



# CSR PROPOSAL: SPORTS ACADEMIES



## Table of Contents

<b>Abstract.....</b>	<b>2</b>
<i>Corporate social responsibility, meaning corporates taking on social responsibility with a view to achieve social impact. Although the intention is correct there have been some serious gaps in CSR spending. While major investment have been in the field of education and healthcare, sports have been very much neglected. Of the INR 8,185 crore spent by companies as part of their corporate social responsibility activities in 2015-'16 only INR 57 crore was reserved for sports. In fiscal year 2017 (FY17), of the actual spend of INR 6,810 crore on corporate social responsibility (CSR) activities by the top 100 National Stock Exchange-listed companies by market capitalization (data for 92 firms was considered), as analysed by Goodera, a CSR and sustainability management platform, only INR 122.71 crore was allocated to sports. CEO of Anglian Medal Hunt Co. (AMHC), a Delhi-based sports management firm said in an interview with mint, "A lot of companies feel that while opening one school can educate at least 200-300 children, training one athlete only has a limited impact. They need to realize that the ripple effect of one athlete performing well can indirectly impact lakhs of others."</i> .....	2
<b>About SAAP .....</b>	<b>3</b>
<b>Project .....</b>	<b>3</b>
<i>Current scenario.....</i>	4
<i>These Academies have basic infrastructure required for training, the necessary amount of money to ensure sustainability, which is the operational cost to maintain these academies are in question. Right now the operational expenses of these academies is INR 16000 per month per student, this includes kit, nutrition, tournament exposure, and coaching. That means a total of INR 24.64 lakh per month or INR 2.96Cr per Year for all the academies .....</i>	4
<i>Scale up scenario.....</i>	5
<i>Expectation from CSR.....</i>	6
<i>Benefits to the donor.....</i>	8
<b>Social Impact.....</b>	<b>8</b>
<b>Summary .....</b>	<b>9</b>

## Abstract

Corporate social responsibility, meaning corporates taking on social responsibility with a view to achieve social impact. Although the intention is correct there have been some serious gaps in CSR spending. While major investment have been in the field of education and healthcare, sports have been very much neglected. Of the INR 8,185 crore spent by companies as part of their corporate social responsibility activities in 2015-'16 only INR 57 crore was reserved for sports. In fiscal year 2017 (FY17), of the actual spend of INR 6,810 crore on corporate social responsibility (CSR) activities by the top 100 National Stock Exchange-listed companies by market capitalization (data for 92 firms was considered), as analysed by Goodera, a CSR and sustainability management platform, only INR 122.71 crore was allocated to sports. CEO of Anglian Medal Hunt Co. (AMHC), a Delhi-based sports management firm said in an interview with mint, "A lot of companies feel that while opening one school can educate at least 200-300 children, training one athlete only has a limited impact. They need to realize that the ripple effect of one athlete performing well can indirectly impact lakhs of others."

Of all the hype around India sending largest contingent ever in Olympics, the country spends only 3 paisa per capita per day on sports. Much less developed country like Jamaica spends 19 paisa per capita per day, while UK spend 50 paisa per capita per day, US is way ahead with INR 22 per capita per day on sports.<sup>1</sup>

India's not so great performance at international sports events can be attributed to factors like, smaller talent pool and lack of spending per athlete which is again due to uncertainty in sports as career this in turn can be attribute to lack of spending in sports sector. Solution to this starts with increase in awareness amongst population towards career opportunities in sports. Next, create necessary infrastructure to handle the thus increase in demand in sports, this means create new state of art infrastructure, provide coaching and nutrition. All of which require financial investment, which government is not in a position to make. Government, being a facilitator and policy maker has incentivised investments in sports through CSR. Corporates can invest in sports infrastructure, operation and maintenance, skill development and can claim tax deductions having created asset through CSR.

Sports Authority of Andhra Pradesh(SAAP) , being a state sports body is responsible to promote sports and create the necessary infrastructure. While SAAP is running close to 250 infrastructure project simultaneously, there is still a lot that needs to be done to create the necessary impact. Sustaining these infrastructures is a huge challenge as government grants can never be relied on.

In order to ensure sustainability of these sports infrastructures, SAAP is turning over to corporates. CSR as a means to sustain sports academies in the state of Andhra Pradesh. SAAP has 6 academies across the states in 10 disciplines training close to 154 athletes in the age bracket of 12-18 .By 2020 SAAP aims to scale this up to 10 academies training close to 2000 athletes for competitive sports.

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<sup>1</sup> The telegraph: 13/08/2016, 3-paise-a-day sports policy

## About SAAP

Sports Authority of Andhra Pradesh (SAAP) is a quasi-government organisation , operational since 1988. SAAP was formed to promote sports and provide sports infrastructure across the state of Andhra Pradesh and had been doing it's job with utmost dedication. SAAP has been maintaining 3 cricket grounds, 8 sports venues, 18 indoor stadiums and 16 badminton courts in the newly formed Andhra Pradesh.

With the new leadership of Hon'ble chief minister Sri Nara Chandrababu Naidu and sports minister Sri. Kollu Ravindra new sports policy 2017-2022 was formed. Sports policy aims to provide sporting opportunity to every citizen of the state. With this aim, SAAP is creating over 3000 playfields at rural level, 175 krida vikas kendras which are multi discipline sports centre at constituency level. These would serve as recreation for general public and ultimately serve as feeding centres to the 10 Sports Academies.

Apart from spending allotted money to materialise these conceptualised sporting centres, SAAP is creating business opportunities for private players. At this point 4 venues are selected where sports infrastructure will be created on public private partnership mode, wherein apart from the sports infrastructure bit provision for commercial exploits are been conceptualised.

SAAP has extended its coaching facilities to schools, 30 schools with up to the mark sports facilities are selected across the state. Coaching activities of the 10 sports academies and 30 sports adopted schools are outsourced to one of the best coaching firms TENVIC.

## Project

Implementing the envisioned Sports policy 2017-2022, SAAP has established 6 sports Academies in 10 disciplines training 154 athletes in all. This scale is going to go up to 1270 athletes and 18 disciplines in 2018.

Although the capital required to kickstart these academies and construct the necessary infrastructure has been sanctioned by the existing government, one can never be sure as to how long this inflow of money is going to continue. In a not so stable economic scenario, sports is never a priority and the amount of government attention depends on so many factors which can never be relied upon.

Amidst so many un-known and uncontrollable factors it becomes very difficult to ensure the sustainability of these Academies. Right now 154 athletes are getting trained here , by next year there will be over 1270 athletes, these children and their sporting future need to be ensured in some way or the other. It starts with providing them the necessary training required to excel, that SAAP has ensured. Next is that this training continues, they get the necessary nutrition and tournament exposure. Government does not have allotted budget for it. Being a government organisation SAAP can't make money out of the sporting facilities that they have. In order to ensure the sustainability of these Academies SAAP is turning over to corporate.

CSR, aims to bring in impact in society by corporate initiatives. It is observed that most of CSR goes into education and health care as they think that is where impact per unit of their investment is maximum. Sports is yet again a neglected sector here as well. One need to understand there are 'n' no. of ways a person can find career and have expression in his life. Sports is one such way and of course one cannot neglect the ripple effect that is created out of the success of one Olympics medal. PV Sindhu got silver in Rio Olympics and see how it gave a boost to Badminton in India. Success of Pro kabaddi has re kindled the

age old Indian sport. See the glory its bringing to our desi players. The jobs that are created at back end apart from the athletes playing. Above all, see the no. of kids getting inspired to take up sports as career. Nothing like the aspiration of bringing a gold for India in international event.

Apart from the extreme successful end of being a Olympics winner to just having physical fitness enough to face life smoothly, sports/ physical activity is essential and hence is important to have a sustainable solution for these academies.

### Current scenario

SAAP is running 4 Academies across the state. In 10 disciplines training 154 athletes. Following table describes no. of boys and girls in each academy per sports discipline.

Sports centre	Sporting Discipline	Boys	Girls	Coaches
Visakhapatnam	Archery	15		1
	Riffle shooting	14		1
Narasaraopet	Taekwondo			1
	Weightlifting			1
Ananthapuram	Boxing	8		1
	Judo	17		1
Nellore	Badminton	20	20	2
	Athletics		13	1
Kakinada	Gymnastics		8	1
	Judo		10	1
Gudivada	Weightlifting		20	1
	Fencing		2	1
	Taekwondo		7	1
<b>Total</b>		<b>74</b>	<b>80</b>	<b>14</b>

These Academies have basic infrastructure required for training, the necessary amount of money to ensure sustainability, which is the operational cost to maintain these academies are in question. Right now the operational expenses of these academies is INR 16000 per month per student, this includes kit, nutrition, tournament exposure, and coaching. That means a total of INR 24.64 lakh per month or INR 2.96Cr per Year for all the academies .

## Scale up scenario

Next year the expenses are going to be lot more than that, since SAAP is scaling up. Following is the information of expected athletes intake and discipline for the upcoming year.

Sports centre	Sporting Discipline	Boys	Girls
Kakinada	Gymnastics	20	20
	Judo	20	20
	Weightlifting	20	20
	Basketball	20	20
	Hockey	20	20
	Volleyball	20	20
Gudivada	Fencing	20	20
	Taekwondo	20	20
	Kabaddi	25	25
	Kho-Kho	25	25
Nellore	Athletics	20	20
	Badminton	40	40
	Football	25	25
	Handball	25	25
Visakhapatnam	Archery	20	20
	Cycling	20	20
	Riffle Shooting	20	20
	Basketball	25	25
	Football	25	25
	Hockey	25	25
Ananthapuram	Boxing	20	20
	Judo	20	20
	Kabaddi	25	25
	Volleyball	25	25
Narasaraopeta	Taekwondo	20	20
	Weightlifting	20	20
	Kho-Kho	25	25
	Handball	25	25
Total		635	635

Based on the standard scale of 16000 per student per month that SAAP is going to incur as operational expenses. That would mean operational expense of 2.04 Cr per month or INR 24.4 Cr per year.

## Expectation from CSR

SAAP wants to be able to sustain these Academies in the best training conditions possible. Having constructed these Academies, SAAP expects to meet the operational expenses of these Academies using CSR funds. This is going to be the very first CSR venture in sports in AP through SAAP. CSR donor can choose to support any number of Academy as per their intent and appetite .

Sports centre	Sporting Discipline	Boys	Girls
Kakinada	Gymnastics	20	20
	Judo	20	20
	Weightlifting	20	20
	Basketball	20	20
	Hockey	20	20
	Volleyball	20	20
	Operational Expense per montha(INR Lakh)	38.4	
	Operational Expense per Year(INR Lakh)	460.8	
Gudivada	Fensing	20	20
	Taekwondo	20	20
	Kabaddi	25	25
	Kho-kho	25	25
	Operational Expense per montha(INR Lakh)	28.8	
	Operational Expense per Year(INR Lakh)	345.6	
Nellore	Athletics	20	20
	Badminton	40	40
	Football	25	25
	Handball	25	25
	Operational Expense per montha(INR Lakh)	35.2	
	Operational Expense per Year(INR Lakh)	422.4	
Visakhapatnam	Archery	20	20

	Cycling	20	20
	Riffle Shooting	20	20
	Basketball	25	25
	Football	25	25
	Hockey	25	25
	Operational Expense per montha(INR Lakh)	43.2	
	Operational Expense per Year(INR Lakh)	518.4	
Ananthapuram	Boxing	20	20
	Judo	20	20
	Kabaddi	25	25
	Volleyball	25	25
	Operational Expense per montha(INR Lakh)	28.8	
	Operational Expense per Year(INR Lakh)	345.6	
Narasaraopeta	Taekwondo	20	20
	Weightlifting	20	20
	Kho-kho	25	25
	Handball	25	25
	Operational Expense per montha(INR Lakh)	28.8	
	Operational Expense per Year(INR Lakh)	345.6	

Expectation from CSR donor is to adopt any academy for any period of time based on their intent of capability.



## Benefits to the donor

SAAP is a State sports authority with stadium across the state. Dealing with over 30 sports disciplines. Each of these disciplines conduct sub-junior, junior and senior level competitions throughout the year across the state. These events are widely covered by local media. The CSR donor can expect the media coverage across the state in these events.

The Academy been funded by the donor will have its brand name across the stadium and the students will carry their logo in sporting events.

Events organised in Academy premises will carry the donors banner, which will again get coverage from local media.

It is a matter of great prestige to be associated with social events like sports, the positive vibe that will benefit the donor brand is again tremendous, this could be a branding mechanism as well.

There are a lot of special events apart from the usual competitive sports, for example: yoga day celebration, IAS officers cup, CM's cup, Janmabhoomi event, which are either events for government officers or events to promote sports across state with large scale participation from general population. The donor can expect brand presence in these events.

The CSR donor can use the Stadium site for ad campaign shooting or product launch, of course the operational expenses to carry out these events will be incurred by the donor. They can of course use the infrastructure.

Apart from all this the tax benefits associated with CSR investments ofcourse stands true.

## Social Impact

To begin with, the 1200+ athletes that are going to get a shot at career in sports. Apart from that sports is really picking up in Vijayawada. There is a ton of political support to sports across the state.

The ripple effects of funding Sports Academies can go deep into the society. Right now we see lack of participation from people. Athletes who can afford good facilities never come to government facility for training. No matter how big a private player is , he can't have a reach as vast as a government entity. By changing the perception about a government sports setup , we are encouraging more people to come into government sports funnel and hence ultimately increasing the base of sporting population for Olympics.

Right now the general population can't afford state of the art sports training and private players will not provide training at lower cost. In such a scenario, well-established government brand will attract interested population into government funnel making state of the art facilities available to them at affordable rate.

The aim of providing opportunity to play to every citizen isn't only about providing enough infrastructure for every citizen to play, it's about creating that fire within that would drive all of them to come out and find ways to participate. This is where it all begins. 10 Academies and a bunch of district stadiums,

accompanied by playgrounds at each Mandal we here can revamp the whole sporting landscape of the state.

They say if you want to excel in sports, choose your parents. What it means is , a large percentage of our performance comes from the genes that we carry. By motivating a larger percentage of population into sports , we are indeed modifying the genetic code of the state and creating a healthier and a more prosperous nation, nation where the productivity of each citizen is enhanced.

There is something Andhra Government is working on, the term is happiness index. The CSR donor can be one of the firsts to contribute to happiness index resulting out of sports.

## Summary

Andhra Pradesh as a state, is focusing on sports as one of it's priority subject. Large amount of investment has gone into creating sports infrastructure. With the change in government or its priorities these infrastructure and their sustainability is in question, along with the athletes who have come to these sports academies with dreams of getting gold for India, making a career out of sports, or just get a job in sporting sector. Imagine what would happen if a school shuts down in the middle of the year and no other school gives you admission, what happens to such a student and his dream of acquiring the necessary skills to excel in life. It is with this thought in mind, the sustainability of these Academies are of utmost importance for the sporting ecosystem in the state.

SAAP hereby invite CSR donors to take this step and help us sustain these State sports Academies.