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## LEGAL ASPECTS OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

- *Adv. Dnyaneshwari Balasaheb Bhise*

### I. INTRODUCTION

All human beings depend on society for various kinds of needs to be fulfilled and Corporate world is not exception to it. All kind of businesses depends on the natural resources and human resources. Not only physical things but mental satisfaction and philanthropic adjustment is necessary for any business. Without the emotional appeal, the growth of the business and reputation as well, not possible. More importantly they need market for their product. Hence, in society and businesses the mutual co-operation is necessary. To meet this, they have to help each other not because of fulfilling needs of their own only but also it is important for smooth functioning of their day to day activities. The moral and ethical relation of both society and business world, is to be maintained. The welfare state demands all over development of the nation. Hence, this give and take relationship forced legislators to legislate the law on CSR. Another reason for CSR coming into existence was environmental necessity. The environmental degradation in recent era is reached its peak and the contributors of environmental pollution must have taken the responsibility. Other appealing issues are education, health and many more. Whatever you took from the society and nature, you have to pay back.

“Corporate social responsibility (CSR) refers to the responsibility of enterprises for their impacts on society, making companies socially accountable to themselves, stakeholders, and the public. It involves practices and policies intended to have a positive influence beyond legal obligations and profit maximization. The European Commission defines CSR as enterprises taking responsibility for their societal impacts, emphasizing that businesses must

comply with laws, act ethically, and contribute to communities.”<sup>1</sup> As per the World Bank “Corporate Social Responsibility (CSR) is often defined as corporate responsibility, corporate citizenship, social enterprise, sustainable development, triple-bottom line, corporate ethics, and in some cases, corporate governance. What binds these terms together is the expectation that corporates (private and public enterprises alike) behave ethically vis-à-vis a broad group of stakeholders - workers and their families, communities and the wider society.”<sup>2</sup> The CSR Rules defined the term CSR as ‘but is not limited to:

- a. projects or programs relating to activities specified in the Schedule; or
- b. Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR policy subject to the condition that such policy covers subjects enumerated in the Schedule.’<sup>3</sup>

India have a long tradition of donations by business class to the society. The only change is ‘moving from a voluntary charitable activity to a legally required responsibility under the Companies Act, 2013.’<sup>4</sup> India is a first nation with mandatory CSR law. On International level, The United Nation Global Compact initiated ‘to encourage the business to adopt sustainable and social responsibility policies and to report on their implementation, in 2000’.<sup>5</sup>

The main object of the study is to trace out the legal aspects of Corporate Social Responsibility in India. The research is doctrinal one. The researcher will use the primary and secondary sources for data collection.

## II. CONCEPT AND EVOLUTION OF CSR

The working conditions in businesses were deteriorating in late 1800. The business tycoons decided to curb down the working hours and also donated the money to community causes. This happened when philanthropic philosophy was rising. The roots of CSR lie in philanthropic activities such as donations, charity, relief work etc. The concept of CSR has evolved and now encompasses all related concepts such as triple bottom line, corporate

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<sup>1</sup><https://www.unesco.org/en/dtc-finance-toolkit-factsheets/corporate-social-responsibility-csr> , visited on 20/05/2026

<sup>2</sup><https://www.worldbank.org/en/news/feature/2013/08/27/india-corporate-social-responsibility> , visited on 20/05/2026

<sup>3</sup>RohiniAttri, Corporate social responsibility in India: A legal perspective, <https://www.baddiuniv.ac.in/cjm/journals/v3i3/8.pdf> visited on 20/05/2026

<sup>4</sup>Ishkumar, Corporate social responsibility in India: legal framework and contemporary implications, International Journal of law, Policy and Social Review

<sup>5</sup>Corporate social responsibility – An engine for inclusive growth, The Institute of COMPANY Secretaries of India, January 2015

citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility.<sup>6</sup>The CSR first coined by American Economist Howard Bowen in 1953 and suggested businessmen that policies of business have to be beneficial for common good. In 1990 the UN adopted Agenda 21, Kyoto Protocol and United Nations Framework Convention on Climate Change.<sup>7</sup>

Monanbas K. Gandhi's theory of trusteeship is an idea that wealthy people should consider their property as what God trusted them to manage as "trustees" for the benefit of the poor.<sup>8</sup>

This ideology influenced so many industrialists in 19<sup>th</sup> century. They adopted practices which will develop the socio-economic conditions of the nation. Though there were practices of socio-economic contribution to the development of the nation, the CSR activities came 'under the lens both of policy makers as well as of corporations' stakeholders as governance issues acquired increasing prominence.<sup>9</sup>

'Stakeholder theory, popularized by R. Edward Freeman, suggests that a company's long-term success is deeply intertwined with how it manages its relationships across a broad ecosystem.'<sup>10</sup>

Scholars divide stakeholder theory into three main perspectives to help managers execute CSR:

1. **Descriptive:** Acknowledges the reality of how corporations and their surrounding networks actually interact.
2. **Instrumental:** Examines the connection between stakeholder management and achieving traditional corporate goals (like profitability).

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<sup>6</sup>Handbook on Corporate Social Responsibility in India, Confederation of Indian Industry

<sup>7</sup><https://www.ecolytics.io/blog/evolution-of-csr> , visited on 20/05/2026

<sup>8</sup><https://www.mkgandhi.org/articles/Gandhis-theory-of-Trusteeship.html> , visited on 20/05/2026

<sup>9</sup>Supra 3

<sup>10</sup>[https://www.google.com/search?q=stakeholder+theory+of+corporate+social+responsibility&biw=1366&bih=641&sca\\_esv=5c9d2f04ffa44614&ei=UIkNasuzHpWb4-EPspaQkQE&eq=stakeholder+&gs\\_lp=Egxnd3Mtd2l6LXNlcniAidDHN0YWtlaG9sZGVyICoCCAAyCxAAGIAEGIoFGJECMgsQABiABBiKBRiRAjINEAAyGAAQYigUYQxixAzIIEAAyGAAQYsQMyChAAGIAEGIoFGEMyCxAAGIAEGIoFGJECMgUQABiABDIIEAAyGAAQYsQMyCBAAGIAEGLEDMgUQABiABEjAUVDLbViFOXACeAGQAQGYAbcKoAGllqoBDzAuNC4xLjEuMC4xLjAuMrgBAcgBAPgBAZgCCqAC0xioAhTCAgoQABhHGNYEGLADwglOEAAy5AIY1gQYsAPYAQHCAhcQLhjcBhi4BhjaBhjYAhjIAxiwA9gBAcICFxAAGIAEGIoFGJECGOCGGOoCGLQC2AECwglEAAyGAAQYigUY1AMY5QIY5wYY6glYtAIYigMYtwPYAQLCAhAQABgDGI8BGOoCGLQC2AEBwglIOEC4YgAAQYsQMYxwEY0QOYAwwxBS2MIXWyuLgViAYBkAYPugYGCAEQARgJugYECAIYB5IHDzIuMy4yLjEuMC4xLjAuMaAHZTayBw8wLjMuMi4xLjAuMS4wLjG4B7cYwgcFMi00LjBIB1GACAE&scient=gws-wiz-serp](https://www.google.com/search?q=stakeholder+theory+of+corporate+social+responsibility&biw=1366&bih=641&sca_esv=5c9d2f04ffa44614&ei=UIkNasuzHpWb4-EPspaQkQE&eq=stakeholder+&gs_lp=Egxnd3Mtd2l6LXNlcniAidDHN0YWtlaG9sZGVyICoCCAAyCxAAGIAEGIoFGJECMgsQABiABBiKBRiRAjINEAAyGAAQYigUYQxixAzIIEAAyGAAQYsQMyChAAGIAEGIoFGEMyCxAAGIAEGIoFGJECMgUQABiABDIIEAAyGAAQYsQMyCBAAGIAEGLEDMgUQABiABEjAUVDLbViFOXACeAGQAQGYAbcKoAGllqoBDzAuNC4xLjEuMC4xLjAuMrgBAcgBAPgBAZgCCqAC0xioAhTCAgoQABhHGNYEGLADwglOEAAy5AIY1gQYsAPYAQHCAhcQLhjcBhi4BhjaBhjYAhjIAxiwA9gBAcICFxAAGIAEGIoFGJECGOCGGOoCGLQC2AECwglEAAyGAAQYigUY1AMY5QIY5wYY6glYtAIYigMYtwPYAQLCAhAQABgDGI8BGOoCGLQC2AEBwglIOEC4YgAAQYsQMYxwEY0QOYAwwxBS2MIXWyuLgViAYBkAYPugYGCAEQARgJugYECAIYB5IHDzIuMy4yLjEuMC4xLjAuMaAHZTayBw8wLjMuMi4xLjAuMS4wLjG4B7cYwgcFMi00LjBIB1GACAE&scient=gws-wiz-serp) , visited on 20/05/2026

3. **Normative:** Highlights the moral and ethical reasons why a corporation *should* consider all stakeholders, regardless of financial return.<sup>11</sup>

## INTERNATIONAL PERSPECTIVE

### UN GLOBAL COMPACT

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

The Ten Principles of the United Nations Global Compact are derived from: the [Universal Declaration of Human Rights](#), the [International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#), the [Rio Declaration on Environment and Development](#), and the [United Nations Convention Against Corruption](#).

[Principle 1](#): Businesses should support and respect the protection of internationally proclaimed human rights; and

[Principle 2](#): make sure that they are not complicit in human rights abuses.

[Principle 3](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

[Principle 4](#): the elimination of all forms of forced and compulsory labour;

[Principle 5](#): the effective abolition of child labour; and

[Principle 6](#): the elimination of discrimination in respect of employment and occupation.

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<sup>11</sup>Ibid

[Principle 7](#): Businesses should support a precautionary approach to environmental challenges;

[Principle 8](#): undertake initiatives to promote greater environmental responsibility; and

[Principle 9](#): encourage the development and diffusion of environmentally friendly technologies.

[Principle 10](#): Businesses should work against corruption in all its forms, including extortion and bribery.<sup>12</sup>

## **OECD GUIDELINES**

“The OECD Guidelines are recommendations by governments to multinational enterprises (MNEs) operating in or from the 33 countries that adhere to the Guidelines. The Guidelines help ensure that MNEs act in harmony with the policies of countries in which they operate and with societal expectations. They are the only comprehensive, multilaterally endorsed code of conduct for MNEs. They establish non-binding principles and standards covering a broad range of issues in business ethics. The basic premise of the Guidelines is that internationally agreed principles can help to prevent misunderstandings and build an atmosphere of confidence and predictability among business, labour, governments and society as a whole.”<sup>13</sup>

## **SUSTAINABLE DEVELOPMENT GOALS (SDGs)**

There are 17 guidelines enshrined under SDGs. These are;

No poverty, Zero hunger, Good health and well-being, Quality education, Gender equality, Clean water and sanitation, Affordable and clean energy, Decent work and economic growth, Industry, innovation and infrastructure, Reduced inequalities, Sustainable cities and communities, Responsible consumption and production, Climate action, Life below water, Life on land, Peace, justice and strong institutions, Partnership for the goal.<sup>14</sup>

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<sup>12</sup><https://unglobalcompact.org/what-is-gc/mission/principles> , visited on 20/05/2026

<sup>13</sup>[https://www.oecd.org/content/dam/oecd/en/publications/reports/2001/12/the-oecd-guidelines-and-other-corporate-responsibility-instruments\\_g17a120f/302255465771.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2001/12/the-oecd-guidelines-and-other-corporate-responsibility-instruments_g17a120f/302255465771.pdf) , visited on 20/05/2026

<sup>14</sup><https://sdgs.un.org/goals> , visited on 20/05/2026

### **III. LEGAL ASPECTS OF CSR IN INDIA**

In India, philanthropic activities were there and these activities were performed by not only business person but by common people as well. Still it is the emotional urge of the Indians to contribute to welfare of the Country without keeping the record of these activities. But with the introduction of The Companies Act, 2013, this scenario has been changed. S

#### **A. SECTION 135 OF THE COMPANIES ACT, 2013**

With the passage of time, the changes have been done and the introduction of The Companies Act, 2013 changed the scenario. Section 135<sup>15</sup> can be summarized as bellow;

1) Those companies which have:

Net worth – Rupees 500 crore or more,

Turnover – Rupees 1000 crore or more,

Net profit – Rupees 5 crore or more,

Shall constitute Corporate Social Responsibility Committee of Board. This Board must consist 3 or more directors and out of these directors 1 must be independent director. If the company unable to appoint the independent director according to sub-section (4) of section 149 then CSR Committee shall have two or more directors.

However, the composition of the CSR Committee may vary depending on the categories of company as put forth below:

- i. Listed Companies: Must have at least 3 directors, including at least 1 independent director;
- ii. Unlisted Public Companies: Must have at least 3 directors, including at least one independent director. If an independent director is not required, the committee should have at least 2 directors;

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<sup>15</sup>The Companies Act, 2013

- iii. Private Companies: Must have at least 2 directors. Independent directors are not required as specified in the proviso under Section 135(1) of the Companies Act, 2013;
- iv. Foreign Companies: Must have at least 2 persons, including
  - one person as specified in Clause(d) of Sub-Section (1) of Section 380 of the Companies Act, 2013 and
  - another person nominated by the foreign company.<sup>16</sup>

2) The composition of the CSR Committee shall be disclosed in Board's report as per the sub-section (3) of section 134.

3) The CSR committee is under an obligation:

To formulate and recommend to the Board, a CSR policy which indicate the activities mentioned under Schedule VII,

To recommend the amount of expenditure to be incurred on the activities,

To monitor the CSR policy of the company.

4) The Board of every company have to approve the CSR Policy and also disclose the contents of the CSR Policy in its report. Board also have to put the Policy on the company's website. It is duty of the Board to ensure that the activities are undertaken by the company.

5) The Board have to ensure that the company spends at least 2% out of the net profit of the company in every financial year. The net profit is meant that of the 3 immediately preceding years. The new company which has not completed 3 years in its incorporation then the net profit of the immediately preceding financial year will be counted.

The money should be spend and activities must be taken in areas around it where it operates.

If the company fails to spend amount, then Board shall mention in its report the reasons of not spending amount. The said unspent amount has to transfer to a Fund specified in Schedule VII.

If company spends excess amount, then company may set off such excess amount for such number of succeeding financial years.

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<sup>16</sup>Refer to Rule 5(1) of the Companies (CSR Policy) Rules, 2014

If the amount spend does not exceed 50 lakh rupees then there is no need to constitution of CSR Committee. In such a situation, the functions of CSR Committee must be discharged by the Board of Directors of such company.

6) Any amount remaining unspent shall be transfer to Unspent Corporate Social Responsibility Account within 30 days from the end of financial year. Such amount must have spent within 3 financial years from the date of such transfer. If company failed to do so then company shall transfer to Fund specified under Schedule VII within the period of 30 days from the date of completion of the 3<sup>rd</sup> financial year.

7) If the company failed to comply with the provisions of unspent amount then the company shall liable to a penalty of twice the amount or 1 crore, whichever is less. The defaulting officer liable to penalty of one-tenth of the amount or 2 lakh rupees, whichever is less.

8) Whatever directions given by the Central Government, general or special, have to followed by the companies.

## **B. SCHEDULE VII**

All activities to be followed by companies are mentioned under Schedule VII of The Companies Act, 2013. These activities consist of various areas, such as Education, Health, Environment and many more. We will discuss these activities in detail as bellow.

- (i) eradicating hunger, poverty and malnutrition, [promoting health care including preventive health] and sanitation [Including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and

- maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga];
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
  - (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
  - (vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
  - (viii) contribution to the Prime Minister's National Relief Fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
  - (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)
  - (x) rural development projects.
  - (xi) slum development.

Explanation.— For the purposes of this item, the term ‘slum area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

#### **IV. JUDICIAL TREND AND CASE LAWS**

The contribution of judiciary cannot be overlooked specially when there was not any law governing CSR in India. The cases about CSR in India are discussed below.

In *Technicolor India Pvt. Ltd. V. Registrar of Companies*<sup>17</sup>, The National Company Law Tribunal allowed revision of the report and granted liberty to seek compounding of the offence. In this case company failed to correctly disclose CSR expenditure detail's in its Director's Report.

In *Jindal Steel and Power Ltd. V. UOI*<sup>18</sup>, Court clarified that CSR applicability under Section 135 should be determined on the basis of the immediately financial year.

In *Hindustan Unilever Ltd. V. State of Maharashtra*, Court described CSR as a statutory obligation with flexibility in implementation. Companies must comply with CSR provisions but retain discretion regarding the nature of CSR projects within Schedule VII.

In *Mohd. Ahmad (Minor) v. UOI*<sup>19</sup>, Court discussed the newly introduced CSR provisions under Section 135. The judgement recognized CSR as an important legislative step toward social welfare obligations of companies.

In *Tata Power Company Ltd. V. State of Maharashtra* Court emphasized that corporations have social obligations beyond profit-making.

In *VivekRanjanSriram v. Insurance Regulatory and Development Authority of India*<sup>20</sup>, Court stressed that CSR obligations apply even in highly regulated sectors like insurance.

In *KHS Machinery Pvt. Ltd. (CSR default case)*<sup>21</sup>, The Gujrat High Court held that decriminalization benefits should apply retrospectively.

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<sup>17</sup> C.P. No. 124/BB/2019

<sup>18</sup> 2023:DHC:5231-DB

<sup>19</sup> W.P. (Civil) 7279/2013

<sup>20</sup> (2019) 157 CLA 142

There are other Tribunal matters/cases namely Alok Pharmaceuticals and Industrial Company Pvt. Ltd.<sup>22</sup>, Rapid Estates Pvt. Ltd.<sup>23</sup> And Avinash Developers Pvt. Ltd.<sup>24</sup> which talks about failure to constitute CSR Committee, non-disclosure in Board reports, non-spending of CSR amount, compounding of offences under company law.

In UOI v. Union Carbide Corporation<sup>25</sup>, The Supreme Court upheld the settlement for compensation to victims of the Bhopal Gas Tragedy and emphasized the responsibility of hazardous industries toward public safety and victim compensation.

## **V. CHALLENGES TO BE AWARE OF**

Implementing corporate social responsibility (CSR) programs comes with several challenges and complexities to be aware of:

### **STAKEHOLDER ENGAGEMENT AND PRIORITISATION**

Stakeholder engagement and prioritization present ongoing difficulties. Organizations often struggle with balancing diverse stakeholder needs and interests, as there is no universal solution for prioritizing different stakeholders. Effectively engaging a wide range of stakeholders, from employees to local communities to policymakers, requires ongoing, tailored communication and collaboration.

### **MISALIGNMENT WITH LOCAL NEEDS**

Misalignment with local needs can undermine the effectiveness of CSR programs. Without adequate consultation with local stakeholders, initiatives may fail to address the most pressing needs of schools and communities. Furthermore, a lack of cultural sensitivity can lead to clashes with local values or practices, potentially diminishing the impact of CSR efforts.

### **SUSTAINABILITY AND LONG-TERM PLANNING**

Sustainability and long-term planning are critical challenges in CSR implementation. Many CSR projects provide short-term support but lack long-term sustainability planning,

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<sup>21</sup> R/SCR.A/9563/2017

<sup>22</sup> 2018 SCC Online NCLT 28915, C.P. No. 396/441/ND/2018

<sup>23</sup> C.P. No. 11/441/ND/2017

<sup>24</sup> TAXC No. 186 of 2024

<sup>25</sup> 1990 AIR 273, 1989 SCC (2) 540

leading to difficulties in maintaining initiatives over time. Organizations must also balance short term financial goals with longer-term CSR investments, which can create tension in resource allocation.

### **RESOURCE ALLOCATION AND DISTRIBUTION**

Resource allocation and distribution issues can arise in CSR programs. Uneven distribution of resources may exacerbate educational inequalities, with some schools or regions benefiting disproportionately. Even large companies face resource constraints that limit the scope and scale of their CSR initiatives, requiring careful prioritization of efforts.

### **MEASURING AND DEMONSTRATING IMPACT**

Measuring and demonstrating impact remains a significant challenge in CSR. Quantifying tangible outcomes and return on investment of CSR activities can be difficult, making it hard to justify and improve programs. The lack of standardization in CSR implementation processes further complicates benchmarking and comparison across organizations and industries.

### **ADMINISTRATIVE AND OPERATIONAL CHALLENGES**

Administrative and operational challenges can hinder CSR effectiveness. Managing CSR partnerships often creates additional work for school administrators, potentially diverting resources from other important tasks. Many schools, especially in underserved areas, may lack the capacity to fully utilize or maintain advanced facilities or technologies provided through CSR programs.

### **DEPENDENCY RISKS**

Dependency risks arise when beneficiaries become overly reliant on corporate support. Schools/receiving entities may become vulnerable if this support is reduced or withdrawn, highlighting the need for diversified funding sources and sustainable program design.

### **COORDINATION AND INTEGRATION**

Coordination and integration of CSR efforts present ongoing challenges. With multiple corporations engaging in CSR, there is potential for duplication of efforts or conflicting approaches. Organizations also face the challenge of embedding CSR principles across all business functions rather than treating it as a separate initiative.

## MAINTAINING AUTHENTICITY

Maintaining authenticity is crucial for effective CSR. Organizations must avoid 'greenwashing' and ensure their CSR efforts are substantive rather than superficial. Maintaining consistent standards throughout global supply chains and partner ecosystems is an ongoing challenge that requires vigilance and commitment.

By being cognizant of these challenges, governments and organizations can take a more informed and strategic approach to CSR implementation. Proactively addressing these complexities through careful planning, stakeholder engagement, and ongoing evaluation is key to successful and impactful CSR programs. Close collaboration with local stakeholders, long-term planning, and a focus on measurable impact are crucial to overcoming many of these obstacles.<sup>26</sup>

## VI. CSR MANAGEMENT

India became first country to mandate CSR policy through Section 135 of the Companies Act, 2013 in the world. However, CSR management is not defined anywhere in the Act. However, the Act discusses management through provisions relating to Board of Directors, Managing Directors, Manager, Key Managerial Personnel and Corporate Governance and control of company affairs. The provisions relating to board of directors are given under the Sections 149 to 172, appointment of MD/Manager under Section 196 to 203, meeting and decision making under Section 173 to 195, Oppression and mismanagement under Section 241 to 242 and CSR management under Section 135.

Corporate Social Responsibility (CSR) in management is a business model where companies integrate social and environmental concerns into their operations. It shifts the focus from pure profit maximization to a "triple bottom line" that balances people, the planet, and financial performance.<sup>27</sup> The **Triple Bottom Line (TBL)** is an accounting framework that broadens a business's focus from a single financial bottom line to three core areas of performance:

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<sup>26</sup><https://media.unesco.org/sites/default/files/webform/gec003/corporate-social-responsibility.pdf> , visited on 21/05/2026

<sup>27</sup>[https://www.google.com/search?q=management+and+CSR&oq=management+and+CSR&gs\\_lcrp=EgZjaHJv bWUyBggAEEUYOTIHCAEQIRiPAjIHCAIQIRiPAiIBCTkzNzJqMGoxNagCCLACAfEF0xjW0cAtrH8&sourceid=chrome&ie=UTF-8](https://www.google.com/search?q=management+and+CSR&oq=management+and+CSR&gs_lcrp=EgZjaHJv bWUyBggAEEUYOTIHCAEQIRiPAjIHCAIQIRiPAiIBCTkzNzJqMGoxNagCCLACAfEF0xjW0cAtrH8&sourceid=chrome&ie=UTF-8) , visited on 22/05/2026



3. **Set Measurable Goals:** Define Key Performance Indicators (KPIs) and concrete metrics (e.g., carbon emission reduction percentages or total volunteer hours) so you can track progress.
4. **Integrate Governance:** Assign oversight responsibilities to leadership or an established ESG/CSR committee to ensure compliance and accountability.
5. **Communicate Transparently:** Share regular, honest reports detailing both successes and challenges. This builds public trust and mitigates accusations of "greenwashing".<sup>30</sup>

## VII. CONCLUSION

The introduction of Section 135 of The Companies Act, 2013 is very crucial one as it lays down the provisions about CSR. The Schedule VII discuss about the activities which companies have to fulfill. From philanthropic approach to environmental approach, the CSR preference has been changed. The attitude of business world is changed towards CSR policy implementation. Still some critics are there which talk about the compulsion of CSR Policies are unnecessary. It is the one way to extract money from companies and exploitation in disguise.

The researchers point of view is that it is not exploitation at all as it increases the status of the companies in the eyes of society. This positive image of the companies helpful to increase in the overall development of the companies. It is not the duty of State alone to take steps to achieve welfare state but rather it is the responsibility of every individual to work towards the achievement of the welfare state.

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My suggestion is that the training must be provided by state to common person as well to contribute in welfare state. Each and every person is using environmental and societal things and services. Hence it is the duty of every citizen to contribute in the sustainable development of the nation. Through summer camps state can arrange such camps so that contribution on individual level meted.

Researcher concludes by stating that the horizons of CSR must be expanded. Participation of every citizen is needed to achieve sustainable development.