



## EXPLORING THE LEGAL FRAMEWORK FOR SPORTS GOVERNANCE IN INDIA: CHALLENGES, OPPORTUNITIES, AND FUTURE DIRECTIONS

**AUTHOR**–SHRAY CHHIBBER, STUDENT AT UNIVERSITY INSTITUTE OF LEGAL STUDIES, PANJAB UNIVERSITY,  
CHANDIGARH ,INDIA

**BEST CITATION** – SHRAY CHHIBBER, EXPLORING THE LEGAL FRAMEWORK FOR SPORTS GOVERNANCE IN INDIA: CHALLENGES, OPPORTUNITIES, AND FUTURE DIRECTIONS, *INDIAN JOURNAL OF LEGAL REVIEW (IJLR)*, 4 (2) OF 2024, PG. 1392-1398, APIS – 3920 – 0001 & ISSN – 2583-2344

### Abstract

Sports Law in India is an emerging and dynamic field that has yet to achieve comprehensive development. While there is increasing awareness among the public about their various legal rights, there remains a significant gap in understanding the full scope and application of Sports Law. This area of law encompasses a broad spectrum of issues, including disputes related to contracts, intellectual property, media regulations, anti-doping measures, and sports safety and liability. Despite the crucial role sports play in national pride and entertainment, they are often treated with less legal rigor than other sectors.

Under the Indian Constitution, sports regulation falls within the jurisdiction of the states, as stipulated in Entry 33 of the State List of the Seventh Schedule. However, sports are played on both national and global stages, leading to a complex interplay between state and national regulatory frameworks. National sports organizations such as the Athletic Federation of India (AFI) and the Board of Control for Cricket in India (BCCI) operate with considerable autonomy. Despite their self-governing status, these bodies are subject to oversight by the judiciary, with the Supreme Court and various High Courts having the authority to review their operations under Articles 12 and 226 of the Constitution. This judicial scrutiny is essential because these organizations undertake state-like functions, such as selecting national teams and representing the country in international sporting events.

The paper examines the recommendations of the Justice R.M. Lodha and Mukul Mudgal Committees, which were tasked with addressing issues of corruption and regulatory inefficiencies in Indian sports, notably concerning the Indian Premier League (IPL). These committees advocated for the establishment of separate governing bodies for the BCCI and IPL, increased regulation of player agencies, and significant changes to governance structures to better safeguard the interests of players and ensure transparency.

Several critical issues in Sports Law are highlighted, including contract disputes, employment contracts, competition law, intellectual property rights, and doping. Contractual agreements are becoming increasingly complex, covering not only business arrangements but also athlete behavior, discipline, and financial matters. Employment contracts for athletes and coaches are central to the commercialization of sports, while competition law addresses antitrust issues affecting professional leagues. Intellectual property concerns, particularly related to broadcasting rights and brand marketing, are also significant. The problem of doping remains pervasive, with ongoing challenges related to implementation, testing procedures, and regulatory compliance.

The paper concludes that there is a pressing need for comprehensive national legislation to address these issues effectively. Proposed legislative measures should include the establishment of a Sports Commission responsible for regulating and overseeing sports activities in India. This Commission would support talent development, provide guidance to the Ministry of Sports and Youth Affairs,

ensure proper fund allocation, and oversee the implementation of sports policies. Additionally, the legislation should integrate sports into the educational system, involve local entities in sports infrastructure development, and shift sports associations and federations from the Societies Registration Act to the new legal framework. The Commission should also be empowered to resolve disputes and investigate financial mismanagement. Such a legislative overhaul is crucial to align Indian sports law with international standards, foster a transparent and well-regulated sports environment, and address the evolving demands of the sports industry.

## 1. Introduction

Sports Law is one of the most emerging field in India. People are aware about their various rights but still there is lack of knowledge among people about Sports Law. Sports Law is a very diverse field and includes many laws within it like Disputes relating to Contract issues, Intellectual Property, Media laws, Dispute Resolutions, Anti Doping Regulations, Sports Safety and Liability. In India, one such pillar of the legislation that is still up for debate is sports. Legislators and policy makers have never found it to be a resounding issue. In Indian social spaces, it is mostly seen as a source of entertainment. According to the Seventh Schedule of Entry 33 of the State List in the Indian Constitution stipulates that the State has the authority to enact laws about any issue related to sports. Even though it is covered by State jurisdiction, yet it's played both domestically and globally. Because to this, national sports organizations such as the Athletic Federation of India (AFI) and the Board of Control for Cricket in India (BCCI) are self-governing; however, the Supreme Court of India and numerous High Court rulings have declared that regardless of the national sports Article 12 of the Indian Constitution does not include bodies as part of the definition of a state. Article 226 of the Constitution grants High Courts writ authority over them. This means that Constitution of India as they carry out state-like tasks such as choosing national teams and representing the nation in forums and international sporting events. Therefore, the purpose of this study is to investigate and evaluate the many sports-related concerns in India in light of pertinent court rulings. It's critical to determine whether the sports In India, laws

are only as effective as the purposes for which they were passed.

## 2. SUGGESTIONS OF THE JUSTICE R. M. LODHA AND MUKUL MUDGAL COMMITTEES

A disciplinary committee was established by the BCCI in 2012 to address allegations made against certain players during the Indian Premier League (IPL) including money laundering and spot-fixing. Following an investigation, the BCCI temporarily banned those. The Bombay High Court heard a challenge to the verdict. The Bombay High Court dismissed the petition against the decision of BCCI. Later, an appeal was brought before the Indian Supreme Court, asking for the judgment of the BCCI's disciplinary committee to be overturned and for the creation of an independent and an impartial body to handle the situation. The panel's membership was established at several. Mukul Mudgal Committee, which is the Supreme Court. I.e. Following its investigation, the aforementioned Committee concluded that the actions performed by Players in franchise groups were employed by the BCCI, which was inadequate and ineffective. Firms ought to be stayed away from going forward. The Committee voiced its alarm about the requirement for enhanced and rigorous regulation of player agencies, investigative agencies, and match-fixing incidents as well as stricter legislation being required. The Mukul Mudgal Panel Report led to the establishment of the Justice R.M. Lodha Committee in January 2015. One of the Lodha Committee's most significant suggestions was to create separate governing bodies for the BCCI and IPL. The committee also suggested amending the constitution. to protect the

cricket players' interests and business, a Player's Association was established. Additionally, The Committee proposed a decrease in the IPL Governing Council's membership and the Committee for Work.

### 3. Issue's in Sports Law

There are several issues in development of sports law like doping-testing and procedures, team selection, competition qualification and hiring and firing of coaches and trainers are just a few critical areas that not long ago were subject to the paternalistic quirks of sports administrators who refused to brook disobedience or dissent from their players<sup>77</sup>. The time has changed and there are various issues emerging from the activity of sports around the world.

- **Contract Issues**

Contracts are being used by sport associations more and more for personnel and programming matters in addition to business problems. Coaches, for instance, sign employment contracts, and athletes sign contracts with the sport association to participate in addition to with significant gaming organizations; companies, vendors, and competitors sign sponsorship contracts; and recreational athletes sign waivers, which are a type of agreement). These agreements address everything from selection to behavior and discipline procedures and financial concerns<sup>78</sup>. These kinds of contracts are subject to general contract principles.

- **Contract of Employment**

It is undeniable that sports have turned commercial. The athlete (player), who has total control over his or her image, is at the center of this commercial turn. The first commitments made by the organization and the athlete were documented in contracts that covered specifics, like behavior topics, adhering to organizational regulations, fulfilling training obligations, and reporting the Athlete Assistance Program (AAP)<sup>80</sup>

expectations, often known as the agreement.

- **Competition Law**

While professional sports have been subject to antitrust investigation in the US, much like many other areas of the national economy, maybe no other field has experienced more haphazard application<sup>83</sup> in particular, the five main professional sports<sup>84</sup> For example, in recent times, leagues have encountered obstacles about the limitations on television transmissions and the exclusive adoption of labor laws for the entire league. The matter concerning professional league treatment falls under the purview of antitrust and competition law.to shield it from Section 1 of the Sherman Act, which forbids, as a "single entity any agreement, combination, or plot... in trade restriction." To individual entities Section 2, which forbids a single legal entity from monopolizing an industry, is applicable. It is challenging to establish<sup>85</sup>.

- **Intellectual Property**

There are various intellectual property issues associated with sports, one of the reasons being sports are popular and is an effective tool for brand marketing.

- **Copyright**

The NBA v Motorola and STATS (New York) case was heard by the Second Circuit Court of Appeals in USA. The NBA sued Motorola for providing real-time information regarding basketball games .With a two-minute delay, users of Motorola's "Sports Tax" device, a hand-held pager .It featured real-time scores and statistics from NBA games. The question was whether an unlawful transfer of "real-time" information on matches in progress constitutes an infringement of the event organizer's copyright or property right. It was held that neither the pager nor the Internet

communication could be perceived as attending matches and competing with the NBA's first two products organized by the NBA and subsequent to a live.

- **The Problem of Doping**

'Doping' is a problem writ large in sports. There are various issues involved with this problem. WADA has come up with anti-doping code which all major federations are adhering to and have come up with their own anti-doping legislations. There are issues like implementation of whereabouts requirements, analysis of samples, results management and management of therapeutic use exemption (TUE).

- **Violence at Sports – Sports Injury**

Sports have historically been associated with violence, dating back to ancient Greek and Roman combat practices. However, years later, humanity still cannot discover a method to effectively remove unneeded violence from the sports it loves so much. Recent Civil cases between sports participants have evolved throughout the decades. Tortious action success of civil litigation, while modest, demonstrates a positive indication that society is prepared to hold athletes accountable for their acts. Commentators were ready to construct non-prosecution techniques for reducing sports violence, including the establishment of self-regulation sports leagues, creating a sports arbitration court, and establishing a federal International Sports Violence Commission. However, lately there have been disputes advanced for criminal culpability.

#### 4. Sports Legislations in India

##### Indian Sports Laws

Indian Olympic Association and BCCI, two of the country's sports regulatory bodies, have considerable autonomy. The Ministry of Youth Affairs was founded by the Government of India. Sports support the development of

infrastructure, the pursuit of excellence in a variety of competitive activities, and the creation of capacity building for the expansion of sports on a national and worldwide scale. The sports that are promoted are initially the responsibility of a number of National Sports Federations (NSFs). Notices are sent to these self-governing organizations, or NSFs, and periodically, the Ministry of Sports and Youth Affairs releases regulations in order to manage them.

A. Sports Authority of India

B. National Sports Policy

C. Sports Law and Welfare Association of India

D. Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007

##### A. SPORTS AUTHORITY OF INDIA (SAI)

The Government of India founded the Sports Authority of India on March 16, 1984, with the aim of managing the infrastructure built for the IX Asian Games. The main goals of SAI were to put into practice the programs, promotions, and development currently in place for sports activities; to encourage research projects aimed at advancing sports-related fields; and to utilize and build a wide range of facilities, including housing complexes, essential infrastructure, training facilities, and venues for hosting competitions, championships, seminars, and conferences at different levels.

##### B. NATIONAL SPORTS POLICY

In 1984, the National Sports Policy was drafted. Raising the bar for sports in the country was the main goal of this policy. Second, it stipulated that the advancement of the standards would be evaluated every five years in order to decide the best course of action. That is why the Policy specifically focuses on building infrastructure, broadening the foundation of sports, fostering sporting excellence, integrating sports with education, and growing national sports federations. Although the National Sports Policy of 1984 covered all the necessary aspects to promote sports in the country, it was not

successfully put into practice. The National Sports Policy of 1984 was revised and replaced in 2001 with the National Sports Policy of 2001.

### C. SPORTS LAW AND WELFARE ASSOCIATION OF INDIA

By uniting legal practitioners and athletes, the Sports Law & Welfare Association of India (SLAWIN) is a non-profit, national, professional organization whose mission is to advance, ethically practice, and promote "sports law" in India for the benefit of sports. The Sports Law and Welfare Association of India has many objectives, some of which include creating an ethical code for athletes, offering educational opportunities and data dissemination regarding particular sports law topics, offering a forum for attorneys representing athletes, and much more.

### D. SPORTS BROADCASTING SIGNALS (MANDATORY SHARING WITH PRASAR BHARATI) ACT, 2007

The Parliament passed the Sports Broadcasting Signals (Mandatory Sharing With Prasar Bharati) Act, 2007 (also known as the Sports Act) with the intention of enabling the greatest number of people to watch and listen to free-to-air sporting events of national significance by requiring the sharing of sports broadcasting signals with Prasar Bharati via Doordarshan channels.

#### Implications Addressed by Sports Law

##### Mismanagement and Corruption in Sports Authorities

Recent issues with corruption within Indian sports governance are exemplified by allegations against the Sports Authority of India (SAI). The Central Bureau of Investigation (CBI) investigated SAI after four employees were suspended for demanding a 3% discount on a Rs. 19 lakh transportation deal. This case highlights the broader corruption issues plaguing sports administration in India. Rajendra Mal Lodha, former Chief Justice of the Supreme Court, has criticized the Board of Control for Cricket in India (BCCI) for similar

problems, including corruption, nepotism, lack of accountability, and poor financial management. These issues stem from inadequate oversight mechanisms, which have led to mismanagement and inefficient fund distribution across various sports. The absence of a dedicated, authoritative body for sports oversight means that disputes often end up in court, where legal resolutions are sometimes delayed or inadequate.

##### Lack of Funds

The financial constraints impacting sports in India are evident from recent budget allocations. The Central Government allocated Rs. 2,596.14 crore for sports in the Union Budget for 2021–22, marking an 8.16% decrease from the previous year due to the COVID-19 pandemic. Additionally, funding for the Khelo India Program was reduced from Rs. 890.42 crore to Rs. 657.71 crore, and athlete rewards were cut from Rs. 70 crore to Rs. 53 crore. Funding for the Commonwealth Games saw a decrease from Rs. 75 crore to Rs. 30 crore, and the National Sports Development Fund's allocation was halved to Rs. 25 crore. These reductions have led to delays in infrastructure development and stadium upgrades, exacerbating the impact of the pandemic on sports.

##### Benefits of a Comprehensive Sports Law

Implementing a well-structured sports law in India could address these issues and facilitate the growth of the sports sector. A unified legal framework governing all sports would streamline management and oversight, ensuring more efficient allocation of resources and better governance. This legal structure would not only enhance the development of sports talent but also contribute to broader economic benefits.

##### Impact on Related Sectors

**Tourism:** A thriving sports sector will attract visitors to sports events, boosting tourism. International sports events will draw global tourists, who will contribute to the local

economy through stays in hotels, dining at restaurants, and other activities.

**Entertainment:** Visitors traveling for sports events will likely engage in various entertainment activities during their stay. They may explore local attractions, visit pubs and clubs, and participate in other recreational activities, enriching the local entertainment industry.

**Music and Dance:** Major sporting events typically feature grand opening and closing ceremonies, which require extensive music and dance performances. These events stimulate growth in the music and entertainment sectors, providing opportunities for artists and performers.

**Business:** The advancement of sports and large-scale sporting events such as the Olympics and World Cups will drive growth across various business sectors. This includes infrastructure development, event organization, and related services, creating economic opportunities and promoting business expansion.

A well-structured sports law will not only address the immediate challenges faced by the sports sector but also support its long-term growth and impact on related industries.

## CONCLUSION

Sports Law is a highly rewarding field, especially as it plays a crucial role in enhancing the sporting environment through legal guidance. Sports extend beyond mere entertainment; they embody national pride. The emergence of the Indian Cricket League and Indian Premier League has recently brought to light significant issues related to Competition Law, underscoring the need for the development of Sports Law in India.

The Indian sports industry has made considerable progress, evolving into a sector with substantial corporate involvement. As the market grows and the need for clear and comprehensive legal agreements increases, legal issues in sports are becoming more

prominent. Contracts must clearly define the expectations and obligations of all parties, safeguard the broader interests of athletes and brands, and address regulatory, legal, and industry-specific risks. Given the current stage of development, there is a pressing need for legislation specifically governing sports. To address the evolving demands at both national and international levels, it is crucial to promote a uniform code for sports.

Similar to India, the USA and the UK do not have a national law specifically governing sports and sports federations. However, in the United States, legislation across amateur, professional, and international sports categories provides protection for athletes' interests. In India, several key issues in sports management persist, including:

- Management errors and lack of accountability for outcomes
- Inefficient or improper allocation of funds
- Undemocratic or unethical practices within sports organizations
- Bias in the selection processes for national teams

Although there was a proposal to include sports in the Concurrent List, allowing both state and central governments to legislate on the matter, this has not yet been implemented. Additionally, the government has struggled to enforce the National Sports Policy of India despite multiple attempts. It is essential for Parliament to pass national sports legislation that would:

1. Establish a Sports Commission to oversee and regulate sports in India. This Commission would:
  - Support the identification of talent and promote sports development and participation across all levels, from grassroots to elite performance.

- Provide advice to the Ministry of Sports and Youth Affairs on sports-related matters.
  - Monitor and ensure the proper use of funds allocated to sports federations.
  - Ensure adequate funding and resources for national and provincial sports federations and their affiliates.
  - Oversee the implementation of sports policies across India.
2. Emphasize the advancement of sports by integrating it into the education system, making sports a compulsory subject up to the Secondary School level.
  3. Thirdly, the legislation should include not only the Union and State Governments but also various entities such as Panchayati Raj Institutions, Educational Institutions, Local Bodies, and Sports Associations/Federations. These organizations would be involved in the development, management, and upkeep of sports infrastructure, including playing fields and stadiums, in both rural and urban areas.
  4. Fourthly, sports associations and federations would no longer operate independently under the Societies Registration Act. Instead, they would be governed by this new legislation and registered accordingly. The distribution of funds to these bodies would be managed by the Sports Commission established under the Act. These associations and federations would be accountable to the Sports Commission for financial matters, which would have the authority to investigate any instances of financial mismanagement.
  5. Fifthly, the Sports Commission would be empowered to resolve disputes. It would have the authority to create boards or panels to adjudicate conflicts and impose penalties for violations of established rules or codes of conduct.
  6. Sixthly, organizations such as the Sports Authority of India will be significantly guided by the Sports Commission and will focus solely on organizing various sports activities across the country.
  7. In a diverse sporting landscape like India, where numerous sports are actively played, it is crucial to have specific legislation in place. Without such an enactment, it is challenging to address and highlight these issues effectively among the Indian population.

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