

Sports Remains a Hard Sell for CSR Funding

In FY20, ₹292 cr spent on sports, just 3.6% of overall CSR spending

Funding Woes

ESTIMATED CSR EXPENDITURE OF LISTED COMPANIES ON SPORTS

Years	Total CSR spend (in ₹ cr)	Spend on Sports (in ₹ cr)	% of total spend
FY17	4,758	203	4.3
FY18	5,305	226	4.3
FY19	6,409	236	3.7
FY20	8,202	292	3.6

Source: Primeinfobase.com



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ET Intelligence Group: The impact of corporate patronage was evident at the Tokyo Olympics, although funding for sports has typically been a sliver of India Inc's corporate social responsibility (CSR) expenditure. Data from the annual reports of listed firms compiled by primeinfobase.com show Indian companies spent an estimated ₹292 crore of their CSR funds in FY20 on sports, 3.6% of the total.

However, what's encouraging is that corporate expenditure on sports has been steadily increasing from ₹203 crore in FY17 to ₹292 in FY20 – a compounded annual growth rate (CAGR) of 13%. Overall, CSR expenditure has grown at a CAGR of 20%, rising from ₹4,758 crore in FY17 to ₹8,202 crore in FY20.

"Sports is a difficult sell. It is seen as non-essential when compared to other pressing issues like education or health," said sports industry veteran Joy Bhattacharjya. "However, sports has the ability to raise spirits and give certain direction to the youth."

Education, Healthcare, Skilling More Popular

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Education, healthcare, skill development and livelihood generation are typically the causes that get most funding from corporates.

Reliance Industries Ltd (RIL), for instance, spent ₹254 crore on education, ₹58.5 crore on rural transformation, ₹35 crore on health and ₹41.6 crore on sports in FY20.

"Training to promote sports may be one of the 13 items provided in Schedule VII of the Companies Act but it is important to see whether there is any written commitment to support sports in the companies' CSR policy," said Sudhir Sinha, professor, Institute of Rural Management, Anand (IRMA). "A structured approach of investment in sports being aligned with the companies' CSR goals is still not commonly seen in India."

RIL, ONGC and Tata Consultancy

Services (TCS) were the leading CSR spenders on sports in FY20. While public sector companies Coal India, Gail India, NMDC, ONGC and IOC figured prominently among the leading spenders in FY17, the number of private companies supporting sports has increased steadily. Public sector units (PSUs) have been traditional supporters of sports in the country with several running specific programmes to nurture talent.

"Significant CSR amount is spent on education—a trend that will continue over the coming years," said S Siva Raju, chairperson, Centre for Excellence in CSR at the Tata Institute of

Social Sciences (TISS). "Along with that, a gradually increasing allocation towards sports and other activities is a welcome sign."

Companies need in-house evangelists for such programmes to flourish.

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