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A green bouncy pitch for Indian Sports
Mitigating risks, enhancing reputation
and optimizing returns

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India has witnessed the emergence of professional sporting leagues across multiple games over the last few years. Commercial traction is expected to increase further with newer sports and viewers entering into this arena. Medium sized businesses are also likely to get involved in sponsorship and management of sporting franchisees.

While sporting leagues offer an opportunity for spotting genuine talent and providing a sustainable livelihood to scores of sportspersons, the amount of money spent and the highly advertised nature of such events tends to attract scrutiny by stakeholders pertaining to its operations and sports management practices. Such scrutiny, if resulting in the detection of malpractice and noncompliance, can cause significant reputational loss and may lead to regulatory action, thereby impacting the viability of business operations.

For instance, in recent times team owners have been investigated by various regulatory authorities like the Enforcement Directorate, Income Tax Department, Local Police, and Anti-Corruption Units etc. The suspension of two sporting teams following such investigations, and the steady stream of controversies linking players to conflict of interest situations, use of banned substances, drug abuse and spot fixing have further raised questions on the practices adopted by sporting leagues as well as the nominated associations. Following this, the Supreme Court of India appointed the Lodha Committee to recommend reforms in the game of cricket. The report reveals that some of the malaises highlighted are not just restricted to cricket but also to other sports in India¹.

While regulators, federations and league investors deliberate upon better governance and operating models, they would need to proactively incorporate evolving reforms in India and leading practices internationally.

Entertainment unlimited!

- Presently, there are eight ongoing professional leagues with more than 60 teams with prize money of INR 650 million at stake. Team owners of leagues include top Bollywood stars and former cricketers.²
- Per one agency, IPL valued at close to USD 3.5 billion.³
- TV rights for IPL sold for close to USD 1 billion for ten years in 2008.⁴
- Average attendance per match for ISL in 1st season was in excess of 26000, with overall viewership of 426m.⁵
- Pro Kabaddi League 2014 attracted 435 million viewers, second only to IPL's 552 million (Season 8).⁶
- Wrestling is the latest sport to launch professional league, Table Tennis to begin in current year

Leagues leading the way for the Indian sports business



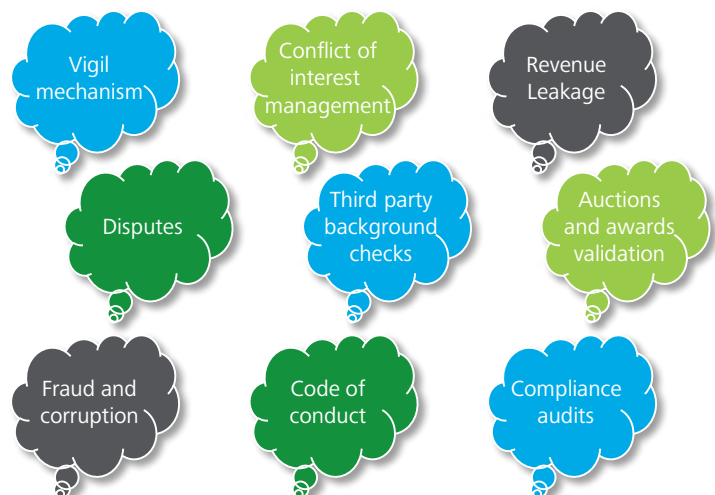
IPL - Indian Premier League; HIL - Hockey India League; ISL - Indian Super League; Pro-k - Pro Kabaddi League; IPTL - International Premier Tennis League; CTL - Champions Tennis League; Pro-w - Pro Wrestling League; ITTL - Indian Table Tennis League;

Diverse stakeholders

The number of stakeholders involved in the Indian Sporting industry continues to increase with the advent of new leagues being formed in games such Kabbadi, Badminton and Wrestling. The below diagram lists the key stakeholders involved in sports management today and the key challenges they face.



Key challenges



¹ Source: http://static.espnricinfo.com/db/DOWNLOAD/100/0141/Full_text_of_the_Lodha_Committee_report.pdf

² Source: Deloitte analysis of multiple media reports

³ Source: http://www.business-standard.com/article/companies/ipl-fever-kkr-beats-csk-in-brand-value-race-115041401009_1.html

⁴ Source: <http://economictimes.indiatimes.com/magazines/business-of-cricket/wsg-sony-bag-ipl-broadcast-rights-for-918-mn/articleshow/2701946.cms>

⁵ Source: <http://www.theguardian.com/football/blog/2015/oct/02/indian-super-league-premier-league>

⁶ Source: <http://www.thehindu.com/sport/other-sports/pro-kabaddi-league-viewership-second-only-to-ipl/article6413148.ece>

How can Deloitte Sports Forensic team help?



Conflict of interest management

The seriousness of conflict of interest affecting sport cannot be underestimated. Every office bearer, player, councilor, employee, administrator, team official, umpire or other person connected to the governing body of the sport, its member or its league and its franchisees is mandated to avoid any act or omission which is, or is perceived to be, likely to bring the interest of the individual in conflict with the interest of the game. Conflict of interest management has surfaced as a central issue to the regulation of ethical conduct in sport.

Our team can assist you in drafting and implementing a comprehensive and effective conflict of interest management framework to enable a mechanism to detect potential conflicts, as well as processes to deal with conflicts, when declared on proactive basis.



Code of conduct

Awareness regarding the laws of the land or understanding the difference between sledging and being racist, such education is not imparted to players in formative years. Individuals representing a franchisee can at times be of minor age as well. They need to be educated on possible situations (such as ethical dilemmas) that may be beyond the control of the company but may have an impact on the reputation of the company.

Our team can assist you in developing specific modules for ethical dilemma workshops which can be used for training players and team officials like coaches, doctors, physiotherapists to help mitigate the risk and improving level of compliance and governance:

- Ethical behavior – on and off the field conduct
- Awareness about illegal practices such as betting, match/spot-fixing and other game related issues and actions to be taken upon encountering them



Risk assessment

In the dynamic and evolving sports sector, it is imperative for stakeholders to evaluate the existing governance framework to ensure it mitigates all internal and external risks impacting them. This also includes developing a response plan for any incident that may take place and may potentially impact reputation.

Our team can assist in performing a comprehensive risk assessment encompassing key processes/ areas in relation to:

Player agreements	IPL Code of conduct regulation
On-field and Off-field conduct	Doping by players
Spot/ Match fixing	Betting or gambling
Sale of complimentary tickets in black	Forgery and counterfeiting of tickets
Conflicting sponsorship contracts	Licenses and viewership experience at stadiums
Cases of corruption and fraud	Social media management/ unauthorized interviews



Auctions and awards validation

Procedures defined for declaring the best stadium for viewership experience or for auction of players, when independently reviewed and validated, can infuse higher level of trust and confidence - an independent process review augments recognition for fair play.

Our team can assist you in scrutinizing nominations and clearing them so as to enable adherence to prescribed procedures on events like player auctions, fair play awards or elections for the apex positions in the organization.

Third party diligence and background check



Dealing with third parties, especially without being adequately aware of their background, can expose organizations to additional fraud, noncompliance and reputational risks. Knowledge regarding background of third parties around issues such as blacklisting, conflict of interest situations and indulging in illegal activities like betting etc., if any prior to commencement of a business relationship, can help in preventing potential financial loss and reputational damage.

Our business intelligence services can conduct the necessary due diligence around such issues while maintaining confidentiality and provide sports organizations with comprehensive reports to help decision making.

Performance and compliance audits



In recent times, there appears to be a rise in fraudulent cases relating to misuse of authority for personal gains, suspicious sources of funding for sporting events, and misuse of funds earmarked for certain activities.

Our team can help identify and help prevent such cases. Further, we can also assist you in preparing a framework for regulatory and contractual compliances, for example – compliance with Foreign Contribution Regulation Act, anti-money laundering norms, affiliation requirements with international bodies etc.

Revenue assurance



Revenues generated by the clubs on non-match days, utilization of fan zones and other facilities etc. can create a difference between loss making and profit generation for organizations.

Our team can assist in running revenue assurance procedures and creating a dashboard to identify potential revenue opportunity, leakages and potential loss-making initiatives.

Fraud and misconduct investigation



Cheating on rules in sports to gain unfair advantage over competitors is not an uncommon activity. With the advent of leagues and large scale of investment in sports, the sector can be exposed to fraud, misconduct, noncompliance and other malpractice. From hiring of a transport vendor for players or awarding contract to security scanning machines provider to accepting kickbacks to facilitate sessions with international players or ensuring selection in squads – fraud can exist anywhere. With technology taking precedence in all spheres, fraudsters have also become better equipped to accomplish their malefic intentions.

Our forensic investigation team has the skills, technology, and experience to help sporting organizations navigate through instances of fraud, misconduct and noncompliance.

Organization structure



Globally, sports organizations thrive on having professionals in charge of the actual administration of the game. Aspects of marketing, human resources, regulatory, strategy and finances etc. are considered keeping the development of the sport as primary objective.

Our team can assist you in development of organization structure and capacity. We can help you improve your governance through board and committees structures. This would yield in effective executive management and clear internal reporting lines.

Our team

Deloitte globally has focused on the business of sport for over 20 years and has among the most respected team of specialist advisers working full time on sports business engagements. Our global teams work across a wide variety of sports including Cricket, Football, Tennis, and Olympic Sports among others.

Our team consists of professionals who work exclusively on sports assignments, bringing unparalleled commercial, financial, governance, regulatory and general business knowledge from major sports to service client needs. Our constant dialog with clients provides in-depth sector insights and are widely appreciated and recognized by all stakeholders. Some of our marquee global publications include *Deloitte Football Money League (UK)*, *Player Transfer Activity Analysis (UK)*, *Loyalty Scoreboard (US)*, *Get ahead of the game - Sports Analytics (US)*.

Deloitte's Sports Forensic team in India has assisted leading sporting leagues to help mitigate the risks, enhance reputation and optimize returns.

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