

INTERNATIONAL JOURNAL OF LEGAL SCIENCE AND INNOVATION

[ISSN 2581-9453]

Volume 6 | Issue 5

2024

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Corporate Social Responsibility's Role in Providing Impetus to Sports Development in India

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ABSTRACT

Sports have a significant impact on human development and are an essential component of modern society. A country's value in the world of sports as well as the degree of physical and mental toughness of its people are demonstrated by the quantity of medals won in international competitions. As such, it is imperative that we monitor the growth of sports in every country. With the arrival of British administration in India, the majority of modern games were introduced. During the colonial era, the most popular games in the British cantonment were cricket, football, and tennis. While European sports such as cricket and football were considered limited to the upper classes, indigenous sports such as wrestling were restricted to the lower classes. All forms of sporting activity were avoided by the educated middle class. And after Independence it was Hockey, Cricket and Football that were the popular sports in India. But with the passage of time as more money flowed in to Cricket it became the popular sport in India overshadowing all the other sports. In modern times a need has been felt to promote the other sports in India and this objective can only be achieved through the collaborative efforts of both the government and the corporate houses. This study aims to investigate how corporate social responsibility (CSR) and the business sector contribute to the growth of sports. CSR has the ability to provide sports in society with a strong boost for the quickest possible growth. The only way to advance is, without a doubt, for every Indian citizen to collaborate in order to establish India as a global leader in games and sports.

Keywords: CSR, Sports Development, India.

I. INTRODUCTION

Sports have a significant impact on human development and are an essential component of contemporary life. Sports possess the ability to positively impact people, communities, and entire nations. Sports-related programs and projects have the ability to address significant socioeconomic issues and establish societies that are healthier, fitter, more inclusive, and empowered, according to research from around the world. Sport and health policies are

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changing in several countries.

As a result of realizing that sport is not only a means but also a useful tool for achieving more ambitious development objectives, particularly those related to productivity and health, nations like the UK, Australia, and Canada are embracing sports for development (S4D) and population-scale physical activity (PA) approaches in sport and health policy. As social objectives, these are viewed as complementing and enhancing performance in sports. This notion is new yet developing in India. Traditionally, Indian decision-makers have seen sports mostly as a means to an end, gauging performance by the accomplishments of players and teams at major competitions. The government's vision of India at 100 in 2047 still heavily relies on our current status as a "top sporting nation." Sport excellence is still given priority in national and state sport policies and practices, which do not include S4D and PA strategies. There are encouraging signs of improvement. Several states, like Odisha and Haryana, have taken the lead in implementing the S4D model, which emphasizes participation, equity, inclusion, and access in addition to athletic achievement. Although government intervention is crucial, the private sector has strong incentives to directly support S4D techniques. Businesses that specialise in sports must make infrastructural investments to boost accessibility and engagement in order to sustain a loyal customer base and generate new revenue streams. In general, populations that are sufficiently active are more productive at work, giving a variety of businesses a clear connection between economic benefits and social contributions. Moreover, S4D strategies give businesses creative means of interacting with target audiences and enhancing their reputation and brand both locally as well as nationally. Through CSR, private authorship of change through sport can be clearly paved the way for "permission less." All entries are to be construed in the "broadest possible" manner, according to the CSR requirement. This extends an appeal to businesses to actively fund S4D and PA initiatives, particularly in order to boost participation and access. If they are resolved, there may be more opportunities, such as those related to sports and the ways in which PA interacts with livelihoods, education, and health. There are a lot of growth prospects when sport is used as a CSR strategy as opposed to just an outcome.²

II. CORPORATE SOCIAL RESPONSIBILITY

The expression "corporate social responsibility" (CSR) describes a business's continuous effort to integrate environmental and social issues into its operations. CSR is the process by which a

² Pacta, "CSR and Sports in India" 06 (2023) https://www.pacta.in/CSR_and_Sports_in_India_Pacta_SSA_Apr_2023.pdf; (Last Visited on: 19/09/2024)

company considers, develops, and changes its interactions with society for the benefit of all. It shows its dedication to this process by returning resources to society in exchange for the resources that allowed it to grow through the implementation of sensible business practices and plans. Global environmental trends are pushing companies worldwide to consider social and environmental issues in addition to financial performance when developing their strategy plans. In India, corporate social responsibility was considered as a charitable endeavor prior the Companies Act of 2013. In accordance with Indian customs, it was believed that, contingent upon the company's financial stability, every business had an ethical duty to actively engage in the accomplishment of social commitments. In order to spur socioeconomic development, Mahatma Gandhi developed the concept of trusteeship in the early 1990s. Religion, culture, customs, and family values all had an impact on CSR.

Making CSR a crucial business process for society's sustainable growth is the primary goal of CSR policy. The Act sets forth requirements for the required compliance of the designated types of firms with relation to Corporate Social Responsibility activities in an effort to jointly accomplish the aforementioned goal. The Companies Act, 2013 came into force on 29th August 2013 replacing the Companies Act, 1956. The new act of 2013 contained provision relating to CSR under Section 135. The said section provides that the board of any company having a net worth of Rs. 500 Crore or more, or turnover of 1000 Crore or more, or net profit of Rs. 5 crore or more, (in the preceding financial year), has to mandatorily formulate a Corporate Social Responsibility Committee. It makes it mandatory on the companies to undertake initiatives for social, economic and environmental issues. India became the first nation to regulate the requirement for engaging in CSR activities as well as reporting CSR projects with the enactment of the new Companies Act of 2013.

The activities that businesses may incorporate in their corporate social responsibility policies are listed in Schedule VII. These are as follows: -

- i) Eliminating severe hunger and poverty;
- ii) Advocating women's empowerment and gender equality;
- iii) Lowering the infant mortality rate and improving maternal health;
- iv) Fighting malaria, the acquired immune deficiency syndrome (AIDS), and other illnesses;
- v) Promoting Education
- vi) Ensuring the sustainability of the environment;

- vii) Increasing vocational skills through employment;
- viii) Promoting social business initiatives;
- ix) Preservation of national heritage, art, and culture
- x) Promotion and development of Sports
- xi) Measures for the benefit of armed forces veterans, war widows and their dependents,
- xii) Contributions to the PM's National Relief Fund (PMNRF) or any other fund established by either the national or state governments for the purpose of providing aid and socioeconomic development, as well as funds for the welfare of women, minorities, SCs, and STs; and
- xiii) Any other prescribed matter.

India's dedication to conducting business in a way that is sustainable on all fronts—economic, social, and environmental—is reflected in the country's CSR legislation. Corporate Social Responsibility (CSR) is considering how a company's actions affect its many stakeholders, including its consumers, workers, community, and environment. Beyond monetary gain, corporate social responsibility (CSR) aims to improve the environment and society. The UN Industrial Development Organization (UNIDO) claims that corporate social responsibility (CSR), which is founded on the "Triple Bottom Line" theory, may assist nations in promoting their economic and social development and enhancing their competitiveness in the modern world.³

III. OBJECTIVES & SCOPE OF CORPORATE SOCIAL RESPONSIBILITY

The objectives behind adopting the policy of Corporate Social Responsibility are as follows: -

- i) To establish rules for the company's social and economic contributions, as well as giving back to society through proper corporate processes and tactics.
- ii) To comply with the Act's direction for specified enterprises to design and implement a CSR policy detailing the actions to be undertaken by the company.
- iii) To create a list of the programs, initiatives, and activities that will be carried out throughout the implementation year, together with the implementation dates and modalities for each.

³ "Corporate Social Responsibility under the Companies Act 2013", Available at: <https://blog.ipleaders.in/csr-laws-india/> (Last Visited on 19th September 2024)

The policy would apply to all of the Company's endeavors in achieving its goals related to corporate social responsibility. Along with covering the activities specified under Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as modified from time to time, the policy would also ensure compliance with section 135 of the Companies Act, 2013.

IV. SIGNIFICANCE OF CORPORATE SOCIAL RESPONSIBILITY

Given that the "environmental, social, and governance" (ESG) framework is where the concept of corporate social responsibility (CSR) originated, it follows that the benefits that arise from organizations adhering to CSR laws will also benefit those organisations. Therefore, the following responsibilities help to understand the necessity of CSR:

1. **Statutory Requirement:** A set percentage of a company's profits must be allocated to corporate social responsibility (CSR) initiatives under the regulatory framework in India. According to Section 135 qualified enterprises must commit to CSR projects with 2% of their average net earnings (ANP) for the three years prior.
2. **Social advancement:** In India, corporate social responsibility (CSR) efforts are crucial for tackling societal problems and advancing the nation's overall growth. Businesses take part in initiatives that improve society by addressing issues like healthcare, eradicating poverty, advancing education, etc.
3. **Growth that is inclusive:** In India, corporate social responsibility (CSR) initiatives frequently center on inclusive growth, with the goal of bridging socioeconomic divides and guaranteeing that disadvantaged and marginalized people benefit from economic progress. This helps create a development paradigm that is more sustainable and equitable.
4. **Sustainability of the environment:** Environmental sustainability is a key component of many CSR programs in India. In order to lessen their impact on the environment and help create a better future, businesses work on projects pertaining to sustainable practices, renewable energy, and conservation.
5. **Community involvement:** Corporations can actively participate in the communities in which they do business by embracing corporate social responsibility. Between local communities and businesses, this promotes trust, productive connections, and a sense of shared responsibility.
6. **Brand recognition and standing:** A company's reputation and brand image are

enhanced when it participates in relevant CSR initiatives. Businesses that show a commitment to social responsibility are frequently valued by investors, customers, and other stakeholders, which increases loyalty and trust.

7. **Productivity and employee morale:** Employee morale is typically greater in companies that actively engage in CSR initiatives. Being employed by socially conscious companies is something that many employees are proud of, and this has a good effect on output, retention, and general job happiness.
8. **Mitigating risks:** Companies might reduce certain business risks by implementing proactive CSR actions. Companies that address social and environmental problems lower the probability of encountering regulatory obstacles, unfavourable public perception, or legal challenges.⁴

V. HISTORICAL BACKGROUND OF SPORTS IN INDIA

With the arrival of British administration in India, the majority of modern games were introduced. During the colonial era, the most popular games in the British cantonment were cricket, football, and tennis. While European sports such as cricket and football were considered limited to the upper classes, indigenous sports such as wrestling were restricted to the lower classes. All forms of sporting activity were avoided by the educated middle class.⁵ Wrestling, Kabaddi, and Gilli Danda were popular among the Indian populace, while the British and Maharajas of princely realms enjoyed more refined sports. Cricket has been promoted by prominent public officials, military commanders, academics, and journalists since the early years of British colonization in India. As a result, it was natural for men of status and wealth in India, such as princes and maharajas, to participate in this strange sport. By the middle of the eighteenth century, Maharaja support of sport had become commonplace in India. Sport was thought to be an important way of “sweating the sex out of the other ranks,” according to Ann Morrow in her book *The Maharajas of India*. The British upper classes adored big-game hunting, which served as a status symbol, with the number of animals shot as the criterion. Big-game hunting became a shortcut to being a gentleman in colonial India, attracting the maharajas. It was their way of demonstrating their worth to their peers.

VI. GOVERNANCE OF SPORTS IN INDIA

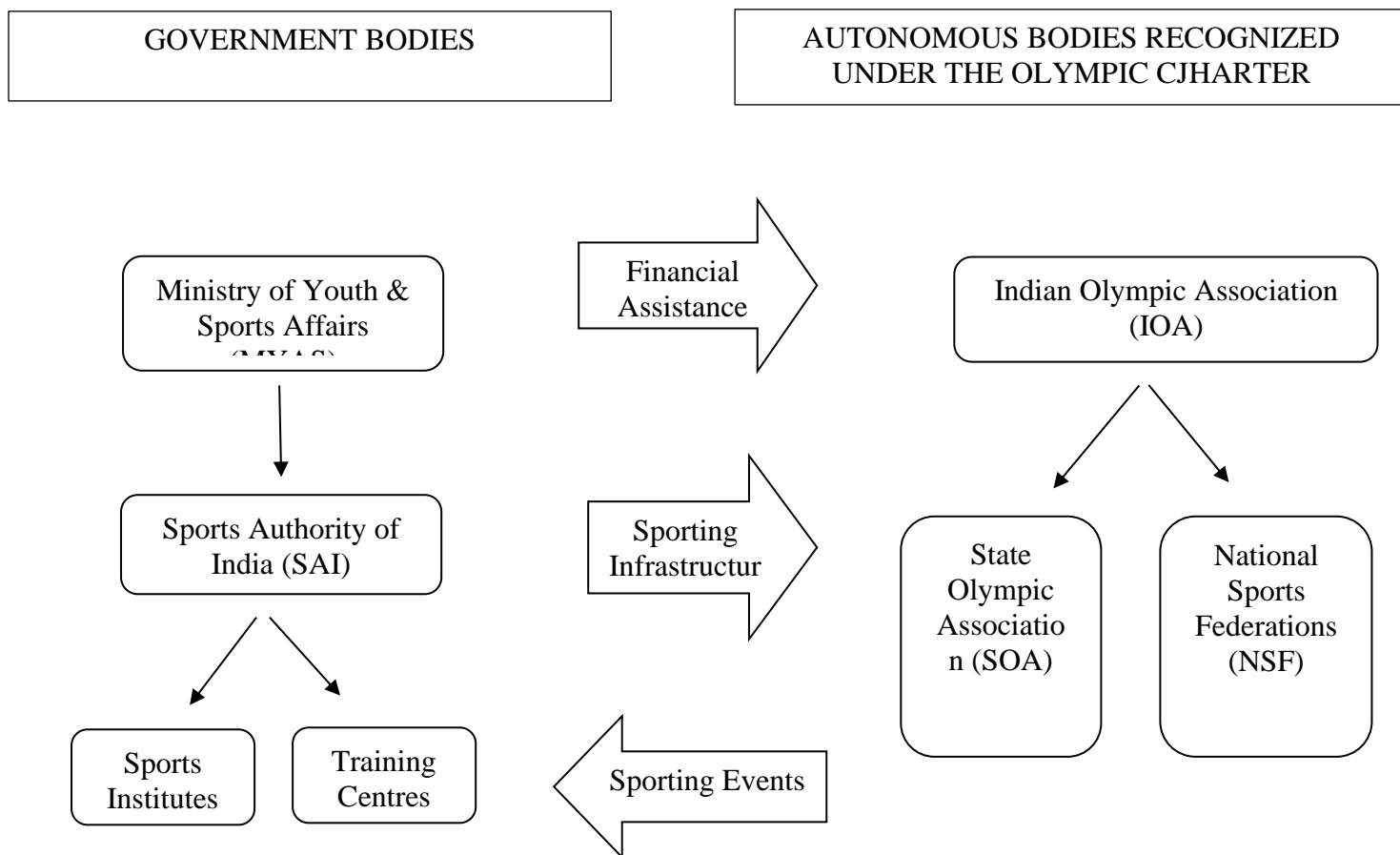
In India, state engagement in sports was entrenched considerably later after independence.

⁴ Ibid

⁵ Boria Majumdar, “The Vernacular in Sports History”, 20 *The International Journal of the History of Sport* (2003)

Following the 1982 Asian Games, the Department of Sports was renamed the Department of Youth Affairs and Sports. Later, in 2000, these departments were merged to become the Ministry of Youth Affairs and Sports (MYAS). The United Nations, in its General Assembly resolution 58/5 adopted in 2003, recognized sport as a method to promote education, health, development, and peace.

In India, stakeholders include the Ministry of Youth Affairs and Sports (MYAS), the Indian Olympic Association (IOA), the State Olympic Association (SOA), the National Sports Federation (NSF), and the Sports Authority of India (SAI). Every stakeholder’s job is well defined. The following is a high-level graphical illustration of their interactions:⁶



Sports bodies in India are autonomous entities, as defined by the Olympic Charter, which limits government involvement over sports federations. While the IOA serves as the umbrella entity for all NSFs and SOAs in the country, government bodies operate under MYAS, providing support services like as training and infrastructure management. There are also federations for

⁶ Jitendra Chaudhary & Jayat Ghosh, “Governance of Sports in India”, *Tejas@iimb*, Available at: https://tejas.iimb.ac.in/articles/Tejas_September%20Edition_Article%201.pdf (Last Visited on: 19th September 2024)

non-Olympic sports, such as cricket's Board of Control for Cricket in India (BCCI).

These federations are linked to their respective international federations directly. Government intervention is limited, as it is with the IOA and NSFs, by the charters of their respective international federations. Under the Societies Registration Act XXI of 1860, all sporting governing bodies are registered as societies. They get government assistance in a variety of forms, ranging from direct financial assistance (as in the case of NSFs) to indirect subsidies like as tax breaks (as in the case of BCCI). A government-appointed observer who examines internal processes such as fund utilization, team selections, and so on is required as a condition of getting direct financial aid. Almost all sports federations have prominent legislators or retired civil servants as their office conveyors with the expectation of using their political clout in different issues.⁷

VII. CORPORATE SOCIAL RESPONSIBILITY IN SPORTS SECTOR

According to Schedule VII of the Companies Act, 2013, CSR in the sports industry in India covers initiatives pertaining to “training to promote rural sports, nationally recognised sports, Paralympic sports, and Olympic sports.” This clause enables businesses to use their CSR initiatives to make a substantial contribution to the growth and promotion of sports in India. Here's an explanation of how this works and what it means:

(A) Nationally Recognized Sports

CSR contributions are available to a number of sports federations in India that have been approved by the Ministry of Youth Affairs and Sports. These are: - Badminton Association of India, All India Football Association and All India Chess Association. Businesses are able to assist the growth of these recognized sports by providing facilities, training opportunities, and competitions—all of which can be considered corporate social responsibility (CSR) initiatives.

(B) Rural Sports

Promoting rural and traditional sports is another main goal of CSR programs, as these activities are crucial to the preservation of India's cultural legacy. These frequently in danger of disappearing sports are: - Yubi Lakpi (A traditional form of rugby played in Manipur), Kalaripayattu (An ancient martial art from Kerala) and Thoda (A traditional martial art form from Himachal Pradesh). CSR financing is available to programs like Khelo India, which work to bring back traditional sports and develop a robust sports culture throughout the nation.

⁷ Id

(C) Paralympic and Olympic Sports

Another important area of CSR activity is supporting Olympic and Paralympic sports. These sports celebrate diversity and honour the accomplishments of athletes with disabilities. The 28 Paralympic sports that are sanctioned by the International Paralympic Committee (IPC) might gain from CSR activities in the following ways: financing for athletes' training and growth, making inclusive sports facility improvements and encouraging involvement in regional, national, and worldwide events.

Sports spending has increased over time, despite not being a top focus for CSR historically. Say for example: In the FY 2014–15: ₹57.62 crores were allocated to CSR initiatives pertaining to sports. Spending on CSR to support sports in FY 2021–2022 was estimated to be around ₹287 crores, indicating a shift in focus.

VIII. TOP CSR PROJECTS FOR SPORTS IN INDIA

Companies and corporate homes are now expanding their CSR efforts in the sports industry as a result of the Company Act of 2013. The following Indian businesses are corporate entities that operate in the sports sector under the auspices of corporate social responsibility.

1. **ONGC:** ONGC through its program aims to promote sports and sportspeople, as well as assisting organizations.
2. **Reliance Foundation and Sports for All:** Campaigns to support the education of impoverished children have been launched by Reliance Foundation and Sports For All, with an emphasis on the development of life and athletic skills. Efforts include collaborating with different NGOs to offer assistance and education to kids in Thane and Mumbai via initiatives like digital learning vans.
3. **Tata Steel Limited:** Tata Steel has engaged in CSR programs that involve employees, families, and the community in sports academies. These programs aim to develop sports infrastructure and provide opportunities for sports engagement, benefiting both employees and the community. When it comes to completely funding residential academies for football, athletics, and archery, Tata Steel has done an amazing job. Tata Steel has constructed 18 distinct sports facilities in addition to four rural feeder centres.
4. **Jindal Steel & Power (JSP) Foundation:** The goal of the JSP Foundation's Jindal Sports Hostel is to develop rural athletes by giving impoverished kids access to first-rate living accommodations. The hostel's main goals are to develop students' intellectual and athletic skills, foster discipline and teamwork, and develop future leaders and

champions for India. JSPL aims to promote sports in the areas where it operates in order to harness the youthful energy in a constructive manner.

5. **Hyundai's Samarth Para Sports Programme:** The "Samarth Para-Sports Programme" was introduced by the Go Sports Foundation and the Hyundai Motor India Foundation (HMIF). The goal of this extensive program is to find and develop India's future Paralympic athletes. The program's objectives are to give para-athletes a comprehensive platform, open doors, and make a lasting impact on the development of parasports in India.
6. **Central Coalfields Limited's Sports Academy:** Central Coalfields Limited (CCL) has made the decision to establish sports academies in Kargali, Bhurkunda, and Hazaribagh with the aim of promoting a variety of sports in Jharkhand. The goal of the proposed academies is to support youngsters from various coalfields in their overall development. Additionally, these institutions will give their students free housing, training, and education.
7. **Indian Oil's Sports Scholarships:** In order to develop talent and create a pool of athletes from which the company can select sports appointees, Indian Oil Sports also awards scholarships to deserving young athletes.
8. **Hindustan Zinc's Football Programme:** A vast initiative aimed at attaining both grassroots development and football excellence in Rajasthan has been launched by Hindustan Zinc. In order to give young children a platform to express themselves through football, the firm has established ZF schools, which employ football as a vehicle for social development. ZF has established 12 community football facilities where more than 350 boys and girls receive football instruction from licensed coaches, all under the motto that "every child should have the opportunity to play." The ZF Academy was established to create future football stars for the nation in an effort to further improve the skill. A Residential Academy with top-notch facilities in Zawar and the nation's first-ever "technology-hinged football training" complex are at the centre of this effort. Forty kids are being trained at the Academy right now, and they receive coaching using cutting-edge training methods that place equal focus on learning and play.

IX. IMPORTANCE OF CSR IN SPORTS

CSR is important in sports for a number of reasons. These are as follows: -

1. **Infrastructure Development:** constructing new sports complexes, training facilities, and stadiums.
2. **Access and Participation:** Initiatives that provide underprivileged and rural populations with greater access to sports.
3. **Youth Engagement:** Promoting youth athletic engagement, which has been linked to improved social and health outcomes.
4. **Cultural Preservation:** Encouraging rural and traditional sports contributes to the conservation of cultural heritage.
5. **Inclusivity:** Encouraging Paralympic sports and guaranteeing that all people can access sporting facilities.

Through numerous programs and efforts aimed at spotting and developing talent, building sports facilities, and encouraging a culture of sports throughout the nation, the Indian government is also actively promoting sports.⁸

X. CONCLUSION

Through CSR investment, organizations have a rare opportunity to boost those sectors that are either ignored or entirely abandoned. The glory that our athlete's win brings is unequalled by any other accomplishment the nation makes. Consequently, businesses ought to consider the opportunity to invest in the future generation of athletes in order to help them succeed and build their reputation as global ambassadors for their nation. The promotion of physical and mental well-being is yet another justification for allocating funds to this industry.

⁸ Corporate Social Responsibility in the Sports Sector in India, Available at: <https://medium.com/@amimodi/corporate-social-responsibility-csr-in-the-sports-sector-in-india-24f9d2246a7a> (Last Visited on 19th September 2024)

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