



# CSR and Sports in India

Emerging trends and implications

April 2023



**PACTA**  
SOCIAL | IMPACT | LEGAL



**Sports and Society  
Accelerator**  
Building India's Sports Stack

# Acknowledgements

This report was prepared by a team from Pacta, a full-service boutique law firm focusing exclusively on the legal needs of the social sector, and Sports and Society Accelerator, an independent not-for-profit organisation focused on building the sports ecosystem.

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- **Sports and Society Accelerator:** Kanishka Bhattacharya, Nandan Kamath, Desh Gaurav Sekhri, Lokesh Kaza.

While research, especially of a quantitative nature, on the topic of sports CSR in India is very nascent, we wish to acknowledge and thank other researchers, experts, and journalists who have come before us and whose work we have leveraged and built off.

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# 1. Background

# History of sports CSR in India

- **2013** Section 135 of the Companies Act, 2013, requires mandatory Corporate Social Responsibility (CSR) interventions by every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more, or a net profit of rupees five crore or more. *“Training to promote rural, nationally recognized sports, Paralympic and Olympic sports”* is included in Schedule VII of the Companies Act as a CSR-eligible activity.
- **2014** Section 135 comes into force.
- **2016** Scope of permissible sports CSR activities is expanded by means of a notification to include *“creation and maintenance of sports infrastructure, upgradation and renovation of existing sports facilities, and sports science support including setting up of gymnasiums and rehabilitation centres.”*

The intent was to enable companies to promote sports ‘as a whole’ and to incentivize PPPs for fundamental sport infrastructure, especially at local levels where access and participation have historically been low.

Sponsorship of one-off events such as marathons, awards, charitable contributions, advertisements, and TV sponsorships etc. and activities undertaken in the normal course of business were specifically excluded.



# Introduction

- **Sport has the power to transform individuals, communities, and countries.** Global evidence has shown that sports programs and initiatives have the potential to address key socio-economic needs and build healthier, fitter, more inclusive, and empowered societies. Regular physical activity (PA) has been shown to reduce the risk of several non-communicable diseases including coronary heart disease, diabetes, certain cancers, obesity, to delay the onset of Alzheimer's disease and dementia, to increase lifespan, enhance a sense of wellbeing and community, and increase productivity.
- **Many countries are shifting gears in their sport and health policy.** Countries like the UK, Australia, and Canada are increasingly adopting sports for development (S4D) and population-scale physical activity (PA) approaches in sport and health policy based on the recognition that sport is not just an end but an effective instrument to achieve larger development goals, especially health and productivity. These are seen as supportive of and additive to sports excellence as social goals.
- **In India, this understanding is nascent, but growing.** Historically, Indian decision makers have viewed sports primarily as an outcome, measuring success by achievements of athletes and teams at marquee events. Even today, our emergence as a 'top sporting nation' is a key pillar of the government's vision of India at 100 in 2047. Sport policy and practice at national and state levels mostly continues to prioritize sports excellence and does not envelop S4D and PA approaches. Promisingly, there are signs of change. States like Haryana and Odisha have pioneered and adopted a S4D approach, which is based on inclusion, equity, access, and participation alongside sporting success.
- **While government action is central, there are clear incentives for the private sector to contribute to S4D approaches directly.** For sports-focused companies, investing in infrastructure to increase access and participation is necessary to support a long-term customer base and new business opportunities. More broadly, adequately active populations are more productive at work – providing a range of companies a direct link between social contributions and economic gains. S4D approaches also offer companies innovative ways to interact and engage communities of interest and enhance brand and reputation at national and local levels.
- **CSR provides a clear pathway for 'permissionless' private authorship of change through sport.** The CSR mandate suggests each entry must be interpreted in the 'broadest possible' sense. This offers an invitation for companies to invest directly in S4D and PA approaches, especially to increase access and participation. If addressed, these could open doors to other opportunities, including sport and PA's interplays with health, education, and livelihoods.
- **Using sport as a CSR approach, rather than merely as an outcome, presents significant growth opportunities.** 'Sports' as a CSR category routinely ranks lowest in terms of received funds. As the data shows, it was less than 1% of cumulative CSR from 2014-21. Only a minority of companies contribute to sports CSR and even these are not strategic in their giving. In line with the historical framing of sports in India, sport continues to be viewed as an outcome for CSR, related primarily to elite performance and success. **Enveloping sport and PA as instruments and approaches for CSR to achieve multiple goals can materially change the game.**

# Objectives

*We aim to shine a light on emerging trends from the Indian sports CSR landscape and their broad implications.*

*We hope to provoke further, in-depth, and targeted research and to initiate critical conversations on how private sector organizations can contribute effectively to a holistic sport development agenda in India.*

Specifically, we want to:

- Highlight key trends in the sports CSR landscape in India vis-à-vis other CSR activities
- Understand at a high level the flow of funds from sources to recipients
- Gain a deeper understanding of the universe of sports CSR funders



# Main insights and findings

## OVERALL (ALL COMPANIES)

- Sports CSR grew promisingly between 2014/15 and 2020/21.
  - It stood at INR 242 crore in 2021/22; CAGR of 27% (2014/15-20/21), which matched overall CSR growth.
  - By comparison, the size of the sports industry surpassed INR 9,500 crore (2021) with a 62% y-o-y growth.
- But it comprised a small share of overall CSR and was concentrated in a few states.
  - Sports CSR contributed <1% of cumulative CSR spend between 2014-21.
  - The top-5 states together received ~40%. These states also received higher overall CSR, had a higher concentration of companies' headquarters, and had a higher concentration of in-state NGOs.

## COMPANIES SPENDING ON SPORTS CSR (SAMPLE)

- Allocation to sports CSR activities was marginal.
  - Even among a sample of companies that spend on sports CSR, the average share of sports CSR in total CSR was <5% across years.
  - Only a handful of companies appear to consistently support sports CSR across multiple years.
  - Unlisted companies contributed a higher share of CSR – about 20% - to sports activities.
  - The quantum of sports CSR and average ticket size was significantly higher for listed companies.
- Sources of funds were very concentrated.
  - Top-10 companies accounted for ~50% of total sports CSR in 2020/21.



# Methodology and datasets

- First, we identified key **overall** trends – drawing on data for **all companies reporting CSR spend** through the India CSR portal. These insights are presented in *section 2*. Then, we dug deeper into the subset of **companies that reported spending on sports CSR** – drawing on a sample from 2018/19, 2019/20, and 2020/21. These insights are presented in *section 3*.
- Our **sampling methodology** was the following:
  - Step 1: All companies spending on Sports CSR in the years 2018-19 were identified from the official records available online on [csr.gov.in](http://csr.gov.in). To do this, **we selected “Encouraging Sports” from “CSR Spent: Development Sector-wise”**.
  - Step 2: “Stratified Random Sampling” was performed to create a sample that is representative (proportional) of the listed and unlisted companies in the population.
  - Step 3: Step 1 and Step 2 were repeated for the years 2019-20 and 2020-2021. The table below shows the number of listed and unlisted companies in our sample in each of the three years.

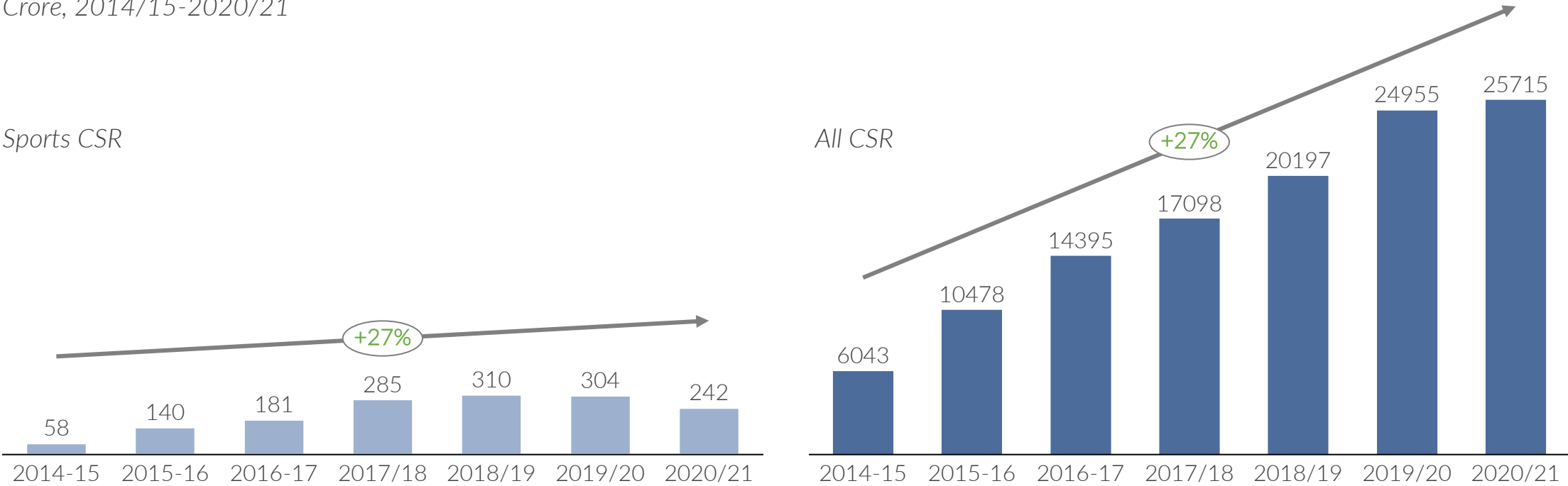
	2018/19	2019/20	2020/21	Total
Listed	125	136	110	371
Unlisted	82	94	90	266

- Once the sample of companies for all three years was ready, we accessed detailed spending data by selecting “company-wise data” from the “Explore CSR Data” dropdown. The data for each company was available in XLSX format. We extracted data on CSR amount spent across Health, Education and Sports. Within CSR spend on sports, information on state and district of projects was also collected. The data compilation and descriptive analysis was performed using Microsoft Excel. Bivariate analysis such as correlation was undertaken using the R Software.
- **Limitations:** Our findings and insights are based on a rapid and preliminary scan of quantitative data available on the India CSR portal and represent high-level trends. They are by no means exhaustive. A comprehensive and nuanced assessment – one that includes primary data collection beyond what is available on the India CSR portal and combines qualitative insights from different company segments – is very much needed.

## 2. Overall trends

# Since 2014/15, sports CSR has grown at the same pace as overall CSR...

CSR spend over time<sup>1</sup>  
 Crore, 2014/15-2020/21



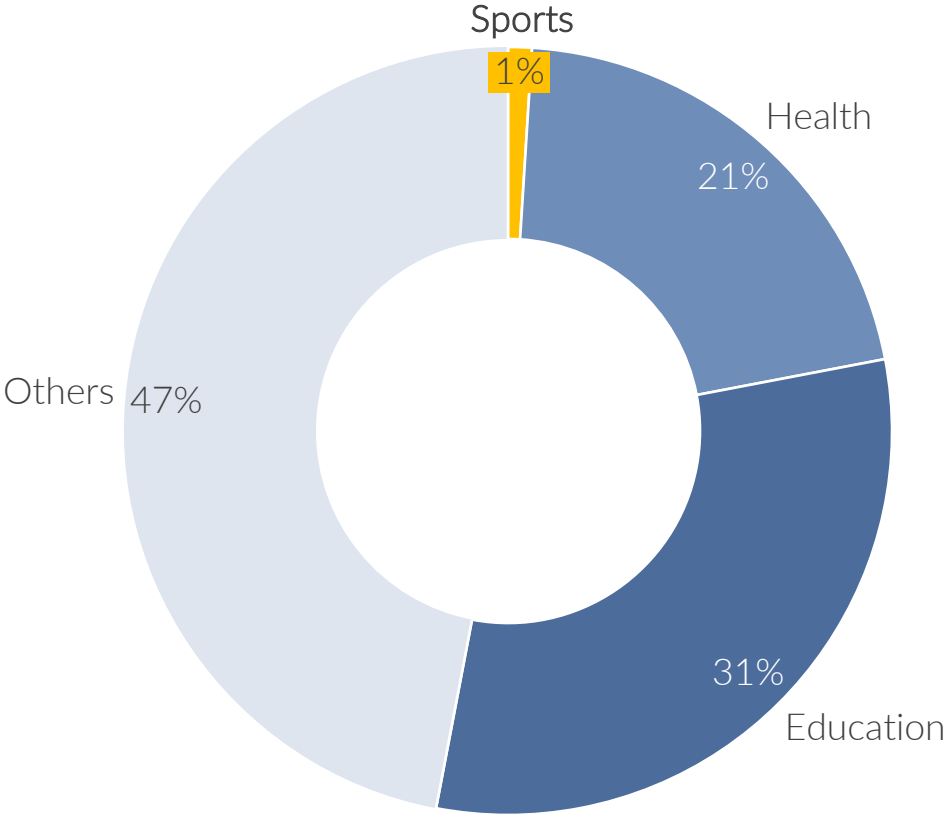
By comparison, the size of the Indian sports industry spend on sponsorships, endorsements, and media surpassed INR 9,500 crore in 2021 with a 62% y-o-y growth.<sup>2</sup>

Source(s): (1) National CSR Portal, Ministry of Corporate Affairs, Government of India available at <https://csr.gov.in/> as on July 12, 2021; Centre for Technology, Innovation and Economic Research (CTIER); PACTA-SSA; (2) <https://www.financialexpress.com/brandwagon/indian-sports-industry-spends-surpassed-rs-9500-crore-in-2021-report/2471552/>



...but remains a small piece in the overall pie...

Share of Sports in CSR spend  
%, 2014/15-2020/21 cumulative

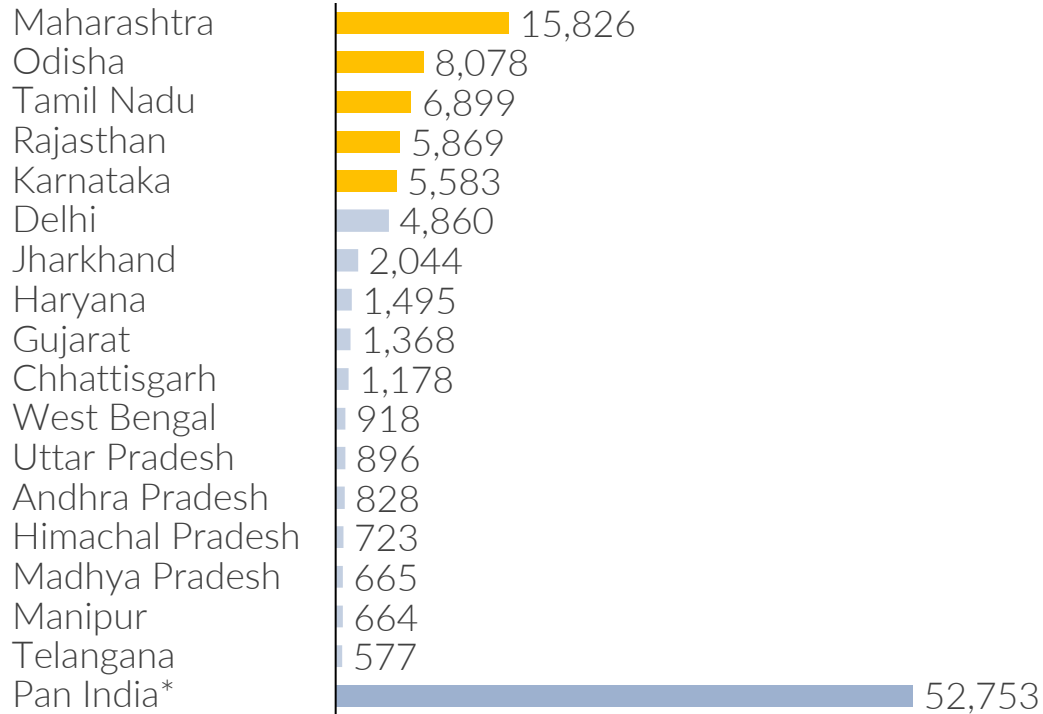


Sources: National CSR Portal, Ministry of Corporate Affairs, Government of India available at <https://csr.gov.in/> as on July 12, 2021; Centre for Technology, Innovation and Economic Research (CTIER); PACTA-SSA

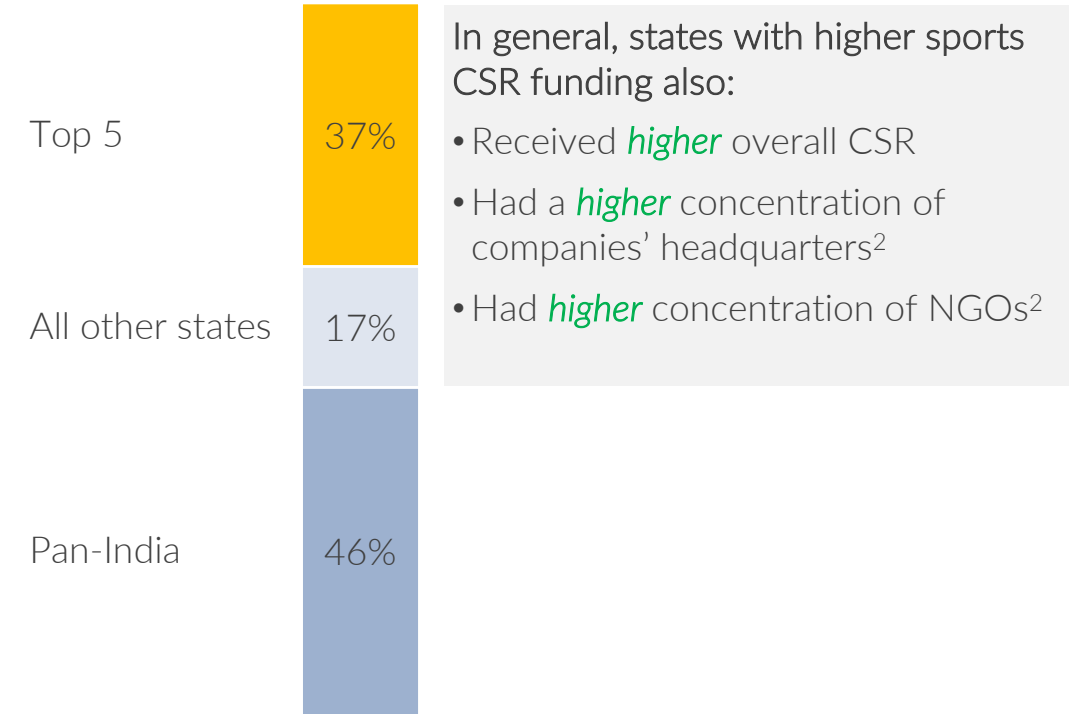


# ...and its deployment is highly concentrated in a few states

Sports CSR spend by state<sup>1</sup>  
Lakh, 2014/15-2019/20 cumulative



Share of top 5 states in overall Sports CSR spend  
Percentage, 2014/15-2019/20 cumulative



In general, states with higher sports CSR funding also:

- Received *higher* overall CSR
- Had a *higher* concentration of companies' headquarters<sup>2</sup>
- Had *higher* concentration of NGOs<sup>2</sup>

Note(s): (1) The CSR portal records spend by "project location". This may often be linked to the headquarters of the receiving organization and therefore may not be representative of the destination of funds. This also points towards the lack of an important datapoint, that is, the geography of spending. As a result, tracking the development resulting from the CSR spending in sports is hard and will need a follow-up study. (2) To understand the state-wise distribution of the companies in our sample, we identified the headquarters of every company in our dataset. To understand the state-wise distribution of sports NGOs in India, we identified sports NGOs and their headquarters from NGO DARPAN, a database maintained by NITI Aayog. Source(s): National CSR Portal, Ministry of Corporate Affairs, Government of India available at <https://csr.gov.in/> as on July 12, 2021; Centre for Technology, Innovation and Economic Research (CTIER); PACTA-SSA

# 3. Companies spending on sports CSR (sample)

# Even among companies that spent on sports CSR, allocation was on average <5%

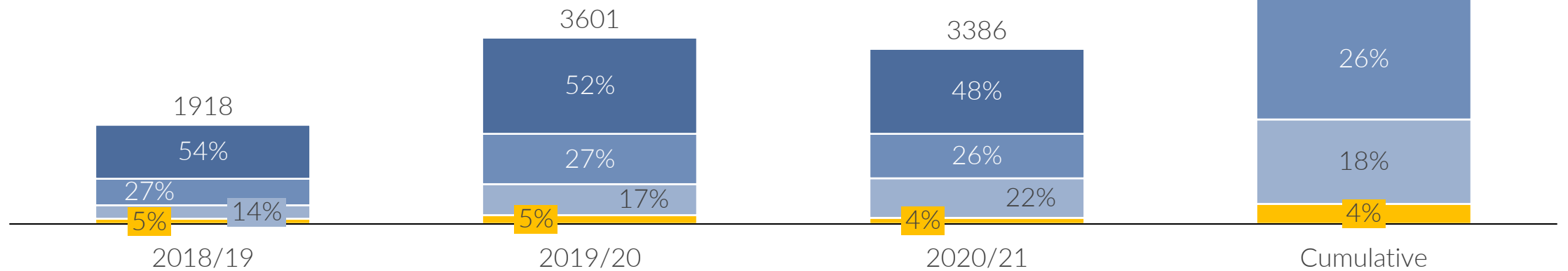
Share of sports CSR in total CSR

Crore, 2018/19-2020/21, N=Sample of companies that reported spending on sports

Based on sampling

Others Education Health Sports

Only 11 companies in our sample contributed consistently to sports CSR in each of the 3 years – suggesting that the majority of sports CSR funders do not yet consider it a strategic priority.



# Among these companies, unlisted companies were outliers, contributing, on average, nearly 20% of total CSR to sports activities

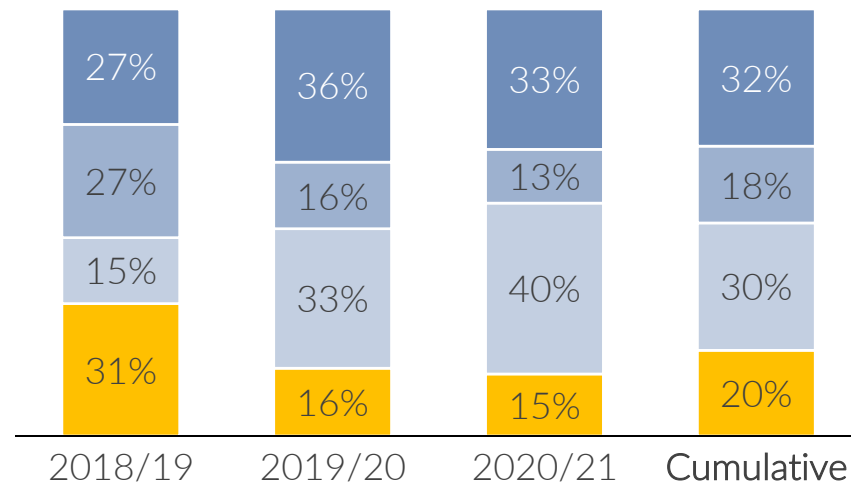
CSR spend breakdown of companies – by unlisted and listed

Percentage, total spend in Crore, 2018/19-2020/21, N=Sample of companies that reported spending on sports

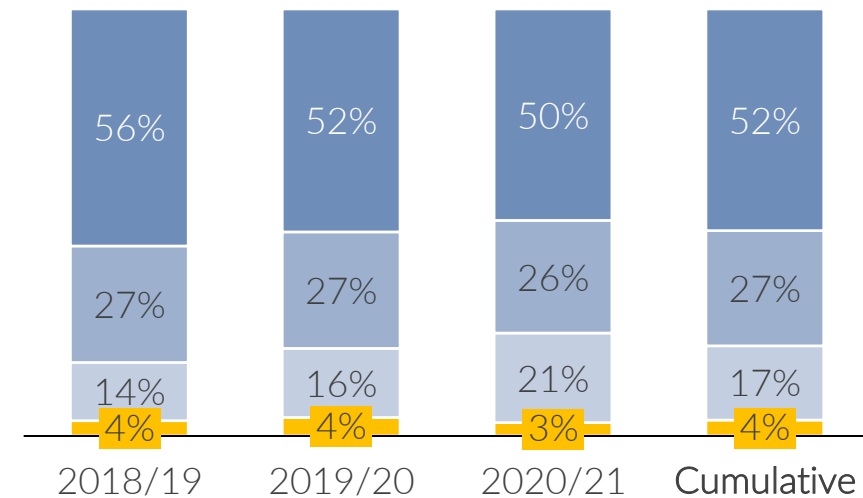
Based on sampling

Other Education Health Sports

Unlisted



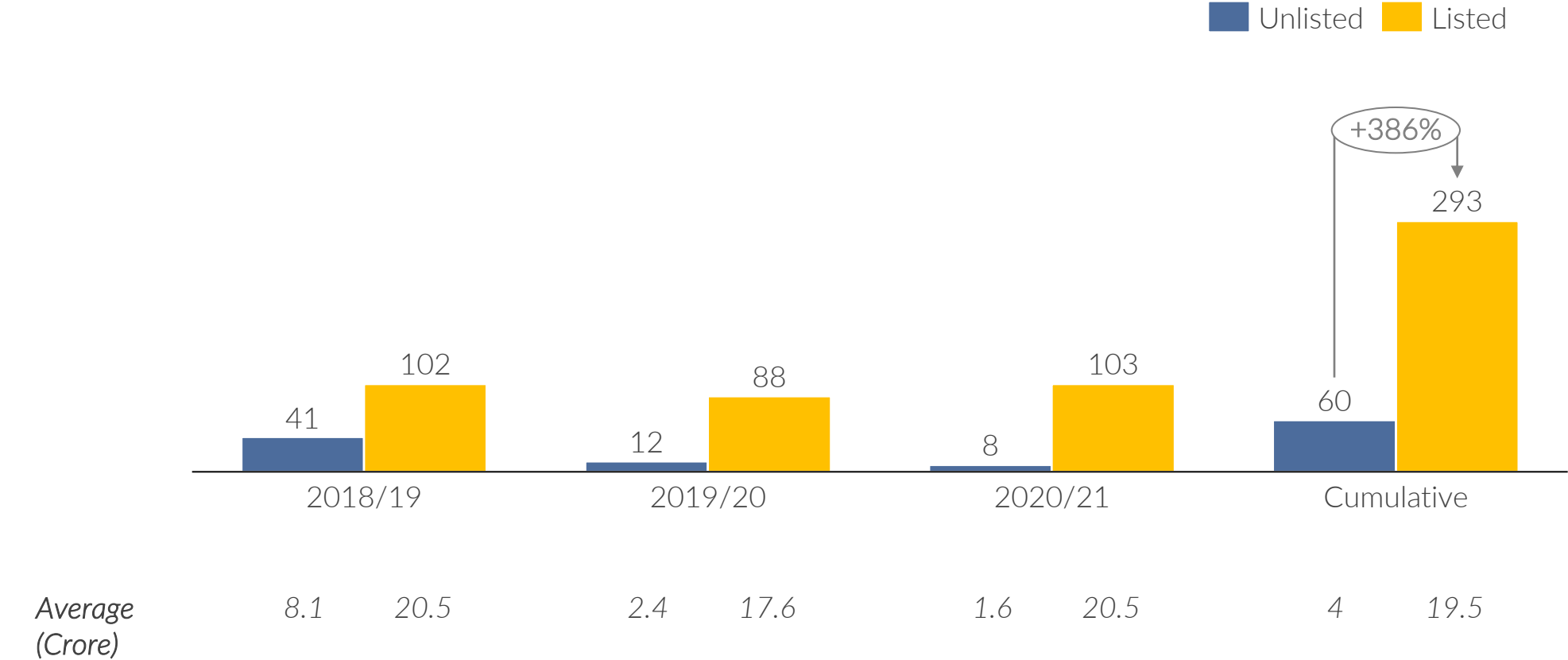
Listed





# The quantum of sports CSR and average ticket size was significantly higher for listed companies

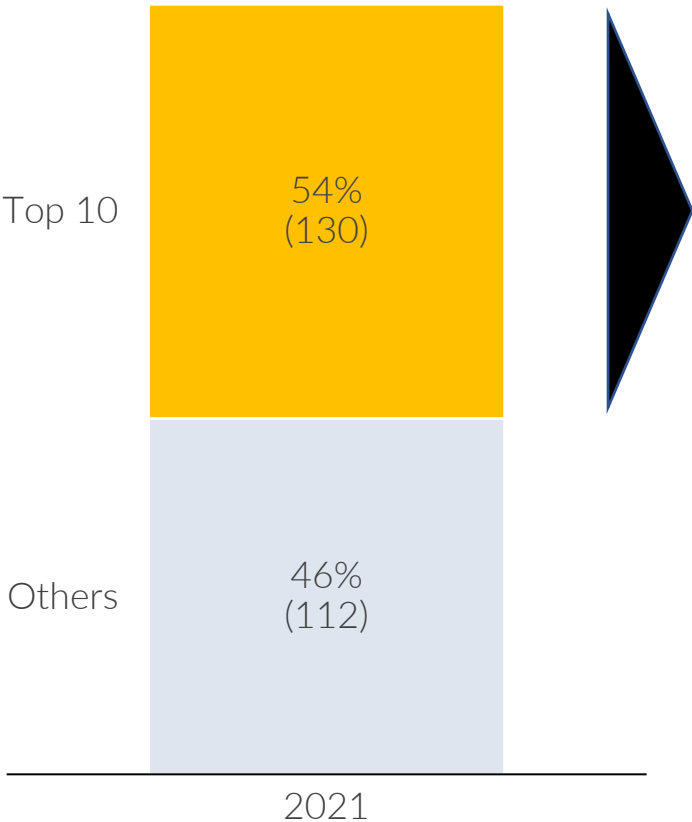
Spending patterns in sports CSR for top 5 listed and unlisted companies  
 Crore, 2018/19-2020/21, N=top 5 listed and unlisted companies by sports CSR spend



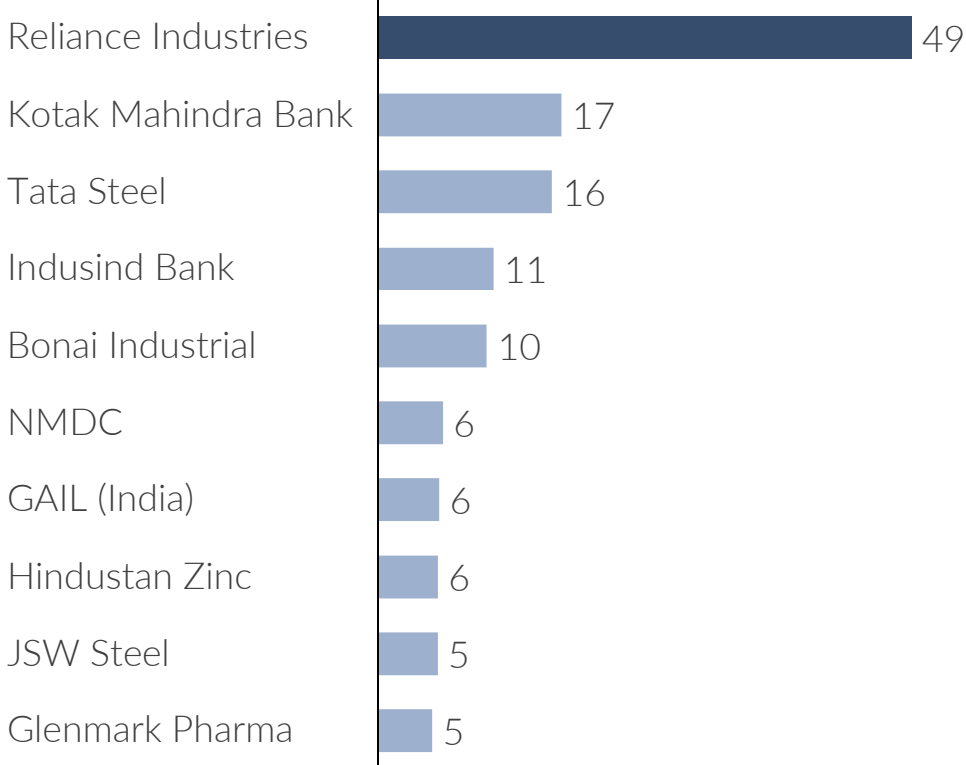
Source(s): National CSR Portal, Ministry of Corporate Affairs, Government of India available at <https://csr.gov.in/>; PACTA-SSA

# In general, sources of funds were concentrated in a handful of companies; Reliance Industries alone contributed 20%

Share of top 10 Sports CSR funder in total Sports CSR  
 Percentage, total spend in Crore, 2020/21, N=all sports CSR funders





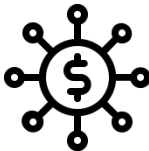













Top 10 Sports CSR funders  
 Crore, 2020/21



Source(s): National CSR Portal, Ministry of Corporate Affairs, Government of India available at <https://csr.gov.in/>; "Investments boost sports in India, corporate funding still low," Sreedev Krishnakumar, Moneycontrol (August 2022)

# 4. Emerging models

# Companies have adopted from several emerging sports CSR models based on their risk appetite and capacities

	 <b>PPP</b> Government-led partnerships to channel private sector sponsorships and CSR into key infrastructure, training, athlete development etc.	 <b>Build-Own-Operate</b> End-to-end design, funding and execution of activities and programs focusing on one or more S4D activities and outcomes	 <b>Fund-of-funds</b> Plug-and-play models in which companies can deploy and pool CSR funds in organizations that are responsible for program design and execution	 <b>Direct equity</b> Use of sport as an instrument and approach to achieve other goals including life-skills, health, productivity, confidence and livelihoods.
<b>Overview:</b>				
<b>Degree of control:</b>		 High		
<b>Ease of implementation:</b>		 Low		
<b>Example:</b>	 Odisha Government	 Tata Group	 GoSports Foundation	 Magic Bus

Source(s): Sports and Society Accelerator (2023)

# Case studies (1/2)



Odisha Gov't

## Model

### PPP

*Facilitation of private sector sponsorships and CSR into key sporting infrastructure (e.g., High Performance Centres)*

### Build-Own-Operate

*Integrated S4D and sports excellence approaches across group companies focused on increasing access and participation at the individual and community levels, combined with targeted initiatives on improving elite performance*

## Initiatives

- Set-up several high-performance centres in hockey, football, athletics, etc. adopted by firms and engaged professional private agencies to operate them

- Promoting community sports access and talent development
- Tribal sports promotion activities
- Development academies for football, archery, athletics, hockey, and climbing
- Promotion and development of footballing and other sports talent in the North East

## Outcomes

- Best-in-class sporting infrastructure in the country with professionally managed high-performance centres, India's largest hockey stadium, etc.

- 512 ST/SC boys and girls given training in Tata's academies
- North-East India has contributed several football players to the Indian team
- Tata Archery Academy's cadets have won laurels at several elite world events

# Case studies (2/2)

## Model



### Fund-of-funds

*Offers flexible-ticket plug-and-play opportunities for companies to fund single donor or multi-donor sport excellence programs through CSR*

## Initiatives

- Athlete development, scholarship and mentorship programs
- Focus on marginalised sports, gender, disability sport, communities
- Ecosystem building through knowledge-building, workshops, and resources with athletes at the centre

## Outcomes

- Supported athletes have brought laurels at elite world events including the Olympics and Paralympics
- Changed narrative around sport talent, disability, and gender



### Direct equity

*Credible NGO that offers a proven S4D approach that companies can fund directly to improve and scale operations and impact*

- Multi-disciplinary NGO that uses sports activity-based learning sessions (among others) to impart critical knowledge and life skills to low-income and at-risk children and help lift them out of poverty

- Better attendance, lower dropout rates, higher leadership skills, and improved behavioural skills among children going through the program



# 5. Conclusion

# Opportunities



## 1. Sports CSR plays an important beaconing role

- Although mandatory in nature, the allocation of CSR funds by companies signals the prioritisation and hierarchy of desired social outcomes. Similarly, sports CSR trends and preferences are an indicator of national attitudes to sport.
- Increased sports CSR spends and diversification of spend areas can lead to attitudinal and institutional shifts.



## 2. Sports CSR brings new sources of capital and stakeholders to the ecosystem

- For many companies, sports CSR is often the first foray into the sports ecosystem. A positive experience with sport can encourage their participation and engagement on multiple developmental and commercial fronts.
- Diversification of stakeholders strengthens capacity, reduces dependencies on the public sector, and democratises decision-making in the sports ecosystem.



## 3. Sports CSR can uniquely address existing inequities and barriers to access

- Despite growth in Indian sports, many emergent needs relating to access, participation, and infrastructure do not have immediate business solutions. Over the next decade, a ‘development-first’ approach to building the ecosystem – prioritising social rather than commercial returns on investment – will be required.
- Private CSR and philanthropic capital can be used to bridge these gaps more efficiently at lower costs and with higher discipline, thereby building sports in India and building India through sports.



## 4. A trifecta approach to sports CSR – encompassing PA, S4D, sports excellence – can bring social innovation and impact

- Supporting athletes’ journeys to glory at major sporting events will continue to play an important ambassadorship role. CSR for initiatives that drive these journeys will remain crucial to complement public support.
- At the same time, S4D and PA approaches are the necessary and essential building blocks and precursors—not just for sporting excellence, but also for critical social outcomes.





# Suggested actions



## 1. Make sport work for existing funders: Engage, excite, retain, and re-engage

- Many companies contributed to sports CSR over time, but few repeated. This is a lost opportunity. In particular, there is value in targeting and leveraging the higher appetite of unlisted companies and SMEs to invest in sport and PA. E.g., compliance approved, funding vehicles for SMEs to invest in local PA eco-systems.



## 2. Increase the pool of sports CSR funders: Sport as instrument and approach as much as an outcome

- Improve understanding and knowledge of PA and S4D approaches and their ability to drive multiple outcomes among companies and incentivize even those without an explicit sports agenda to contribute.
- Integrate and cross-reference sport and PA-based activities in other Schedule VII activities (e.g. rural development, health, gender empowerment, etc.) and vice versa to further incentivize and create funding opportunities.



## 3. Make it easy for all companies to fund: Build turnkey assets and initiatives and information networks

- Develop plug-and-play opportunities to help diversify recipients. These can focus on access and participation especially in underserved locations. E.g., 'Adopt a playfield,' develop/ subsidize academies, rural sports development, etc.
- Compile and share resources, lessons, best practices, toolkits, MEL frameworks, etc. across companies to help with designing programs and enabling effective, mutually beneficial partnerships.



## 4. Improve research, data collection, and knowledge-sharing in the private sector ecosystem: Invest in knowledge infrastructure

- Promote and share India-specific robust and scientific research linking sports and PA approaches to health, productivity, education, employment, livelihoods, and gender outcomes.
- Improve understanding of trends and patterns including plugging existing data gaps (e.g., granularity on spending sources and destinations, etc.) and qualitative perspectives of sports CSR funders (and non-funders).
- Promote knowledge sharing and peer-learning opportunities like roundtables, conferences, working groups, etc.

# Suggested further research

Below we identify a few areas for further research and data collection initiatives that could be valuable for the Indian sports CSR ecosystem:

- **Gaps and needs:** Deeper understanding of the gaps and challenges in the sport ecosystem that could be addressed through CSR funding – especially on access and participation gaps.
- **Funder Sentiment:** Qualitative study on funder perspectives and attitudes to sports as CSR, including those who have used sport in their portfolios and those who have not yet done so.
- **Trends:** Detailed data collection and research on sports CSR trends, especially a granular breakdown of sources, intermediaries, use-cases, and end recipients of sports CSR.
- **Impact assessments:** Research on estimating the impact of sports CSR on sports excellence, sports development and physical activity outcomes. Toolkits and best practices on impact measurement.
- **Case studies and best practices:** Compiling and updating an inventory of sports-focused initiatives, models and approaches in India and globally, including lessons and best practices to help build connections and capacity in the ecosystem.
- **Annual landscape report:** A comprehensive annual ‘State of sport CSR in India’ report that combines and builds from the other research products listed.

# About us

# PACTA



# PACTA

S O C I A L | I M P A C T | L E G A L

Pacta is a Bengaluru based full-service boutique law firm focusing exclusively on the legal needs of the social sector. Pacta advises billion-dollar philanthropies, grass-roots non-profit initiatives, educational institutions and for-purpose entities, working across all sustainable development goals.

We are an all-women team of lawyers and policy analysts. Pacta is also a non-partisan think-tank focused on philanthropy, education, disability, gender and information technology. Our self-directed and commissioned research shapes and informs evidence based public policy. Pacta's research is rooted in our experiences from practice. Our research has been commissioned by the United Nations Women, UNESCO and civil society actors.

Other support services by Pacta include institutional fund-raising for non-profits, non-profit due diligence, research in law & policy, and design and implementation of anti-sexual harassment policies for women in the workplace.

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# Sports and Society Accelerator



## **Sports and Society Accelerator**

**Building India's Sports Stack**

The Sports and Society Accelerator is an independent not-for-profit organisation (Section 8) focused on building the Indian sports ecosystem. Its goal as an ecosystem builder is to achieve social outcomes at population scale, using the universality of the sports experience, with an eventual target of universal participation in physical activity for India by 2047.

Established as a policy-to-action initiative, the Accelerator has a dual-engine approach. It uses independent research and policy interventions to drive institutional and systemic reform, and programmes and projects to enhance inclusion, empowerment and equality using sport. The Accelerator works with government, civil society, and social enterprises.

The Accelerator's theory of change is that 'sports for all' can be achieved when solutions are in the hands of participants. Its Sports Stack approach advocates a whole-of-system and open-source model to achieve universal access to sporting opportunities and universal physical literacy, working with government and civil society.

The Accelerator's board of advisors includes noted sports journalist Sharda Ugra, CEO of Pratham Rukmini Banerji, and veteran sports administrator Joy Bhattacharjya.

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