winners and participants of various sporting events: Financial incentives, government jobs and reservation in admission to professional institutions are awarded to the winners in various international events. For example, gold medal winner in the Olympics/Paralympic Games 2016 would be awarded INR 5 crore. This initiative is essential since it incentivises athletes to perform well in various international events, encourages parents to allow their children to pursue sport professionally and secures the future of winners while allowing them to focus on their respective games.
   - Coaches and their places of origin: The State Government rewards the villages of medal-winning sportspersons. For example, the panchayat of a village of a gold medal winner, in an international event, gets INR 2 lakh for the overall development of the village. This encourages villagers to promote a healthy sporting culture in their respective villages.
Case Study: Manipur

The Manipur Government’s policy of 2004 recommends sport and recreation to be made a mass movement by making it a way of life. It states that sport and physical education be made compulsory in all educational institutions. Moreover, the policy states that adequate sports facilities should be made available at every educational institution and the master plans of all civic and municipal areas should make a provision for common playgrounds.

Moreover, the Manipur Government allocates high percentage of its budget toward sports and games (~1.03 per cent of the total budget) as compared to prominent sporting states such as Haryana (~0.27 per cent of the total budget) and Punjab (~0.36 per cent of the total budget)13.

Manipur also has the highest number of national games medals in 2011 per capita and this could be attributed to the presence of a sporting culture in the state. Historically, Manipur consisted of small kingdoms in constant competition with each other and every Manipuri was a warrior who had to serve his kingdom. This gave rise to a strong martial tradition, which, in turn, became a driving force for the development of many indigenous sports. Some of them include Thang Ta and Sarit Sarak (Manipuri martial arts), Khong Kangjei (Manipuri hockey), Yubi Lakpi (Manipuri rugby), Hiyang Tanaba (boat race), Mukna (Manipuri wrestling), Sagol Kangjei (polo) and Kang.14

SAI established its North-eastern centre at Imphal in Manipur in 1986. The presence of this facility may have also contributed to the state's sporting success.


1.3 Strategy for India@75 Vision

While the Sports Development Bill 2013 recognises 66 sports - and many more sports are played across India - a developing nation with limited number of resources and only a few champions cannot afford to focus on all sports. Therefore, to achieve its targets, it is imperative for the country to identify a few sports in which it has succeeded in the past and use its resources on these sports in the medium term.

Figure 1.7: Cumulative medal tally of India in Olympics 2012, CWG 2010 and Asian Games 2010


Figure 1.7 represents India’s achievement in the past few major international sporting events. As it is evident, the country has won the maximum number of medals in shooting, followed by athletics, wrestling, boxing, archery and tennis. The high tally in athletics, despite India’s dismal performance in these sports at the Olympic Games of 2008 and 2012, may be attributed to the contribution of athletics events at the Commonwealth Games and Asian Games. India usually performs well in athletics at these events due to the non-participation of some of the top sporting nations such as the US, France, Germany, People’s Republic of China and Ethiopia.
India’s last two Olympic performances and Figure 1.7 demonstrate that the country’s strength areas primarily include shooting, wrestling and boxing. This is followed by archery and tennis. Considering the recent performance of the country’s shuttlers at international tournaments, badminton appears to be a promising sport for India as well.

While India has proved itself in shooting, wrestling and boxing, it is important to reflect upon the medal-winning potential of these sports at the Olympic Games. Assuming that an event can generate one medal per country, it is estimated that shooting, wrestling and boxing together account for 46 medals (Refer Figure 1.8). Adding sports like weightlifting, archery, badminton and tennis, India’s total medal-winning potential translates into 77 medals.

**Figure 1.8: Total events at the Olympic Games for select sports**

![Bar chart showing total events at the Olympic Games for select sports](chart.png)

Source: www.olympic.org accessed on 15 January 2014
Note: Aquatics includes Swimming, Diving, Synchronised Swimming and Water Polo

Some of the leading sporting nations of the world also won a significant number of medals in just a few sports - as indicated by an analysis of their performance at Olympics 2012. More than half of U.S.’s 104 medals were won in aquatics and athletics, which have the highest medal-winning potential (refer Figure 1.9). Similarly, Britain won a majority of its medals in cycling, rowing and athletics (refer Figure 1.9). Though China seems to perform well in almost every sport, it wins most of its medals in aquatics, badminton, gymnastics, shooting and weightlifting.
For India to achieve its sports objectives, and to be considered one of the leading sporting nations, it needs to build further upon its strength areas as well as work towards creating a talent pool in medal-intensive sports such as aquatics, athletics, cycling, gymnastics and weightlifting.

Source: www.olympic.org accessed on 15 January, 2014
2. Sports ecosystem
A comprehensive sports ecosystem ideally includes various dimensions or segments that go into establishing and developing a sport, and various stakeholders in all these segments. The evolution of a sports ecosystem may be evaluated by the extent of interaction and awareness among stakeholders within and across various segments. Increased transparency and professionalism in the system, coupled with growing awareness amongst all stakeholders, can result in the creation of a better evolved sports ecosystem of a country.

Some of the key identified segments of the sports ecosystem are sports governance; talent scouting and training players and trainers; sports infrastructure, sports equipment (industry); sporting leagues and tournaments; and performance incentives for sportspersons.

These segments and key stakeholders in the respective segments are identified and represented below:

**Figure 2.1 Sports ecosystem-Its segments and key stakeholders**

The following sections provide an overview of certain important segments of the sports ecosystem, public and private initiatives and major challenges that hinder the growth of sports in India.
2.1 Sports governance in India

The sports governance structure in India is well-defined. Broadly, it comprises of the Government and autonomous bodies established in compliance with the Olympic charter.

The Ministry of Youth Affairs and Sports (MYAS), under the Government of India, is responsible for administering the Department of Sports. The Sports Authority of India (SAI) is the field arm of MYAS in the promotion of sports in India through the implementation of various schemes such as the National Sports Talent Contest Scheme (NSTC), SAI Training Centres Scheme (STC) and Centres of Excellence (COX) scheme. SAI also operates several regional centres and sports institutes such as the Netaji Subhash National Institute of Sports Patiala and the Laxmibai National Institute of Physical Education, Thiruvananthapuram.

Government bodies under MYAS are responsible for providing financial assistance, training and infrastructure support to autonomous bodies such as the Indian Olympic Association (IOA), various national sports federations (NSF) (recognised by IOA and their respective International Federations as per the Olympic charter), sports federations that operate under the aegis of recognised NSFs and various State Olympic Associations (SOA). In return of the investment made by Government bodies, NSFs, SOAs and IOA are responsible for organising sports competitions, holding international sporting events and providing Indian sportspersons with an adequate platform to showcase their talents.

IOA is the apex sports governing body in India for Olympics sports and the NSFs and SOAs report to it. It acts as a link between the Government, NSFs and SOAs for various sports, and is also responsible for the promotion of the Olympic spirit for various sports. Various sports associations at the state level are in turn affiliated to their respective SOAs and NSFs. A similar structure is in place for non-Olympic sports as well, except for the fact that respective NSFs are not part of IOA. A broad governance structure is depicted in Figure 2.2.

Figure 2.2: Governance structure for sports in India


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Key issues

Despite a strong governance structure, there are certain issues that hinder effective sports governance in India:

- There have been several incidents of noncompliance by some national sports federations and the IOA with the International Olympic Committee (IOC) Charter, which is essential to guarantee Indian representation at international sporting events. In December 2012, the OA was suspended by the IOC for its failure to amend its constitution to bar officials accused in some cases from contesting the IOA elections. The IOA and several NSFs also have been found defying IOC guidelines on age and tenure parameters and are said to have a non-transparent election process.

- Another major problem witnessed by Indian sports is the tussle amongst federations for recognition to be the representative governing body. This has an adverse effect on players' morale, as they find themselves in the middle of the mud-slinging by warring parties. The suspension of the Indian Hockey Federation (IHF) on account of poor team performance and corruption charges by the IOA in 2008 and the subsequent establishment of Hockey India (HI) as the national federation for hockey in India is still a matter under sub judice. Several hockey players have found it difficult to select their priorities with the IHF organising the lucrative World Series Hockey event. In fact, the Indian hockey team's performance has degraded over the years with India coming in last at the 2012 London Olympics. Similarly, gymnastics, a medal-intensive sport, did not have a national sports federation as of June 2013, with two parties battling it out for affiliation as the ultimate governing body for the sport. This administrative in-fighting is believed to have affected players' training sessions.

To resolve issues hampering effective sports governance, the Government has recognised the need for putting forward a Sports Bill.

Figure 2.3: Salient features of the Draft Sports Development Bill 2013

- Impose duties on the National Olympic Committee (NOC) to function as a public authority under the RTI and submit reports to the Parliament
- Establish a Sports Election Commission to conduct free and fair elections to NOC, NSFs and the Athletes Commission
- Introduce an Appellate Sports Tribunal with a selection committee consisting of the Chief Justice of India, Secretary of the Department of Sports and President of the NOC to resolve NSF/NOC disputes
- Bar charge-framed individuals to contest NOC/NSF elections and bar individuals from holding the post of office bearers of two NSFs simultaneously
- Establish an Athletes Commission within six months in each NOC/NSF
- Fix the retirement age at 70 years and tenure limits in compliance with the IOC Charter on the office bearers of each NSF/NOC, besides a directive for the inclusion of at least 25 per cent athletes in the executive body and the involvement of the athletes (nominated by the Athletes Commission) in the decision-making process of the executive body of NSFs. The addition of a lower limit on the percentage of athletes in the executive body goes a step further than the IOC’s efforts in ensuring athlete participation in the IOA

Case study: Sports governance structure in Australia

The Australian Sports Commission (ASC) is a statutory authority within the Australian Government’s Regional Australia, Local Government, Art and Sport portfolio. ASC’s mission is to encourage more Australians to participate and excel in sports. Its corporate structure was reorganised in 2011 to fulfil duties required of it by the Australian Government and the Australian Sports Sector.

Figure 2.4 Australian Sports Commission Corporate Structure

- **Australian Institute of Sport**: It is responsible for athlete preparation in terms of coaches, sports science and medicine, programme management, competition opportunities and providing the overall strategic direction for high performance sports in Australia.

- **Participation and Sustainable Sports**: It supports the national sports organisations (NSO) in building the capability and capacity of NSOs and in developing comprehensive participation plans. It is also responsible for developing community sport through after-school community programmes.

- **Corporate Operations**: It provides business capabilities and services to support the ASC in delivering on its strategic plan.

Australia is one of the leading sporting nations, as it is evident from its performance at international sporting events. Part of its success can be attributed to the country’s professional sports governance set up that emphasises on separate teams to maintain corporate relations and to encourage community-level engagement in sports. This supports the overall functioning of various sports federations and associations.

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Case study: Sports governance in the United Kingdom

In the U.K., the Department for Culture, Media and Sports (DCMS) is the apex sporting body in the U.K. and it is headed by the minister for sport and tourism. The U.K. Sports Council (UKS), which falls under DCMS, is responsible for investing public funds in Olympic and Paralympic sports, as well as in community sports through its affiliates. Majority of funds distributed by the UKS come from the National Lottery and the Exchequer (the Ministry of Finance in the U.K.). UKS primarily concentrates on high level performance sports. It assesses the chances of winning medals in each Olympic sport and distributes funds accordingly. This ‘no compromise’ policy aims to utilise public money only on those sports in which the chances of winning medals are high (i.e. the so-called World Class Performance Programme). It should also be noted that football, tennis and horse racing do not receive any public funding. UKS also manages and finances British bids to host major sports events (Gold Event Series programme).

Community sports are managed through UKS’s four national organisations: these are Sport England, Sport Scotland, Sport Wales and Sport Northern Ireland. Apart from UKS, they are also connected to their respective home country Governments (Scotland, Wales and Northern Ireland). These bodies are responsible for promoting community sport and talent development. Their main task is to encourage overall participation in sport, but they are also responsible for increasing the quantity and improving the quality of community sports facilities. A fundamental aspect of the work carried out by them is the investment of National Lottery funds into sport federations; through this channel they support elite and grassroots sports alike. However, Olympics-related elite sports funding remains the sole responsibility of the UKS.
2.2 Talent scouting and training of players and trainers

A big, developing country such as India requires a strong talent scouting and training system for tapping and honing potential sporting talent. The Government and private sector have taken several initiatives, but a country with a 1.2 billion-strong people is yet to produce a significant number of medal winners. This highlights the need for casting a wider net of talent scouting and providing quality training in order to identify and train more achievers.

2.2.1 Overview of initiatives in talent scouting and training

Role of governing bodies

While the central and state Governments organise competitions at different levels where talent scouts from respective organisations search for sporting talent, SAI is responsible for talent spotting at the micro level. It has instituted several schemes for sports promotion and building the next generation of achievers (refer Table 4: Features of SAI schemes).

Table 4: Features of SAI schemes

<table>
<thead>
<tr>
<th>Schemes</th>
<th>Age group</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Sports Talent Contest (NSTC), Army Boys Sports Company (ABSC), SAI Training Centres (STC), Special Area Games (SAG), extension centres of STC/SAG and Centre of Excellence (COX).</td>
<td>8–25 years.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Provisions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of schools and universities that have quality sports infrastructure and are provided with funds for sports kits, a SAI trainer/coach and exposure to competition</td>
<td></td>
</tr>
<tr>
<td>In many of these schemes, SAI trainees are also provided with stipend, medical insurance, sports equipment and boarding/lodging as per the norms.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selection procedure of trainees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trainees are usually selected through competitions where an eminent selection committee consisting of SAI coaches and sports scientists spot talent for the respective scheme</td>
<td></td>
</tr>
<tr>
<td>National/state level winners are automatically admitted to these schemes while district-level achievers are admitted after passing some tests.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sports covered</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A wide range of sports are covered such as athletics, badminton, basketball, hockey, gymnastics, swimming, wrestling and table tennis.</td>
<td></td>
</tr>
</tbody>
</table>

Following are some more schemes and responsibilities that the SAI undertakes:

- **Come and play scheme** - The scheme is for the 8–17 year category and aims at systematic talent spotting by the coaches, at all SAI training centres and stadia, by allowing young sports enthusiasts to get coached at a cost of INR45 per month.

- Attempts to prepare sportspersons/national teams for various international sporting events at regional/sub-regional training centres in consultation with the respective national sports federations.

- The Government also provides funds for holding rural competitions under the PYKKA scheme, where ~22 per cent of the total INR872 crore allocated to the PYKKA from 2008 to 2012 to achieve successful organization of competitions.

**Role of the private sector — private academies**

Several sportspersons from various disciplines such as cricket, tennis, badminton and football have established academies to train upcoming players. Some of these academies are Britannia Amritraj Academy, Bhupathi Tennis Academy, Gopichand Badminton Academy (GBA), Prakash Padukone Badminton Academy (PPBA) and Baichung Bhutia Football Schools (BBFS).

These academies are mostly managed by players who have been successful at the international level. Such academies serve as important avenues for players to transmit their knowledge to — and share their experience with — budding players. These experienced sportsmen also understand the lacunae in the system. As a result, these academies have been able to produce some impressive results, such as:

- Tintu Luka who won a bronze medal at the Asian Games 2010 is a product of the Usha School of Athletics

- Tennis players Leander Paes and Rohit Rajpal have trained at the Britannia Amritraj Academy

- Saina Nehwal trained at GBA.

Though these academies play an important role in nurturing sporting talent in the country, some of them have already delivered results and, many of them are yet to become sustainable, which is critical for their progress. A review of successful academies globally can help provide insights into the economics of running profitable training ventures.
Case study: Manchester United Academy, U.K.

The Manchester United Football Academy is an example of a successful private sports academy and its study can provide information on owning and running private academies. A vast majority of successful private football academies are owned by prominent first or second division football clubs.

Manchester United has a youth team development programme. According to a research by Sporting Intelligence, Manchester United is ranked fifth in the world with 24 Manchester United Academy graduates playing in the Big Five leagues — England, France, Germany, Italy and Spain.

Based on their historic performance, the Manchester United youth team is the most successful team in English football.

The Manchester United Academy was established in 1998 and the overall development cost of the complex was approximately £8 million. It is located on a 70-acre site in Carrington, which is shared with the first team. In 2002, the complex was further expanded during the £8 million club-financed development of the Academy Building, which serves as the home for Manchester United’s youth teams. The training complex comprises of 14 pitches and medical and conferencing facilities. Since the opening of the facility, there have been several minor renovations.

Manchester United has built various revenue streams such as:

- Revenue from sale of players: Over the years, Manchester United has managed to generate revenue by selling players who graduated from the youth academy. In 2003, David Beckham became the most expensive home-grown player when he was sold to Real Madrid for £24.5 million.

- Academy naming rights: To further capitalise on the brand and reputation of the club, Manchester United, in April 2013, agreed on an eight-year naming rights agreement with Aon that resulted in the Trafford Training Centre being renamed to Aon Training Complex. The deal has been estimated to be worth around £120 million (£15 million a year). As part of the deal, Aon will advise Manchester United on talent development, risk management, as well as on health and wellness solutions.

Moreover, successful collaboration on financial and operational fronts between a club and the public makes the AFC Ajax Youth Academy in Amsterdam an interesting study.

Case study: AFC Ajax Youth Academy, Amsterdam, The Netherlands

AFC Ajax’s Youth Academy is acknowledged as one of the most advanced football youth academies in Europe, consisting of 13 teams and 200 youth players between the age of 7 and 19 years. The academy has made special agreements with over 80 private and municipality schools in the greater Amsterdam area from where students are gathered by academy workers every day and sent to the youth centre. In addition, the Ajax youth centre supports their studies by giving complementary lessons and homework, emphasising on the importance of education, along with daily sport training.

Numerous players who attended the youth academy of AFC Ajax went on to play in their respective national teams and became famous; it has been estimated that over 80 per cent of the academy’s young players become professional football players. Graduates of the academy include Johan Crujff, Frank Rijkaard, Dennis Bergkamp and Wesley Sneijder. To achieve superior results, the academy employs 70 scouts and numerous sport scientists.

The academy’s training centre (De Toekomst in Dutch or The Future in English) was established in 1996 and includes nine football fields spread over 14 hectares. The main field of the centre is the Sportpark De Toekomst, which is the stadium of the AFC Ajax Youth Academy, with a capacity of 5,000 seats. This is exclusively reserved for players in the top training squad and serves as a goal for all attendees.

Sportpark De Toekomst is jointly owned by Stadion Amsterdam N.V., a public-private holding company, and the Government of Amsterdam.

Source: KPMG Analysis
Role of the private sector — CSR initiatives

Non-profit organisations such as the Olympic Gold Quest (OGQ) and the Mittal Champions Trust (MCT) (a CSR initiative by the Mittal group) have shown the way to other corporate players in supporting training requirements of athletes and extending financial support to upcoming athletes by raising funds from companies and individuals.

Following are some results of such initiatives:

- MCT-backed shooter Abhinav Bindra became the first Indian to win an Olympic gold medal in an individual event.
- MCT assisted wrestler Yogeshwar Dutt in overcoming injuries. He went on to win the bronze medal at the London Olympics 2012.
- OGQ identified coach Briton Charles Atkinson for Mary Kom’s training when the Olympic 2012 organisers discontinued the usual weight category she contested in. With joint efforts from the Government and OGQ, she won an Olympic bronze medal.

Moreover, corporate houses such as TATA have invested extensively in sports as part of their CSR programme. The TATA group conducts a nationwide talent search and selects players for further training at its various academies like TATA Archery Academy, TATA Athletics Academy and TATA Football Academy. It also sponsors PPBA. Some encouraging results of TATA’s CSR initiatives are:

- Ashwini Ponnappa, a student of PPBA, won gold and silver medals in doubles and mixed badminton events, respectively, at the CWG 2010.
- Sixty per cent of the national football team players are cadets from the TATA Football Academy.
- Deepika Kumari, a cadet of the TATA Archery Academy, won a gold medal in one individual and one team event at the Commonwealth Games 2010 and a bronze medal at the Asian Games 2010. She is currently ranked World no 2.

Similarly, the Jindal Steel Works (JSW) foundation (Jindal group) has established the second-largest squash academy in India at Vasind, Maharashtra, which has produced many international- and national-level players. Other examples of corporate efforts in improving training and talent spotting include industrialist KK Birla’s patronage of the Guru Hanuman Akhara in Delhi, Punj Llyod’s investment of INR30 million toward promoting squash and providing training to talented children, the IMG-Reliance partnership with All India Football Federation (AIFF) to overhaul football at the grassroots and professional level.

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9. “Yogeshwar Dutt is a content man”, The Hindu, 15 August 2012
Key issues

• **Limited reach of talent scout efforts:** Despite the Government’s efforts in scouting for talent at the grassroot level, there were only 14,900 SAI trainees in 2012. It is estimated that India’s population in the 8–25 year group (the age group that SAI schemes cover) is ~43 crore, which indicates that only ~ 0.0035 per cent of India’s youth in this age group is being trained under these schemes. This percentage appears low in comparison to that of countries such as Cuba (17 per cent). Therefore, there is a need for more initiatives and increased involvement of players to develop a system that casts a wider net of talent identification and grooming.

• **Challenges faced by private players while establishing academies** varies with the sport. However, some issues common to all sports include:
  - Lack of sporting culture and awareness on its importance
  - Difficulty in sourcing funds since sport has not yet been awarded an industry status and is considered a risky business
  - Lack of coaches and technical know-how of sports in India
  - Scarcity of adequate spaces for providing training in sports such as football, athletics and tennis
  - The problem of inaccessibility for private players to public stadia and training infrastructure gets compounded by a requirement for high capital expenditure
  - CSR initiatives in India have largely been restricted to supporting established athletes, resulting in a smaller talent pool.

2.2.2 **Role of Stakeholders in training the trainers**

Trainers and coaches are mostly responsible for nurturing talent. Sports trainers include sports coaches, physical education and fitness trainers, physiotherapists, masseurs, nutritionists, mental condition coaches and psychologists.

It is important to create a pool of qualified sports trainers and ensure that they get training. According to survey of U.S. Olympians from 1984 to 1998, approximately 49 per cent Olympians believed that being coached by qualified trainers played an important role in their success. It is essential to train coaches because:

• Coaches should be up-to-date with the latest training methods and techniques, to provide quality training to their pupils, which would keep them globally competitive
  - Coaches should be able to recognise and assess the scale of injuries of their athletes and plan their training programmes for recovery in a scientific manner
  - Moreover, coaches play an important role in guiding athletes on using the equipment safely and in employing appropriate playing techniques that can prevent injuries. They also help sportspersons upgrade/modify their playing style to suit different tournaments and varied playing conditions and multiple forms/categories of the same game

The estimated demand for sports and fitness coaches for India in 2012–13 is 1,34,188, while the demand for support personnel in terms of track and field experts, nutritionists, psychologists and sports medicine experts is 1,96,131. The annual demand (required number of coaches in a year) is 39,697 in terms of the Government’s vision for the next decade.
Role of the Government in training trainers/coaches

- **SAI’s National Coaching Scheme:** This scheme deploys coaches for various operational schemes of the SAI to state Governments/UTs, for conducting bachelors/masters degree diploma courses in various sports disciplines and for coaching/training at the Navodayas, Kendriya Vidyalayas and various other universities. The total sanctioned strength under this scheme is about 1,524 coaches.19

- **PYKKA scheme by the MYAS for building capability of Kridashrees and Master Trainers**19: A Kridashree is a community coach who serves as a sports trainer for the rural community and a master trainer imparts coaching skills. The aim of the PYKKA scheme is to build two lakh community coaches and 600 state officials as master trainers, in 10 years, across the country. Until now, 2,126 officials have been trained to become master trainers under this scheme, and these master trainers are expected to train 20,000 Kridashrees a year in states/UTs.

- **Government sports institutes:** Total students enrolled in sports courses at various government institutes for 2012 is 2,106 students. The institutes managed by SAI include the Netaji Subhash National Institute of Sports, Patiala, and the Lakshmibai National College of Physical Education (LNCPE) Thiruvananthapuram, along with NS Southern Centre Bangalore and NS Eastern Centre Kolkata. LNUPE, Gwalior, is another major government institute that offers sports courses. These institutes offer diplomas, M.Sc. degree and certificate courses in sports coaching, refresher courses in coaching and bachelors, masters and PhD degrees in physical education.

- **A dearth of educational courses in sports sciences:** The Amity School for Physical Education and Sports and the Bharati Vidyapeeth University offer courses in sports management, physical education, nutrition, sports science and coaching.

Role of private bodies in training trainers

- The Amity School for Physical Education and Sports and the Bharati Vidyapeeth University offer courses in sports management, physical education, nutrition, sports science and coaching.

Key issues

- Some issues identified in the ecosystem for training the trainers include:
  - Lack of awareness on opportunities regarding sports coaching courses. When estimating the strength of students enrolled for sports courses in public and private universities, India gets about 5,000 coaches annually from accredited institutions — this falls short of the annual demand of approximately 37,000 coaches18. Despite efforts by the Government, the uptake of sports courses appears low. This may be due to lack of awareness on various schemes, courses and demand for sports coaching.
  - The point above is further highlighted by the fact that MYAS reported shortage in the number of coaches under the national coaching scheme by SAI. There are only 1,109 coaches out of the total sanctioned strength of 1,524 — resulting in 415 vacancies across 19 sports disciplines. Women coaches constitute less than 16 per cent of the total strength of coaches19.
  - Although, the PYKKA scheme by MYAS for building capability of Kridashrees and Master Trainers aims to produce 20,000 Kridashrees every year. However, the scheme has been able to produce only about 28,500 Kridashrees since its inception in 2008.20
  - Moreover, SAI organised a refresher course in 2012 and received only 92 applicants. Out of the 48 selected, only 36 from just five Indian states attended the course19.

- There ia dearth of specialised courses in sports physiotherapy, nutrition and psychology. Though they play a critical role in facilitating holistic training and development of athletes, sports medicine and sports sciences are not evolved enough in India.

Case study: Emphasis on sports-related courses in the U.K. universities

More than 60 universities in the U.K. offer courses in sport science. The independent guidance and support organisation SI-U.K. Education Council states that sports science is constantly developing and many major U.K. universities and colleges offer several courses in this field.

Besides sports sciences, several universities in the country also offer sports-related business studies. Based on the ranking of the worldwide best business school, published by Eduniversal in 2012, four of the best 50 universities providing sports management studies — Coventry University, De Montfort University, Loughborough University and Sheffield Hallam University — were based in the U.K.

One of the renowned sport universities in Europe — Loughborough University in Leicestershire — offers a wide range of sports-related studies in the field of human biology, psychology, sports and exercise science, and sports management. There are currently 1,100 undergraduate students, 180 postgraduate students and 140 research students at Loughborough.

With continuous investment in buildings, teaching resources, laboratories, equipment and access to quality exercise facilities (e.g. the newly established £10 million-worth pioneering sports and exercise medicine centre), the university, its School of Sport and exercise and health sciences department are considered to be one of the best equipped institutions providing a complete range of studying opportunities related to sports.

It should also be noted that the majority of universities in the U.K. are funded by public sources (the tuition fee paid by students constitute only a small percentage of their financing).

Source: KPMG Analysis
2.3 Sports infrastructure

In the context of this report, sports infrastructure includes sports stadia and fields. It is important to assess the role of various stakeholders in providing the requisite infrastructure for the development of sports in India.

Role of the Government

Besides building training centres and academies, the Central Government and SAI also builds and maintains stadia and fields. As part of the Asian Games 1982 and the CWG 2010, India constructed several stadia, facilities or infrastructure developed for hosting international games that would not only serve as a legacy for the host country’s citizens but would also provide opportunities for urban development.21

The creation of legacy assets is usually in line with the long-term sports and development strategy of the host nation/city. The Indian Government believed that building quality athletics infrastructure, showcasing India’s excellence in international-level non-cricketing competitions and motivating a young population to pursue sports professionally would be the lasting legacy of hosting the CWG 2010.22 Some of the key benefits of building such assets are:

- Upgraded facilities can be used by national sports organisations for high-performance training.
- Assets built in universities can be used after the events by students and local community members, thereby enhancing community sports participation. It generates demand for an employee base trained in technical, managerial and other games-related aspects.
- It facilitates restoration of surrounding lands and promotes green urban development.

It is important that legacy planning is done in advance while hosting international games, to monetise assets for the following reasons:

- The large investment in infrastructure/stadia development and renovation is difficult to recover during the short period of the games
- To generate revenue after the sporting events for positive economic impact, as part of building a legacy of hosting games and to develop sports and surrounding communities.

India’s legacy planning for CWG 2010 assets was limited and, therefore, it has not been able to generate sufficient income so far. (Refer Table 5)

<table>
<thead>
<tr>
<th>Stadium name</th>
<th>Cost of establishment/upgrading during CWG 2010</th>
<th>Means of revenue generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jawaharal Nehru Stadium</td>
<td>INR961 crore23</td>
<td>• ‘Come and Play’ Scheme</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Rented out to India’s national football team</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Concerts</td>
</tr>
<tr>
<td>Indira Gandhi Stadium</td>
<td>INR240 crore24</td>
<td>• ‘Come and Play’ Scheme</td>
</tr>
<tr>
<td>Dr. SPM Swimming Pool Complex</td>
<td>INR377 crore25</td>
<td>• ‘Come and Play’ Scheme</td>
</tr>
<tr>
<td>Dr. Karni Singh Shooting Range</td>
<td>INR150 crore26</td>
<td>• ‘Come and Play’ Scheme</td>
</tr>
<tr>
<td>Major Dhyan Chand National Stadium</td>
<td>INR262 crore26</td>
<td>• ‘Come and Play’ Scheme</td>
</tr>
</tbody>
</table>

Table 5: Stadia managed by SAI on behalf of MYAS

23. Owen Bennett, “Is this the future for the Olympic Park?: Decaying stadium three years after Games,” Express (U.K.), 15 July 2013
26. Mohammad Amnul Islam, TNN, “Replaced Dr. Karni Singh shooting range ready for action,” Times of India, 1 Feb 2010
Case study: The City of Manchester Stadium

The City of Manchester Stadium can provide valuable insights into profitable monetisation models for private companies.

It was built to serve as the main athletics stadium for the 2002 Commonwealth Games, hosted by Manchester. The development cost of the stadium was £110 million, which was financed by public funds: £77 million was covered by lottery grants while £33 million was paid by the Council of Manchester.

After the event — to avoid the stadium from becoming a white elephant — the municipality reached an agreement with Manchester City FC to convert the venue into a football stadium (the agreement included leasing the stadium to the football club at favourable rates). The football club paid the redevelopment cost of £20 million and the stadium reopened as a football stadium in August 2003.

The rent paid to the council comes from match day revenue, especially ticket sales. However, no amount was due if the attendance did not exceed the 32,000 capacity of the City’s previous stadium (Maine Road), while half of the ticket revenues above that level was paid to the owner. This resulted in an annual average rental fee of £2 million between 2003 and 2011.

In 2011, Manchester City FC agreed to sell the naming rights of the stadium to Etihad for £350 million to be paid in 10 years. At the same time, the rent paid to the council was raised by £2 million and, therefore, since 2011 the club pays an annual average rent of £4 million for using the Etihad Stadium. As a result, the club earns a net fee of £33 million from the naming rights deal, though it does not own the stadium.

Source: KPMG Analysis

Following are some schemes instituted by the Government for infrastructure development:

- **Scheme of assistance to Urban Sports Infrastructure Development:** To improve the entire sports ecosystem, the scheme of assistance to Urban Sports Infrastructure Development was introduced in 2010–11 to develop infrastructure such as synthetic playing surfaces and to address other important issues such as player and coach training and development. The scheme provides financial assistance to schools/colleges/universities/academies for developing sports infrastructure, which can potentially operate as SAI’s extension centres. The National Playing Fields Association of India and the state-level playing fields association get assistance under this scheme.

- **PYKKA scheme:** Established in 2008–09, the scheme aims to develop sports infrastructure at the grass root level throughout India by providing assistance to its network of village panchayats and blocks panchayats in 10 years. It is estimated that the scheme has covered only 22 per cent of village panchayats in India in five years since its inception.

The PYKKA scheme, instituted by the MYAS, requires state Governments to establish a PYKKA cell under their respective Governments’ Department of Sports to receive requisite financial assistance from the Central Government. Approximately 66 per cent of the panchayats approved under the PYKKA scheme have developed playfields in their respective areas.

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Case study: Government initiatives to build sports infrastructure - financing stadiums in the U.S.

Financing the development of stadia can be challenging. Though funding varies in each case, it is usually obtained from a combination of private and public sources, including equity (cash injections, assets such as land contribution, supply of equipments, licenses and patents), debt and other special arrangements.

Public authorities usually choose to be involved in the development of stadia for wider socio-economic reasons. Public participation in financing stadium developments includes various forms of allowances (including tax allowances) and grants provided by Governments, local municipalities and other public bodies. Authorities can also contribute to financing through the provision of land at favourable terms, building access roads and upgrading adjacent public infrastructure.

Alternative financing structures of stadium developments

The U.S. is certainly one of the countries that provide a wide range of tools for public contribution. Out of the 20 stadia of National Football League (NFL) teams launched in the last 15 years, 19 have received public support (with the only exception of the MetLife Stadium in New York, which is quoted as being funded from private sources). On an average, 56 per cent of the overall development cost of these stadia has been derived from public sources (refer to the table below).
Public funding for the developments of these stadia involved a wide range of public contribution tools: different types of taxes (among others, city sales and county sales taxes, lodging tax, excise tax, car rental tax, F&B tax, property tax, income tax, utility tax and parking tax), lottery funds/gaming tax revenues, public parking revenues, revenues from public property sale, direct grants, land contribution, tax rebates, operating subsidies, interest-free loans, capital fund allocation, infrastructure development and utility/transit allocation.

India can also explore similar methods for financing sports infrastructure.

### Funding NFL stadiums in the U.S.

<table>
<thead>
<tr>
<th>Stadium</th>
<th>Year opened</th>
<th>Private funding (%)</th>
<th>Public funding (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco 49ers (planned)</td>
<td>2015</td>
<td>88</td>
<td>12</td>
</tr>
<tr>
<td>MetLife Stadium</td>
<td>2010</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Cowboys Stadium</td>
<td>2009</td>
<td>63</td>
<td>37</td>
</tr>
<tr>
<td>Lucas Oil Stadium</td>
<td>2008</td>
<td>14</td>
<td>86</td>
</tr>
<tr>
<td>University of Phoenix Stadium</td>
<td>2006</td>
<td>32</td>
<td>68</td>
</tr>
<tr>
<td>Lincoln Financial Field</td>
<td>2003</td>
<td>64</td>
<td>36</td>
</tr>
<tr>
<td>Soldier Field (renovation)</td>
<td>2003</td>
<td>34</td>
<td>66</td>
</tr>
<tr>
<td>Lambeau Field (renovation)</td>
<td>2003</td>
<td>43</td>
<td>57</td>
</tr>
<tr>
<td>Gillette Stadium</td>
<td>2002</td>
<td>83</td>
<td>17</td>
</tr>
<tr>
<td>Ford Field</td>
<td>2002</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>Reliant Stadium</td>
<td>2002</td>
<td>39</td>
<td>61</td>
</tr>
<tr>
<td>CenturyLink Field</td>
<td>2002</td>
<td>35</td>
<td>65</td>
</tr>
<tr>
<td>Heinz Field</td>
<td>2001</td>
<td>39</td>
<td>61</td>
</tr>
<tr>
<td>Sports Aut. Field at Mile High</td>
<td>2001</td>
<td>28</td>
<td>72</td>
</tr>
<tr>
<td>Paul Brown Stadium</td>
<td>2000</td>
<td>6</td>
<td>94</td>
</tr>
<tr>
<td>LP Field</td>
<td>1999</td>
<td>29</td>
<td>71</td>
</tr>
<tr>
<td>Cleveland Browns Stadium</td>
<td>1999</td>
<td>26</td>
<td>74</td>
</tr>
<tr>
<td>M&amp;T Bank Stadium</td>
<td>1998</td>
<td>10</td>
<td>90</td>
</tr>
<tr>
<td>Raymond James Stadium</td>
<td>1998</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>FedEx Field</td>
<td>1997</td>
<td>72</td>
<td>28</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td>44</td>
<td>56</td>
</tr>
</tbody>
</table>

Source: CSL

Source: KPMG Analysis
Role of the corporate sector in infrastructure development

The involvement of companies in sports infrastructure development in the country is mainly in the form of public-private partnerships (PPP). Some examples of PPP for infrastructure development include:

- The Naya Raipur Development Authority is building a sports city in Naya Raipur, which would have facilities like tennis, aquatic and an indoor stadium along the PPP model. The private player is expected to build the facility and hand it to the authority. Some amount of this land is earmarked for a residential complex, which could cross-subsidise the sports facilities.
- Jindal Steel Works (JSW) has collaborated with SAI as part of its CSR initiative to oversee the upgrading and maintenance of infrastructure at SAI’s regional training centre in Hisar. The latter is expected to monitor the training and selection of players.

Case study: Amsterdam Arena, Amsterdam, The Netherlands — successful PPP in building sports infrastructure

The Amsterdam Arena was opened in 1996 and was one of the first multi-use stadiums in Europe, hosting concerts and other non-sport events, besides football (the venue is the home of AFC Ajax) and other sports. The stadium has a retractable roof and a capacity of 52,000. It has 83 executive suites, 3,000 VIP seats and 2,500 indoor parking spaces.

The overall development cost of the stadium was around EUR127 million (EUR2,440 per seat).

The city of Amsterdam identified the opportunity of supporting the development of Ajax FC’s new stadium as a potential catalyst for city activities and urban commercial development around the stadium. The municipality also viewed the creation of new parking spaces as a beneficial development for Amsterdam. Moreover, the city received the naming rights of the new stadium in exchange for financial support, and it was therefore named the Amsterdam Arena.

The financing structure of the Amsterdam Arena development

<table>
<thead>
<tr>
<th>Source: KPMG Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipality of Amsterdam</td>
</tr>
<tr>
<td>Government subsidy</td>
</tr>
<tr>
<td>Equity financing (AFC Ajax)</td>
</tr>
<tr>
<td>Debt financing (mortgage)</td>
</tr>
<tr>
<td>Securitisation (seats and suites)</td>
</tr>
<tr>
<td>Private sponsors</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
</tr>
</tbody>
</table>

Pure private initiatives in sports infrastructure development are less common globally. One such example is that of Juventus, where substantial ticketing revenue potential became the primary source of ROI for stadium development. As further analysed in section 2.6, this may not be a feasible alternative in the current Indian scenario.

28 Anuja Jainwal, TNN, “Rs 1,000cr townships to come up in Naya Raipur,” Times of India, 30 March 2013
Case study: Juventus Stadium, Turin, Italy

Examples of corporate players owning sports infrastructure in India and in the world are not common.

With a capacity of over 40,000, the stadium has eight restaurants, 24 bars and 459 press seats; it was inaugurated in September 2011.

In the summer of 2003, Juventus bought the Delle Alpi Stadium from the Municipality of Turin for approximately EUR25 million. In 2008, construction started on the new stadium, which is the first new stadium in Italy to be privately owned by a football club. The overall project cost was EUR120 million.

The financing of the new stadium has a complex structure. About half of the required funds were financed from two loan agreements. Additional financing was obtained from the sale of a commercial centre to be developed in coordination with the stadium. Furthermore, Sportfive Italia S.r.l. signed a long-term partnership with Juventus involving regular payments to the club in return for an exclusive right to sell the stadium naming rights and a proportion of the premium seating capacity. This solution exemplifies how financing can be linked to the future revenue generating potential of a modern stadium.

The Sportfive agreement also highlights an interesting opportunity for stadium financing. Football is a fluctuating business, as the on-field performance of teams varies over the years. However, financiers need predictability in order to opt for securitising future revenue generation for financing purposes. If a football club is able to sign a long-term contract with an agent for selling premium seats, a significant percentage of demand risk gets transferred to the agent, allowing the club to show more security in their future revenues. The agent is able to spread the risk of this multi-year contract across its portfolio of similar contracts with other clubs; hence, it is able to better manage the inherent risk in a team’s sports performance. For clubs with a significant fan base, this financing solution seems to be gaining popularity.

Between 2008 and 2011, the annual average match day revenue of Juventus was EUR15.1 million. However, for the first season played in the new Juventus Stadium, the club managed to generate EUR31.8 million of match day revenue, more than double of the average of the previous three seasons. Since the opening of the new stadium, its utilisation has been over 87 per cent in each season.

Key Issues

Some key issues identified in sports infrastructure development in the country include:

- Insufficient legacy planning: Lack of efficient and early legacy planning for various games hosted by the country result in limited monetisation of legacy assets.
- Slow response of the State Government to various central schemes:
  - Many states have avoided schemes such as the National Playing Fields Association of India - that demands states to establish their respective playing fields association - and PYKKA where states like Punjab, Bihar, and Tamil Nadu did not avail the full grant for procuring and maintaining playing fields.
  - Some states do not yet have PYKKA cells at state, district and block levels.
  - There is lack of involvement and awareness among national sports federations and state sports associations regarding the organisation of PYKKA games and the participation of state players in them.
  - Though the Government had a vision of building infrastructure under the PYKKA scheme throughout the country in 10 years, only ~22 per cent of the panchayats have been covered in the five years since its inception.
- Limited PPP in sports infrastructure development.
## 2.4 Sports Equipment and Apparel

The sports equipment market broadly includes equipment for ball sports, adventure sports fitness equipment, golf equipment, racket sports, winter sports and other sports like archery, billiards, etc. The sports equipment market in India for the financial year 2013 is ~INR 40 Billion\(^{29}\) with cricket equipment holding the highest market share.

### Figure 2.5: Sport-wise market share

<table>
<thead>
<tr>
<th>Sport</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cricket</td>
<td>38%</td>
</tr>
<tr>
<td>Badminton</td>
<td>11%</td>
</tr>
<tr>
<td>Tennis</td>
<td>6%</td>
</tr>
<tr>
<td>Hockey</td>
<td>5%</td>
</tr>
<tr>
<td>Badminton</td>
<td>4%</td>
</tr>
<tr>
<td>Cricket</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>14%</td>
</tr>
<tr>
<td>Golf</td>
<td>1%</td>
</tr>
<tr>
<td>Boxing</td>
<td>2%</td>
</tr>
</tbody>
</table>


Figure 2.5 highlights that the share of popular sports like tennis, golf, boxing, shooting, etc. in equipment market is low. Ideally, popularity of any sport should result in higher consumption in the equipment market, which highlights that the equipment of these sports may be expensive for Indian consumers. Difficulty in accessing expensive equipment of these sports may be resulting in low participation.

Though India is one of the leading sports equipment exporters in Asia, it is limited to certain sports only. Inflatable balls and cricket bats are the top export items. The Government has taken some initiatives to boost manufacturing of sports goods / equipment in India such as:

- The Government of India allows 100% FDI in the sports manufacturing sector in an effort to make India a hub for manufacturing of sports goods, since it is a labour-intensive industry generating potential for employment.
- The Government has created SEZs to help manufacturers benefit from tax incentives on export incomes.
- The Foreign Trade Policy (2009–2014) has also qualified the sports goods sector as the priority sector for market development assistance and market access initiative. Further, benefits under the Market Linked Focus Product scheme and Export Promotion Capital Goods Scheme are also available for sports goods under the Foreign Trade Policy.
- Many state Governments also encourage sports manufacturing. For example, the Uttar Pradesh Government allotted land for sports goods manufacturing in Meerut.

India has the advantage of low cost skilled manpower for producing quality products attracting foreign sports equipment manufacturers. to source products from India with many Indian companies operating as contract manufacturers for multiple brands. This has further led to:

i. Technological advancement of Indian manufacturers due to knowledge transfer from foreign retailers

ii. Increased recognition of India as a base of high quality sports goods manufacturing and as a significant market for sports goods. This is important for recognition of Indian brands by federations so that approved playing equipment is readily available in India and need not be sourced from abroad.

Sports retail in India is growing rapidly with ~60% of the production\(^{30}\) consumed by the domestic market itself. This can further provide impetus to manufacturing of sports goods in India. Retailing would go a long way in promoting technological advancement and increased product awareness among both Indian manufacturers and consumers which could in turn lead to diversification in products demanded for, and manufactured indigenously.

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30. Sports Retailing in India: Opportunities, Constraints and Way Forward,” INDIAN COUNCIL FOR RESEARCH ON INTERNATIONAL ECONOMIC RELATIONS, June 2010
Key issues

Some of the key issues in the context of this report are highlighted below.

- **Lack of equipment manufacture for some sports:** In India, equipment produced for the domestic market is predominantly for cricket, badminton, hockey, etc. On the other hand, equipment for shooting and archery is scarcely available in India. Moreover, it is required that equipment used for national level and international level games has to be from brands that are recognised by international federations. Accessibility to inexpensive equipment is important for enhancing sports participation and ensuring quality training in line with requirements laid down by international federation. For example, in case of hockey, internationally light-weight composite hockey sticks have replaced wooden sticks. However, lagging behind China in technology, India does not have equivalent competence and China produces lighter more durable composite hockey sticks. In fact, a significant portion of fitness equipment is mostly sourced from China. Sourcing increases the cost of the equipment.

- **Difference in the import duty on Government-sourced and privately-sourced training equipment:** The duty charged on the import of goods such as sports footwear is ~ 28.85 per cent (generic rate) while the duty charged on the import of sport goods and equipment such as golf clubs and archery equipment is 21.47 per cent. However, specified sport goods imported are exempted[^1] from duty if imported by the specified Government agencies for national/international games and by eminent sportspersons for training purposes with certificate from the appropriate authority. Private academies are not exempt from import duties. Such inconsistent duty structure is perhaps discouraging private players from formulating training programs for sports such as archery and shooting which suffer from a dearth of equipment manufactured in India.

- **Restrictive policy on FDI in India:** Most international sports retailers are multi-brand retailers. Though FDI is not an entry ban due to presence of multiple other routes, restrictive policies, such as the above, make India rank quite low in terms of percentage of international retailers. FDI in multi-brand retailing could help both the sports retail and manufacturing sector (which could benefit from increased sourcing) to grow in India.

- **Lack of a unified representation for sports equipment industry:** Sports goods exports and sports apparel exports are promoted by separate councils under the aegis of separate ministries which is unique to India; as in most other countries sports exports are monitored by the same organization/association. This often prevents holistic development of the sports products sector.


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A golf driver of a particular make is priced ~37%-90% higher in India than in the United States.
2.5 Leagues and tournaments

Globally, the leagues system has served as an important way for companies to enter the sports sector. A sports league creates several opportunities for private companies in domains such as league management, franchisee, broadcasting, advertising, infrastructure, player management, licensing and merchandising.

US alone is home to some of the biggest leagues in the world such as the National Football League (NFL), Major League Basketball (MLB), National Basketball Association (NBA) and National Hockey League (NHL), setting an example for ways of monetizing sports.

India’s most successful league in terms of viewship and revenues has been the Indian Premier League (IPL), which is based on the English Premier League (EPL) format. The league was launched in 2008 by the BCCI with eight city franchisees. Though it is still small in comparison to some of the biggest leagues of the world (refer Figure 2.6), it has been able to achieve success in a short span of time, which other mature leagues could not manage to do. The evolution of IPL as a brand is an example of successful product innovation, which effectively combined entertainment and sports. The Twenty20 (T20) format of IPL has made the sport more popular and convenient to watch for cricket enthusiasts. Moreover, IPL has not only brought male audiences to prime time TV viewership, but has also attracted female audiences and children. It has managed to attract a majority of the top players in the sport and has also extended its presence to places outside of its country of origin. IPL has become a highly profitable property for BCCI and it has also been able to maintain high TV ratings (TVR) since its inception (refer Figure 2.7).

Figure 2.6: Revenue comparison of various international leagues (in billions of USD for 2012)

Figure 2.7: IPL profitability (INR crore) and TV ratings

Source: Plunkett Research, Annual Report of BCCI

Source: Gaurav Laghate, "IPL’s TV ratings on sticky wicket but advertisers unfased," Business Standard, 18 May 2013
For any league, media rights, sponsorships and revenue from franchises constitute major sources of revenue (refer Figure 2.8).

**Figure 2.8: Major sources of revenues for a league**

![Image of revenue sources]

**Source:** KPMG in India Analysis

For IPL, the biggest source of revenue is media rights. In 2009, BCCI struck a nine-year-long broadcast deal for INR 8,200 crore\(^3\).

**Figure 2.9: Break up of IPL revenue (2010–11)**

![Image of IPL revenue breakdown]

**Source:** BCCI Treasurer Report, 2010-11

\(^3\) "IPL signs 9-year broadcast deal with Sony for Rs. 8,200 cr", The Economic Times, 15 March 2009
IPL’s success has inspired the creation of national and state level leagues in other sports such as hockey, football, golf, badminton, American football and volleyball. However, these leagues are yet to achieve the scale and profitability of IPL, which is highlighted by the fact that despite being older than IPL, the I-league has struggled to find sponsors and broadcasters since its inception33.

Table 6: A summary of various sporting leagues in India

<table>
<thead>
<tr>
<th>Name</th>
<th>Indian Premier League</th>
<th>World Series Hockey</th>
<th>Hockey India League</th>
<th>Golf Premier League</th>
<th>I-League</th>
<th>Indian Badminton League</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sport</td>
<td>Cricket</td>
<td>Hockey</td>
<td>Hockey</td>
<td>Golf</td>
<td>Football</td>
<td>Badminton</td>
</tr>
<tr>
<td>Promoters / founders</td>
<td>BCCI</td>
<td>Nimbus Sports &amp; IHF</td>
<td>Hockey India</td>
<td>Shiv Kapur &amp; Neeraj Sareen</td>
<td>AIFF</td>
<td>BAI, Sporty Solutionz</td>
</tr>
<tr>
<td>No. of franchisees</td>
<td>8</td>
<td>8</td>
<td>5</td>
<td>7</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Team composition</td>
<td>Max. 27 players, Min. 16, Max. 9 foreign players in squad and max. 4 in playing eleven, min. 14 Indian players in each squad</td>
<td>25 registered players out of which 18 can play</td>
<td>24 players (10 foreign &amp;14 Indian)</td>
<td>4 (1 international, 1 Indian, 1 from Asian tour and 1 from golf tour of India</td>
<td>Allowed to register 4 foreign players but can field a maximum of 3</td>
<td>Max. 11 and min. 10 players including a junior player and four foreign players</td>
</tr>
<tr>
<td>No. of seasons</td>
<td>6</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>No. of matches</td>
<td>75</td>
<td>59</td>
<td>34</td>
<td>-</td>
<td>182</td>
<td>16</td>
</tr>
<tr>
<td>Total prize money</td>
<td>USD 4.2 mn</td>
<td>USD 1.3 mn</td>
<td>USD 0.75 mn</td>
<td>USD 0.35 mn</td>
<td>USD 0.11 mn</td>
<td>USD 0.9 mn</td>
</tr>
<tr>
<td>Franchisee fee (p.a.)</td>
<td>USD 6–14 mn</td>
<td>-</td>
<td>USD 1.7–2.5 mn</td>
<td>-</td>
<td>-</td>
<td>USD0.6 mn</td>
</tr>
</tbody>
</table>

Primary discussions, KPMG in India Analysis

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The commercial viability of any league in India is governed by certain critical success factors, such as:

• **Players**: Involvement of the top players of the world creates interest among viewers and improves the quality of the game. IPL and IBL are some successful examples. On the other hand, I-League is struggling to attract top players, resulting in poor viewership.

• **Marketing**: An effective marketing campaign is another critical factor in increasing a league’s popularity. Again, involvement of various celebrities as brand ambassadors or owners in IPL contributed to increased viewer interest in the league. In fact, the collaboration of the Indian entertainment industry and cricket has aided in making the IPL a commercial success.

• **Governance framework**: It has been witnessed that leagues that with support from the approved federation have been able to sustain. ICL failed due to lack of support from the BCCI, and WSH is facing similar troubles due to the non-recognition of the founding federation as the official national sports federation of hockey.

• **Stadium infrastructure**: Quality of stadium infrastructure contributes to the viewing experience, which increases the level of interest in sports. This, in turn, leads to an increase in the value of media rights.

• **Fan base**: An effective strategy to increase a franchise fan base is the engagement of respective franchisees with the local community. This helps generate greater TV viewership, increases attendance in matches and sale of merchandise.

• **Performance of national team or players at the international level** increases interest in the game and, consequently, the league.

• **League timing**: The tournament should be held at a time when:
  - No international tournament is being organised simultaneously that can divert a significant section of the viewers
  - Maximum players are available
  - The weather is suitable for holding matches.

The length of games and timing of matches are also some other important factors, as gathered from the IPL experience.
Case study: The launch of the Japanese J-League

Japanese football was in disarray until the late 1980s and in need of reform: the quality of play was low and low attendance figures confirmed people’s disinterest in the sport. A series of re-organisational actions resulted in the launch of the Japanese J-League. The founders (the Japanese Football Association) in 1991 had three significant primary goals in mind:

- Improve the quality of the game;
- Develop a sporting culture;
- Earn international recognition.

The J-League was incorporated as an autonomous, non-profit organisation, unlike the English Premier League, in 1992, as a limited company. However, it is different from European football in the sense that its management is centralised, which implies that the J-League — not the clubs — makes decisions concerning sponsorships and licenses for the league. The goal was to create equal financing opportunities for every club (it was doubtful whether each club would be able to survive on its own from the beginning, because of low interest in football). The fact that all teams are highly competitive further enhanced the league’s popularity.

Currently, there are 36 corporate sponsors of the league and, by extension, of the clubs. This number includes large multinational companies. They usually compete with each other to acquire the status of teams’ preferred supplier for different services. There are, however, no public funds used in professional football.

The biggest challenge the founders faced was the lack of an established base of football in Japan. Sumo and baseball were far superior; only a few children took up football as their sport. Naturally, the limited number of players lowered football standards in the country. However, to turn this around, J-League clubs were required to go beyond being football teams and serve as community centres. Modelled after the German professional clubs, Japanese teams are comprehensive sport clubs that provide entertainment to people of all age groups. They are also tasked with promoting sports in their region and with encouraging people to participate in local sporting initiatives.

To further increase public support, the teams tried to connect with their respective local communities. First of all, every participating club was renamed after its home city. Since the base city of a team cannot be changed, the naming process helped in creating a mutual commitment between a club and the locals. Every club is required to operate teams at various levels, such as under 18, under 15 and under 12. This motivates — and creates opportunities — for children to play football.

Several other initiatives were taken to make the sport more spectator-friendly and exciting for the Japanese consumers. The first official season (1993) started with 10 clubs (later it was expanded to 18 teams). The league adopted a two-stage season system where the winners of each stage played a final play-off at the end of the season to determine the champion. Moreover, matches could not end in a tie after 90 minutes. In case of levelled scores after the time limit, a 30-minute extra time game commenced, followed by a penalty shoot-out (if required). The system reverted to ‘classic’ rules in 1999 with a one-stage league format and the possibility of ties. There are plans to revive the two-stage format in 2015.

To improve the quality of the game and increase attendance, the J-League invited foreign football stars to the teams. Among others, Gary Lineker, Dunga, Jorginho, Patrick M’Boma and Dragan Stojkovic arrived in the early years for wages reportedly as high as JPY300 million (USD 3 million) a year. Numerous foreign coaches were also employed, such as Arsene Wenger (the current manager of the EPL team Arsenal). The J-League’s embracing of the European best practices and systems helped it quickly improve the quality of the games. However, their reliance on big names was short-lived once domestic players started establishing themselves. Today, the earlier trend seems to have reversed with Japanese footballers playing for major European teams (Shinji Kagawa for Manchester United and Yuto Nagatomo at Inter Milan are a few examples).

Building fan bases and creating a culture of football were also important. The J-League aimed at reaching out to people with diverse backgrounds and interests. Hooliganism was kept at bay to ensure people can enjoy the games with their families. Singing and chanting during the games was encouraged to create a good atmosphere. The league contracted a leading global creative agency to rebrand the teams and enhance their appeal among fans. Mascots and logos became an integral part of teams’ identity, further reinforcing the bond between fans and clubs. Bright and eye-catching kits with high recall value were also introduced. Like major American sports, significant focus was given on developing a variety of merchandise.

The launch of the J-League proved to be a commercial and sporting success. Well-planned commercial and merchandising activities, which leveraged communal and regional pride, resulted in the creation of a strong fan base. Interest in the sport rose steadily with average attendance reaching as high as 18,000 per game. Football gradually became one of the most popular sports in Japan, since the J-League provides the country with a domestic alternative to the English Premier League, which usually overshadows domestic football. Moreover, it also helps Japanese players in showcasing their talent and rising to the top without being forced to play for other countries’ clubs. Thanks to the J-League, participation in football boomed in the country and currently about 5 million people are estimated to play professionally or at the amateur level.

Source: http://www.j-league.or.jp/eng/, KPMG in India Analysis
Realising the potential of the sports sector from commercial and marketing perspectives, several leading companies and business groups have invested in the franchisees of various sporting leagues. A share of the central revenues of the league, local revenues and performance revenues constitute major revenue sources of a league franchise.

**Figure 2.10: Major revenue sources for a franchise in leagues**

- **Share of Central Revenue:** This includes a percentage of the revenue to the league from media rights and central sponsors. In India, media rights serve as a major revenue source for the league as well as franchises, since other revenue streams are not strong. This can be gauged from the fact that media rights constitute ~70% of the total revenue of an IPL team.

- **Local Revenue:** Local revenue for a franchise stands for revenue from match day ticket sales (gate revenue) and commercial revenue includes funds from franchise sponsors, merchandise sales and revenue generated from membership with the franchise club. Revenue from franchise sponsors constitutes the majority of the commercial revenue. A franchisee is unable to generate significant revenue from licensing and merchandising, since sports licensing is still in a nascent stage and plagued by multiple challenges such as rampant counterfeiting, low fan affinity, low popularity and development of team sports, cost and quality issues and lack of an active sporting culture. Even an IPL team generates only about INR 20–25 million from 4–5 licensees, which constitutes a minor percentage of their total revenue.

The contribution of gate revenue to the overall revenue of franchises is low due to inexpensive ticket pricing, especially in non-cricketing leagues. This is in contrast to the leagues abroad where gate revenues contribute significantly to a franchise’s revenue.

**Table 7: IPL/I-League**

<table>
<thead>
<tr>
<th><strong>IPL</strong></th>
<th><strong>I-League</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL teams generate INR10–30 million per match depending on occupancy and ticket prices</td>
<td>Average occupancy of I-league matches is 500 people</td>
</tr>
<tr>
<td>IPL ticket prices range from ~INR500–20,000</td>
<td>I-league ticket prices range from ~INR 30–300</td>
</tr>
<tr>
<td>IPL teams are generating 10–15 per cent of their revenues from gate receipts.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Industry discussions & KPMG in India Analysis

- **Performance Revenue:** This is the performance-linked revenue source for franchises. Returns on investments made by the franchise owners would have long gestation periods as understood from international case studies. However, association with sports has significant other benefits in the form of increased brand recognition, connect with the target segment, and increased sales in the core business of franchise owners.

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35. Industry Discussions, KPMG in India Analysis
Ways of monetising sporting assets/leagues

• Re-packaging existing sporting competitions like the Ranji Trophy and I-League to capture audience interest. This could be achieved through timings conducive to family viewing, both on television and in-stadium, suitable ticket pricing structure with special offers for family tickets and student tickets to drive audience, refurbishment of stadia, better viewing angles, spectator friendly game formats, broadcasting in both Hindi and English, strong marketing involving celebrities/local heroes as brand ambassadors of various teams and engaging with schools and colleges by organising nationwide tournament-specific quiz competitions, for instance, a ‘Ranji Quiz’, and sponsoring other nationwide inter-school/college competitions.

• Apart from re-packaging the tournaments themselves, it is important to create supporting infrastructure like restaurants, bars, fast-food chains, merchandise stores, book and music stores, etc. in existing stadia, to transform in-stadium sport viewing into a family exercise, and so that they could serve as a popular entertainment spot for non-traditional sports fans as well. A hike in ticket prices could be considered consequent to a rise in in-stadium viewership. The existing stadia may also be monetised by organising multiple sporting events and entertainment shows, wherever possible.

Case Study: Verizon Centre, Washington DC, USA

The Verizon Centre is a multi-purpose sports and entertainment venue with a seating capacity of 20,000 seats and is home to the NBA's Washington Wizards, the NHL’s Washington Capitals, the WNBA's Washington Mystics, and the NCAA's Georgetown Hoyas men's basketball team.

The Verizon Centre is the result of a USD 7 Billion redevelopment plan, that was launched 17 years ago by sports entrepreneur Abe Pollin, who envisioned a new sports arena in downtown Washington as opposed to the older U.S. Airways Arena that he operated, which was too difficult to get to—since it was situated in the suburbs of Washington DC, and also out of date. The Verizon Center boasts of 100 plus luxury suites, a high-definition center-hung scoreboard, an indoor basketball practice facility and 10 dressing rooms. This is supplemented by a variety of concession stands and restaurants. The arena also houses various sports bars and clubs, the Volkswagen Theatre, a fitness centre and a salon.

Since its inception, the arena has hosted high profile sporting events like the 1998 Stanley Cup Final, the NBA (2001) and WNBA (2002, 2007) All-Star games, and the 2003 World Figure Skating Championship, besides being the venue for numerous family shows and concerts. The stadium has served host to more than 36.5 million people who have attended the 3000 plus events organised at the venue.

Supporting funds during the development of the arena came from the arena naming rights deal that were sold to Washington based MCI Inc. for USD 44 million, over 20 years, and the arena was subsequently named the MCI Centre (after Verizon Communications took over MCI, the arena was renamed the Verizon Centre), multiyear deals with corporate sponsors and the sale of the arena luxury suites that were priced USD 100,000-USD 175000 in 1997.

The Verizon Centre is considered a commercial success and following Abe Pollin’s death, the stadium was sold to Ted Leonsis (owner of Verizon Centre’s tenant Washington Capitals professional football team) who subsequently established a new management company-Monumental Sports and Entertainment that stands as the current owner of the Verizon Centre.

Other benefits:

The Verizon Centre has revitalised the surrounding neighbourhood in downtown Washington DC, with the opening of numerous restaurants, bars and other businesses.

Sponsors should drive more fan club activities and promotional campaigns. Sponsorship in sports not only results in incremental sales but can also have significant intangible RoI associated with it.

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Case Study: P&G Thank You Mom Campaign

P&G that signed on to become a global Olympic sponsor for 10 years chose to use the platform of the Olympics to connect with its target audience—moms all around the world. The ‘Thank You Mom’ ad campaign was aimed at increasing brand loyalty among key customers who use P&G products most, i.e. women of age 18+ and ‘moms’, by bringing across the message that behind every Olympian, there is an ‘equally awesome mom’ who deserves to be thanked. The campaign thanks moms of not just Olympians, but moms all around the world who work hard to raise their children. The ad campaign therefore, helped P&G to connect emotionally with target customers (moms) by showcasing that P&G understands what it takes to be a mom. P&G is also an example of a non-traditional sponsor that identified the opportunity that a competition like the Olympics presents, to attain its marketing objectives.

Benefits from the ‘Thank You Mom’ campaign:
- Sponsorship of the U.S. team at the 2010 Vancouver Winter Olympics delivered USD 100 million\(^{43}\) in incremental sales
- Sponsorship of the 2012 London Olympics has resulted in incremental sales of USD 500 million\(^{44}\) or more
- Increased brand loyalty with a 5-10% increase in sales and market share of participating P&G brands
- Increased brand awareness of P&G. For instance, awareness of P&G in Russia increased from 0% to 15%, with 75% linkage to P&G brands\(^{45}\)
- P&G ‘Thank You Mom’ ad campaign garnered more than 75 million YouTube views\(^{46}\)

Association with sports provides a strong marketing platform to businesses. Companies from sectors that have typically not associated with sports, such as real estate, household products, infrastructure, etc. have also forayed into sports sponsorship due to the visibility it provides and high potential RoI, both tangible and intangible.

**Key issues**

- **Lack of transparency in the governance of leagues**: There have been instances of controversies around conflict of interests. For instance, being a franchise and a league owner at the same time; controversial auctioning of players and spot-fixing. Such incidents have raised questions on professional governance and transparency in these leagues. They also tend to result in loss of faith among league sponsors and can dissuade potential corporate investment.

- **League monetisation**: Non-cricketing leagues, such as the I-league, has found it tough to become profitable.

- **Limited engagement of franchisees with the local community**: This could have resulted in limited viewership and failure to generate interest in the game.

**Figure 2.12: Sponsors in sports**

<table>
<thead>
<tr>
<th>Traditional sponsors</th>
<th>Non-traditional sponsors</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.g., Aerated drinks and food product makers, alcohol companies, mobile service providers, airlines, etc.</td>
<td>Real estate companies, Personal care/household products manufactures, Infrastructure development firms, heavy engineering companies, etc.</td>
</tr>
</tbody>
</table>
## 2.6 Sports as a career — opportunities and performance incentives

### Incentives to encourage people to pursue sports professionally

There are various incentives for youngsters to pursue a career in sports, which can be broadly categorised, as shown in Figure 2.11: Incentives to encourage people to pursue a career in sports.

### Figure 2.11: Incentives to encourage people to pursue a career in sports

<table>
<thead>
<tr>
<th><strong>Incentives</strong></th>
<th><strong>Examples</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentives by the Government and PSUs</td>
<td>Jobs, pension funds, performance-based promotions</td>
</tr>
<tr>
<td>Financial assistance for education</td>
<td>Scholarships by UGC based on performance</td>
</tr>
<tr>
<td>Monetary gains through other sources</td>
<td>Sponsorship deals and product endorsements</td>
</tr>
<tr>
<td>Cash rewards by the central and state Governments</td>
<td>Cash and land awards to Olympic medal winners</td>
</tr>
<tr>
<td>Alternative careers</td>
<td>Coaching, sports management/marketing, sports psychology, sports education, sports journalists, analysts, commentators</td>
</tr>
</tbody>
</table>

Source: KPMG in India Analysis
Role of the Government in providing incentives and creating a safety net for players

Government initiatives for the creation of a safety net for players include the following:

- **Sports quota in Government jobs and public sector undertakings (PSUs):** According to rules established by the Government of India 44.
  - Meritorious sportspersons who have represented organizations/states/countries at national, state or university-level games or national games for schools with requisite qualifications are eligible for recruitment under the sports quota in various Government departments or PSUs, with reservation not exceeding 50 per cent.
  - Recruitment of sportspersons against the sports quota is done for Group C and D posts and cannot be done for Group A and B posts under direct (non-qualifying examination) recruitment.
  - To motivate players to continue performing well, the Government has decided to provide sportspersons winning a medal(s), at international competitions, an out-of-turn promotion, with a maximum of three such promotions.

Similarly, state Governments also have the provision of sports quota in Government jobs:

- Various state Governments provide about 2 per cent sports quota in Government jobs. Haryana, which provides 3 per cent sports quota, is an example of a state that boasts of a well-established incentives structure 49.

Moreover, the sports ministry recently announced direct recruitment of all Olympic participants as SAI coaches, equivalent to Group B officers 50.

- **Performance-based financial assistance for education under the sports quota:** Elite sportspersons who are medal winners at national games or participants of recognised international games/championships are provided with financial assistance by the University Grants Commission (UGC) for undergraduate and graduate university courses 51.

Role of the private sector

The Indian sports sector is at a stage where it requires thrust from both the Government and the private sector for realization of its true potential. Some of the ways in which the private sector is helping provide performance incentives and career opportunities to sports persons in the country are as follows:

- **Sports consulting firms:** Sports consulting primarily includes consulting for sports clubs, player management and player representation. The latter two help players make choices and connect them with appropriate resources suited to their career requirements and post-retirement plans. However, increasing such practices could only be possible with the advent of leagues for sports and the implementation of a proper framework on player management practice by respective national/international federations.

- **Scheme of pension to meritorious persons:** This scheme allows monthly pensions to medal winners at the Olympic Games, Asian Games, Commonwealth Games, World Championships and Para-Olympic Games in the range of INR 3,000–10,000, when they turn 30, or later if their sport career is active 52. However, there is no central pension scheme for medal winners at the National Games. Since sports is a state subject, some states like Gujarat have launched pension schemes for people who have participated in national-level games as well 53.

- **National Welfare Fund for Sportspersons:** This fund provides financial assistance to former sportspersons living in indigent conditions, to players for medical treatments and the former players who are now disabled. It also provides financial assistance to budding sportspersons in need.

The Indian Parliament recently discussed the possibility of formulating a policy on pensions for former sportspersons who have been successful in national-level games 55.

- **Non-profit organisations supporting athlete development:** Presence of organisations such as OQG and Mittal Champions Trust, which raise funds from corporate players and individuals to support training requirements of athletes, is motivating. Such companies could increase the chances of winning medals and, thereby, monetary rewards on winning in international games.

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44. “Ministry offers coaching jobs to Olympians current and former.” The Times of India, 27 July 2012
45. “Guidelines for providing ‘free education for sports medal winners/ participants of national/international events’ during the XII Plan,” University Grants Commission, accessed on 15 January 2014
46. “Pension to Sports Persons,” Ministry of Youth Affairs and Sports (Government of India), accessed on 15 January 2014
47. TNN: “Gujarat govt launches pension scheme for veteran sportspersons,” The Times of India, 4 July 2013
48. “Pension scheme for ex-sportspersons in the offing,” The Times of India, 26 August 2013
Other factors aiding the creation of a safety net for players

- **Cash rewards by central and state Governments**: Players who win medals or perform well in international competitions such as the Olympic Games and Commonwealth Games benefit from rewards from various state Governments, the Central Government and companies. Such awards could not only act as incentives but they also help secure players’ future.

- **Backup careers**: These are opportunities provided by the Government and the private sector to retain players in the sports ecosystem even after retirement from active sports. The sports ministry’s decision on direct recruitment of all Olympic participants as coaches is aimed at providing financial security to players. Players could also consider backup options in the fields of sports management/marketing and sports consulting in the future if the trend of league-based sports in India gains acceptance widely. Similarly, to fulfil the demand of coaches in line with the Government’s vision, pursuing courses in sports education, psychology and nutrition can also be potential backup options. Sportspersons may also get training to become analysts, commentators and journalists.

**Key issues**

- **Lack of policy ensuring financial security post retirement**: There is no pension policy or policy to ensure financial security of players representing India at international games who are not able to win medals in such events or national-level sportspersons.

- **Non-recognition of the Indian sports industry**: The absence of a sports industry in India often restricts opportunities in sports management/marketing/consulting. This can restricts the possibility of retaining elite sportspersons in the sports ecosystem after they retire.

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**Case study: Ways to attract and incentivise sportspersons to pursue a career in sports — the U.K.**

There are two major channels of public funding for professional athletes in the U.K.: the World Class Pathway (WCP) programme and the Athlete Personal Award (APA).

The former, initiated by the U.K. Sport in 1997, aims to support athletes who are genuinely interested in winning at the Olympics. Each funding cycle lasts for four years, starting after the Summer Olympics year. Money from WCP is first transferred to sports governing bodies so that it reaches athletes indirectly.

There are three different types of funding within the WCP programme:

- **Podium**: athletes with the most realistic winning capabilities at the next Olympic Games (duration: maximum four years)

- **Development**: athletes whose performances suggest they can be competitive. These athletes usually do not spend more than 3–4 years at this funding level.

- **Talent**: targeted at athletes who have the potential to progress through the World Class Pathway programme. This is a kind of ‘R&D’ investment at the youth level.

The number of ‘podium’ and ‘development’ grants awarded to each sport depends on recent performances and demonstrable future potential.

The other notable channel, APA, is paid directly to the athletes. It serves as a contribution toward personal living and sporting costs. Similar to the WCP programme, there are different performance categories. While the current average APA payment to athletes on the ‘podium’ level is about £18,500 per annum, the average figure for ‘development’ level athletes is approximately £7,500.

As part of private financing, Sportsaid, a charity fund established in 1976, aims to support young talent between the age of 12 and 18, who train in one of the Olympic and Paralympic sports at the amateur level, but have the potential to succeed in the future. This project relies on raising funds from the corporate sector and private individuals.

It should also be noted that financing is also channelled to professional sportsmen from private sponsorship deals, which either flow through the sport federations and sports clubs or are directly signed between sportspersons and sponsoring companies on an individual basis.


**KPMG Analysis**
3. Taxation in the sports sector


**Background**

Taxation of artistes, sportspersons and foreign teams participating in various national and international sporting/entertainment events in India is complicated, especially from a direct tax perspective. This is primarily due to the difficulty around the characterisation of their incomes. This is principally driven by the extremely creative and complex manner in which contracts are structured — multiple jurisdictions are involved since artistes and sportspersons are generally always on the move. To substantiate the gravity of the matter, one may recall that the Standing Committee on Finance had to present a comprehensive report in 2011 before the Lok Sabha on ‘tax assessment/exemption and related matters concerning IPL/BCCI’; that Usain Bolt, the fastest human on planet, refrained from participating in an event held at Crystal Palace, London, in August 2010, owing to ‘unfavourable’ laws of the United Kingdom on taxation of sponsorship and winning income.

**Broad overview of the direct tax framework**

In India, Section 115BBA, under Chapter XII of the Income Tax Act, 1961 (‘the Act’), provides for taxation of artistes/sportspersons and establishes a specific manner in which the income earned by a non-resident sportsperson and sports association shall be computed and brought to tax in India. Certain specific income streams of non-resident non-citizen athletes and sportspersons, such as guaranteed participation fee, advertisement income and income from contribution to articles in newspapers and journals are liable to be taxed in India at the rate of 20 percent (excluding surcharge and education cess) on gross basis. Further, the Central Board of Direct Taxes (CBDT) has also issued a Circular that addresses certain issues relating to the taxation of national and international events and shows for entertainment and sports.

The Organization for Economic Cooperation and Development’s Model Tax Convention (‘OECD MC/MC’) provides special provisions under Article 17 for taxing artistes/sportspersons who perform internationally. Simply put, Article 17 of the MC allocates to the country of performance (‘source country’) the right to tax the consideration paid to a non-resident artiste/sportsperson for performance therein. This is irrespective of whether the artiste or sportsperson is self-employed and has a permanent establishment in the source country or is an employee. In other words, Article 17 overrides the normal taxation provisions of the MC (i.e. Article 7 and Article 15). Further, Article 17 of the MC does not provide for any computation mechanism but, as stated earlier, merely allocates the taxing rights between the source country and the country of residence of the artiste/sportsperson. Such income is taxed as per the domestic tax law of the source country in India, in terms of Section 115BBA of the Act. Further, the MC does not provide for any time or fee threshold to trigger the application of Article 17. However, some bilateral tax treaties that India has entered into act as an exception to this rule by providing either for some time (e.g. India-Egypt Tax Treaty) or fee threshold (e.g. India-US tax treaty) to trigger the application of Article 17.

Article 17 also provides for specific anti-avoidance provisions to counter any devices/schemes, pursuant to which incomes of an artiste/sportsperson accrues not to him but to any other person. It further provides for exemption by the source state of the performance income that an artiste/sportsperson may earn from performances that are substantially supported by public funds. This reservation or exemption is included in the majority of bilateral tax treaties that India has entered into.

An artiste/sportsperson earns income from various sources; however, only incomes ‘from his personal activities as such that is incomes that are predominantly attributable to an artiste/sportsperson in the capacity of a performer or his other activities or property rights as a performer, are covered within the ambit of Article 17. Some typical streams of income of an artiste/sportsperson and their tax implications are as follows:

2. 38th Report of the Parliamentary Standing Committee on Finance - Tax Assessment and Exemptions and Related Matters Concerning IPL/BCCI
3. Usain Bolt snubs London meeting over tax laws” BBC, 12 July 2010
Participation fees and prize money:

Article 17 applies to all remuneration paid to an artiste/sportsperson with respect to his performance in the source country and is liable to tax. As discussed above, Article 17 does not provide for any beneficial rate or mode of taxation and hence, the same would be governed by the provisions of the domestic tax law — in the Indian context, this would be according to Section 115BBA of the Act. In terms of the said Section, certain specific income streams of non-resident non-citizen athletes — which includes the guaranteed participation fee — is brought to tax in India at the rate of 20 percent (excluding surcharge and education cess) on gross basis. Further, Section 115BB of the Act specifically deals with taxation of income from winnings, which includes winning from any game or sport played in India, and brings them to tax at the rate of 30 percent (excluding surcharge and education cess).

The presence of several provisions has given rise to a controversy wherein the industry seems to be debating whether prize money earned by artistes or sportspersons should be taxable under Section 115BB or 115BBA of the Act. The fact that neither of them begins with a non-obstante clause while both of them constitute the special provisions chapter further aggravates the issue. As discussed above, Section 115BBA applies to only guaranteed participation fee/prize money. Accordingly, there is a need to evaluate whether unguaranteed participation fee/prize money can be said to be governed by Section 115BBA of the Act. If not, would the normal provisions of the Act apply? Accordingly, there is a need to evaluate whether the provisions of Section 115BBA apply to unguaranteed participation fee/prize money. If not, whether a reasonably attributable share of such unguaranteed participation fee/prize money to the performance of the artistes/sportspersons in India be liable to tax at the rate of 40 percent (exclusive of surcharge and education cess) on the net income basis in terms of the normal provisions of the Act.

Sponsorship and advertisement income

Besides performance fees, artistes/sportspersons often receive income in the form of advertisement or sponsorship fees (includes fees received for the encryption of logos, trademarks or trade name on the clothes or their other apparatus). The commentary to OECD MC 2010 states that, typically, royalties for intellectual property rights will be covered by Article 12 (royalties and fees for technical services) and not Article 17; however, general sponsorship income directly or indirectly linked to the performance in a source country would be covered by Article 17.

There is an ongoing spate of controversies surrounding the taxation of global advertisement and sponsorship arrangements that artistes/sportspersons enter into. It has been debated, now in fact for quite some time, whether it is possible to cover within the ambit of Article 17 a reasonably allocable share of global advertisement and sponsorship revenues of artistes/sportspersons and offer to tax them in various countries of their performance. The OECD discussion draft on Article 17 inter alia includes discussion on this aspect. However, the resolution does not appear in sight. Similarly, other matters are also being debated such as whether there is a possibility to cover within the ambit of Article 7, instead of Article 17, the advertisement and sponsorship revenues that an artiste/sportperson earns from arrangements that are global in nature but do not relate to any specific tournaments. Consequently, in the absence of any permanent establishment, such payments may not be liable to tax in the source country. There is a similar issue with Global Prize Money too.

Some other contentious issues on which the industry awaits clarifications from the Government

Besides the concerns outlined above, following are some key issues that merit consideration:

- Taxation in case of a triangular treaty: For example, payments made by Rajasthan Royals, an Indian company, to Shane Warne, an Australian resident, for participating in IPL 2, played in South Africa4.
- Section 115BBA covers within its ambit only guaranteed income. However, there is no clarity on what constitutes guaranteed income.
- Tax implications on the player transfer fee, signing fee/joining bonus, which are common in soccer leagues worldwide.

The jurisprudence on the taxation of artistes/sportsmen has been continuously evolving for the past century-and-a-half, while India has only recently started tackling issues related to special taxation rules. Given the complexities, coupled with limited Indian and international judicial precedents on the subject matter, the debate on the taxability of income earned by artistes and sportspersons is likely to continue in the near future. Hence, the Government could do well to understand the industry’s requirements, rationalise the tax structure and put to rest these issues by issuing appropriate legislative commandment.

4. “Plunging Rajasthan Royals squad was horrible: Warne” The Indian Express, 17 April, 2009
Overview of the Indian indirect tax regime:

Indian sports have overhauled over the last decade-and-a-half with strong commercialisation and globalisation of related activities. Similar modernisation is also reflected in the changes in tax treatments and consequently tax disputes. Meanwhile, there were some more important changes in the form of the value-added tax (VAT) replacing sales taxes during 2005–2007, service tax expanding its ambit to cover almost all services in the economy while excise and customs duties held the fort by reducing a plethora of notifications and rates stabilising at about 25–30 percent for customs and 12 percent for excise. State Government continued to levy entertainment and entry taxes.

With the maze of taxes and both central and state Governments taxing activities/goods, the indirect tax regime in India is undoubtedly complex. However, with increasing complexities in the field of sports — with sponsors, franchisee, event managers, sports bodies and Governments playing their respective roles — the application for indirect taxes has become complex for the industry as well as the Government.

Key indirect tax issues in the sports sector

The manufacturing of sports goods is concentrated in a few pockets in India and was traditionally a labour-intensive industry serving India as well as other countries. The Government had granted exemption from excise to sports goods, which was withdrawn in 2011 to bring them in line with those by state Governments to pave way for the Goods and Services Tax (GST). Duty was increased from 1 percent to 2 percent in the following year and the industry wanted it to be rolled back.

Internationalisation of sports meant getting sports and other equipment (Formula 1 cars, yachts, boats and even the video recording gears of the TV crew) into the country for a few days and then returning them. The customs law in India have a provision to refund duty if the goods are re-exported within a particular time period. However, players and their franchisee consider this as a major hindrance due to the time it takes to get refund. In January 2014, the Commerce Ministry proposed a duty-free import of racing vehicles after executing a bond and undertaking to re-export within 30 days.

In international events such as the Cricket World Cup, sports bodies are often found struggling to get exemptions for the sport, medical, broadcast and other crucial office equipment. The Government often allows duty-free imports for mega events on some conditions. But frequent delays often keep organisers on tenterhooks. A simple system may help the Government and organisers to address such issues.

The advent of service tax coincided with the commercialisation of sports in India. A small honorarium that cricketers used to get for playing for the country in the past has turned into a massive business through endorsements, sponsorships and franchisee events such as IPL (and similar events) with different stakeholders (sports boards, franchisees, sponsors and players) and service providers (event managers, broadcasters, caterers, transporters and TV anchors) playing their respective roles. The Government became a crucial player for providing security (police), safety (fire protection services), electricity, water and various permissions for such events. The success of sporting events has attracted tax sleuths who wade through contracts to identify any “activity for consideration” that can be potentially covered under service tax but may have been disguised by organisers under “sharing of profits” model to avoid paying taxes.

The service tax law provides for exemption to services provided by certain professionals or sponsors to a recognised sports body. However, there is no clarity on whether such an exemption can also extend to services provided to franchisees, since the league is ultimately organised by the respective sports governing bodies. Given the high stakes involved in such franchisee-based sports leagues and the fact that the trend of leagues is getting popular, the exchequer may want to tax each leg of the commercial arrangement among the various stakeholders, whereas the sports professionals may want to claim exemption.

The business of sports is expanding the world over, including in India. Organisers should appreciate that the Government intends to support them in exchange of only a small share of profits in the form of taxes. On the other hand, the Government should also aim at proactively supporting them in building the requisite infrastructure to identify and cash in on the country’s talent as well as in promoting the commercialisation of sports similar to other industries, by addressing challenges and providing additional incentives.
4. Issues and Recommendations
This chapter intends to discuss recommendations on key issues identified across various segments of the sports ecosystem, which have been discussed in detail in the earlier chapters.

### Table 8: Key issues and recommendations

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<th>Segment</th>
<th>Issue</th>
<th>Recommendation</th>
<th>Examples/case study</th>
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| Overall                | Lack of a sports culture in India                         | **Nationwide campaign to raise awareness on sports**                            | • A nationwide media campaign stressing the importance of sports and involving famous personalities/celebrity endorsements could help encourage uptake of sports in the country  
  • Promoting uptake could induce a demand for training facilities inviting investment in establishing the same  
  • Cricket’s popularity in India is primarily the reason for the commercial success of the IPL. Thus, promoting sports culture in other sports could make leagues a lucrative format inviting more corporate investment, leading to further sport development. |
|                        |                                                            | **Implementation of a uniform sports policy across all states**                  | • Build a uniform sports framework (as bare minimum) for adoption by all states  
  • Make case studies of successful initiatives taken up by leading sporting states, which are available to all states  
  • Active regional/local media supporting the cause of developing sports in India  
    • State Governments may encourage local/regional media to promote sports by showcasing local, school-level competitions, organising sporting quizzes and increasing sports coverage to create a sporting culture  
    • The local media can involve local sporting/non-sporting heroes and icons in their campaigns to inspire the youth to pursue sports  
    • The benefits of investing in promoting sports will be reaped in the long term when the country has a flourishing sporting culture. This would increase demand for such sports and the media would have more options on content, resulting in returns from higher advertisement rates and more viewership.  
    • Increased popularity of sports through the media will help attract sponsors and advertisers to support various community-level competitions/leagues in the long run as well. |
|                        |                                                            | **Case study on Haryana Government’s sports policy**                             | Campaigns like those run for other Government schemes e.g. Pulse Polio program, the adult literacy program, NDTV Marks for Sports, etc.  
  Means could include TV commercials, regional and national newspapers, marathon campaigns etc.  
  Case study on Haryana Government’s sports policy shows initiatives around improving talent scouting efforts by implementing advanced methods like the SPAT test, etc. Also, innovative schemes to encourage uptake of sports by providing incentives to even coaches and villages of sports achievers has helped build a culture for sports in the state. |
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<td>Overall</td>
<td>Limited funding avenues in sports</td>
<td><strong>Provision of industry status to sports</strong>&lt;br&gt;  - The Government may institute flexible policies and comprehensive laws to make way for an investment-conducive sports environment while trying to ensure that the industry is regulated.&lt;br&gt;  - Entry of private sector could boost sports professionalism and the quality of sports infrastructural facilities, which could have a positive impact on Indian sports performances.&lt;br&gt;  - Industry status to sports could help expand associated industries like sports manufacturing, education, sports medicine, etc.&lt;br&gt;  - Professionalization and increase in opportunities in sports could incentivize a larger segment of athletes to remain part of the sports ecosystem, assaying different roles post retirement, leading to further advancement of the sports sector.</td>
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<td>Sports governance</td>
<td>Lack of transparency</td>
<td><strong>Strict implementation of the ports Bill 2013</strong>&lt;br&gt;  - The bill would help ensure strict adherence to age and tenure rules, and the prohibition of charge framed persons in the governing bodies.&lt;br&gt;  - The bill’s proposition of a Sports Election Commission for conducting free and fair elections within all sports governing bodies, and the inclusion of more athletes in the executive bodies of the same, could aid in avoiding corruption.&lt;br&gt;  - Non-corrupt functioning of the IOA and the federations could also circumvent the issue of tussle between groups for being recognised as the apex federation for a particular sport.</td>
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<td>Limited community-level engagement in sports despite PYKKA</td>
<td><strong>Incorporation of a Community-level Engagement Team</strong>&lt;br&gt;  - This team, under the aegis of MYAS, could be a support system for the NSFs and advise them in planning and holding of events and competitions, thus increasing the scope of reach to the grassroot.</td>
<td>Case study on Australia governance model highlights the importance of the Community-level Engagement Team.</td>
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<td>Limited commercial focus of governing bodies</td>
<td><strong>Institution of a Corporate Relations Team</strong>&lt;br&gt;  - The Corporate Relations Team under the aegis of MYAS, could be a support system that looks after marketing, sponsorships, and budgets of the SAI and the Community-level Engagement Team proposed above with the latter working on building capability of the NSFs and promoting community level sports&lt;br&gt;  - This could help bring more focus to the primary objectives of the SAI and the Community-level Engagement Team, i.e. provide training facilities to upcoming athletes, and help organise competitions to monitor participation &amp; budding athletes, respectively.&lt;br&gt;  - This could also lead to more professional handling of funds, encouraging corporate participation.</td>
<td>Case study on Australia governance model highlights the importance of the Corporate Relations Team.</td>
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| **Talent scouting and training of players & trainers** | Lack of co-ordination between concerned bodies affecting professional uptake of sports | **Identifying and promoting networking among all concerned stakeholders**  
  - For each sport, the total number of stakeholders investing in/holding rural and district level competitions could get connected and work in unison through the institution of a board perhaps; since it has been observed that there is a lack of interaction between various organizations like the SAI, NSFs, private companies, PSUs, etc. who go about conducting competitions for talent scouting independently.  
  - A strong interaction of all the stakeholders could also give rise to more PPPs where for instance, trainees could train at infrastructure provided by SAI and private companies could fund player scouting & training or vice versa. |                                         |
| Lack of coaches and technical know-how of sports in India |                                                                                     | **Collaboration between SAI and NSFs for training coaches**  
  - Government organizations like the SAI which have good sports education infrastructure may collaborate with national sports federations that have up to date knowledge of present day techniques used in the respective games in order to develop a pool of expert indigenous coaches.  
  - Such interactions are currently missing and could help in tackling the challenge of lack of expert coaches.  
  - This could also help private academies become sustainable by reducing their reliance on expensive foreign coaches. |                                         |
| Scarcity of playing spaces and high capital expenditure required to establish private training academies |                                                                                     | **Allowing access of public infrastructure to private training academies in lieu of reasonable fees**  
  - Opening of public infrastructure like stadia and residential schools to private training academies could aid in public/legacy asset monetization and prove sustainable for both the Government and the private academies. | **Case study on AFC Ajax Youth Academy, Amsterdam, The Netherlands**  
  AFC Ajax is one of the most advanced football academies in Europe. Nonetheless, the main stadium of the academy is owned by a private-public holding company and the Government of Amsterdam. |

*Business of Sports*
## Segment: Talent scouting and training of players & trainers governance

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| **Consider alternative modes of financing** | - Some examples are obtaining revenues from naming rights by private academy owners  
- With the advent of leagues in India, some clubs owning academies could generate revenue from the transfer of players to other clubs in the game of football. | **Case study on Manchester United Academy**- Manchester United Academy is the youth development academy/program of the Manchester United Football Club. The academy has generated innovative revenue streams like:  
  - Revenue from sale of players: David Beckham was sold to Real Madrid for £24.5 million (most expensive home-grown player)  
  - Academy naming rights: Manchester United agreed on an eight-year naming rights agreement with Aon in April 2013 that resulted in the Trafford Training Centre being renamed to the Aon Training Complex. The deal has been estimated to be worth around £120 million. |

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<th>Imposition of customs duty on training equipment imported by private academies vs. duty exemption on the same imported by the Government</th>
<th><strong>Relief/exemption from duty for private academies upon certain conditions</strong></th>
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| - Private academies may be exempt from a percentage of or full duty, provided the equipment is being imported for training of certain top players in the academy.  
- A minimum criterion could be set for players whose training equipment is exempt from import duty such as those who have consistently performed well at inter-state/national level games or above. |  |  |

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<th>Inadequate support to former sportspersons opening private academies</th>
<th><strong>Continued increase of public-private fund like the National Sports Development Fund (NSDF)</strong></th>
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| - The NSDF¹ is a public-private fund that is funded by the Central Government, a few state Governments and some private entities, and is used for the training of elite sportspersons for important international level games and for the development of sports organizations. The NSDF donated requisite funds for a synthetic athletic track (to meet international training standards) to the Usha School of Athletics.  
- Similarly, the Government could formulate a policy to fund a specific number of foreign coaches for private training academies, opened by former sportspersons of repute or by those who have brought international laurels to the country. Such measures from the Government would incentivise sportspersons to remain a part of the Indian sports ecosystem, further leading to its development. |  |  |

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¹ Sourjya Bhowmik, “What does it cost to win an Olympic medal,” www.indiaspend.in, 9 August 2012
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<td>Talent scouting and training of players &amp; trainers</td>
<td>Lack of awareness of opportunities for sports coaches</td>
<td><strong>Central and state Governments and NSFs may promote awareness of opportunities for sport coaches</strong>&lt;br&gt;  - The Government could build case studies of typical career paths and opportunities available, as sports coaches, nutritionists, psychologists, etc., to create awareness regarding the career progression in these fields, which would inspire more people to take up sports as a career.&lt;br&gt;  - The Union Government / state Governments or sports federations could maintain a repository of various companies and PSUs that look to recruit coaches and make that accessible to players who would like to take up coaching as full time career upon retirement.&lt;br&gt;  - A uniform policy could be implemented mandating all state Governments to maintain a database of all state sports coaches and ensuring that a minimum number be sent for refresher courses whenever such courses are organised by SAI. The database could be used to select the most suitable candidates for the refresher courses.</td>
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<td>Lack of specialised courses in nutrition, sports medicine, psychology, etc.</td>
<td><strong>Evaluation of demand by the Government for these courses and establishment of lucrative incentives by the Government for their inclusion in existing private and public universities</strong>&lt;br&gt;  - The Government may assess demand for sports sciences and sports management; on the basis that incentives are provided to established private and public universities to support inclusion of such courses as a separate stream of study.</td>
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The case study on the strong emphasis on sports courses in the UK explains that from a financing perspective, majority of the universities/courses are funded from public sources with very little funding coming from payment of tuition fees.
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| Sports infrastructure | Insufficient legacy planning for various games hosted by India leading to poor asset monetization | **Legacy planning to be done before the construction of stadium/assets begins**  
- Legacy planning with future stakeholders of the property could be done before construction begins. It is important to incorporate requirements such as the inclusion of a restaurant, hotel, size of administration block, etc. in the design of the stadiums as per the legacy plan, for optimal use and monetization of assets after the games are over.  
- A current instance where legacy planning needs to be stressed upon from now itself is the new mega cities that the Government is planning to develop from scratch, for e.g. the Delhi Mumbai Industrial Corridor (DMIC). Such projects could provide immense opportunities for PPPs and economic activity for all industries including sports. | An example of effective legacy planning is that of the Glasgow Commonwealth Games 2014. Glasgow announced its initial legacy plan in late 2009; in contrast Delhi, the venue for the games in 2010, had not started legacy planning even by then.  
**Case study on the City of Manchester Stadium**  
The stadium was the main athletics stadium for the Commonwealth Games 2002. However, for effective monetization, the City Council struck an agreement with the Manchester City FC to convert the stadium to a football stadium with the club paying for stadium redevelopment. Apart from the Council that generates revenue from the rent paid by the club, the club itself has been able to make the venture profitable through innovative deals like:  
- Selling of naming rights of the stadium to Etihad  
- Using the match day sales to pay rent to the council, with no money due if ticket sales did not exceed the capacity of their previously owned stadium.  
Another example of legacy planning is the Naya Raipur Sports City whose development is underway:  
- The sports city is being built on the BOT model with a private player building the city and handing it back to the Naya Raipur Development Authority  
- An area is ear-marked as residential space to cross-subsidize the sports facilities built. |
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<td><strong>Sports infrastructure</strong></td>
<td>Limited implementation of existing schemes</td>
<td><strong>Mandatory implementation and periodic Central Government review of the status of implementation of schemes like PYKKA, National Playing Fields Association of India, at the state level across all states</strong></td>
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<td>- The Central Government may mandate the implementation of these schemes at the state level and conduct periodic assessments of the extent of implementation of the schemes</td>
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<td>- An annual conference of all state sports ministers could be held to discuss key sports initiatives and schemes being adopted by various state Governments so that various state Governments may learn from states that have been successful in implementing innovative schemes and circumventing common challenges in instituting central schemes</td>
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<td>- State Governments may also work closely with state level sports associations to implement schemes such as PYKKA. This would help ensure state sports associations’ involvement and awareness regarding various PYKKA competitions that are being organised and the state players participating in the same. State sports associations should aim to ensure that they maintain a database regarding the outcomes of these PYKKA competitions and relay this information to the NSFs.</td>
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<td>Limited corporate investment in</td>
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<td><strong>Establishment of flexible policies and sports investment- conducive efforts by the Government to attract corporate investment</strong></td>
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<td>sports infrastructure development</td>
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<td>- The Government may look to revise policies and consider methods like innovative PPP models for attracting corporate investment in sports.</td>
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<td>- The Government may also create a repository of case studies of successful instances of corporate investment in infrastructure, available to all companies willing to venture in sports infrastructure development.</td>
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<td><strong>Case study on Amsterdam Arena, Amsterdam, the Netherlands</strong></td>
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<td>- The City of Amsterdam identified the opportunity of supporting the development of AFC Ajax’s (one of Europe’s top academies) new stadium as a catalyst for city activities and urban commercial development around the stadium (potential revenue generator for the municipality).</td>
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<td>- The City of Amsterdam received the naming rights of the stadium in exchange of the financial support extended to development of AFC Ajax’s new stadium.</td>
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| Sports Equipment | Lack of a unified representation for the sports equipment industry | **Integration of sports apparel exports with the Sports Goods Export Promotion Council (SGEPC)**  
• Sports goods exports and sports apparel exports are promoted by separate councils under the aegis of separate ministries which is unique to India, as in most other countries sports exports are monitored by the same organization.  
• These councils should work holistically for development of sports products sector and help small and medium enterprises (SME’s) to work towards developing strong Indian brands.  
• Developing strong indigenous sports brands could make the sports retail landscape more competitive and further aid advancement of sports manufacturing industry. Such a boost could potentially increase inexpensive accessibility to quality sports equipment thereby serving a larger market right down to the grassroots. |                                                                                                               |
|                  |                                                                     | **Government policy targeted at bucketing equipment for sports training under sports goods only and levying commensurate customs duty**  
• Fair policies around customs duty charged on sports training goods/equipment could boost sports retail and manufacturing industry in India.  
• This could also encourage corporate investment in the sports training segment of the ecosystem.                                                                 | Examples of boxing gloves being classified as general gloves and wrestling mats, being classified as general mats, and hence levied a customs duty higher than that for the import of sporting goods have been observed. |
| Leagues and tournaments | Lack of transparency in the governance of leagues | **Implementation of a uniform robust legal framework for governance across all leagues**  
• The design of the governance framework may ensure requisite professionalism and transparency.  
• This would also encourage corporate investment in leagues.                                                                 |                                                                                                               |
|                  |                                                                     | **Improved packaging of events to make the leagues spectator-friendly**  
• This may involve improving the quality of stadia, timing the events in a way that they suit a majority of the audience and broadcasting shorter versions of the games (if possible) to grip audiences’ attention.  
• Critical success factors, as identified earlier in the report, may be considered while packaging events to make the league popular.                                                                 | Part of the IPL’s success can be attributed to its ability to deliver effectively on the critical success factors identified earlier in the report. For example, broadcasting matches in prime time to attract non-traditional cricket spectators, improved quality of stadia, and involvement of various celebrities in the league to aid marketing, broadcasting the shortest version of the game and involving popular international players. |
<table>
<thead>
<tr>
<th>Segment</th>
<th>Issue</th>
<th>Recommendation</th>
<th>Examples/case study</th>
</tr>
</thead>
</table>
| Leagues and tournaments      | Limited engagement of franchises with local communities              | **Concentrated efforts by franchises to engage with local communities**  
  - Community engagement by franchises could help build a fan base and promote a culture for the respective sport within the community.  
  - This could aid in popularising the franchise by attracting more sponsorships and endorsement deals in the future, enabling high returns on investment.  
  - Moreover, through community engagements, franchises could train domestic talent for reducing reliance on foreign players, ensuring sustainability in the future.  
  - Training local talent may also translate into inter-club trading of players in football, which is a potential revenue stream for clubs. | Case studies on academies such as the Manchester United Academy demonstrate how trading home-grown players is a major source of revenue for football clubs.                                                                                   |
| Performance incentives for sportspersons | Lack of policy ensuring financial security to some players after retirement | **Collaboration among NSFs and sports consulting firms to plan player careers after retirement**  
  - NSFs may collaborate with various sports consulting firms to help all their players develop their retirement plans and gain requisite skills in their post-retirement streams of choice.  
  - Sports consulting firms can help in making players aware of various options in their post-retirement careers, as well as in raising necessary funds (from sponsors and charity events) to train players in the same. |                                                                                                                                                                                                                       |
| Limited career options within the sports ecosystem |                                                                 | **Provision of industry status to sports**  
  - Recognising sports as an industry in India could increase opportunities in the areas of sports management, sports marketing and sports consulting.  
  - It is important to invest players back into the Indian sports system, albeit in different roles, taking the industry forward. |                                                                                                                                                                                                                       |

Source: KPMG Analysis
Way forward

A majority of the challenges identified in the existing sports ecosystem can be traced to the singular issue of the lack of a sporting culture in India. A thriving sports environment depends not only on the interest among spectators, but also on an efficient support system that continuously fuels their interest. Therefore, the scope of the term ‘sports culture’ extends beyond the popularity of sports and mostly entails policy-making designed to encourage participation in sports and builds an ecosystem comprising of connected, informed and aware stakeholders.

Thus, a Joint Working Group (JWG) could be formulated that works to strengthen a sporting culture in India by taking action on the recommendations provided in this report and implementing additional initiatives identified by the JWG. The Group should ideally have representation from various stakeholders identified across the sports ecosystem and include members from:

- **Government bodies:**
  - Central Government bodies in charge of sports in India such as MYAS and SAI
  - Ministry of Human Resource Development: implementation of sports-oriented education and employment policies. An education policy that regards sports as a subject, for instance, would further create demand for coaches and physical education teachers, which is likely to also boost the uptake of sports coaching as a career
  - Ministry of Finance: allocation of commensurate budgetary funds based on the understanding of the developments in the sports sector
  - Ministry of Commerce and Industry: establishment of more SEZs for the manufacturing of sports equipment and FDI in retail
  - State Governments: implementation of grassroot-level initiatives suggested by the JWG
  - **Sports governing bodies:** JWG should ideally include representation from all sports governing bodies such as IOA, NSFs, SOAs and SSAs.
  - **Private bodies:** The private sector in sports may be represented by:
    - Broadcasters: packaging non-cricket sports to increase their popularity
    - Sports manufacturers and retailers: marketing and distributing high quality and inexpensive sports equipment to improve their access at the grass-roots level
  - Sports consulting firms: extending sports consulting services to more sports, beyond cricket and football
  - Leading corporate organizations that have been involved in the sports sector through CSR activities: operating non-profit sports foundations, for-profit academies and other for-profit ventures such as owning franchises in sports leagues are likely to take the industry forward.
  - **Government organizations/agencies:** departments such as the Central Board of Secondary Education (CBSE), National Skill Development Corporation (NSDC) and National Council of Educational Research and Training (NCERT) can support JWG’s decision-making process by providing vital statistics and content. JWG can segregate them as short-term and long-term recommendations based on their ease of implementation and potential impact on their establishment. Besides providing specific recommendations for the Government and private sector players, JWG may expedite work on — and the implementation of — the remaining recommendations.
Short-term and medium-term recommendations for implementation

- Promote the idea of a nationwide media campaign involving celebrities to spread awareness and generate interest in sports. This can be executed in the same way as the Pulse Polio Program.
- Promote the adoption of a common minimum sports policy/framework by all states after preparing a database of successful initiatives established by some states such as Haryana, and including them in the framework.
- Deliberate on Government policies and work on streamlining PPP models in sports infrastructure and sports training, such as monetization plans for all SAI-run institutes.
- Work on additional suggestions for the Sports Bill 2013 or underline on its importance in improving transparency.
- Work towards mandating the creation of player identities for players of every sport who participate in their respective sport competitions at the community level and above. The player identity database could be managed by SSAs and linked to their respective NSF databases.
- Create a database of typical career paths/progression and organizations that recruit sports coaches and physical education teachers to spread awareness on these streams.
- Establish common rules on player transfers and player management—similar to those by FIFA—to help ensure that the sports whose international federations don’t have similar laws may follow these common rules. This would help bring more transparency and provide impetus to leagues in other sports.

Long-term recommendations for implementation

- Work towards formulating detailed rules on the incorporation of a community-level engagement team, and a corporate relations team to support MYAS. Work towards, mandating collaboration between NSFs and SAI to jointly train sports coaches by leveraging their respective knowledge and strengths.
- Work on establishment of a community-level league and elite player league, for a major part of the year, for all sports and in each state, according to the standard rules of the respective NSF.
- Work towards establishing an annual domestic competition where a team from each state — preferably funded by the Government and staffed by the SSA based on player performances—plays throughout the year in community sports.
- Promote legacy planning as a practice before the construction of games facilities/sports cities and bring to the fore related opportunities to raise awareness among corporate houses.
- Promote the role of SSAs in the implementation of PYKKA schemes by making it compulsory to establish a council of State Government authorities and SSA officials monitoring the implementation of such centrally-sponsored schemes. Player identities can be mandated for all PYKKA competitions as well. The SSAs could then relay important information regarding the same to NSFs.
- Prepare guidelines for infrastructure for each sport and mandate improvements in existing infrastructure, and the construction of new infrastructure based on the same. This would also help in better packaging events.
- Work towards the implementation of a uniform legal framework to facilitate effective governance across all leagues.
- Propose regulations that the Government can adopt to provide relief from the customs duty to private academies importing sporting equipment.
Table 9: Major stakeholders, their ultimate targets, benefits from investment in sports, and potential benefits to stakeholders from the formation of the JWG

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Targets</th>
<th>Potential benefits from investment in sports</th>
<th>Potential benefits from the formation of JWG</th>
</tr>
</thead>
</table>
| Central and state Governments | Socio-economic development of the country | • Improved fitness levels of India’s human resource  
• Economic boost through benefits in inter-related sectors such as tourism, education, sports exports and retail.  
• Instill national pride through sports | • Holistic policy formulation through increased awareness of various Government ministries/entities on the challenges faced by various stakeholders in the sports ecosystem  
• Realising the Government’s vision on sports by leveraging existing capabilities of other JWG stakeholders. For instance, collaborations with the media to broadcast a nationwide sports campaign. |
| Sports governing bodies like NSF, SSAs and IOA | Self-sustainability | • Increase popularity of the sport that the respective governing bodies by organising competitions, leagues and events to become self-sustainable. | • Potential increase in sponsorships by connecting with broadcasters and keeping corporate organizations abreast with latest developments/competitions in the respective sports.  
• Inclusion of suggestions from sports governing bodies in the formulation of a common governance framework across all sports and collaborations with sports consulting firms to create safety net for players. |
| Corporate organizations | Profitability | • Brand building and recognition by reaching out to a significant segment of the population, i.e., youth  
• Opportunity for business houses to diversify into sporting avenues such as leagues, merchandise and brands that have a more prominent youth connect. | • Increased awareness among various stakeholders on private sector activities in various segments of the sports ecosystem.  
• Increased support to corporate houses investing in sports through increased focus on streamlining PPP models, legacy assets monetization and relaxing Government rules on duty. |
| Media | Profitability | • Generating more content to broadcast by investing in popularising various sports and promoting their viewership  
• Brand building | • Exploring opportunities for increasing popularity and viewership for sports in India |
| Other Government agencies/societies such as NCERT, CBSE and NSDC | Improvements in school education, skill development and training Indian youth | • Supporting the Government in socio-economic development by investing their human resources in supplementing vital content and statistics. | • Support from various stakeholders, especially the Government, in implementing a holistic education and workforce training policy/plan to motivate the youth towards sports |
An analysis of various segments of the sports ecosystem demonstrates the involvement of private players, besides Government bodies and sports authorities, albeit in a limited scope and mostly in the form of CSR activities, due to the respective organization’s inherent culture for sports. The business of sports in India is yet to pick up steam and this could largely be driven by the introduction of more leagues on the lines of the IPL in cricket. Case studies on domestic and international events indicate the relatively long gestation periods of commercial returns on investment in sports. However, they also indicate the high revenue generating potential of sports leagues. Nonetheless, it has been observed that investment in sport provides private organisations with significant social return on investment (RoI) in terms of enabling brand recognition and brand building by reaching out to a large segment of the population. This is due to the high appeal sports enjoy with the youth and the fact that they create brand loyalty by engaging local community members. Considering this — and keeping in mind the advent of leagues in several sports and an active Indian media — corporate houses already involved in sports should now consider for-profit ventures in sports such as owning franchises and providing sponsorships to various leagues and tournaments. Moreover, with CSR becoming mandatory under the Companies Act 2013, business houses are increasingly considering sport as an avenue for CSR activities due to its significant social RoI.
### Glossary

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ABSC</td>
<td>Army Boys Sports Company Scheme</td>
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<tr>
<td>AIFF</td>
<td>All-India Football Federation</td>
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<td>APA</td>
<td>Athlete Personal Award</td>
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<td>ASC</td>
<td>Australian Sports Commission</td>
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<tr>
<td>BAI</td>
<td>Badminton Association of India</td>
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<tr>
<td>BBFS</td>
<td>Baichung Bhutia Football Schools</td>
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<tr>
<td>BCCI</td>
<td>Board of Control for Cricket in India</td>
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<tr>
<td>CII</td>
<td>Confederation of Indian Industry</td>
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<tr>
<td>COX</td>
<td>Centre of Excellence</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<tr>
<td>CWG</td>
<td>Commonwealth Games</td>
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<tr>
<td>DCMS</td>
<td>Department for Culture, Media and Sports, UK</td>
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<tr>
<td>F&amp;B Tax</td>
<td>Food and beverage tax</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FIDE</td>
<td>Fédération Internationale des Échecs (International Federation of Chess)</td>
</tr>
<tr>
<td>FIFA</td>
<td>Fédération Internationale de Football Association (International Federation of Football)</td>
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<tr>
<td>GBA</td>
<td>Gopichand Badminton Academy</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GVA</td>
<td>Gross Value Added</td>
</tr>
<tr>
<td>HI</td>
<td>Hockey India</td>
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<tr>
<td>IBL</td>
<td>Indian Badminton League</td>
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<td>ICC</td>
<td>International Cricket Council</td>
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<tr>
<td>ICL</td>
<td>Indian Cricket League</td>
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<tr>
<td>IHF</td>
<td>Indian Hockey Federation</td>
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<td>INR</td>
<td>Indian National Rupee</td>
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<td>IOA</td>
<td>Indian Olympic Association</td>
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<td>IOC</td>
<td>International Olympic Committee</td>
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<tr>
<td>IPL</td>
<td>Indian Premier League</td>
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<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>LNCPE</td>
<td>Lakshmi Bai National College of Physical Education Thiruvananthapuram</td>
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<tr>
<td>LNUPE Gwalior</td>
<td>Lakshmi Bai National Institute of Physical Education Gwalior</td>
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<tr>
<td>MCT</td>
<td>Mittal Champions Trust</td>
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<tr>
<td>MLB</td>
<td>Major League Basketball</td>
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<tr>
<td>MYAS</td>
<td>Ministry of Youth Affairs and Sports</td>
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<tr>
<td>NBA</td>
<td>National Basketball Association</td>
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<tr>
<td>NFL</td>
<td>National Football League</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental organisation</td>
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<tr>
<td>NHL</td>
<td>National Hockey League</td>
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<tr>
<td>NISSM</td>
<td>National Institute of Sports Science and Medicine</td>
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<td>NOC</td>
<td>National Olympic Committee</td>
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<tr>
<td>NPFAI</td>
<td>National Playing Fields Association of India</td>
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<tr>
<td>NSDF</td>
<td>National Sports Development Fund</td>
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<tr>
<td>NSF</td>
<td>National Sports Federation</td>
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<tr>
<td>NSO</td>
<td>National Sports Organisations</td>
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<td>NSTC</td>
<td>National Sports Talent Contest Scheme</td>
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<td>ODI</td>
<td>One-Day International</td>
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<td>OGQ</td>
<td>Olympic Gold Quest</td>
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<tr>
<td>PPBA</td>
<td>Prakash Padukone Badminton Academy</td>
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<td>PPP</td>
<td>Public-private partnership</td>
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<tr>
<td>PSU</td>
<td>Public Sector Undertaking</td>
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<tr>
<td>PYKKA Scheme</td>
<td>Panchayat Yuva Krida Aur Khel Abhiyan Scheme</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and development</td>
</tr>
<tr>
<td>SAG</td>
<td>Special Area Games</td>
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<tr>
<td>SAI</td>
<td>Sports Authority of India</td>
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<tr>
<td>SEZ</td>
<td>Special Economic Zone</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SOA</td>
<td>State Olympic Association</td>
</tr>
<tr>
<td>SPAT</td>
<td>Sports and Physical Aptitude Test</td>
</tr>
<tr>
<td>SSA</td>
<td>State Sports Associations</td>
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<tr>
<td>STC</td>
<td>SAI Training Centres Scheme</td>
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<tr>
<td>T20</td>
<td>Twenty20</td>
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<td>U-</td>
<td>Under</td>
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<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>UGC</td>
<td>University Grants Commission</td>
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<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>UKS</td>
<td>United Kingdom Sports Council</td>
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<td>US</td>
<td>United States</td>
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<tr>
<td>USA</td>
<td>United States of America</td>
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<tr>
<td>UT</td>
<td>Union Territory</td>
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<tr>
<td>VIP</td>
<td>Very Important Person</td>
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<tr>
<td>WCP</td>
<td>World Class Pathway</td>
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<tr>
<td>WLBSA</td>
<td>World Ladies Billiards and Snooker Association</td>
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<tr>
<td>WSH</td>
<td>World Series Hockey</td>
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</tbody>
</table>
Definitions

• **Gross domestic product (GDP):** Market value of all officially recognised final goods and services produced within in a given period of time.

• **Gross value added (GVA):** The contribution of each individual producer, industry or sector to the economy. To obtain GVA, the value of intermediate goods and services is subtracted from gross output.

• **Public-private partnership (PPP):** A public-private partnership is a service or venture that is financed and operated through a partnership between the Government and private company/companies.

• **Special economic zone (SEZ):** SEZs are geographical areas created with an intention to promote export of products, provide employment opportunities and develop quality infrastructural facilities with minimum possible regulations like exemption on taxes of export income.

• **Corporate social responsibility (CSR):** CSR could be defined as actions taken by corporate firms to further a social cause, beyond the business interests of the firm and that which is required by law.
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