International Journal
of Law and Social Sciences (IJLS)
Volume 11, Issue 1, 2025
Print ISSN: 2454-8553, Online ISSN: 2583-8644

NAVIGATING CORPORATE SOCIAL RESPONSIBILITY IN INDIA

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DOI: https://doi.org/10.60143/ijls.v11.i1.2025.157

Abstract

The research titled "Navigating Corporate Social Responsibility in India" discusses the historical evolution of CSR in India and attributes it to cultural and religious traditions that have traditionally promoted philanthropy and social responsibility by the businesses. Relevance, and enforcement of Corporate Social Responsibility (CSR) in the context of India. It emphasizes the shift from optional CSR practices to mandatory legal compliance following the Companies Act of 2013, which mandates corporations to invest at least 2% of their profits towards CSR activities. The research emphasizes that CSR in India is not just a matter of law but also an ethical requirement, mirroring the socio economic disparities in the country, such as high poverty and malnutrition. It goes on to consider the impact of such great personalities as Mahatma Gandhi, who believed in a "trusteeship" concept, compelling businesses to put their money into public good. Additionally, the critique covers evolving perceptions about the CSR, differentiating it from plain philanthropy by conceptualizing it as a strategic business approach which embeds social welfare into the corporate framework. The research finally argues that CSR can become a driver for sustainable development in India, asking Corporations to redirect their operational measures to the public good to allow equitable growth and public welfare maximization.

Keywords: Corporate Social Responsibility (CSR), Mandatory CSR, Voluntary CSR, Socio-economic disparities, Sustainable development

Introduction

India is a country of extreme contrasts. It has the most number of people living in abject poverty and also a considerable number of undernourished children. CSR is not only charitable donations or compliance with laws; it also involves the ethical responsibility of an enterprise and its dedication to society. For a business to be considered socially responsible, it must first be accountable to its shareholders and itself. CSR is a business model that recognizes a business's social responsibilities to the public, its stakeholders, and itself.

The transition from voluntary CSR to compulsory legislation in India was mainly driven by the need to redistribute corporate wealth to the poor and malnourished members of society. CSR has become an important tool for ensuring sustainable development in the nation, especially in the era of globalization and liberalization. CSR has become a very popular concept, with many international institutions, such as the World Bank, OECD, and European Commission, promoting and practicing CSR activities. Contemporary companies are becoming more sensitive to the political, economic, and social forces of the nations in which they are operating. For developing countries like India, emphasizing effective CSR implementation and long-term sustainability is critical. In this perspective, CSR also serves as an impetus towards integrating social responsibility in corporate behavior while addressing systemic social inequalities.

The Indian social sector also needs a considerable amount of improvement and assistance. Developing effective CSR policies and adopting a sustainable pat-

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tern to support industry and society with the aim to improve public life are the focal challenges for developing nations. The term "evolution of Corporate Social Responsibility" is used to describe the evolving practices and perceptions of CSR over time. The understanding of CSR is still in a state of evolution, and its key aims go beyond the public realm. The Companies Act of 2013 enshrined CSR mandates, requiring companies to incorporate certain CSR activities as part of their corporate governance.

In recent years, the landscape of CSR in India has become increasingly strategic, data driven, and impact oriented. Leading corporations such as Tata Consultancy Services, Reliance Industries, Sun Pharma, and Apollo Tyres exemplify this transformation through large-scale programs in different sectors with measurable social outcomes and community participation.

In parallel, the judiciary has played a vital role in interpreting and reinforcing CSR obligations. These rulings collectively signify that CSR in India is no longer a discretionary corporate gesture but a legally and ethically enforceable responsibility.

This, contemporary CSR in India stands at the intersection of law, ethics, and sustainable development. It is evolving from a compliance requirement into a transformative instrument for inclusive growth, aligning corporate success with national and global sustainability goals.

Concept and Meaning of CSR

A corporation is defined by law as a registered entity that is controlled by its shareholders and operates under the bylaws, which are regulated by the Companies Act. The company's primary accountability group is its shareholders. The board of management is in charge of daily managerial duties. In addition, the company owes other stakeholders. Concept of CSR originated from the need to make the development process sustainable. This is based on taking a broad view, putting the interests of the shareholders behind you, making a profit, giving dividends, and optimizing return on investment. Corporate entities have on occasion participated in philanthropic and charity endeavors. The latter half of the 20th century saw the development of CSR as a managerial role.

There is a common confusion between CSR and philanthropy. Although philanthropy has never been widely understood in the social sector, it can be considered a crucial instrument for advancing societal welfare. Conversely, corporate social responsibility (CSR) is a planned, coordinated, and strategically sound idea that seeks to promote more consistent and dedicated socio-economic welfare.[3]

Nature of CSR

The concept of social responsibility is evolving. On the plus side, it concentrates on resolving neighborhood problems to satisfy public expectations. The drawback is that it aims to restore societal equilibrium by producing benefits that are commensurate with costs in order to deflect public criticism. It may also be interpreted as a cost, an attitude, a policy, a limitation, or a goal. It can also be referred to as a social reform movement. Since there is no one right interpretation of it that can be formed at any particular time or place, it is thought of as a relative term. It is seen as a moral demand, a legal requirement, a natural need, a civic duty, or an example of statesmanship. [4]

Definitions of CSR

Dhanishtha Gupta & Lakshmi Sri Lekha Maddula: CSR is described as "an independent business model which allows an enterprise to have a social duty to itself, its shareholders, and the public." This definition emphasizes that CSR goes beyond mere compliance and charity, highlighting the integral role of social responsibility in business operations.[5]

The WBCSD defines CSR as "the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large."

3. C.V. Baxi & Ajit Prasad, Corporate Social Responsibility: Concepts and Cases: The Indian Experience 52-55 (Excel Books 2005).
4. C. Gopala Krishna, *Corporate Social Responsibility in India: A Study of Management Attitudes 58* (1992).
5. Dhanishtha Gupta & Lakshmi Sri Lekha Maddula, *Corporate Social Responsibility,* 2 J. Corp. L. Stud. 774, 313 (2022).

Frielden (1970) regards social responsibility as the determinant of the survival of corporations. He emphasizes that: "Corporations, if they are to survive will have to be responsive to the needs of society. They have a tremendous stake in solving the problems of employment as well as in community development and have had the potential for accomplishing the task."[6]

Definitions of CSR

The difficulties of implementing a social responsibility lens is acknowledged by ISO 26000. Different cultural perspectives, competing agendas, and other unique circumstances may make it difficult to determine what the "right" thing to do is. However, it is explicitly stated in the rules that "the complexity of a situation should not be used as an excuse for inaction." Rather, companies have to behave in good faith and follow the principles for socially conscious behavior as laid out in the guidelines. Clause 4 of ISO 26000 lists the fundamental components of social responsibility (SR) that an organization should take into account Accountability, Transparency, Ethical behavior, Respect for the rule of law[7] and Respect for human rights when defining social responsibility. These guiding ideas are as follows:[8]

Historical Evolution of CSR

Religious View: The evolution of CSR in India has paralleled India's development history. CSR was greatly impacted by the religious and cultural principles before the 1850's. "Corporate social responsibility" was used for the first time in India, where it was more related to "giving back to society." Giving back to society has been part of Indian culture all along, although the name itself is fairly recent.[9]. The renowned philosopher "Kautilya" who educated the world in economics in his masterfully penned book, "Arthasastra" lectured and advocated moral values while conducting business. The concept of supporting the weak was also sanctioned by sacred books such as the Upanishad and the Vedas. Muslims practice donating a certain percentage of their profits to the poor and needy, known as zakat. Both the Rajasthan's Marwari community and "Sadhabas" of Odisha followed the "Dharmada" principles, in essence business values manifested in the practice of spending a percentage of their revenues towards charitable purposes. Though there wasn't a nomenclature "corporate" during that era, Indian business houses still stuck to the notions of social responsibility.[10]

The First Phase of CSR: The First Phase of CSR: The early corporate social responsibility (CSR) was mostly dependent on philanthropic donations and was shaped by a mix of religious beliefs, cultural norms, family values, and the industrialization movement. Prior to 1850, rich traders often donated their wealth for the welfare of society out of a sense of moral obligation, mostly through temple construction or other worship centers. In times of hardship, such as famines, these entrepreneurs would liberally open their granaries to feed the poor and starving masses. With the arrival of colonial rule in the post-1850 period, however, the idea of CSR underwent an almighty change. The predecessors of the industrialisation movement in the pre-independence period embraced CSR principles alongside economic advancement.

Distinguished industrialist clans like the Tatas, Birlas, Modis, Godrejs, Bajajs, and Singhanias were strong advocates of this concept by the early 1900s. They established community development trusts, hospital and educational institutions, and charity foundations. It must be noted that their philanthropic efforts towards social welfare were often intertwined with political motives, astutely aligning social projects with the broader aims of power and influence.

The second wave of Corporate Social Responsibility (CSR) developed during India's freedom movement when industrialists began to come under increasing pressure to contribute to welfare in society. Mahatma Gandhi was central to this development, encouraging such industrialists to distribute their riches among the needy, espousing his theory of "trusteeship." Here, wealth was conceptualized as a trust that obligated the wealthy to utilize their wealth for society's benefit and bring economic power in line with social responsibil-

6. C. Gopala Krishna, *Corporate Social Responsibility in India: A Study of Management Attitudes* 61 (1992).
7. FN Petro, Respect for the Rule of Law and Respect for International Norms of Behavior.
8. ISO 26000:2010, Guidance on Social Responsibility § 4 (2010).
9. Seema G. Sharma, *Corporate Social Responsibility in India: An Overview,* 43 Int'l Law. 1515 (2009).
10. Chandrakanta Sahoo, Corporate Social Responsibility: Issues and Controversies, ResearchGate (2015).

ity. Mahatma Gandhi also developed the concept of "trusteeship" during this period with respect to business responsibilities and duties towards society. His thoughts of "simple living and high thinking" and his faith that "the world has enough for meeting everyone's need but not greed" were the basis of his vision of an independent India. He formulated the trusteeship philosophy based on the idea that "As the corporations are created by the society, they should remain in the public domain and their vast economic power should be exercised in the interest of not only the shareholders but the customers, employees, and the society at large." He had believed that the customers, employees, and the general public are as much significant to the business or corporation as the shareholders. Inspired by this vision, Indian business houses established trusts and built and operated educational, scientific, and technological institutions such as hospitals, schools, and colleges. These trusts also contributed to the elimination of untouchability, the development of rural India, and the empowerment of women and weaker sections of society in line with Gandhiji's ideology. Mahatma Gandhi realized the function of business and its importance in generating money for national progress since he belonged to a business family.[11]

This concept of trusteeship helped in the socio economic growth of India. Gandhi regarded the Indian companies and industries as *"Temples of Modern India"*. He influenced the industrialists and business houses to build trusts for colleges, research and training institutes. These trusts also worked to enhance social reform, like rural development, women empowerment and education. [12]

In The Third Phase From 1960-1980 During the Third Phase 1960-1980 In 1980, the Constitution of India directed the guarantee of justice, social, economic, political liberty, and equality to all Indians. The state policy was rooted in the concept of the Welfare State, and the government was mandated to craft policies that assure the welfare and social order of Indians. Five-year plans of socioeconomic development attempted to ensure development while ensuring distributive justice. The Directive Principles of State Policy by the government envisioned bestowing development benefits upon all sectors of society, with occasional financial inputs to weaker sections and essential services. Corporate participation in social causes fell to secondary importance, with the advent of Public Sector Undertakings (PSUs) having a pivotal role to play in the formulation of Corporate Social Responsibility (CSR). Yet, tight policies, including industrial licensing, excessive taxation, and limits on the private sector, created rampant corporate malpractices. In 1965, a national workshop on CSR was established, focusing on social accountability and transparency.

In The Fourth Phase from 1980 Onwards: During the 1990s, Indian business houses started incorporating CSR into their long-term sustainable business models. The industrial boom that resulted from the forces of globalization and economic liberalization during this time, along with the decontrol and licensing system dismantling, triggered quickening economic growth. This led to companies increasing their social responsibility contribution. What had started as an act of charity gradually developed into a well-known and accepted corporate obligation, indicative of a more profound commitment to sustainable development and social well-being, to address the new challenges, the new economic policy of Liberalization and Privatization for addressing the challenges of Globalization (LPG) was implemented in 1991. The private sector was emphasized through the relaxation of controls and regulations to facilitate growth in general and unleash the power of the private sector in particular. But no particular mention of the social responsibility of the corporate was found in this economic policy.[13]

In The Fifth Phase of 2013 public or private corporate entities are, under the Companies Act, 2013, obligated to keep aside 2% of their revenues for Corporate Social Responsibility (CSR). CSR turned into legislation in 2014 through the Millennium Development Goals, ensuring that there is inclusive growth and that the poor are assisted.

In a bid to meet global responsibilities and facilitate sustainable growth, there is a need for legislative assistance. A well-implemented CSR can miti-

11. Sanjay Kumar Panda, *Corporate Social Responsibility 87* (2018).
12. G. Chinaveerraju, Corporate Social Responsibility under the Companies Act 2013: A Critical Analysis (2018).
13. Sanjay Kumar Panda, *Corporate Social Responsibility 93* (2018).

gate interruptions to business, create new chances, and help build the image and reputation of a firm.

Theories of Corporate Social Responsibility

1. Carroll's Pyramid of Corporate Social Responsibility[14]: Carroll's pyramid of corporate social responsibility is a framework that outlines the responsibilities of corporations towards society. It consists of four layers: Economic Responsibility, Legal Responsibility, Ethical Responsibility, and Philanthropic Responsibility.

Economic Responsibility involves maintaining profitability to retain investors, and ensure long term sustainability of the business. As William Ford aptly remarked- *"Creating a strong business and building a better world are not conflicting goals. They are both initial ingredients for long term success.*[15]" This emphasis that economic performance and social responsibility can co-exists and complement each other.

Legal Responsibility ensures fair conduct and compliance with laws and regulations governing corporate behaviors within the boundaries of ethical and regulatory frameworks. Ethical Responsibility extends beyond legal compliance, emphasizing fairness, honesty, and integrity in all business dealings. Anthony J. D'Angelo's statement that "Without a sense of caring, there can be no sense of community"[16] reinforces this idea by highlighting empathy and moral obligation as essential components of corporate citizenship. and Philanthropic Responsibility represents the voluntary contribution of businesses to the welfare of society through community development and charitable initiatives. Ratan Tata's belief that "Businesses need to go beyond the interests of their companies to the communities they serve"[17] aligns with this layer, emphasizing the moral dimension of CSR as a means to uplift communities and promote inclusive growth.

Although Carroll's model was originally developed in the context of American capitalism, it has evolved to encompass diverse cultural and economic settings. In developing economies such as India, economic responsibility remains dominant, yet the ethical and philanthropic dimensions are increasingly gaining recognition, particularly with the institutionalization of CSR through legislative mandates like Section 135 of the Companies Act, 2013.

2. **Stakeholder Theory,** formalized by R. Edward Freeman in his 1984 book "Strategic Management: A Stakeholder Approach," argues that successful strategic management requires balancing and integrating competing interests. Stakeholders are individuals or groups whose support is necessary for an organization's success and survival[18]. Primary stakeholders include customers, owners, stockholders, employees, trade unions, suppliers, subcontractors, and creditors, while secondary stakeholders encompass government, communities, society at large, and related professional associations. According to stakeholder theory, a company's primary goal is to forge meaningful connections and deliver value for all its stakeholders.

Freeman's groundbreaking book expanded the traditional definition of corporate responsibility by demonstrating that businesses owe obligations not only to shareholders but also to the community, suppliers, customers, and employees.[19] Ratan Tata's view that "Businesses need to go beyond the interests of their companies to the communities they serve,"[20] strongly reflects the stakeholder perspective, emphasizing that sustain-

14. Pavlo Brin & Mohamad Nassif Nehme, *Corporate Social Responsibility: Analysis of Theories and Models, ResearchGate* (2019), https://www.researchgate.net/publication/332152519_Corporate_Social_Responsibility_Analysis_of_Theories_and_Models.
15. W. Ford, Corporate Social Responsibility Quotations (as cited in National CSR Portal, Ministry of Corporate Affairs, Gov't of India, 2025).
16. A. J. D'Angelo, Corporate Social Responsibility Quotations (as cited in National CSR Portal, Ministry of Corporate Affairs, Gov't of India, 2025).
17. Ratan Tata's, Corporate Social Responsibility Quotations (as cited in National CSR Portal, Ministry of Corporate Affairs, Gov't of India, 2025).
18. R. Edward Freeman & David L. Reed, *Stockholders and Stakeholders: A New Perspective on Corporate Governance,* 25 Cal. Mgmt. Rev. 88 (1983).
19. R. Edward Freeman, *Strategic Management: A Stakeholder Approach* (1984).
20. Supra Note No. 15.

able corporate success arises from meaningful engagement with all social and economic partners.

Freeman has continued to contribute to stakeholder theory, which has been further developed and strengthened by other academic studies, such as the 2010 book *"Stakeholder Theory: The State of the Art,"* co-authored with Simone de Colle, Jeffrey Harrison, Andrew Wicks, and Bidhan Parmar[21]. This book provided a detailed account of the theory's evolution and its current applications in business.

While stakeholder theory offers benefits, such as creating loyal customers, achieving sustainable development, and building an employee friendly work environment, it also faces certain limitations[22]. Identifying stakeholders and prioritizing their needs can be challenging for corporations. Additionally, stakeholders are increasingly vigilant about their rights, and any perceived infringement may lead to legal action, distracting management and diverting resources from core business activities.

3. The Triple Bottom Line (TBL): It is an accounting framework that assesses an organization's performance in three dimensions: social, environmental, and financial. It incorporates ecological and social factors, known as the "three Ps": people, planet, and profits. Popularized by John Elkington in 1994, TBL aims to shift businesses' focus from generating profits to considering their broader impact on society and the environment. William Ford's insight that "*Creating a strong business and building a better world are not conflicting goals"*[23], perfectly encapsulates this ideology, illustrating how profitability and sustainability can coexist as mutually reinforcing objectives. Due to its flexibility, the TBL framework allows organizations to adapt its application to their specific contexts and goals, making it one of the most practical and globally recognized models for achieving long-term responsible growth.

Evolution of CSR Regulations and Governance Framework in India

Corporate social responsibility (CSR) is a crucial aspect of business, requiring businesses to consider the impact of their actions on stakeholders and society. It involves integrating ethical practices, upholding human rights, and implementing environmental measures. The British East India Company introduced the Companies Act of 1913 in India in 1600, which introduced provisions for joint stock company management, limited liability, and banking companies. The Act underwent numerous amendments until 1947, ensuring that corporations were operating ethically and responsibly.

Indian companies continued to be governed by rules passed during British administration even after independence. "In order to update the country's business law, the Indian government established a committee in 1950, with Sh. Bhabha serving as its chairman. The committee issued a 477 page report to the Indian government in March of 1952. The Companies Act, 1956 was passed by the government after it adopted the bulk of the committee's recommendations. A shareholder centric act was this one. More extensive company legislation was required in the nation as a result of the transition of businesses from being shareholder centric to being stakeholder centric." The Companies Act of 1956 underwent numerous revisions to better align its provisions with the needs and demands of businesses and their stakeholders. The Companies Act of 1956's legislative reforms, along with the Indian judiciary's liberal interpretation, altered the role of corporate entities in society. The corporate world is now seen as having more obligations to the communities in which it conducts business."[24]

21. R. Edward Freeman et al., *Stakeholder Theory: The State of the Art* (2010).
22. Archana Makkar, *Stakeholder Theory and Corporate Social Responsibility: A Review and the Way Forward,* 8 J. Mgmt. & Pub. Pol'y 18 (2017).
23. Supra Note No. 13.
24. Sanjay Gupta, Corporate Social Responsibility Voluntary Guidelines 2009.

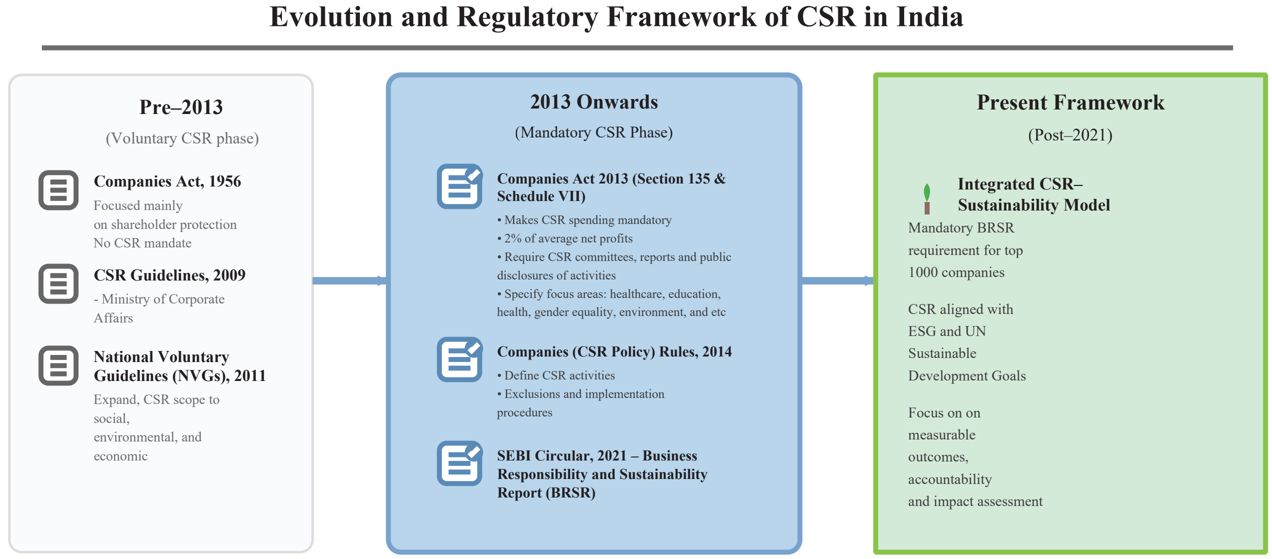

Figure No. 1: *Evolution and Regulatory Framework of CSR in India*

Corporate Social Responsibility Guidelines, 2009

The Government of India's Ministry of Corporate Affairs initially provided CSR standards to the country's corporate sector in 2009. The *"CORPORATE SOCIAL RESPONSIBILITY GUIDELINES, 2009"* were the name given to these regulations. By means of these rules The Indian government made an effort to promote ethical conduct in the enterprises commercial dealings. The foundation of these CSR guidelines is the idea that all businesses should create a CSR policy in order to effectively carry out their CSR initiatives. "Every company should have a corporate social responsibility (CSR) strategy to direct its strategic planning and serve as a road map for its CSR activities, which ought to be a crucial component of its overall business policy and in line with its objectives. The Board should accept the policy once it has been formulated with input from executives at different levels."[25] The summary of the CSR Policy core elements is provided as follows:

Care for All Stakeholders: Show respect and generate value for all stakeholders, viz., shareholders, employees, customers, suppliers, and society in general. Ethical Functioning: Manage with ethics, transparency, and responsibility, shunning abusive, unfair, corrupt, or anti-competitive practices. Respect for Workers' Rights and Welfare: Ensure a safe, hygienic, and humane working environment, maintaining the dignity of employees, as well as providing equal opportunities and fair treatment. Respect for Human Rights: Respect human rights and never be complicit in human rights violations. Respect for Environment: Prevent pollution, use resources in a sustainable way, and respond to climatic change challenges by embracing ecologically friendly practices. Activities for Inclusive and Social Development: Implement activities for social and inclusive development, such as economic and social development activities within local communities and in operational areas, especially to promote education, skill development, health, and social welfare of the underprivileged sections of society

CSR Policy Implementation Guidelines aim to ensure that companies effectively implement their CSR policies, allocate necessary resources, and transparently communicate their CSR efforts to stakeholders. The CSR Policy should include:

- **i.** **"Implementation Strategy:** Identify projects, set measurable targets, assign responsibilities, and establish a monitoring system. Companies may partner with local authorities, NGOs, and suppliers, and engage employees in voluntary efforts.
- **ii.** **Budget Allocation:** Allocate a specific amount for CSR activities, which may be based on profits, activity costs, or other parameters.

25. Ministry of Corp. Affairs, Gov't of India, *Corporate Social Responsibility Voluntary Guidelines 2009* (2009).

iii. **Networking and Knowledge Sharing:** Engage with recognized programmes and platforms to share experiences, improve CSR strategies, and project a socially responsible image.

iv. **Transparency and Disclosure:** Disseminate CSR policy, activities, and progress to stakeholders and the public through various communication channels, including the company website, annual reports, and other media."

The Securities and Exchange Board of India (SEBI)

The Securities and Exchange Board of India (SEBI) was established on April 12, 1988, as a non-statutory body for regulating the securities market. It was later granted statutory powers on January 30, 1992, through the SEBI Act, 1992, enacted by the Parliament of India. SEBI's headquarters are located in Mumbai, with regional offices in Ahmedabad, Kolkata, Chennai, and Delhi.

It is constituted with the following objectives:

i. To monitor the activities of the stock market.

ii. To protect the investor's rights.

iii. To have a check on unfair and fraudulent practices by keeping a balance between the statutory regulations and self-monitoring regulations.

By implementing the 2011 National Voluntary Guidelines for listed businesses, SEBI brought corporate social responsibility (CSR) to the stock market and mutual funds. "Business Responsibility Reports (BRR) were declared optional for other companies in 2013 but mandatory for the top 100 listed corporations to include in their Annual Reports by SEBI. Additionally, SEBI added Clause 55, which describes the BRR methodology and principles, to the Equity Listing Agreement." "The circular, which goes into force in FY 2012, intends to improve the calibre of disclosure and encourage listed companies to engage in CSR.[26] SEBI published a circular on November 4, 2015, revoking the 2013-established Business Responsibility Report (BRR) guidelines and format. Listed firms are now required to submit an annual report detailing their corporate governance, environmental protection, and social development initiatives, along with a BRR. The report needs to adhere to a format that is detailed in the circular's Annexure I." Principles and essential components are outlined in Annexure II to assist businesses in creating their BRRs, which should include information on their governance procedures, stakeholder participation, and CSR programs. The purpose of this circular is to harmonies BRR reporting for Indian listed firms.[27]

According to a circular issued by SEBI on February 6, 2017, the top 500 listed corporations are required to publish a Business Responsibility Report (BRR) in accordance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The BRR has to have information on governance, the environment, and stakeholder relationships. SEBI also emphasized the value of integrated reporting, which combines financial and nonfinancial data, to assist investors in making informed decisions. The circular raised the bar for stock market disclosure standards by outlining the International Integrated Reporting Council's guiding principles and directing listed corporations to follow them."[28] In December 2019, the Securities and Exchange Board of India (SEBI) issued a circular amending Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. What matters most about this change is that SEBI has increased the number of listed companies in India (based on market capitalization) that must now file an annual report each year that includes the Business Responsibility Report (BRR).[29]

The Ministry of Corporate Affairs unveiled the revised National Guidelines for Responsible Business Conduct together with updates and changes to the 2011 National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business. A committee was set up to ensure that SEBI's Business Responsibility Report (BRR) framework complied with the new rules. In May 2020, the committee submitted its

26. Securities and Exchange Board of India, Circular No. CIR/CFD/DIL/8/2012 (Aug. 13, 2012).
27. Securities and Exchange Board of India, Circular No. CIR/CFD/CMD/10/2015 (Nov. 4, 2015).
28. Securities and Exchange Board of India, Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/10 (Feb. 6, 2017).
29. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019, Gazette of India, pt. III sec. 4 (Dec. 26, 2019).

report to the Ministry of Corporate Affairs. The revised BRR framework is expected to support the principles of moral business conduct, fostering greater accountability and openness among Indian companies.[30] Following this up with a consultation paper, SEBI made its administration in line with the committee's report that was sent to the Ministry of Corporate Affairs in August 2020. Ultimately, on May 10, 2021, SEBI published a circular informing the public that, in accordance with the notification issued on May 5, 2021, an adjustment had been made to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.[31] The Business Responsibility Report (BRR) will be discontinued in FY 2021–2022, and replaced with the Business Responsibility and Sustainability Report (BRSR). Listed enterprises will be required to report their activities under the BRSR in accordance with the nine principles of the National Guidelines on Responsible Business Conduct. The top 1000 listed companies by market capitalisation had the choice to file BRSRs in FY 2021–2022, but starting in FY 2022–2023, they had to do so. Listed companies on the Small and Medium Enterprises Exchange may also choose to voluntarily submit BRSRs in place of BRRs beginning in FY 2021–2022.[32]

National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011

The Ministry of Corporate Affairs published the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business in 2011. These regulations, which are an enhanced version of the 2009 CSR requirements, require businesses to put in place practices that benefit all parties. The regulations, which were developed following public feedback and consultations, encourage moral business practices, such as moral dealings with partners, suppliers, and distributors. They were made available on July 8, 2011, with the goal of encouraging moral corporate conduct in India. Guidelines require businesses to balance their financial performance with societal welfare and environmental protection by following the triple bottom line. There are five chapters in the guidelines.[33] The guidelines outline 9 principles for responsible business conduct, including:

i. "Ethics, transparency, and accountability in business practices.
ii. Ensuring safe and sustainable products and services throughout their life cycle.
iii. Respecting employee rights, providing a safe working environment, and fair employment opportunities.
iv. Being responsive to stakeholder interests, especially those from disadvantaged sections of society.
v. Respecting and promoting human rights.
vi. Protecting and restoring the environment.
vii. Influencing public and regulatory policy in a responsible manner.
viii. Promoting inclusive growth and equitable development.
ix. Being responsible towards customers and consumers, ensuring fair disclosure and redressal mechanisms."

These principles aim to promote responsible business practices, respect for stakeholders, and sustainable development. They encourage businesses to adopt ethical and transparent practice.

Redefining CSR Under the Companies Act, 2013

In India, the landscape of corporate governance underwent a significant change with the introduction of the Companies Act 2013, which made corporate social responsibility (CSR) a compulsory duty rather than a voluntary practice. This legislation now requires companies to actively engage in CSR initiatives that address social and environmental challenges.

30. Ministry of Corp. Affairs, Gov't of India, *Report of the Committee on Business Responsibility Reporting* (2020).
31. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, Gazette of India, pt. III sec. 4 (May 5, 2021).
32. Securities and Exchange Board of India, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/562 (May 10, 2021).
33. Ministry of Corp. Affairs, Gov't of India, *National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business* (2011).

Under Section 135 of the Act34, firms that meet certain financial criteria must dedicate at least 2% of their average net profits from the previous three fiscal years to CSR activities. Specifically, this obligation applies to companies that have:

i. A net worth of ₹ 500 crore or more,

ii. An annual turnover of ₹ 1000 crore or more, or

iii. A net profit of at least ₹ 5 crore in the most recent financial year.

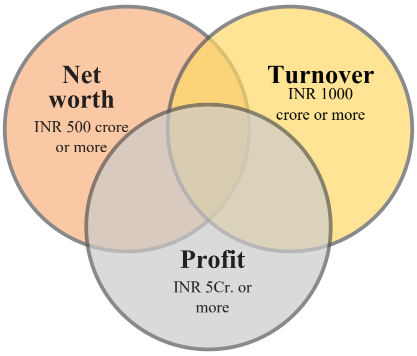

Figure No. 2: *Thresholds under Section 135 of Companies Act, 2013*

The Act also specifies key areas for CSR efforts, as outlined in Schedule VII[35].

These areas include:

i. Eradicating extreme hunger and poverty,

ii. Enhancing educational opportunities,

iii. Promoting gender equality and empowering women,

iv. Reducing child mortality and improving maternal health,

v. Combating diseases such as HIV/AIDS, malaria, and others,

vi. Ensuring environmental sustainability,

vii. Developing vocational skills for employment,

viii. Supporting social business projects,

ix. Contributing to government-established funds for socioeconomic development and relief for underprivileged groups, and

x. Any other areas prescribed by the Act, with an emphasis on initiatives that benefit the localities in which companies operate."

It is important to note that certain activities fall outside the scope of CSR requirements. These include:

i. Normal business operations,

ii. Initiatives conducted outside India,

iii. Welfare programs exclusively for employees and their families, and

iv. Any contributions to political parties, as defined under Section 182 of the Act.

To ensure adherence to these regulations, companies are required to establish a CSR committee.[36] This committee must consist of at least three directors—one of whom should be an independent director—unless the company is exempt from having an independent director, in which case a minimum of two directors is acceptable. The committee is tasked with formulating a CSR policy that outlines specific activities in line with Schedule VII, monitoring their implementation, and ensuring they align with the company's broader objectives. Additionally, the committee must prepare an annual report detailing the initiatives undertaken, the funds allocated, and the impact achieved, which is then submitted to the board for confirmation.

Moreover, the company's Annual Report must include a comprehensive CSR section, as required by the Companies (CSR Policy) Rules, 2014. This section should detail the CSR policy, committee structure, average net profits, mandated expenditure, a breakdown of spending, and explanations for any deviations from the required CSR spending. This information must also be publicly disclosed on the company's website.

Failure to comply with these CSR mandates can result in severe penalties. A company may face a fine of up to ₹ 1 crore—double the amount it was required to transfer to the CSR fund—while the responsible officer could be fined up to ₹ 2 lakh, which is half of the transfer amount. The Companies Act 2013 has thus redefined the role of businesses in India, compelling them to con-

34. The Companies Act, 2013, § 135, No. 18, Acts of Parliament, 2013 (India).

35. The Companies Act, 2013, sch. VII, No. 18, Acts of Parliament, 2013 (India).

36. The Companies Act, 2013, § 135(1), No. 18, Acts of Parliament, 2013 (India).

tribute meaningfully to societal welfare and to operate in a sustainable and responsible manner.

National Guidelines on Responsible Business Conduct, 2019

After the Companies Act, 2013 set the floor, the NGRBC, 2019 tried to lift the ceiling by asking companies to think first about people, the workers in a factory line, the small suppliers, the village downstream, and the customer who trusts a label. Its 9 principles translate boardroom intent into everyday choices: be honest and transparent, make safer and cleaner products, treat employees with dignity; listen to those most affected; respect human rights; protect environment, engage with public policy responsibly; grow in ways that include those left behind; and value customers beyond the scale.[37]

In practice, the NGRBC nudges firms to report not only money spent but outcomes achieved-an approach reinforced by the shift from BRR to BRSR for listed companies-so disclosures begins to read less like ledgers and more like accounts of trust, impact, and dignity.

Judicial Insights on CSR

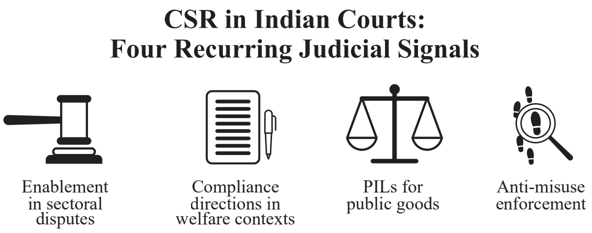

Figure No. 3: *CSR in Indian Courts*

Courts have referenced CSR across four recurring signals:

- *The Goa Foundation v. Sesa Sterlite*[38] *(SC)* discusses stakeholder welfare and CSR within mining governance. Justice Madan B. Lokur noted that Goa's Mineral Policy addresses caps based on road carrying capacity, inter-generational equity, mine safety, rehabilitation of affected communities, stakeholder participation (including CSR), and the Goa Minerals Development Fund. The Court's discussion situates CSR as part of the broader governance toolkit for managing mining externalities and safeguarding community welfare.
- NALCO's role as a public sector employer, the Hon'ble Court in *NALCO v. Ananta Kishore Rout*[39], recorded that the company had established two schools in its townships as part of its corporate social responsibility and welfare obligations. It directed that the facilities be maintained and operated accordingly, effectively reinforcing CSR-aligned provision of educational services within the company's campuses.
- In *Women Advocates Assn. v. State of Tamil Nadu*[40] and the Hon'ble Court on its Own Motion v. State of Jharkhand[41] pushed sanitation/school toilets, with CSR seen as part of solutioning. A PIL asked the Court to require the State to provide an adequate number of toilets in all government schools and to ensure their proper maintenance for student health. By order, the First Bench disposed of the petition with directions to the authorities to secure provision and upkeep of school toilets, including by leveraging CSR participation where appropriate to support implementation and maintenance.
- In *Kamlesh Kumar Sharma vs. State of Jharkhand*[42], Allegations concerned a conspiracy in 2008–09 involving officials of Bokaro Steel Limited and a private vendor to submit fake medical-camp bills under CSR, causing a loss of about ₹ 23.73 lakh. Given the nature of the accusations-fraud in utilization of CSR funds, the Hon'ble Court declined anticipatory bail, underscoring that CSR spending is subject to ordinary criminal law and must be supported by verifiable records.

37. Ministry of Corp. Affairs, Gov't of India, *National Guidelines on Responsible Business Conduct* (2018), https://iica.nic.in/images/National-Guidelines-on-Responsible%20Business%20Conduct.pdf.
38. Goa Foundation v. Sesa Sterlite Ltd., (2018) 4 SCC 218 (India).
39. (2014) 6 SCC 756.
40. Women Advocates Ass'n v. State of Tamil Nadu, (2016) 7 MLJ 229 (Mad.) (India).
41. *Court on Its Own Motion v. State of Jharkhand,* (2015) 1 AIR Jhar R 681 (India).
42. *Sharma v. State of Jharkhand,* 2015 SCC OnLine Jhar 3060 (India).

National Benchmarks From the MCA CSR Portal

To situate company-level observations within the Indian context, this subsection anchors discussion in official year-wise totals reported on the Ministry of Corporate Affairs (MCA) National CSR portal.[43]

Fiscal year	No. of companies	Total CSR spend (crore)	States/UTs covered	No. of CSR projects
2018-19	25,181	20,218	39	32,071
2019-20	22,985	24,966	38	35,290
2020-21	20,840	26,211	39	39,324
2021-22	19,888	27,141	40	44,425
2022-23	24,392	29,986	40	51,966

Table No. 1: *Compendium based on MCA National CSR Data Portal reporting (company filings) as reproduced in official/industry briefings.*[44]

Between FY2018–19 and FY2022–23, annual CSR outlay increased by roughly 48% (₹ 20,217 crore to ₹ 29,986 crore), while reported projects rose by about 62% (32,071 to 51,966). This pattern indicates a sustained scaling of CSR under the post-2013 regime. Across MCA compilations, two stable features are visible. Firstly, sector concentration in Education and Health/WASH, and secondly, a geographic skew toward industrialized states (with Maharashtra typically leading), alongside thinner coverage in remote districts. These benchmarks provide a reference frame to judge whether specific company portfolios are mainstream (education/health-heavy, metro-state concentration) or differentiated (larger environment/rural shares, deeper district spread).

Recent CSR Initiatives in India (2022–2025)

Since the Companies Act, 2013 made CSR spending mandatory for large firms, India's leading companies have implemented strategic and impactful CSR initiatives. All these initiatives fall under the Act's Schedule VII approved activities and fulfill or exceed the 2% profit spending requirement.

Tata Consultancy Services (TCS) anchors CSR in digital inclusion, STEM education, health and environment, mobilizing employees at scale through HOPE (Hours of Purpose by Employees)[45]. In 2023, over 180,000 associates delivered 6.7 million volunteer hours across 250 plus projects, supporting disadvantaged communities and NGO's nationwide[46]. CSR execution blends volunteering with programmatic initiatives under "TCS Empowers".

Through Reliance Foundation, RIL spent ₹ 1,592 crore on CSR in FY2023–24[47], sustaining leadership in India-Inc CSR outlay. Programs span rural climate resilience, women's livelihoods, healthcare (incl. mobile medical units and hospital care), sports ecosystems, and disaster-risk reduction, reaching millions across 55k plus

43. *Corporate Social Responsibility in India: A Guide,* India Briefing (Dec. 26, 2024), https://www.india-briefing.com/news/corporate-social-responsibility-india-5511.html/.
44. *National CSR eXchange Portal*, Ministry of Corp. Affairs, Gov't of India, https://csr.gov.in/
45. Tata Consultancy Servs. Ltd., *Integrated Annual Report 2023–24* (2024), https://www.tcs.com/content/dam/tcs/investor-relations/financial-statements/2023-24/ar/annual-report-2023-2024.pdf.
46. *How TCS Employees Provided Millions of Hours of Purpose,* Tata Consultancy Servs. (last visited Jan. 5, 2026),https://www.tcs.com/who-we-are/corporate-social-responsibility/article/building-hope-tcs-employees-contributed-millions-hours-of-purpose.
47. *Integrated Annual Report 2023–24: Social and Relationship Capital, Reliance Indus. Ltd.* (last visited Jan. 5, 2026), https://www.ril.com/ar2023-24/social-and-relationship-capital.html.

villages. Flagship outcomes include large-scale water harvesting and farm-productivity improvements[48].

Sun Pharma's CSR prioritizes public health, WASH, education, and rural development, leveraging health-care expertise for systemic impact. Its flagship Malaria Elimination Demonstration Project (MEDP) a PPP with ICMR and the Government of Madhya Pradesh via FDEC India has pioneered malaria-elimination protocols and community surveillance in endemic districts. Annual CSR reports document wider health access initiatives and outcome tracking.[49]

Apollo Tyres targets high-risk mobile populations through a long-running Healthcare for Trucking Community program (31 plus centres, multi-state), expanding services from HIV prevention to TB awareness/management in partnership with USAID and the Central TB Division, and supporting the national Ni-kshay mission[50]. It complements health work with biodiversity efforts pledging 1.05 million trees via 1t.org and livelihoods/waste-management projects. Recent launches (e.g., Swasth Saarthi app) extend on-the-move access to medical support.[51]

Recommendations for Future Research

Further studies on the CSR in India may examine the long term effects of CSR initiatives on corporate performance and social wellbeing. This may involve longitudinal studies that follow the performance of CSR initiatives over time, whether they lead to sustainable development and significant social changes. It is also important to conduct research on the comparative effectiveness of various CSR strategies, with an identification of best practice that could be replicated in different industries. Study is also required for the role of small and medium sized enterprises (SMEs) in CSR, given that most existing literature targets big businesses. Knowledge of how small enterprises can be used to advance social responsibility within their means may offer important lessons for extending the scope and influence of CSR in India.

Conclusion

Corporate Social Responsibility in India has matured into a structured and strategic dimension of corporate governance, driven by the Companies Act, 2013 and strengthened by subsequent guidelines like National Guidelines on Responsible Business Conduct, 2019 and the transition from Business Responsibility Reports (BRR) to Business Responsibility and Sustainability Reports (BRSR). These developments have shifted CSR from a compliance oriented obligation to a performance driven responsibility, emphasizing measurable impact, stakeholder engagement, and transparency. Indian Companies are now aligning CSR strategies with national development priorities and global sustainability goals. Firms such as Reliance Industries, Sun pharma, Apollo Tyres, and TCS demonstrate this evolution through large scale health, education, environmental, and rural development programs with clear outcome tracking and community participation.

Looking forward, the future of CSR in India lies in deepening integration with core business functions, expanding participation among small and medium enterprise (SMEs), and ensuring long-term sustainability over one-off interventions. The growing expectation for outcome-based disclosures, community ownership models, and climate-responsive CSR policies signals a shift toward impact-driven accountability. As CSR continues to evolve, it must serve not only as a legal mandate but as a powerful mechanism for inclusive growth, ethical corporate conduct, and enduring social transformation.

Taken together, India's CSR journey now clearly extends beyond a statutory obligation to spend towards a governance expectation to demonstrate outcomes. Section 135 established a durable floor for participation, while the subsequent shift to responsible-business

48. *Reliance Indus. Ltd., Reliance for All: Corporate Social Responsibility Report 2023–24* (2024), https://www.ril.com/ar2023-24/pdf/CSR202324.pdf.

49. Sun Pharm. Indus. Ltd., *Building Sustainable Communities: CSR Annual Report 2023–24* (2024), https://sunpharma.com/wp-content/uploads/2024/07/CSR-Report-2023-24.pdf.

50. *Healthcare for Trucking Community,* Apollo Tyres Ltd. (last visited Jan. 5, 2026), https://www.apollotyres.com/en-in/sustainability/social-responsibility/healthcare-for-trucking-community/.

51. *Apollo Tyres Launches 'Swasth Saarthi' App for Trucking Community,* Motor India Online (Dec. 14, 2015), https://www.motorindiaonline.in/apollo-tyres-launches-swasth-saarthi-app-for-trucking-community/.

principles and outcomes-centric disclosure has raised the ceiling for ambition. In practice, this evolution has nudged companies from short-horizon grants to multi-year, locally embedded programmes that map to Schedule VII priorities health, education, water security, livelihoods, environment and that are increasingly designed with explicit theories of change, baseline data, and public reporting.

At the same time, the evidence surveyed here indicates where the next gains lie: better measurement of social and environmental results, deeper geographic reach beyond traditional industrial hubs, and broader participation by mid-sized and smaller enterprises through consortium models. Judicial signals reinforce that CSR must be credible, auditable, and aligned with community welfare, while corporate case examples show that aligning CSR with core capabilities can accelerate scale and durability. If firms continue to pair statutory compliance with transparent outcomes, place-based continuity, and partnership-led delivery, CSR can function not merely as a legal mandate but as a practical instrument for inclusive, climate-aware development closing the loop between corporate purpose and public value.