

**ADMINISTRATION OF CORPORATE SOCIAL
RESPONSIBILITY IN MIZORAM: IMPLICATIONS OF
COMPANY LAWS IN INDIA (2013-2021)**

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**ADMINISTRATION OF CORPORATE SOCIAL RESPONSIBILITY
IN MIZORAM: IMPLICATIONS OF COMPANY LAWS IN INDIA
(2013-2021)**

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**Submitted
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This is to certify that the thesis entitled “**Administration of Corporate Social responsibility (CSR) in Mizoram: Implications of Company Laws in India (2013 - 2021)**” submitted by **Vanlalhruali, Regd. No. MZU/Ph. D/1598 of 31.10.2020** for the Degree of Doctor of Philosophy in Public Administration Mizoram University, Aizawl, India embodies the record of original investigations carried out by her under my supervision. She has been duly registered and the thesis presented is worthy of being considered for the award of Ph.D degree. This research work has not been submitted for any degree of any other university.

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I **VANLALHRUAIL**, hereby declare that the subject matter of this thesis is the record of work done by me, that the contents of this thesis did not form basis of the award of any previous degree to me or to do the best of my knowledge to anybody else, and that the thesis has not been submitted by me for any research degree in any other University/ Institute.

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Candidate

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ABBREVIATIONS

BHEL	:	Bharat Heavy Electricals Limited
BRR	:	Business Responsibility Report
BRSR	:	Business Responsibility and Sustainability Reporting
CAPEX	:	Capital Expenditure
CAG	:	Comptroller and Auditor General of India
CSR	:	Corporate Social Responsibility
CSR-1	:	Form for CSR Registration for NGOs
CSR-2	:	Form for CSR Compliance under the Companies Act, 2013
CSRIA	:	Corporate Social Responsibility Impact Assessment
CSRSP	:	Corporate Social Responsibility Spending Plan
CRS	:	Corporate Responsibility Statement
CSV	:	Creating Shared Value
DPE	:	Department of Public Enterprises
DoNER	:	Ministry of Development of North Eastern Region
ESG	:	Environmental, Social, and Governance
FCRA	:	Foreign Contribution Regulation Act
GRI	:	Global Reporting Initiative
HDFC	:	Housing Development Finance Corporation
ICAI	:	Institute of Chartered Accountants of India
ICSI	:	Institute of Company Secretaries of India
IEPF	:	Investor Education and Protection Fund
MCA	:	Ministry of Corporate Affairs

MSEDB	:	Mizoram State Entrepreneurship Development Board
MSME	:	Medium Small Micro Enterprises
MRB	:	Mizoram Rural Bank
MSWWDA	:	Mizoram Social Welfare & Women Development Agency
NCLAT	:	National Company Law Appellate Tribunal
NCLT	:	National Company Law Tribunal
NEC	:	North Eastern Council
NEDFi	:	North Eastern Development Finance Corporation Limited
NFRA	:	National Financial Reporting Authority
NGO	:	Non-Governmental Organization
NLUP	:	New Land Use Policy (Mizoram)
OPEX	:	Operational Expenditure
ONGC	:	Oil and Natural Gas Corporation
PBT	:	Profit Before Tax
ROC	:	Registrar of Companies
SEBI	:	Securities and Exchange Board of India
SHG	:	Self-Help Group
SBI	:	State Bank of India
SDG	:	Sustainable Development Goals
SROI	:	Social Return on Investment
TBL	:	Triple Bottom Line (People, Planet, Profit)
UNGC	:	United Nations Global Compact
ZIDCO	:	Zoram Industrial Development Corporation

PREFACE

Corporate Social Responsibility (CSR) has evolved as an essential component of corporate governance, ensuring that companies contribute positively to society while preserving sustainable growth. The inclusion of CSR inside the legal framework, particularly under the Company Laws in India, has turned it from a voluntary endeavour to a mandated responsibility for eligible corporations. However, the real implementation of CSR differs across different locations, and its efficacy depends on local socio-economic factors and governance processes. This research “Administration of Corporate Social Responsibility in Mizoram: Implication of Company Laws in India (2013-2021)”, examines the extent to which CSR is implemented in Mizoram and how the provisions of Indian company laws influence corporate initiatives in the state.

The research also aims to bridge the gap in existing literature on CSR in relation to Company Laws with special reference to Mizoram. The entire research is structured into seven chapters. The first chapter provides a general introduction to the study, review of literature, scope, statement of the problem, as well as the research questions and objectives, followed by a discussion on its concept and evolution in the second chapter. The third chapter examines the Indian company law framework relevant to CSR, while the fourth chapter delves into the connection between CSR and company law, analysing key provisions and their implications. The fifth chapter specifically focuses on the implementation of CSR in Mizoram, assessing corporate participation and regulatory challenges. The sixth chapter presents the results and discussion based on empirical findings, and the final chapter concludes with observations and recommendations for improving CSR administration in Mizoram.

The motivation behind this research stems from the growing importance of CSR in fostering sustainable development and the need to assess how corporate laws facilitate or hinder its execution, particularly in a region like Mizoram, where corporate presence is relatively limited compared to other parts of India. The present study is a useful resource for scholars, policymakers, and corporate entities seeking to understand and improve CSR implementation within the legal landscape of India, with a special focus on Mizoram.

CHAPTER I

INTRODUCTION

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INTRODUCTION

1.1 Introduction

This research is about the collective action taken between various business organization and the state government, particularly the Government of Mizoram towards the promotion of a welfare society and attainment of integrated development goals through Corporate Social Responsibility (CSR). It mainly examines how companies oversee their venture activities besides their primary role in order to attain complete affirmative influence on the Mizo community through CSR. It also examines the process they adopted for the progress and debacle of this activity as CSR becomes a trending concept in the world of business.

The appellation Corporate Social Responsibility (CSR)¹ appeared into widespread in the tail end of the 1960s and the start of the 1970s after abundant multi-national enterprises developed the label stakeholder, denoted those on whom an enterprises' undertakings have an influence upon. From its inception, CSR has been regarded as a vital part of the corporate's policy, even though it is still evolving, it is an important figure and plays itself out in numerous different concept and situation around the world. At different occasions, the terms "social responsibility", "corporate responsibility" or "corporate social responsibility" are used. Among other terms used to express the same idea, we find "social responsiveness", "social accounting", "social audit", "social conscience", "corporate social policy" and "corporate citizenship"².

The CSR in Mizoram is still very young and despite being one of the least developed states in India, along with Nagaland, Mizoram, is referred to be one of the least favoured destinations for corporate philanthropic activities in India. According

¹https://www.janafoundation.org/wpcontent/uploads/20155/10/evolution_of_csr_in_india.pdf

² Kundal, N. S. (2019), 'Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd.; First Edition (3 November 2022), Gurgaon, Gurugram, Haryana.

to data provided by the Minister of Finance and Corporate Affairs, Nirmala Sitharaman on November 18, 2019, in reply to a Starred Question in the Lok Sabha, in the three financial years prior to 2019.³ There could be numerous factors for being the least favoured destination and this clearly viewed the general business sentiment as well as the economic status of the state.

In the earlier times, due to lack of cognizance, Mizos generally perceived that a private owned companies had nothing to do with social goods or in terms of philanthropic activities and their main focus lies in the circle of their own set goals which is chasing ethical profit. This however, is the main motives of every company irrespective of their background. However, due to the changing nature of society and environment as well as rapid growth of population it has become delusional as different large business corporations step forward to sponsor various societal and environmental needs through their CSR fund every year. This positively results buying and gaining trust along with mutual cooperation and understanding with the state government and the society. The CSR, thus has pull-closer the spirit of oneness and laid an opportunity for the business corporations themselves to expand their business to the core. This concept further ease and facilitates the state government to tackle its problems like shortage of funds in fulfillment of the needs of its citizen. Through CSR funds, companies provide a suitable requirements of the society like vehicles to various community base organization and state-owned hospitals, construct community halls and many more. Hence, in its simplest form CSR can be stated as the relationship and collaboration made between the business companies and state government in identifying and solving the problems of the state.

CSR has now become a key aspect of corporate strategy. It is expected to bring changes not only in the business corporations but also in the overall business scenario itself with the creation of a corporate industry comprising new breed of professional non – governmental organizations, foundations, social entrepreneurs and expert consultants. The stakeholders will increase and their circle will widen. The

³<https://thecsrjournal.in/top-crs-projects-mizoram-corporate-social-responsibility/Top-CSR-Projects-in-Mizoram> - The CSR Journal, issued on 8th June, 2023, accessed on 21st June, 2024

Business, Government and Society (BGS) triad will become more vibrant and positively concerned about sustainable governance.⁴

Mizo's by and large are familiar with the collective service where people render their labour for the general welfare and this nature still lingers in the hearts of the Mizo's⁵. This however, makes the CSR to be in close ties with the Mizo sentiment as it is in line with their notion of selfless service rendered by the company towards the society they operate. "Corporate social responsibility encompasses not only what companies do with their profits, but also how they make them. It goes beyond philanthropy and compliance and address how companies manage their economic, social and environmental impacts, as well as their relationships in all key spheres of influence: the workplace, the marketplace, the supply chain, the community, and the public policy realm."⁶ By incorporating this concept, it is evident that people notice the business companies and the main objectives as well as the good deeds they perform. This further enhance a good relationship between the companies and the society by building trust and on top of this it also improved the company's internal management system. The corporation good deeds enhance the efficiency of fulfilling their in-progress and upcoming project to be taken up.

The main focus of the study will be on presenting a better understanding of the concept of Corporate Social Responsibility (CSR) in today's world. The scope of the study will be on the administration of CSR within the State of Mizoram. It will study the evolution of the concept of CSR – When it came into existence? What is the purpose of incorporating CSR in the corporate world? What are the legal regimes enacted for the conduct of CSR? Who will benefit from it? Have the mandatory provisions been fulfilled by the large corporations within the country and within the

⁴ Paleri, P. (2019), '*Corporate Social Responsibility: Concept, Cases and Trend*': Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh

⁵ Lalthazuali, Community Policing in Mizoram : A case study of Aizawl West Municipal Wards (2010-2016), 2017, MPhil Dissertation, School of Social Sciences, Mizoram University.

⁶ Kundal, N. S. (2019), '*Corporate Social Responsibility – Concept, Genesis, Evolution & Practice*, 2019, Oak Bridge Publishing Pvt. Ltd.; First Edition (3 November 2022), Gurgaon, Gurugram, Haryana. , pp 1 - 2

State? It will include a study on the CSR activities of financial institutions, insurance companies and small-scale industries within the State all the while supplementing the work with case laws and several case studies on the matter. The study will also include the study of several projects of large corporations and its impact on the society and the societal expectations of them.

1.1.1 Meaning of Corporate Social Responsibility (CSR)

It is apparent that the main motives for every business organization are profit maximization and quality product delivery. But in today's dynamic world the organization broaden its sole motives towards catering the needs of the public which might be far from the concept of its establishment due to the challenging circumstances human faced recently. Therefore, social responsibility becomes the new challenging role and focus has been made to meet the needs of the present generation without compromising the needs of the future generation. There is a saying that with the maximization of population, demands also increased but in order to meet these demands business company's take every step to accelerate their production using natural resources like clearing of land, cutting down of trees, constructing roads, building and many more. This eventually led to a serious problem as the environment is deeply deteriorated and the natural resources are depleting day by day. Hence, to balance between human needs and the environment business organization came up with a new concept 'whereby business organization consider the interest of society by taking responsibility for the impact of their activities on consumers, suppliers, employees, shareholders, communities and other stakeholders and their environment'.⁷

Hence, the main concept of CSR means that companies voluntarily take the matter of social, economic and environmental issues thereby stepping out willingly to deal this concern in terms of aids and funds as well as providing material component, in the mean-time protecting and respecting the interests and wellbeing of all the stakeholders.

⁷ Karim, A., (2021) Corporate Social Responsibility, SBPD Publishing House, Uttar Pradesh, pp - 2

However, it may be mentioned that there is no well-defined definition which is universally accepted on this CSR because the term and concept of CSR varies on the type, size, and style of business system of the industry. Nonetheless, one can say that in its simplest term CSR is a return gesture given by the corporate business to society for the support and cooperation the company receives from the society. It is a well-balanced and value-based interaction between business company and society in general and the state government in particular. Any action to be taken in the name of CSR has to be recognized by the state government and a mutual agreement of both parties is required in order to avoid any misconception or illegal activities which might occur in future.

Moreover, one need to understand that CSR is a concept advocated by business corporations which is beneficial to the business, society and environment in order to promote sustainable conduct of the globalized world. “The concept originated from the fact that society and environment can fall prey to the operations, especially of large business corporations that pursue economic profit by any means. Their action can cause damages, often irreversible, to the communities and environment. Hence, from the business point of view, ethical profit chasing in a sustainable manner draws the bottom line of CSR.”⁸

CSR can therefore, be defined as situations where the business organizations go beyond its interest and engages its action further towards social goods. Its main intention is to protect the society and environment in a sustainable manner so that business can be continued and flourished to the maximum and be benefitted by all. However, CSR is still in its embryonic form and there exist no theoretical framework which makes this topic more difficult to give a solid definition or form.

Thus, CSR is a model that helps a company be socially accountable and with the amendment of Companies Act, 2013, India became the first country in the world

⁸ Paleri, P. (2019), ‘*Corporate Social Responsibility: Concept, Cases and Trend*’: Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh, pp 5

to introduce the same as a “mandatory provision by imposing statutory obligation on Companies to take up CSR projects towards social welfare activities.”⁹

The European Commission in its Green Paper titled “Promoting a European Framework for Corporate Social Responsibility”, defines the concept CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with the stakeholders on a voluntary basis. Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing ‘more’ into human capital, environment and the relations with stakeholders”¹⁰

In India, the legal definition of CSR has been mentioned in the Companies (Corporate Social Responsibility Policy) Rules, 2014 of India. According to Section 2 (1) (c) to the Companies (Corporate Social Responsibility Policy) Rules, 2014 made under section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013, Corporate Social Responsibility (CSR) means and includes but is limited¹¹ to the following –

i) Projects or programmes relating to activities specified in Schedule VII to the Act. Schedule VII of the Act indicates the activities that can be undertaken as CSR which broadly relates to Health, sanitation, education, environment, sports, heritage, art and culture, rural development, slum area development, Disaster management, including relief, rehabilitation, and reconstruction activities, setting up old age homes, day care centers, measures for reducing inequalities faced by socially and economically backward groups etc¹² or

⁹Nagaland, Mizoram least favoured destinations for CSR activities | Morung Express | morungexpress.com issued on 19th November, 2019, accessed on 22nd June, 2024

¹⁰ Kundal, N. S. (2019), ‘Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd.; First Edition (3 November 2022), Gurgaon, Gurugram, Haryana. pp 17

¹¹ Paleri, P. (2019), ‘*Corporate Social Responsibility: Concept, Cases and Trend*’: Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh”, pp 15

¹²<https://sansad.in/getFile/loksabhaquestions/annex/176/AU2080.pdf?source=pqals>, accessed on 21st June, 2024

ii) Projects or programmes relating to activities undertaken by the Board of Directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

The European Commission (EC) has defined CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis”.¹³

The World Business Council for Sustainable Development (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 the community and society at large”.¹⁴

According to the United Nations Industrial Development Organisation (UNIDO), “Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line -Approach), while at the same time addressing the expectations of shareholders and stakeholders, In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.”¹⁵

¹³ Paleri, P. (2019), *‘Corporate Social Responsibility: Concept, Cases and Trend’*: Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh, pp 16

¹⁴ Karim, A., (2021) *Corporate Social Responsibility*, SBPD Publishing House, Uttar Pradesh, pp - 8

¹⁵ Karim, A., (2021) *Corporate Social Responsibility*, SBPD Publishing House, Uttar Pradesh, pp - 3

Besides the above definition, some other definitions of CSR are stated as under:

Howen Bowen in his book 'The social responsibility of businessman' has proposed the definition of CSR as "the obligations of business to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objections and values of the society."¹⁶

Mallen Baker has defined CSR as "how companies manage the business to produce an overall positive impact on society".¹⁷

According to Keith Davis, "Social responsibility of business implies that the businessmen's decisions and actions are taken for reasons at least partially beyond the firm's direct economic or technical interests."¹⁸

From the above concept it is clear that CSR is a management concept whereby companies integrate encourage a positive social and environmental concerns in their business operations and interactions with their stake holders. It is a process with an aim to embrace responsibility for the company's actions and encourage a positive image through its activities on the environment, consumers, employees, communities and all other members of the public sphere who may also be considered stakeholders.

1.1.2 Profile of Mizoram

Being the 23rd state of India on 20th February, 1987, Mizoram a land of the Mizo's is located in the North East corner of India having a geographical area of

¹⁶ Kundal, N. S. (2019), 'Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd.; First Edition (3 November 2022), Gurgaon, Gurugram, Haryana., pp-13

¹⁷ Mallen Baker's reserchgate.net :Definitions of corporate social responsibility – What is CSR?" Business in society by Mallen Baker Source: Mallen Baker Online... | Download Scientific Diagram (researchgate.net) Accessed on 29 July, 2024

¹⁸ Karim, A., (2021) Corporate Social Responsibility, SBPD Publishing House, Uttar Pradesh, pp - 3

21,087 square kilometers.¹⁹ It is a land of vast forest resources including a variety of flora and fauna, there are many valleys and rivers running across the state which equipped the state for fresh drinking water. Agriculture is the main occupation²⁰ and most people in Mizoram speaks Mizo, which is the local language. However, English is the official language of the state. The people living in the state belongs to various ethnicity but are culturally and linguistically associated with each other. These clans and tribe are jointly named as Mizos wherein 'Mi' stands for people and 'Zo' stands for hill or land. Hence, Mizoram subsequently means 'land of the hill people'. About three fourth of the land is covers with forest.²¹

As per 2011 census, the total population of the state is 1,091,014 with 5,52,339 males and 541,867 female population²². The density of population is 52% per sq km.²³ The majority of the population falls under scheduled tribe category and follows Christianity which is also the largest religion in the state. It is worth mentioning that Mizoram is the 14th Open Defecation Free (ODF) state of India²⁴ which means that every household have embraced the social norms of toilet use, the ODF is advocated under Swachh Bharat Mission – Grameen.

Embracing the high literacy rate with 91.85% ²⁵it is currently ranked as the third highest literacy rate in India next to Kerela and Lakshadweep. The geographical location of Mizoram lies between East longitude 92°15 to 93°29 and North latitude 21°58 to 24°35. Further, the state has a very strategic location as it shares its boundary with Assam and Manipur in the North and Myanmar on the East and South and Tripura on the West. It is important to note that Mizoram being a gateway state

¹⁹About Mizoram, Profile of Mizoram, Geography of Mizoram (mizoramonline.in) Accessed on 10th June, 2024

²⁰<https://www.nic.in/statecontents/mizoram/> accessed on 10th June, 2024

²¹<https://www.nic.in/statecontents/mizoram/> accessed on 10th June, 2024

²²<http://mizoram.nic.in/about/glance.htm> at a glance: Mizoram, accessed on 10th June, 2024

²³ Ibid <http://mizoram.nic.in/about/glance.htm> at a glance: Mizoram, accessed on 10th June, 2024

²⁴<https://sdg.mizoram.gov.in/uploads/attachments/9f856886cfa87f7bc64e0c8f34c3b595/pages-14-goal-1.pdf> accessed on 10th June, 2024

²⁵<http://mizoram.nic.in/about/glance.htm> accessed on 10th June, 2024

and key player for the Govt. of India policy ‘Look East Policy’ has offered a plethora of opportunities for investors as it shares its two third of its border with Myanmar and Bangladesh.

Talking about administration, the state is divided into eleven Districts, twenty-six Rural Development Blocks, twenty-three Sub-Divisions and three Autonomous District Councils namely Mara Autonomous District, Lai Autonomous District and Chakma Autonomous District. The total number of villages as per 2011 census is 852 and there are 40 Assembly Constituencies.

Despite the strategic importance of the state, the role of CSR in the region is still very low. During 2014 to 2019 all the North East states except Mizoram have seen a rise in the number of companies engaged in CSR activities and Mizoram received a meagre of 3.68% which is INR 12.60 crore of CSR allocation.²⁶ Looking at the CSR activities of Mizoram it is unfortunate to learn that allocation of funds is very less compared to other parts of India who already have a better status. However, the government has exerted its effort to attract business corporation as well as seeking possible funding from CSR fund for various development activities and projects by submitting proposals. It also committed to partake in the Government of India’s vision ‘*Aatmanirbharta*’ or self-reliance by being a net contributor to India’s growth and development. For this, it recognizes the importance of private investment as a catalyst to create job, infrastructure development and the enhancement of local livelihood.²⁷

1.2 Statement of the Problem

Corporate Social Responsibility (CSR) is an undertaking of integrating the communal and ecological challenges corporate model of the business structure. According to Section 135 of the Companies Act 2013, all corporate has to consume

²⁶https://nedfindia.org/wp-content/uploads/2021/10/NE-CSR-Policy-Report_ONLINE.pdf accessed on 20th June, 2024

²⁷<https://planning.mizoram.gov.in/uploads/attachments/2024/02/ae0117c015b3f2707a8023140c97c69e/posts-86-ex-120.pdf> ‘The Mizoram Gazette, Vol-LIII, Issue No.120, Dt.16th February, 2024’, accessed on 10th June, 2024

in every fiscal year minimum of 2% within the standard net income of the corporate created within the three instantly former fiscal period aimed at its CSR activities. The resources of CSR will not be relevant on a company at which place none of the three requirements- the net profit nor revenue nor the net gain is fulfilled by the company are being achieved as occurred in *the matter of Bilfinger Neo Structo Private Limited*.²⁸

The CSR Policy must consist of the operations pertaining to –Eliminating starvation, poverty and undernutrition, advocating medical care system and hygiene; advertising education, comprising special education and career improving vocation abilities and livelihood improvement ventures; advertising gender justice, women upliftment and procedures for lowering disparities met by socially and economically backward groups; securing ecological resilience etc. The laws regarding CSR are distinct between various countries, reacting to the intricacy and plurality of the administrative, corporate and social functions.

Different national corporations have tried to implemented some of their CSR policies within the State of Mizoram but have also faced many difficulties in their endeavor. Nearly all the North East states and notably Mizoram and Nagaland are least favored place for corporate altruistic projects in India in the manner of their CSR²⁹. Many corporations as well as small scale industries are yet to carry out their CSR initiatives within the state. The proposed research tends to illuminate on the meaning and important of CSR and upon the administration of the same within the State of Mizoram. This study hopes to discover the result of such projects or activities in the society for improving the life of the citizens and supplementing the efforts of the government for development of administration.

²⁸ Bilfinger Neo Structo Private Limited 2019 SCC OnLine NCLT 108, CP No. 54/441/NCLT/MB/MAH/2018

²⁹ <https://thecsrjournal.in/nagaland-and-mizoram-least-favoured-states-for-csr-projects/>

The case of *Coca-Cola India's Corporate Social Responsibility (CSR) Strategy*³⁰ concerns Coca-Cola's CSR projects in India. It outlines the projects undertaken by Coca-Cola India's management and personnel to participate to the community and neighborhood in which the corporate run. The corporate entered for intense rebuke from demonstrators and conservationists who accused it with draining groundwater resources in the regions where its bottling plants were situated, thus impacting the occupation of impoverished farmers, disposing fatal and threatening waste materials next to its bottling amenities, and emitting sewage into the agricultural lands of farmers. Furthermore, its supposedly unprincipled business procedures in emerging nations directed to turning into among the top blacklisted companies in the world. In spite of the censure, the corporate persisted to promote several projects such as rainwater storage, reviving groundwater resources, and going in for sustainable packaging and reusing, and catering the societies in the operational zone. The case mentions the likely obstacles for Coca-Cola India as it sets up to enact its new CSR method in the country.

After a brief review of the above-mentioned literature and academic resources, it is found that there is a scarcity of research on CSR, pertaining to the essentials of the Company Laws and with special focus to the state of Mizoram. So, to bridge the gap, the proposed researched work is undertaken.

1.3 Review of Literature

The present study titled 'Administration of Corporate Social Responsibility in Mizoram: Implications of Company Laws in India (2013-2021)' is a new subject of research. The researcher has consulted a number of books, journals, research articles, reports, newspapers, internet sources, etc. in connection with the study. Some of the study materials are reviewed below which provide both direct and indirect references for collection of relevant data and information.

³⁰ Coca-Cola India's Corporate Social Responsibility (CSR) Strategy BECG093 (2002-2008)

The CSRBOX (2024), *India CSR outlook report 2024*³¹, offers an in-depth analysis of Corporate Social Responsibility (CSR) spending trends among 301 leading Indian companies. It combines primary and secondary research to provide a comprehensive view of CSR compliance, focus areas, and funding priorities in India, examining CSR compliance patterns, sector-wise investment trends, and the presence of women in CSR committees. It also explores reasons behind unspent CSR funds and identifies sectors receiving significant contributions, highlighting the distribution of funds and identifying sectors with the most significant contributions. It includes insights into CSR strategies and practices based on surveys with CSR leaders from leading companies, discussing ideal project durations, implementation preferences, and the growing role of agency collaborations in CSR initiatives. It discusses future pathways for CSR, emphasizing the need for data-driven practices and enhanced transparency in CSR reporting to maximize societal impact. Overall, the India CSR Outlook Report 2024 highlights a shift from compliance-driven CSR to a more strategic approach, emphasizing transparency, measurable impact, and alignment with national development goals.

Verma, J., Kumar, K., & Singh, R. (Eds.). (2023)³², in this edited volume '*A Strategic Approach to CSR Focusing on Sustainable Development: Opportunities and Challenges*' delves into contemporary trends and challenges in Corporate Social Responsibility (CSR) which aims at accomplishing Sustainable Development Goals. It compiles insights from various contributors, providing a comprehensive understanding of CSR's position in sustainable development. It serves as an invaluable resource for appreciating the strategic function of CSR in advocating sustainable development.

³¹<https://csrboximpact.in/storage/publications/India-CSR-Outlook-Report-2024.pdf> accessed on 27.03.2025

³²Verma, J., Kumar, K., & Singh, R. (Eds.). (2023), '*A Strategic Approach to CSR Focusing on Sustainable Development: Opportunities and Challenges*': Bloomsbury Publishing India Pvt. Ltd., New Delhi

The CSRBOX. (2023), *India CSR outlook report 2023*³³, offers a inclusive examination of Corporate Social Responsibility (CSR) trends between large corporates in India. This edition, based on primary and secondary research, provides valuable insights into CSR spending patterns, priorities, and challenges over the past decade. The report examines CSR compliance trends, sector-wise investment distributions, and geographical allocations since CSR became mandatory in India. Insights from CSR leaders reveal that Healthcare and Water, Sanitation, and Hygiene (WASH) are the top priorities for 26% of companies. Environmental Sustainability and Education are also significant focus areas, each attracting 23% of CSR investments. The presence of women in CSR committees correlates with a heightened focus on gender equality initiatives, highlighting the impact of diverse leadership on CSR priorities. Companies face challenges such as measuring intangible outcomes and accessing appropriate tools for effective CSR implementation. The report suggests a need for data-driven practices and enhanced transparency in CSR reporting to maximize societal impact. Overall, the India CSR Outlook Report 2023 underscores a shift from mere compliance to a more strategic approach in CSR, emphasizing transparency, measurable impact, and alignment with national development goals.

Bhart, S. (2022)³⁴, '*Corporate Social Responsibility in India: Law, Regulation and Politics*' delves into the development of Corporate Social Responsibility (CSR) in India, analyzing how global corporate influences have shaped the country's CSR legal framework, which is primarily based on soft law attributes. The author employs innovative methodologies to examine the regulatory landscape, exploring the intricate relationship between the state and corporate sectors. The book offers insights into the political dimensions of CSR, discussing how legislative changes have impacted CSR protocols among large firms in India.

³³<https://indiacsr.in/wp-content/uploads/2023/10/India-CSR-Outlook-Report-2023.pdf>? accessed on 27.03.2025

³⁴Bhart, S. (2022) '*Corporate Social Responsibility in India: Law, Regulation and Politics*', : Springer, Singapore

Garg, K. (2021)³⁵, *Corporate Social Responsibility (3rd Ed.)* attempts to serve the book as a guidance for the Corporate, Chartered Accountants, Company Secretaries, Cost and Management Accountants and other experts participated, by all means, in the matters relating to CSR enactment and conformity. It highlights the amendments made to the CSR policy in terms of requirements for transferring unspent CSR fund to the specified fund, CSR impact assessment, allowing set off of excess spending and punitive measures for non-compliance of CSR by certain enterprises and certain other long-standing demands of the industry.

Paleri, P. (2020)³⁶, *Corporate Social Responsibility: Concept, Cases and Trend* examines the basis and developing architecture of CSR as an evolving concept. It highlights the idea, provenance and advancement of CSR in the corporate realm and all the theories, strategies, monitoring, measurement and reports of it in practice. The case studies included in the book helps in the overall study of CSR, code of conduct and corporate administration. It gives a detail account of the evolution of CSR in the country.

Winners' Digest (2020)³⁷ *Success Stories on Corporate Social Responsibility 2019* comprises concise corporate field studies of Winners of the Golden Peacock Award for Corporate Social Responsibility 2019. The book is a compilation of successful CSR initiatives and projects undertaken by the award-winning companies, both national and international, that were appreciated by the independent Jury of the Golden Peacock Awards. It endeavors to provide companies and their CSR stakeholders with insight and comprehensive overview of the CRS impactful practices.

³⁵Garg, K. (2021), '*Corporate Social Responsibility (3rd Ed.)*':, Bharat Law House Pvt. Ltd., New Delhi, India

³⁶ Paleri, P. (2019), '*Corporate Social Responsibility: Concept, Cases and Trend*': Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh.

³⁷ Winners' Digest : *Success Stories on Corporate Social Responsibility* (2019):, IOD Publishing, New Delhi.

Werther, B. W., Jr., & Chandler, D. (2020)³⁸, *Strategic Corporate Social Responsibility: Stakeholders in a Global Environment (2nd Ed.)* focus on the intersection of CSR, business protocol and statutory strategy. Part I of the book consists of what is CSR? The evolution and arguments in favour and against CSR, the strategic content of CSR and the implementation of the same into culture and the society. Part II of the book is concerned with CSR concerns and field studies, organizational problems and field studies, economic obstacles and field studies and societal challenges and field studies in which CSR initiatives of certain multinational companies are critically analyzed.

Nwagu, K. (2019)³⁹, *‘Impact of Practices of CSR on the Performance of Business in the Context of Contemporary Nigerian Society’*, studies the result of Corporate Social Responsibility (CSR) procedures on business achievement within contemporary Nigerian society. He reveals that CSR in Nigeria is predominantly philanthropic, influenced by cultural and religious beliefs. The findings propose that CSR activities can positively affect company presentation, though the impact may vary based on the nature and implementation of these practices. This work contributes to understanding how CSR practices are perceived and their effectiveness in enhancing business outcomes in Nigeria.

The *North East CSR Outlook Report 2019*⁴⁰ provides an outline of Corporate Social Responsibility (CSR) activities in the eight states of North East India, detailing the CSR disburse for the fiscal year 2017-18. A total sum of INR 342.58 crore was used by 85 companies on 287 CSR projects in the region, with Assam receiving the highest share of funds. Major sectors contributing to CSR in the region include oil, banking, and finance, with an objective on education, health system, and rural advancement. The report highlights the significant role of public sector

³⁸Werther, Jr, B. William & Chandler, David (2020), *‘Strategic Corporate Social Responsibility: Stakeholders in a Global Environment (2nd Ed.)’*: SAGE Publications India Pvt. Limited , New Delhi, India

³⁹ Nwagu, K. (2019), *‘Impact of Practices of CSR on the Performance of Business in the Context of Contemporary Nigerian Society’*, Lambert Academic Publishing, Germany

⁴⁰www.csrbox.org accessed on 27.03.2025

companies like Oil India Ltd., ONGC, and Numaligarh Refinery Ltd., which led in CSR spending. The thematic focus of CSR projects was primarily on education, health system, poverty alleviation, and ecological sustainability. The report underscores the significance of CSR projects in improving the demographic conditions of North East India, particularly in rural and underserved areas.

Singh, Y. P. (2019)⁴¹, '*A study on legal regime on corporate social responsibility in India*' laid down an extensive analysis of the legal necessities promoting the notion of CSR in India. It lays special focus on Indian laws all the while drawing comparisons with the global standards across the globe. It lays stress upon the importance of corporate communal responsibility in today's world and how it has help in shaping and forming better relations between large corporations and the society it chooses to promote.

Malhotra, R. S., & Sharma, S. A. (2019)⁴², '*The Role of Corporate Social Responsibility in Promoting Ethical Business Practices in India*' argue that CSR plays a vital role in publicizing ethical business methods in India by supporting corporates to amalgamate communal and ecological apprehensions into their corporate processes. The paper highlights that CSR initiatives go beyond compliance and profit maximization, fostering a tradition of ethics, integrity, and sincerity within organizations. The article also draws comparisons with global CSR practices, suggesting that Indian businesses are increasingly influenced by international standards and ethical expectations in CSR. As India becomes more integrated into the global economy, the pressure to adopt ethical business practices through CSR will continue to grow.

⁴¹ Singh, Y.P. (2019), 'A study on legal regime on corporate social responsibility in India': *International Journal of Research and Analytical Reviews* (www.ijrar.org) Vol. 6, No. 2.

⁴² Malhotra, R. S., & Sharma, S. A., (2019) '*The Role of Corporate Social Responsibility in Promoting Ethical Business Practices in India*', *Ethical Business Journal*, Vol.7, No. 3, 210 -227

Rao, P. N., & Jain, A. (2018)⁴³, ‘*Evaluating the Effectiveness of CSR in Indian SMEs*’ offer valuable insights into the CSR practices of Small and Medium Enterprises (SMEs) in India. The authors argue that while CSR is a fundamental tool for fostering sustainable advancement, the effectiveness of CSR initiatives in Indian SMEs is often limited due to resource constraints, lack of strategic alignment, and insufficient awareness about CSR's potential long-term benefits. One of the critical analyses of the article lies in its acknowledgment that CSR activities in SMEs are typically driven by legal compliance rather than genuine commitment to social responsibility. Additionally, the authors feature the hurdles encountered by SMEs, such as restricted economic and workforce, that hinder the successful implementation of impactful CSR initiatives. While the article sheds light on the positive contributions of SMEs to community welfare, it also critiques the lack of robust frameworks for evaluating CSR outcomes, which further limits the capacity to measure their true effectiveness. The authors advocate for more structured support from the government and larger corporations to help SMEs better incorporate CSR into their business strategies, highlighting the need for education, guidance, and resources to improve the overall outcome of CSR in this sector.

De, R. (2018)⁴⁴, *A Practical Guide to Corporate Social Responsibility: Law, Accounting and Taxation Aspects*, states CSR is primarily the ownership of responsibility for the impact of one’s business on the surrounding environment. It requires the company to step ahead and take into account its impact on all stakeholders and the environment while making corporate decisions. And when corporations embrace and put emphasis on the social aspect of their corporate responsibility, they strive to go beyond just avoiding being sued or doing harm to others – their goal is to proactively invest in and achieve greater wealth for the society at large.

⁴³Rao, P. N., & Jain, A. (2018)Jain (2018), ‘Evaluating the Effectiveness of CSR in Indian SMEs’, Journal: *Journal of Small Business and Enterprise Development* Vol. 25, No. 4, 557-573

⁴⁴ De, R. (2018), ‘*A Practical Guide to Corporate Social Responsibility: Law, Accounting and Taxation Aspects*’: Bloomsbury Publications, New Delhi

Lumbe, N (2018)⁴⁵, in the book *Corporate Social Responsibility in India* states that CSR is developing progressively important in recent everyday corporate world. It is the company's demonstration of caring about the stakeholder's interests. India is among the speediest accruing economies globally ensuring basic rights and opportunities to progress and prosper. It is also a country who is struggling to address some of the basic social issues and development needs every day. The governance practices and policies are on the progressive lines, one of them being the CSR accoutrements in the Companies Act, 2013. It is a genuine opportunity for the big corporations to do something for the betterment of the society.

Singh, H (2018)⁴⁶, in the article '*An analytical study of challenges of Corporate Social Responsibility in India*' tries to investigate the status of CSR in the country all the while shining a spotlight into the issues and difficulties faced by the exercise of the concept. He explained the significance of preserving a good relationship among social welfare and corporate social commitment. He highlights the key challenges hindering the expansion of CSR initiatives within the country.

Chatterji, M. (2017)⁴⁷, *Corporate Social Responsibility* studies the evolution of CSR and explains the concept of it, its origin and development through examples and case studies. It investigates and compares the corporate social responsibility initiatives implemented by various multinational corporations worldwide. It provides an insight to the CSR practices prevalent in India today and explains the problems and challenges faced by companies in their endeavor as well as showcasing several successful projects within the country.

⁴⁵ Lumde, N. (2018), '*Corporate Social Responsibility in India*', Notion Press Chennai, Chennai

⁴⁶ Singh, Harjwant (2018) '*An analytical study of challenges of corporate social responsibility in India*': *International Journal of Research and Analytical Reviews* (www.ijrar.org) Vol. 5 No. 3.

⁴⁷ Chatterji, M. (2017), '*Corporate Social Responsibility*', Oxford University Press, New Delhi

Gupta, S. S. (2017)⁴⁸, *Corporate Social Responsibility: A Case Study Approach* presents a description CSR in India, it includes actual scenario case studies and instances of how companies in India are implementing CSR programs. It covers diverse aspects, including CSR strategies, stakeholder engagement, and social development initiatives. It highlights how various companies have implemented CSR strategies across different sectors and the result of these projects on both the organizations and the societies they serve. By using detailed case studies, Gupta provides practical insights into the challenges, successes, and failures of CSR programs, helping readers fathom how CSR can be effectively merged into business strategies. The book also delves into the functions of CSR in fostering ecological development, ethical business practices, and stakeholder engagement. Gupta emphasizes the significance of coordinating corporate social responsibility with corporate goals to develop long-term worth for both the company and community.

Reddy, N. T., Ramana, D. V., & Silpa, G. (2017)⁴⁹, *Corporate Social Responsibility of Indian IT Companies – A Study on CSR Activities of Select Companies* focuses on the actual theoretical model of CSR activities occurring on selected companies in India. It aims to study the wealth optimization of corporate companies through their CSR activities and to see if the corporate strategies are in tune with the CSR provisions and its impact and pertinence with competitive benefit of the organization towards resilience. 10 companies were selected for the study and were categorized below four major areas – health, education, community development and environment. It is found that all the companies gives importance to environment while the areas concerning community development was given least preference. It is suggested that the companies can implement more activities in the territory of community advancement where they can assist in improving the locality in which they operate.

⁴⁸ Gupta, Shashi S. (2017), '*Corporate Social Responsibility: A Case Study Approach*', Sultan Chand & Sons, New Delhi, India

⁴⁹ Reddy, N. T., Ramana, D. V., & Silpa, G. (2017), '*Corporate Social Responsibility of Indian IT Companies – A Study on CSR Activities of Select Companies*': International Journal of Latest Technology in Engineering, Management & Applied Science (IJLTEMAS) Vol. 6 No.6, June 2017

Desai, V. B., & Kshirsagar, S. G. (2017)⁵⁰, '*Corporate Social Responsibility in India: A Path to Sustainable Development*' discusses CSR's position in driving sustainable advancement in India, analyzing how corporations can unify communal, environmental, and economic goals into their corporate models. They argue that CSR in India has shifted past traditional humanitarianism and is now a key mechanism for achieving sustainable development. They emphasize that CSR can contribute significantly to addressing social, economic, and ecological issues, aligning with the broader goals of sustainable development.

Khanna, A. B., & Gupta, R. K. (2017)⁵¹, '*Exploring Corporate Social Responsibility in the Indian Context: The Case of the IT Sector*' provide a detailed examination of CSR practices within India's rapidly growing Information Technology (IT) sector. The authors argue that the IT sector in India has become a key player in shaping CSR trends, with many leading companies embracing CSR as part of their core business strategies. The article emphasizes the sector's unique position, where CSR is often integrated with business goals, such as talent retention, brand reputation, and international competitiveness. The analysis highlights how IT companies are gradually directing on social issues like education, skill development, ecological sustainability, and healthcare, which align with both their business interests and societal needs. Overall, they advocate for greater government support, clearer CSR guidelines, and increased transparency to ensure that CSR activities in the IT sector deliver sustainable, measurable outcomes.

⁵⁰ Desai, V. B., & Kshirsagar, S. G.. (2017), '*Corporate Social Responsibility in India: A Path to Sustainable Development*', Indian Journal of Corporate Governance, Vol. 10, No. 2, 56-73

⁵¹Khanna, A. B., & Gupta, R. K. (2017), '*Exploring Corporate Social Responsibility in the Indian Context: The Case of the IT Sector*' Journal: *International Journal of Technology Management* Vol. 74, No. 2, 189-205.

Agarwal, P.D. & Sharma, S.S. (2016)⁵², '*CSR and Sustainability in India: The Role of Indian Multinational Enterprises*' examines how Indian multinational companies have increasingly adopted CSR practices, driven not only by regulatory requirements but also by a broader realization of their position in sustainable development. These enterprises have begun to incorporate such practices into their core corporate strategies, which reflects a transition from philanthropy to more strategic and impactful contributions to society. It emphasizes that for CSR to have a meaningful impact, it should be embedded in business strategies, go beyond compliance, and coordinate with the overall goals of sustainable advancement. It concludes by recognizing the growing importance of CSR with sustainability within Indian MNEs. While challenges remain, there is a clear trend toward a more integrated and strategic approach to CSR that not only enhances the companies' business outcomes but also contributes to addressing societal issues.

Ravichandran (2016)⁵³, *Corporate Social Responsibility: Emerging Opportunities and Challenges in India* discusses the various dimensions of CSR to meet the need of the present society. It opens with an introduction to the philosophy of CSR explaining the provisions and procedure for its implementation. It also highlights the accounting aspects and how companies, societies and trusts can be used as vehicles for CSR. It also gives an elaborate discussion on the tax perspective of CSR.

Mitra. P.P. (2016)⁵⁴, *The Companies Act 2013: New Challenges in Contemporary Indian Economy* is a collection of twenty three articles from different law universities and faculties spread across the country and is divided into ten chapters with topics ranging from one person company, mergers and amalgamations, independent directors, women directors and CSR. The book focuses on the major

⁵² Agarwal, P.D. & Sharma, S.S., (2016), in their article 'CSR and Sustainability in India: The Role of Indian Multinational Enterprises', *Asian Business & Management*, Vol. 15, No. 3, 213-234.

⁵³ Ravichandran, KS (2016), '*Corporate Social Responsibility: Emerging Opportunities and Challenges in India*', Lexis Nexis Publications, Haryana.

⁵⁴ Mitra, P.P. (2016), '*The Companies Act 2013; New Challenges in Contemporary Indian Economy*', Regal Publications, New Delhi,

changes introduced by the Companies Act 2013. It greatly exhibits a good understanding of the various subjects dealt by the respective scholars and shed light on the functions of companies within the economic laws of the country.

Mishra, R.K. (2016)⁵⁵, in his book *‘Corporate Social Responsibility and Development: The Case of India’* explores CSR’s contribution to India’s social and economic development. It provides empirical research and case studies to evaluate CSR’s role in addressing issues like poverty, education, and healthcare in India. It explores how corporate social responsibility initiatives contribute to socio-economic development in India, focusing on their impact on various social challenges like poverty, education, health services, and environmental sustainability. The author provides an in-depth study of the function CSR plays in bridging developmental gaps, especially in rural and underdeveloped regions. It also looks at the regulatory environment and government policies that encourage CSR activities, highlighting how India’s legal structure has evolved to bond CSR into business operations. Through the case studies, he illustrates the successes and challenges companies face in implementing CSR programs in India, emphasizing the potential for CSR to act as a instrument for social reform and sustainable development. The book underscores the significance of joining business systems with social responsibility to develop a further inclusive and just society.

Joshi, R. R., & Singhal, S. K. (2016)⁵⁶, *‘Social Enterprises and CSR: Insights from the Indian Experience’* delves with affiliation among Corporate Social Responsibility (CSR) and social enterprises in India. It targets on what way social entrepreneurship participates to CSR initiatives by addressing pressing social issues in the country. It likely touches upon the challenges faced by social enterprises in India, such as limited funding, regulatory hurdles, and a lack of awareness about their impact. At the same time, the article may highlight the growing opportunities as

⁵⁵ Mishra R.K. (2016), *‘Corporate Social Responsibility and Development: The Case of India’*, Oxford University Press, New Delhi, India

⁵⁶ Joshi, R. R., & Singhal, S. K. (2016), *‘Social Enterprises and CSR: Insights from the Indian Experience’*, *Social Enterprise Journal*, Vol.12 No. 2, 122-145.

CSR gains more prominence in India, particularly with the mandate of CSR expenses by companies in India.

Sethi, S. P. (2015)⁵⁷, *‘Corporate social responsibility in India: Current state and future challenges’* New Delhi: Routledge India offers an extensive look at the present situation of CSR in India, including its hardships and the future trajectory of corporate responsibility in the country. He examines the impact of India's 2013 Companies Act, which requires CSR spending for large corporates, and discusses the role of CSR in tackling national challenges like poverty, health, and education. Sethi also explores the ethical and strategic implications of CSR for Indian businesses in the global marketplace.

Kaushik, K. (2015)⁵⁸, in *‘CSR in India: Steering Business toward Social Change’* explores the growing importance of Corporate Social Responsibility (CSR) in India and its evolving role in driving social change. The book examines the view of CSR in India, particularly after the implementation of the Companies Act of 2013, which requires mandatory CSR expense for large enterprises. The author highlights the significant shift in corporate behavior from traditional philanthropy to more strategic, impact-driven CSR initiatives. He provides insights into the challenges businesses face, such as aligning CSR with their central business operations and assuring that initiatives are impactful and sustainable. He also explores the position of CSR in responding to critical social challenges in India, such as poverty, education, health services, and rural advancement, and discusses the forthcoming of CSR in the Indian commercial world.

⁵⁷ Sethi, S. P. (2015), *‘Corporate social responsibility in India: Current state and future challenges’*, Routledge, New Delhi.

⁵⁸ Kaushik, K. (2015), in *‘CSR in India: Steering Business toward Social Change’*: Sage Publications, New Delhi.

Kumar, A, Puri, S.K. & Tiwari, B.B. (2015)⁵⁹, '*Corporate Social Responsibility in India: A Review of the Literature*' reviews the CSR literature in India, highlighting key themes such as CSR conceptualization, practices, and the function of CSR in the Indian corporate scene. It also provides insights into regulatory frameworks and CSR's influence on organizational performance in India. It discusses several challenges in the enforcement of CSR. These consist of issues such as insufficient awareness about CSR among smaller businesses, difficulties in assessing the efficiency and influence of CSR tasks, and the challenges of aligning CSR efforts with long-term strategic goals. The paper also highlights issues related to the deficiency of transparency and accountability in the use of CSR finances.

Gupta, S., Sharma, and Gouri (2014)⁶⁰, '*Corporate Social Responsibility in India: A global commitment*' examines the scope and boundary of CSR project undertaken by the Indian enterprises and studies their contribution towards societal development. It lays emphasis on the CSR initiatives of large Indian corporations like Infosys, India Oil, Aptech Limited, Tata Steel, CISCO System Inc., Mahindra & Mahindra, Dalmia Cement (Bharat Limited), The Times of India, Reliance Industries Limited, ITC's One Paisa Campaign, IBM India and Delhi Metro Rail Corporations. It lays down the importance of CSR as it inspires more social and environmental authority from the corporate field, it also helps in the enhancing brand image and reputation. Corporations can profit regarding safety management, cost savings, access to capital, customer service, staff management and innovative capacity.

Bowen, H. R. (2013)⁶¹, '*Social responsibilities of the businessman* (Reprint)' which was originally released in 1953 and reprinted in 2013, Bowen's classic work remains a foundational text in CSR. He argues that businesses have a moral

⁵⁹ Kumar, A, Puri, S.K. & Tiwari, B.B. (2015), in their article '*Corporate Social Responsibility in India: A Review of the Literature*', International Journal of Corporate Social Responsibility, Vol. 1 No.1, Article 3

⁶⁰ Gupta, S., Sharma, and Gouri (2014) '*Corporate Social Responsibility in India: A global commitment*': International Journal of Latest Technology in Engineering, Management & Applied Science (IJLTEMAS) Vol. 3, No.5, May 2014.

⁶¹ Bowen, H. R. (2013), '*Social responsibilities of the businessman* (Reprint). University of Iowa Press, New York.

responsibility to ponder the social outcomes of their deeds and to contribute positively to society. His work set the foundation for future advancements in CSR theory, and the reprint highlights its continued relevance in contemporary discussions of corporate responsibility.

Raghunathan, V.R. (2011)⁶², *Corporate Social Responsibility in India* provides an insightful analysis of the evolution, practices, and challenges of Corporate Social Responsibility (CSR) in India. It explores how Indian corporations have integrated social and ecological challenge into their business architectures, particularly in response to evolving global standards and domestic socio-economic needs. It examines the historical context of CSR in India, from conventional altruism to a more structured and strategic method, and considers how CSR activities align with government policies, legal frameworks, and the expectations of various stakeholders. Additionally, Raghunathan discusses result of CSR on environmental conservation and its potential to address social challenge such as economic deprivation, education, and healthcare. The book emphasizes the growing significance of CSR in India's business sector and the opportunities and obstacles companies face as they strive to stability business targets with communal responsibility.

Frederick, W. C. (2006)⁶³, *'Corporation, Be Good! The Story of Corporate Social Responsibility'* traces the evolution of CSR from its origins in early business practices to its current status as a crucial element of corporate administration. The author examines the shifting attitudes toward business ethics and the growing expectation that corporations should address together with their monetary goals, their social as well as environmental influences. Through a detailed narrative, the book highlights key milestones in the advancement of CSR, including the impact of communal movements, the function of government regulations, and the increasing focus on sustainability. He also discusses the obstacles businesses face in executing CSR and the broader implications for corporate behavior and societal well-being.

⁶²Raghunathan, V.R. (2011), *'Corporate Social Responsibility in India'*, Publisher: Response Books, New Delhi India.

⁶³ Frederick, W. C. (2006), in *'Corporation, Be Good!: The Story of Corporate Social Responsibility'* Indianapolis: Dog Ear Publishing, Indianapolis.

The book is an essential tool for accepting how CSR has influenced and still influences how companies function in the contemporary world.

Kotler, P., & Lee, N. (2005)⁶⁴, '*Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*' shows a comprehensive guide to unifying Corporate Social Responsibility (CSR) into business approach. It explores how companies can align their CSR attempts with both their business goals and the social causes they support. The authors emphasize that CSR is not only a method for companies to remunerate to community but also an instrument to improve their brand, credibility, and extended success. The book offers practical examples and strategies for implementing CSR initiatives effectively, providing insights on how CSR can create value for both ventures and the communities they assist.

The *Brief Notes on Corporate Social Responsibility (CSR)*⁶⁵, specially prepared for MLAs, departments, and district administration, provides an essential overview of CSR's function in promoting sustainable advancement and societal well-being. It highlights the significance of businesses engaging in committed activities that provide constructively to the society, environment, and economy. The document highlights the legal system governing CSR in India, especially under the Companies Act, 2013, which entails such corporates to distribute a fraction of their earnings toward CSR projects. These initiatives span various sectors, including education, health system, ecological conservation, and rural development. The notes also stress the need for partnership between government, corporations, and local societies to optimize the impact of CSR attempts and address key challenges in local development. It serves as a guide for stakeholders to comprehend the potential of CSR in promoting comprehensive growth and addressing regional disparities.

⁶⁴ Kotler, P., & Lee, N. (2005)⁶⁴, in '*Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*': Wiley. Hoboken, NJ.

⁶⁵<https://planning.mizoram.gov.in/uploads/attachments/2024/09/91c151e0dfe1b30fec2e43c40568f1b/brief-notes-on-csr.pdf> accessed on 27.03.2025

In the current case of *Technicolor India (P.) Ltd. v. Registrar Of Companies*⁶⁶ the Company came across the net income requirement under Section 135 of the Companies Act, 2013, and possessed a CSR committee however it consumed several quantity according to the CSR Policy of the Company throughout the financial year 2017-18, that stay under the boundary discussed in Section 135 (5) of the Act for that a motive was appropriately granted by the corporate in its Director's Report. Nevertheless, it came to pass discovered which the quantity consumed on the CSR and linked aspect is mistakenly caught in the Director's report consequently the corporate delivered a proposal to NCLT Bangalore. The judiciary permitted the application of the corporate to amend its report granting privilege to the corporate to register for accumulating below section 441 of the Act.

1.4 Research Gap

- Lack of comprehensive studies on the overall administration of CSR by various companies operating in Mizoram under the Companies Act, 2013.
- Insufficient research on the alignment of CSR activities with the specific socio-economic and cultural needs of Mizoram.
- Little evidence regarding the effectiveness and impact of CSR projects implemented in Mizoram.
- Lack of detailed studies capturing the perspectives of key stakeholders in Mizoram
- Absence of research comparing the CSR practices of different types of companies operating in Mizoram

⁶⁶Technicolor India (P.) Ltd. v. Registrar Of Companies 2020 (7) TMI 423

1.5 Scope of the study

The scope of this study is centred on analyzing the administration of Corporate Social Responsibility (CSR) within the legal framework of Company Laws in India, specifically focusing on Mizoram from 2013 to 2021. This research examines the impact of the Companies Act, 2013, and its subsequent amendments on CSR practices in the state, with an emphasis on understanding the challenges and opportunities for businesses operating in Mizoram. The study explores how businesses, both large and small, interpret and implement CSR strategies within the regional socio-economic and cultural context, considering the state's unique demographic and infrastructural factors. Additionally, the scope includes an analysis of the effectiveness of CSR initiatives in addressing local development needs, such as healthcare, education, and environmental sustainability. This research also assesses the role of local governance in regulating and monitoring CSR activities and the extent to which businesses comply with legal mandates. The findings offer recommendations for improving CSR administration, ensuring better alignment with both the legal framework and regional development goals. Initially a study on the CSR activities of financial institutions, insurance companies and small-scale industries within the State was included. However, it was found that the two latter institutions have no significant presence in the state in relation to CSR activities. So, it was decided that the study would concentrate on banks alone for collecting preliminary data and information. Popular CSR projects of large corporations and its impact on the society have also been included

1.6 Objectives of the study

The objectives of this research are stated under –

1. To examine the concept and development of Corporate Social Responsibility (CSR)
2. To analyze the relation among CSR and the Company Laws
3. To delve into the enforcement of CSR in Mizoram

4. To investigate the problems and barriers in the administration of CSR and to recommend remedial steps

1.7 Research Questions

1. What is the idea of Corporate Social Responsibility (CSR) and its implications?
2. What are the links between CSR and the Company Laws?
3. How is CSR implemented by the Companies in Mizoram?
4. What are the problems and challenges in the administration of CSR in Mizoram and the possible remedial measures?

1.8 Methodology

Corporate Social Responsibility (CSR) indicates a corporate's obligation to responsibly handle the social, ecological, and economic impacts of its activities in accordance with community prospects. Corporate Social Responsibility is not merely altruistic endeavour however a fundamental component of systematic management, impacting stakeholder relations and long-term viability.

This framework incorporates multiple theoretical viewpoints to effectively study CSR.

- *Stakeholder Theory (Freeman)*: This theory stresses that firms bear responsibilities to all stakeholders (workers, consumers, communities, investors), rather than solely to shareholders.
- *Legitimacy Theory*: This theory suggests that organizations endeavour to have their acts regarded as legitimate by society, hence impacting corporate social responsibility policies.
- *Resource-Based View (RBV)*: This theory argues that CSR programs could act as a resource of competitive benefit by improving reputation, brand loyalty, and employee happiness.

- *Institutional Theory*: This theory explains how CSR activities are influenced by normative, cultural, and regulatory constraints from societal norms, industry standards, and governmental legislation.

An empirical study with mixed-methods approach amalgamating qualitative and quantitative methods has been employed to achieve a thorough knowledge of CSR practices. Qualitative methods such as studying cases, interviews with CSR managers, and content assessment of CSR reports, are employed to understand motivations and strategies. Moreover, quantitative methods, interviews and questionnaires were adopted to evaluate the impacts of CSR on financial performance, stakeholder satisfaction, and brand equity. The collected data were analyzed using descriptive statistics such as percentage and averages. Principled research practices, consisting of acquiring informed approval from participants, securing privacy, and reducing bias in data collection and analysis, have been implemented.

A purposive sampling technique for collecting the primary data from Financial Institution which consists of 5 banks, 10 officials per bank and 100 beneficiaries. Insurance companies which consist of 3 insurance companies, 5 officials per company and 50 beneficiaries. Industries which consist of 3 industries, 5 officials per industry and 50 beneficiaries. Therefore, the total sample size 200.

For the secondary sources, other relevant information and data are collected from various scholars and researchers published books, articles published in diverse journals, periodicals, websites, case studies, research papers, newspapers, and CSR policies of different companies. All the data collected are analyzed and tabulated and displayed by means of tables, charts, graphs using suitable appropriate statistical tools.

1.9 Chapterization

The present study is classified into seven chapters, each addressing different, but related sub-topics for clarification of the main topic as shown below.

Chapter 1 Introduction

This ensuing chapter explores the conceptual framework of the entire research. It discusses the general introduction to the topic, the problem statement, literature review, scope and area of the research, study objectives, research questions, employed methodology, and the significance of the research. The research lays focus mainly within the state Mizoram, and offers a concise account of the region.

Chapter 2 Corporate Social Responsibility (CSR): Concept and Evolution

This chapter presents an extensive evaluation of the idea, development, and progression of Corporate Social Responsibility (CSR). The discussion includes the concept of Corporate Social Responsibility (CSR), emphasizing each of its categories and the evolution of CSR across several generations to the present day. It also breaks down the advantages and disadvantages of CSR.

Chapter 3 Company Laws in India

This chapter outlines the corporate legislation in India, which establishes the framework for the regulation, incorporation, operation, and dissolution of corporations inside the country. The discussion discussed the describing features of a company, company law, the historical advancement of company law, the primary objectives of company law, various types of corporations, essential provisions of company laws, and the function of firms in promoting business and economic growth.

Chapter 4 Corporate Social Responsibility (CSR) and the Company Laws

This chapter analyzes the relationship that exists among Corporate Social Responsibility (CSR) and company laws in current corporate setting. It examines the legal structure of corporate law that regulates CSR activities, stressing the principal requirements and responsibilities a firm must meet when incorporating CSR into its operations. It also highlights the essential obligations that firms must fulfil to ensure their CSR programs adhere to the law.

Chapter 5 Corporate Social Responsibility (CSR) in the State of Mizoram

This chapter discusses the many efforts and investments undertaken by certain companies in Mizoram in the name of CSR initiatives. It studies how the Mizoram government and several companies use CSR funding to cope with state-wide development concerns.

Chapter 6 Results and Discussion

This chapter examines the data collected for the study on CSR in Mizoram, specifically focusing on the implications of company laws in India, particularly under the Companies Act of 2013. The analysis of CSR practices in the region offers perspectives into the impact, challenges, and growth sectors for improvement, as well as the researcher's findings and suggestions for the administration of CSR in Mizoram.

Chapter 7 Conclusion

This chapter comprises the outcome of the research and is grouped into two sections – Part I and Part II. Part I consists of a concise synopsis of Chapters I through Chapter VI, while Part II includes responses to the research questions presented in Chapter I, along with remedies for the current study and suggestions for future research in the same domain.

1.10 Significance of the study

This study on the “Administration of Corporate Social Responsibility (CSR) in Mizoram: Implication of Company Laws in India (2013 - 2021)” provides valuable insights into how the Companies Act, 2013, and subsequent legal amendments have influenced CSR practices in a region with distinct socio-economic and cultural characteristics. By focusing on Mizoram, the research highlights the challenges and opportunities faced by businesses in aligning CSR activities with local needs, particularly in a state with limited infrastructure and unique demographic concerns. The study’s findings will contribute to a deeper understanding of how CSR laws impact corporate practices, shedding light on the effectiveness of legal frameworks in promoting social responsibility. Additionally, the research offers policy recommendations that can guide regional development and foster more meaningful corporate engagement with the community, thereby enhancing the long-term impact of CSR in Mizoram and other similar regions in India. Through its exploration of both legal and practical dimensions, the study will inform future business strategies and contribute to the ongoing dialogue on CSR in India.

In conclusion, this chapter provides the conceptual structure of the entire study. It addresses the general introduction to the topic, the problem statement, literature review, scope and area of the study, study objectives, research questions, methodology, significance of the research, and chapterization, accompanied by a clear overview of the entire research.

CHAPTER II
CORPORATE SOCIAL RESPONSIBILITY (CSR):
CONCEPT AND EVOLUTION

CHAPTER II

CORPORATE SOCIAL RESPONSIBILITY (CSR):

CONCEPT AND EVOLUTION

In the previous chapter, a summary of the study's conceptual framework has been provided. It addressed the general introduction to the study, the statement of the problem, literature review, scope and area of the investigation, study objectives, research questions, methodology, significance of the study, and a concise chapterization of the entire study.

The present chapter offers a careful evaluation of the concept and development of Corporate Social Responsibility (CSR), outlining its various categories and measuring the growth of CSR through several generations to the present and also breaking down the positive aspects and negative consequences of CSR.

2.1 Concept of Corporate Social Responsibility (CSR):

In contemporary world, different business company's and corporates power have increased and compete against each other on various paradigm. They have also shifted their outlook towards bettering the lifestyle of the people, raising social status, increasing economic flow of the country, work together with other overseas company's and financial institutions and refining environmental damages caused by man due to construction, deforestation and many more besides their own framed objectives and goals.

Moreover, different companies have emerged day by day, encompassing various field ranging from domestic to artificial intelligence. Each of these companies strived to be one of the best companies voted by consumers and government, which could withstand certain socio-economic phenomenon for a long period of time. Therefore, efforts are made to be more accountable, transparent, reliable and incorporating innovative ideas and technologies in their system of production. If met the standard requisite in their finish products, it is a road to enhanced the company's reputation and earn respect and trust from the public.

Sometimes, the brand name or company's name are hyped up by influencers, customers and even government which in turn developed loyalty and retention of customers. As such, they have a direct linkage to people all around the world in general and towards the community where they operate their market in particular.

With the increase in population and hardships faced by government to accomplished all the needs of its citizens, business organizations advanced themselves to be one of the most influential and accountable institutions in this globalized world. They step out to improve the social demands and requirement or situations concurrently to advance itself and its shareholders thereby accepting the challenges and encountering trails and errors. They, therefore, have a huge impact over our economic condition, social systems and development of the nation as a whole because 'the corporations faced increased expectations not only to achieve their goals but also the responsibility to protect and improve society's welfare.'⁶⁷ Thus, Corporate Social Responsibility (CSR) is a driving force for commercial entities towards delivering a positive change which is rooted in ethical and moral principles. Another concept which has been interchangeably used with CSR is Corporate Governance (CG).⁶⁸ It aims to meet the pursuits of people, enterprises and the community by means of value system and to satisfy the long-term approach of the proprietors.⁶⁹

All of these create a new framework of responsibility and duty for the company and their humanity concept have increased. Therefore, 'many companies view CSR as an integral part of their brand image, believing customers will be more likely to do business with brands they perceive to be more ethical. In this sense,

⁶⁷Kundal, N. S. (2019), 'Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd.; First Edition (3 November 2022), Gurgaon, Gurugram, Haryana., pp 1

⁶⁸ Ibid, pp 2 , Corporate Governance entails the conduct of board of directors and relationship between the board management and shareholders. It deals with transparency in decision making and accountability to shareholders. It is the widest control mechanism, both internally and externally, to stimulate the proper and efficient use of resources and in the same way to require accountability for taking care of those resources.

⁶⁹ Ibid, pp 24

CSR activities can be an important component of corporate public relations. At the same time, some company founders are also motivated to engage in CSR due to their convictions. Through CSR programs, philanthropy, and volunteer efforts, businesses can benefit society while boosting their brands.⁷⁰ Knowing their company is promoting good causes, employee satisfaction may increase and retention of staff may be strengthened. In addition, members of society may be more likely to choose to transact with companies that are attempting to make a more conscious positive impact beyond the scope of its business.⁷¹

The companies, however, clearly know that ‘a properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes.’⁷²

The concept Corporate Social Responsibility (CSR) regulate mainly around ‘business model that helps a company to be socially accountable to itself, its stakeholders and the public’.⁷³ ‘It is an organizational approach that is beneficial to the business in particular and the state in general. Focus is mainly given to society and environment, it mainly concerned with sustainable conduct of its operations and activities. The concept originated from the fact that society and environment can fall prey to the operations especially of large corporations that pursue economic profit by any means. Their actions can cause damages, often irreversible, to the communities

⁷⁰ Jason Fernando, What is CSR? Corporate Social Responsibility <https://www.investopedia.com/terms/c/corp-social-responsibility.asp> Accessed on 3rd July, 2024

⁷¹ Ibid <https://www.investopedia.com/terms/c/corp-social-responsibility.asp>

⁷² What is CSR? | UNIDO <https://www.unido.org/our-focus-advancing-economic-competitiveness-competitive-trade-capacities-and-corporate-responsibility-corporate-social-responsibility-market-integration/what-csr> Accessed on 20th June, 2024

⁷³ What Is CSR? Corporate Social Responsibility Explained (investopedia.com) (Last accessed on 24 May, 2024)

and environment.’⁷⁴ Hence, business organisation committed to ethical concept in dealing with the socio-environmental responsibility at the same time balance the economic condition of the organization. It is evident that CSR excel in promoting the company’s image positively, which is why this very concept is prevalent amongst the business organisation.

The soul of CSR can be understood from what Jean Jacques Rousseau (Swiss born political philosopher)⁷⁵ termed as the ‘social contract’⁷⁶ between business and society. ‘Rousseau conceptualized a symbolic relationship between business and society, the co-existence of the two parties in a mutually advantageous relationship. The social contract signifies the relationship between business and society.’⁷⁷ The CSR encompasses not only what companies do with their profits, but also how they make them. It goes beyond philanthropy and compliance and addresses how companies manage their economic, social and environmental impacts, as well as their relations in all key spheres of influence : the workplace, the marketplace, the supply chain, the community, and the public policy realm.⁷⁸ The CSR also encompass Elton

⁷⁴ Paleri, P. (2019), ‘*Corporate Social Responsibility: Concept, Cases and Trend*’: Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh, pp-5

⁷⁵ Jean-Jacques Rousseau | Biography, Education, Philosophy, Achievements, Beliefs, Social Contract, & Facts | Britannica <https://www.britannica.com/biography/Jean-Jacques-Rousseau> Accessed on 2nd July, 2024

⁷⁶ Rousseau’s social contract theory holds that with the rise of civilization inequalities raises. This consequently necessitate the institution of civil society, prior to this, in the state of nature, man was a noble savage living an idyllic happiness and primitive simplicity. The state on the other hand was evil, therefore, in order to remove the evil, people must come into contract and accomplish popular sovereignty in accordance with an agreement known as the general will. The people surrender all their natural rights in their individual capacity to the collective whole thereby gaining civil liberty and the property of what he possess. They also get back their corporate capacity in improved form.

⁷⁷ Kundal, N. S. (2019), ‘Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd., Gurgaon, Gurugram, Haryana pp 1

⁷⁸ Definition adopted by Harvard by Corporate Social Responsibility Initiative at Harvard University’s Kennedy School of Management, “The Initiative: Defining Corporate Social Responsibility” https://harvard.edu/m-rcbg/CSR/init_define.html Accessed on 2nd July, 2024

Mayo's⁷⁹ Human Relations approach in public administration. It's central focus is on human being itself and satisfy the psychological needs of the workers, shareholders, consumers as well as promote productivity in a large scale.

KPMG in India in its White paper titled "Corporate Social Responsibility towards a sustainable future" provides a comprehensive understanding of how CSR has evolved as a concept. Accordingly, it stated that, 'The totality of CSR can be best understood by three words: 'Corporate', 'Social' and 'Responsibility'. Broadly CSR relates to responsibilities corporations have towards society within which they are based and operate, not denying the fact that the purview of CSR goes much beyond this. CSR is comprehended differently by different people. Some perceive it to be a commitment of a company to manage its various roles in society, as producer, employer, customer and citizen in a responsible manner while for others it is synonymous to Corporate Responsibility (CR) or Corporate Citizenship or Social Action Programme (SAP). Of late, the term has also been started to linked up with Triple Bottom Line Reporting (TBL) which essentially measures an enterprise's performance against economic, social and environmental indicators.⁸⁰

The meaning of the term CSR may vary from company to company and it has also been termed as sustainable growth, corporate responsibility, social responsibility or corporate citizenship. CSR truly brings out the universal value of human beings and its fundamental existence in the earth. It also reflects the value of selflessness and generosity towards mankind and the planet.

⁷⁹ Australian Organizational theorist who developed Hawthorne experiment of Human Relations Approach or Classical Approach in the study of Public Administration.

⁸⁰ <https://kpmg.com/in/en/services/advisory/risk-compliance/documents/whitepaper%20on%20csr.pdf> Accessed on 2nd July, 2024

2.2 Definitions of Corporate Social Responsibility:

The main concept of CSR means that companies voluntarily take the matter of social, economic and environmental issues thereby stepping out willingly to address this concern in terms of aids and funds as well as providing material component, in the mean-time protecting and respecting the interests and wellbeing of all the stakeholders.

Since the term and concept of CSR differs on the type, size, and style of business system of the industry, there is no clear, well-defined definition that is acknowledged everywhere on this CSR. Still, one could argue that in its most basic form, CSR is a return gesture the business offers to society for the support and collaboration it generates. It is a value-based, well-balanced relationship between the state government in particular and society at large as well as corporate companies. Any action conducted in the name of CSR has to be acknowledged by the state government and a mutual agreement of both sides is necessary to avoid any misinterpretation or unlawful activity which could develop in future.

Moreover, one need to understand that CSR is a concept advocated by business corporations which is beneficial to the business, society and environment in order to promote sustainable conduct of the globalized world. “The concept originated from the fact that society and environment can fall prey to the operations, especially of large business corporations that pursue economic profit by any means. Their action can cause damages, often irreversible, to the communities and environment. Hence, from the business point of view, ethical profit chasing in a sustainable manner draws the bottom line of CSR.”⁸¹

CSR can therefore, be defined as situations where the business organizations go beyond its interest and engages its action further towards social goods. Its main intention is to protect the society and environment in a sustainable manner so that business can be continued and flourished to the maximum and be benefitted by all.

⁸¹Paleri, P. (2019), ‘*Corporate Social Responsibility: Concept, Cases and Trend*’: Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh, pp 5

However, CSR is still in its embryonic form and there exist no theoretical framework which makes this topic more difficult to give a solid definition or form.

Thus, CSR is a model that helps a company be socially accountable and with the amendment of Companies Act, 2013, India became the first country in the world to introduce the same as a “mandatory provision by imposing statutory obligation on Companies to take up CSR projects towards social welfare activities.”⁸²

The European Commission in its Green Paper titled “Promoting a European Framework for Corporate Social Responsibility”, defines the concept CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with the stakeholders on a voluntary basis. Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing ‘more’ into human capital, environment and the relations with stakeholders”⁸³

In India, the legal definition of CSR has been mentioned in the Companies (Corporate Social Responsibility Policy) Rules, 2014 of India. According to Section 2 (1) (c) to the Companies, (Corporate Social Responsibility Policy) Rules, 2014 made under section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013, Corporate Social Responsibility (CSR) means and includes but is limited⁸⁴ to the following –

- iii) Projects or programmes relating to activities specified in Schedule VII to the Act. Schedule VII of the Act indicates the activities that can be undertaken as CSR which broadly relates to Health, sanitation, education, environment, sports, heritage, art and culture, rural development, slum

⁸² Nagaland, Mizoram least favoured destinations for CSR activities | Morung Express | morungexpress.com issued on 19th November, 2019, accessed on 22nd June, 2024

⁸³ Kundal, N. S. (2019), ‘Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd.; Gurgaon, Gurugram, Haryana, pp 17

⁸⁴ Paleri, P. (2019), ‘*Corporate Social Responsibility: Concept, Cases and Trend*’: Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh, pp 15

area development, Disaster management, including relief, rehabilitation, and reconstruction activities, setting up old age homes, day care centers, measures for reducing inequalities faced by socially and economically backward groups etc⁸⁵ or

- iv) Projects or programmes relating to activities undertaken by the Board of Directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

The European Commission (EC) has defined CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis”.⁸⁶

The World Business Council for Sustainable Development (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 the community and society at large”.⁸⁷

According to the United Nations Industrial Development Organisation (UNIDO), “Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line -Approach), while at the same time addressing the expectations of shareholders and stakeholders, In this sense it is important to draw a distinction between CSR, which can be a strategic business

⁸⁵ <https://sansad.in/getFile/loksabhaquestions/annex/176/AU2080.pdf?source=pqals>, accessed on 21st June, 2024

⁸⁶ Paleri, P. (2019), *‘Corporate Social Responsibility: Concept, Cases and Trend’*: Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh, pp 16

⁸⁷ Karim, A., (2021) *Corporate Social Responsibility*, SBPD Publishing House, Uttar Pradesh, pp - 8

management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.”⁸⁸

Besides the above definition, some other definitions of CSR are stated as under:

Howen Bowen in his book *‘The social responsibility of businessman’* has proposed the definition of CSR as “the obligations of business to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objections and values of the society.”⁸⁹

Mallen Baker has defined CSR as “how companies manage the business to produce an overall positive impact on society”.⁹⁰

According to Keith Davis, “Social responsibility of business implies that the businessmen’s decisions and actions are taken for reasons at least partially beyond the firm’s direct economic or technical interests.”⁹¹

From the above concept it is clear that CSR is a management concept whereby companies integrate encourage a positive social and environmental concerns in their business operations and interactions with their stake holders. It is a process with an aim to embrace responsibility for the company’s actions and encourage a positive image through its activities on the environment, consumers, employees, communities and all other members of the public sphere who may also be considered stakeholders.

⁸⁸ Karim, A., (2021) Corporate Social Responsibility, SBPD Publishing House, Uttar Pradesh, pp - 3

⁸⁹ Kundal, N. S. (2019), ‘Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd.; Gurgaon, Gurugram, Haryana, pp-13

⁹⁰ Mallen Baker’s reserchgate.net :Definitions of corporate social responsibility – What is CSR?” Business in society by Mallen Baker Source: Mallen Baker Online... | Download Scientific Diagram (researchgate.net) Accessed on 29 July, 2024

⁹¹ Karim, A., (2021) Corporate Social Responsibility, SBPD Publishing House, Uttar Pradesh, pp - 3

2.3 Evolution of CSR:

‘Prima facie, the reasons for the development of CSR in India appeared to be the same as in the west, namely, religious belief and sentiment coupled with the accumulation of capital and industrial wealth, along with its attendant social consequences, ideological development and pressure from society’.⁹² Thus it is clear that CSR in India has an ‘organic evolution from within its own culture and history which sets it apart from the west’.⁹³ Further, with the coming into effect of the Companies Act, 2013, enacted by Parliament in the 64th year of the Republic of India, which extends to the whole of India supplemented CSR rules in Section 135 and came into effect from April 1st, 2014. It was made applicable to companies from the financial year 2014-2015. This provision makes India to become the first country to legally mandate CSR in 2014. CSR has therefore, received significant attention in the realm of business organization however, the mandatory requirement has generated considerable debate and discussion till date. Moreover, with the importance being given by the government, various corporations be it public or private, profit or non-profit organisation have been converging the incorporation of CSR in their practices like environment, social and other developmental activities besides their business goals. The resulting effect is that, it now has become the core component of corporate strategy and an important tool to minimize conflict occurring inside or outside of the company.

Mandate have been made in the Companies Act, 2013 Chapter- IX Section-135 (1) “Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during (the immediately preceding financial year) shall constitute a Corporate Social Responsibility Committee of the Board of three or more directors, out of which at least one director shall be an independent director.....” in sub-section (5) it further mentioned that “The Board of every company referred to sub-section(1), shall

⁹² Kundal, N. S. (2019), ‘Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd.; Gurgaon, Gurugram, Haryana, pp - 109

⁹³ *ibid*

ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, (or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years,) in pursuance of its Corporate Social Responsibility Policy...”⁹⁴ The activities eligible across sectors include hunger and poverty, education, health, gender equality, women empowerment, skills training, environment, social enterprise projects, and promotion of rural and national sports.⁹⁵

‘The term CSR may have been relatively new to India, but the concept dates back to Mauryan history, where philosophers like Kautilya emphasized on ethical practices and principles while conducting business. CSR has been informally practiced in ancient times in form of charity to the poor and disadvantaged. Indian scriptures have at several places mentioned the importance of sharing one’s earning with the deprived section of society. India has a deep-rooted culture of sharing and caring.’⁹⁶

Right from the inception of Company Act, 2013, the scenario of Mizoram has been shifted to a more corporate form, various business organization operated in the state tried to win the hearts of the people through their CSR initiatives. As such the foremost of all company’s entered in the state ‘The Navajbai Ratan Tata Trust and the Government of Mizoram signed a Memorandum of Understanding on October 10, 2013 towards improving the quality of Education in Mizoram. The MoU extends for a period of 5 years where NRTT and the Government of Mizoram have collaborated in implementing projects to improve the quality of education in the State. Through this Memorandum of Understanding, the Trusts propose to work in the state on a range of issues aiming at improving quality of preschool services, elementary

⁹⁴ Companies Act, 2013 (As amended by Companies (Amdt.) Act, 2020), 4th Edition, October, 2020

⁹⁵ Ritwika Patgiri and Dr Syed Sultan Kazi, Policy Brief: Bridging the CSR Divide in North East India A Decade of Corporate Social Responsibility and Beyond (2011-2020) August, 2021

⁹⁶ <https://www.soulace.in/how-has-csr-evolved-in-india.php> How has CSR evolved in India ? | SoulAce Accessed on 5th July, 2024.

schools, provision of teaching learning materials in local Mizo and other languages, ensuring life skill and vocational skill education for youth and adolescents, providing access to secondary schools by supporting residential facilities and use of modern Information Communication Technology tools to make teaching – learning relevant and joyful.’⁹⁷ The efforts of this CSR has succeed in securing Mizoram to the top level indicator of literacy index in India.

Various other CSR activities have paved its way after this, such as the Magic – Bus SCALE programme which is also a poverty alleviation programme. ‘Magic Bus has been actively working with children and communities since 2014, in Mizoram. Its 5-year SCALE (School Completion and Livelihood Enablement) programme has been funded by Azim Premji Philanthropic Initiative (APPI) and Laureus Sport for Good Foundation. The programme provides training to teachers from government schools across Mizoram, to build their capabilities to conduct life skills sessions to adolescents in schools, through activity-based learning.’⁹⁸

One may reiterate that, Mizoram being one of the least developed states of the country deserve a huge CSR investment. But various reports of government showed that ‘Mizoram is one of the least favored destinations for corporate philanthropic activities in India. According to data provided by the Minister of Finance and Corporate Affairs, Nirmala Sitharaman on November 18, 2019, in reply to a Starred Question in the Lok Sabha, in the three financial years prior to 2019, the CSR expenditure in Mizoram was merely Rs 1.38 crore.’⁹⁹ This is still a trending issue, ‘a mere 0.91% of CSR fund has been received by North Eastern states of Assam, Arunachal Pradesh, Nagaland, Sikkim, Meghalaya, Mizoram and Tripura in the financial year 2020 to 2021.’¹⁰⁰ ‘The state saw a minor surge in CSR spending in the years after 2019. In the financial year 2021-22, Mizoram received Rs. 6.94 Cr. in

⁹⁷ <https://thecsrjournal.in/top-csr-projects -mizoram-corporate-social-responsibility/> Accessed on 5th July, 2024

⁹⁸ *ibid*

⁹⁹ <https://thecsrjournal.in/top-csr-projects -mizoram-corporate-social-responsibility/> Accessed on 5th July, 2024

¹⁰⁰ <https://www.fortuneindia.com/macro/rich-states-mah-tn-guj-corner-most-csr-spend-ne-gets-less-than-1/113611> Accessed on 6th July, 2024

CSR funds from 17 companies. The top three CSR spenders in the state were REC Limited that spent Rs. 4.08 Cr., LIC Housing Finance Limited with a spending of Rs. 48 Lakhs, and Ram Infracon Private Limited with a total spending of Rs. 46 Lakhs. The areas of focus of CSR initiatives were Health, Environment, Education and Encouraging Sports.’¹⁰¹

There could be several factors which led to small financing and operation of CSR projects in Mizoram, at large the lack of infrastructure and resource scarcity could be the major factor but this alone could not be responsible for being the least favoured state because the very concept of CSR is to provide a welfare state and the true essence of CSR is not met in this area. However, it is also important to note that project approval lies in the discretionary power of the company itself. Various proposals have been submitted by the state government which is perhaps feasible and practicable. Despite the efforts provided by the state government CSR funding is not leaping as expected. Further, the economic condition of the state, which is very low compared to the other state of the country and high profile of poverty and underdevelopment may also play a crucial role in attracting and inattention of CSR organisations in the state. Company’s might find futile to operate their large amount projects in the state due to the same. So, there is so much work to do on the part of government as well as the society itself, to engage CSR projects at large.

Below is a periodic table that traces the history of Corporate Social Responsibility (CSR) and its emergence in the corporate world. The table outlines key events, periods, and shifts in CSR, highlighting the movement from early philanthropic efforts to modern-day CSR strategies. It also includes references in the footnotes to provide a clearer understanding of each development.

¹⁰¹ [https://thecsrjournal.in/top-csr-projects -mizoram-corporate-social-responsibility/](https://thecsrjournal.in/top-csr-projects-mizoram-corporate-social-responsibility/)
Accessed on 5th July, 2024

Table 2 .3.1

Historical Evolution of CSR

Sl. No	Period	Event/Development	Description
1	Pre-19th Century	Early charitable giving	Wealthy individuals, such as kings and religious figures, practiced charitable giving without systematic approaches to social responsibility. ¹⁰²
2	Early 19th Century	Industrial Revolution begins	The rise of industrial capitalism leads to the first instances of business wealth. Early businessmen begin philanthropic giving. ¹⁰³
3	Late 19th Century	Andrew Carnegie and John D. Rockefeller's philanthropy	Industrial giants like Carnegie and Rockefeller believe that the wealthy have a moral obligation to give back to society. ¹⁰⁴
4	Early 20th Century	CSR as a concept begins to take shape	Scholars and business leaders start advocating for a business's obligation to address social issues beyond profit-making. ¹⁰⁵
5	Mid-20th Century	Post-WWII expansion and rise of multinational corporations	The rise of large corporations creates a need for formal approaches to CSR, incorporating ethical labor practices and governance. ¹⁰⁶
6	1960s-	Emergence of	The civil rights movement and

¹⁰² Carnegie, A. (1889). *The Gospel of Wealth*, North American Review, Boston

¹⁰³ Hurst, D. (2007). *The Philosophy of the Gospel of Wealth*. Journal of Business, Chicago, Illinois, USA

¹⁰⁴ Carnegie, A. (1889). *The Gospel of Wealth*. North American Review, Boston

¹⁰⁵ Bowen, H. R. (1953). *Social Responsibilities of the Businessman*, Harper & Row, New York

¹⁰⁶ Davis, K. (1973). *The Case for and Against Business Assumption of Social Responsibilities*. Academy of Management Journal, Vol.16 No.2, 312-322.

	1970s	environmental concerns, civil rights, and social justice issues	environmental concerns shape the next phase of CSR, with companies addressing broader societal challenges. ¹⁰⁷
7	1980s	The rise of stakeholder theory and focus on sustainability	Stakeholder theory promotes the idea that businesses should serve the interests of all stakeholders, including employees, communities, and the environment. ¹⁰⁸
8	1990s	CSR becomes institutionalized; rise of global standards and ethical business codes	International organizations such as the UN and OECD begin developing CSR guidelines, influencing multinational companies. ¹⁰⁹
9	2000s	Increased focus on Environmental, Social, and Governance (ESG) criteria	CSR integrates sustainability and governance into business models, with companies incorporating green practices and social responsibility into their strategies. ¹¹⁰
10	2010s-Present	CSR becomes a central component of business strategy, with a focus on transparency	Modern businesses adopt CSR as a central element of their corporate strategy, incorporating transparency, ethical practices, and global sustainability. ¹¹¹

Source: Field Study conducted during October 2022

¹⁰⁷ Frederick, W. C. (1960). *The Growing Concern Over Business Responsibility*. California Management Review, Vol. 2, No.4, 54-61.

¹⁰⁸ Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*.: Pitman Publishing, Boston.

¹⁰⁹ Moon, J. (2007). *The Contribution of Corporate Social Responsibility to Sustainable Development*. Business and Society Review, Vol.112, No.4, 403-426.

¹¹⁰ Elkington, J. (1998). *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*. Capstone Publishing, North Mankato, Minnesota.

¹¹¹ Aguinis, H., & Glavas, A. (2012). *What We Know and Don't Know About Corporate Social Responsibility: A Review and Research Agenda*. Journal of Management, Vol.38, No.4, 932-968

2.4 Key principles of CSR:

Corporate Social Responsibility (CSR) has transitioned from a voluntary initiative to an essential part of business strategy over the years. CSR indicates a company's commitment to executing its business ethically, socially responsibly, and in an environmentally sustainable fashion. The following are the key principles of Corporate Social Responsibility (CSR):

2.4.1. Triple Bottom Line (TBL)

The Triple Bottom Line (TBL) is a concept introduced by John Elkington in 1994 that broadens the traditional financial bottom line of business to include social and environmental considerations. It is a framework for measuring a company's commitment to sustainable business practices by evaluating three key pillars:

- **People (Social Impact):** This pillar focuses on how companies treat their employees, customers, and the communities where they operate. It emphasizes the importance of fair labor practices, ensuring diversity, and contributing to the well-being of society.
- **Planet (Environmental Impact):** Companies must minimize their environmental impact, focusing on sustainability practices such as reducing carbon footprints, conserving natural resources, and preventing pollution.
- **Profit (Economic Impact):** While profit remains important, this pillar encourages companies to generate economic returns in a manner that doesn't exploit people or the planet.

The TBL encourages companies to pursue a balanced approach to achieving long-term sustainability, focusing on social, environmental, and economic outcomes (Elkington, 1997)¹¹²

¹¹² Elkington, J. (1998). *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*. Capstone Publishing, North Mankato, Minnesota.

2.4.2. Stakeholder vs. Shareholder Models

There are two main models that describe the focus of corporate governance: the stakeholder model and the shareholder model.

Shareholder Model:

- The shareholder model focuses primarily on maximizing profits for the shareholders or investors. It operates on the principle that the main responsibility of a company is to generate financial returns for its owners. In this model, other considerations like social or environmental impacts are secondary to the goal of profit maximization.

Stakeholder Model:

- The stakeholder model broadens the responsibility of companies beyond just shareholders to include other stakeholders, such as employees, customers, suppliers, local communities, and the environment. In this model, businesses are expected to balance the interests of all these groups, promoting long-term sustainability and ethical practices. A company's responsibility is not just to make money for its investors, but to create value for a broader set of stakeholders (Freeman, 1984)¹¹³

While the shareholder model is often criticized for encouraging short-term profit maximization, the stakeholder model is considered more holistic and aligns better with modern CSR principles that prioritize long-term sustainability and ethical business conduct.

¹¹³ Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Pitman, Boston,

2.4.3. Ethical Theories in CSR

Ethical theories provide frameworks that guide CSR practices. Three major ethical frameworks that influence CSR decisions are:

2.4.3.1 Utilitarianism:

Utilitarianism, proposed by Jeremy Bentham and John Stuart Mill, is an ethical theory that advocates for the greatest good for the greatest number. In CSR, a utilitarian approach would mean that a company makes decisions that maximize positive outcomes for society, even if it results in short-term costs for the business.

Example: A company might invest in environmentally friendly technology that incurs high initial costs but reduces its carbon footprint and contributes to the overall well-being of society in the long run (Bentham, 1789).¹¹⁴

2.4.3.2 Deontology:

Deontological ethics, formulated by Immanuel Kant, focuses on the morality of actions themselves, rather than their outcomes. In CSR, this approach emphasizes the importance of adhering to moral rules or duties, regardless of the consequences. Companies following deontological principles would respect human rights, follow labor laws, and operate in an ethically sound manner because it is the right thing to do.

Example: A company might implement fair labor practices and ensure workplace safety, even if these practices increase operational costs, because it is their moral duty to respect workers' rights (Kant, 1785).¹¹⁵

¹¹⁴ Bentham, J. (1789). *An Introduction to the Principles of Morals and Legislation*. London: T. Payne.

¹¹⁵ Kant, I. (1785). *Groundwork for the Metaphysics of Morals*. Cambridge University Press, UK.

2.4.3.3 Virtue Ethics:

Virtue ethics, associated with Aristotle, emphasizes the development of good character traits (virtues) such as integrity, honesty, and compassion. In CSR, this approach would focus on cultivating an ethical company culture that makes decisions based on what a virtuous organization would do.

Example: A company practicing virtue ethics might invest in local communities, promote employee development, and adopt sustainable practices as part of a broader strategy to foster a corporate culture based on compassion and integrity (Aristotle, 350 BCE).¹¹⁶

2.4.4 Corporate Governance and Transparency

Corporate governance and transparency are integral to CSR. Companies are expected to be accountable not only to their shareholders but also to society, ensuring their actions are aligned with ethical standards and legal requirements. This includes transparency in financial reporting, environmental impact, and social contributions.

Laws such as the Sarbanes-Oxley Act in the U.S. and the Non-Financial Reporting Directive in the EU mandate that companies disclose non-financial information, including environmental, social, and governance (ESG) issues. These regulations have pushed businesses to adopt more transparent and responsible practices (Brown & Caylor, 2006)¹¹⁷

2.4.5 Sustainability and Long-Term Value Creation

Modern CSR emphasizes the idea that businesses should create long-term value, not just short-term profits. Companies are encouraged to adopt strategies that lead to sustainability — socially, economically, and environmentally. This includes designing products that are sustainable, using ethical sourcing, reducing waste, and ensuring the welfare of employees and communities. The idea is that long-term value

¹¹⁶ Aristotle. (350 BCE). *Nicomachean Ethics*. Translated by W. D. Ross.

¹¹⁷ Brown, L. D., & Caylor, M. L. (2006). *Corporate Governance and Firm Performance*. Journal of Financial Economics, Vol. 38, No. 1, 32-53.

creation goes beyond financial success and involves improving social and environmental conditions for future generations (Porter & Kramer, 2011)¹¹⁸.

2.5 Different categories of CSR:

From our previous discussion, we can conclude that CSR is generally categorized in four ways - environmental responsibility, ethical/human rights responsibility, philanthropic responsibility and economic responsibility.

2.5.1 The environmental responsibility:

Environmental responsibility refers to the organization's commitment to sustainability and environmentally friendly operations¹¹⁹. 'It is critical for organizations devoted to CSR to engage in environmentally friendly practices. Corporations may contribute significantly to natural resource depletion, waste, greenhouse gas emissions and pollution, but by committing to environmental responsibility, a company takes ownership of its environmental effect. The environment protection laws and regulations enacted by the Parliament such as The Environment (Protection) Act, 1986 and The Environment (Protection) Rules, 1986 in consequence of the infamous Bhopal Gas Tragedy also provide a regulation for CSR activities even in situation where Section 135 (1) of the Companies Act, 2013 is not attracted.¹²⁰ The Act intent to improve the environment and to prevent the reoccurrence of hazardous incident that could happen again to human beings, other living creatures, our planet as well as our property.

¹¹⁸ Porter, M. E., & Kramer, M. R. (2011). *Creating Shared Value*. Harvard Business Review, Vol. 89, No. 1-2, 62-77

¹¹⁹ <https://benevity.com/resources/types-of-corporate-social-responsibility> The 4 main types of corporate social responsibility your business should consider (and why) (benevity.com) Accessed on 5th July, 2024

¹²⁰ De, R. , A Practical Guide to Corporate Social Responsibility: Law, Accounting and Taxation aspects, 2018, Second edition, Bloomsbury Publication, New Delhi, pp -163

Environmental responsibility may take various shapes depending on the size and sector of a company. For some businesses, this entails utilizing alternative energy sources and environmentally friendly products. Others may consider implementing a company-wide recycling programme or giving to and volunteering for local environmental organizations.’¹²¹ ‘Every year, more companies are prioritizing sustainable practices, pledging to consider their environmental impact at every stage of business. This can mean reducing the company’s carbon footprint or greenhouse gas emissions, opting for sustainable resources by avoiding single-use plastics and keeping environmental aspects at the heart of all operations. However, this environmental responsibility can extend past the company’s promise to sustainable development’.¹²² It has now been proven that most company’s try to use eco-friendly products in their packaging as well as use recycled waste material in order to avoid further environmental damage. They even avoid animal testing in their laboratories which used to be prevalent prior to the Act.

2.5.2 The ethical/human rights responsibility:

Corporate sustainability begins with the belief in fulfilling the psychological needs of its workers and approach its business on ethical values. It must uphold the charter enshrined in the Universal Declaration of Human Rights, the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Right to Work, ILO Tri-partite Declaration of Principles Concerning Multinational Enterprise and Social Policy, the Rio Declaration on Environment and Development, the United Nations Convention Against Corruption, the Organisation for Economic Co-operation and Development (OECD) guidelines for Multinational Guidance Standard on Social Responsibility, the Constitution of India and various other amendment associated with this. It could be seen that most companies eliminate all forms of forced and compulsory labour and avoid child labour at any cause. They also tried to

¹²¹ <https://www.jaroeducation.com/blog/corporate-social-responsibility-and-its-types/> Accessed on 5th July, 2024

¹²² <https://benevity.com/resources/types-of-corporate-social-responsibility> The 4 main types of corporate social responsibility your business should consider (and why) (benevity.com) Accessed on 5th July, 2024

improve the working condition of labourers by incorporating innovative technology and offers opportunity for excellent workers to advance their skills and wage.

Therefore, ‘Ethical responsibility refers to a company’s commitment to operate their business in an ethical manner that upholds human rights principles, such as fair treatment of all stakeholders, fair trade practices and equal pay. To champion ethical responsibility, many businesses will speak up in the name of human rights injustices such as child labor, racial or gender discrimination and the fight for a higher minimum wage. Much like with responsibility to the environment, there are ways to endorse ethics at your company by involving employees in the process.’¹²³

2.5.3. The Philanthropic responsibility:

Philanthropic activity includes any form of giving which is considered to be part of expectations of people from business organization. It is safe to say this part of activity is practiced by businessmen in the form of charity (which often mean donation of money by many) is one of the earliest practice of philanthropic activity. In other words it can also refer to charitable act, voluntary your time or efforts that help others or contribute to the wellbeing of the society. Some even sponsored scholarship for the needy students to continue their studies abroad or within the state. Some writers argued that philanthropy may be done for tax break or altruism, or a combination of the two things.

Further, ‘Philanthropic responsibility refers to a corporation’s aims, goals and objectives for actively bettering society as a whole. One huge aspect of corporate philanthropy is donating money from company earnings to worthy causes within the local community — often in the form of a trust or foundation. These kinds of philanthropic efforts speak volumes to your public image as a business leader, which is crucial in today’s world. There are several ways in which businesses can

¹²³ <https://benevity.com/resources/types-of-corporate-social-responsibility> The 4 main types of corporate social responsibility your business should consider (and why) (benevity.com) Accessed on 5th July, 2024

incorporate CSR in the form of philanthropy while engaging employees, including giving schemes with the potential for donation matching’.¹²⁴

Besides their systematic operation, The Covid-19 pandemic has also brought chance for various companies to deliver the ethical responsibilities, POWERGRID Corporation of India Ltd. extensively supply sanitizers, gloves, mask, Personal Protection Equipment (PPE’s) and many more to various district of Mizoram for public and government use so as to contain the disease.

SBI Foundation started ‘SBI Sanjeevani – Clinic on wheels’, a mobile medical unit in South Sikkim during FY 2016-17, to provide primary healthcare services to the rural communities. The project has improved the quality of life of the communities in the remote villages by providing doorstep medical services. The project has been expanded to Mizoram and a few other Indian states in FY 2021-22 with an estimated outreach of over 2 lakh beneficiaries across 250 remote villages. The project has been well-received by the communities, and local Health departments are also supporting the initiative.¹²⁵

2.5.4 The Economic Corporate responsibility:

Plans and projects which are sustainable in the short term but harmful in the long run are most likely neglected. Actions which benefitted both the business and community are measured carefully – ‘the expected cost and its benefits, the purpose it served and the design to generate money in a way that benefits the environment, culture and spiritual wellbeing of the employees, customers and communities’.¹²⁶ As such, ‘economic responsibility refers to the practice of making financial decisions based on a commitment to doing good. Some common examples of economic

¹²⁴ <https://benevity.com/resources/types-of-corporate-social-responsibility> The 4 main types of corporate social responsibility your business should consider (and why) (benevity.com) Accessed on 5th July, 2024

¹²⁵ <https://thecsrjournal.in/top-csr-projects-mizoram-corporate-social-responsibility/> Accessed on 6th July, 2024

¹²⁶ Karim, A., (2021) Corporate Social Responsibility, SBPD Publishing House, Uttar Pradesh, pp 23,24

responsibility include investing in alternative energy sources, putting more money into education programs and funding local charities as a way of bolstering their mission. To uphold economic responsibility, business leaders are challenged to think past operational cost savings and instead put their obligation to corporate citizenship at the heart of all financial decisions. Regardless of the type of CSR, consider how you'll measure your program's performance and impact. Watch The Social Impact Show to explore how.¹²⁷

To address problems like low productivity, income, deforestation, soil erosion, nutrient loss and loss of biodiversity in rural areas of Mizoram, Tata Sons Private Limited has conceived a 5 years CSR intervention in developing alternative integrated livelihood options for the farmers in Aizawl, Serchhip and Lunglei districts and practices for sustainable utilisation of natural resources. These include expanding the scope of traditional backyard piggery for small holders, facilitating a shift from Jhum farming by engaging households under kharif cultivation, increasing productivity of land through crop diversification, promoting orchard development, livestock management, enhancing knowledge and awareness of better agriculture and horticultural practices, promoting sustainable use of water resources through rainwater harvesting and forming Farmer Producer Organisations for shared inputs.¹²⁸

From the above it is clear that the concept and scope of CSR is multi-dimensional. It covers the whole aspects of development in terms of its objectives and interest it caters and further in its application as well. 'It encompasses social, economic and environmental issues as well as the interests of the corporation.'¹²⁹ It is also fair to say that competition among the corporate is likely to happen in terms of the amount and number of CSR projects a company had covered in a year. This type

¹²⁷<https://benevity.com/resources/types-of-corporate-social-responsibility> Accessed on 5th July, 2024

¹²⁸<https://thecsrjournal.in/top-csr-projects-mizoram-corporate-social-responsibility/> Accessed on 6th July, 2024

¹²⁹ Kundal, N. S. (2019), 'Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd.; Gurgaon, Gurugram, Haryana, pp - 28

of fair competition pleasantly improved the standard of the society and development of the country to a very great extent. It intensified the quality of the country by in improving the - infrastructure, air quality by reducing the carbon emissions from factories, poverty elevation, educational system, medical equipment, health care and many more.

However, by looking at India's scenario despite the efforts paved by the corporation, numerous adversities have been faced by the them while executing their project work. The predominant form is compensation problem. In this case, certain land is owned by farmers or locals which perhaps are unlikely registered legally (Revenue Department). The company on the other hand as per 'The Environment Impact assessment (EIA) Notification, 2006, issued by the government in this regard vide notification No. S.O. 1533 dated 14th September, 2006, as amended from time to time, prescribes the process for granting prior Environment Clearance (EC) in respect of certain development projects or activities that are more clearly listed out in the Schedule to the notification'¹³⁰ need to clear some portion of the formers plantation or land or the whole cultivated land or the formers property, in order to get ahead with their project, compensations are provided by the later in terms of money to cover the value of demolished crops or area as per the guidelines provided by the government. Here, the people, unaware of their status used to demand more money when they are not satisfied with the amount they received and implored to re-assessed their land value which delayed the company's work as this could take another long route and sometimes goes to the extent of objecting the projects. This unforeseen event is commonly faced by the company after deploying their workers to execute the project and Mizoram is no exception in this regard.

These hindrances, on the other hand, does not discourage the corporate to stop performing their CSR activities, instead they utilized it to that particular area in conformity with the rules and to gain the trust of the people so that they could reciprocate in accepting the projects the former needs to complete. So, it took a turn

¹³⁰ De, R. , A Practical Guide to Corporate Social Responsibility : Law, Accounting and Taxation aspects, 2018, Second Edition, Bloomsbury Publication, New Delhi, pp - 165

as a win-win situation for both the parties. However, it is important to note that CSR is not a bait the company's used to complete their project because even to fund one commitment under CSR grant the company has to give out thousands of rupees, therefore, approval of the same is not an easy task.

2.6 Generations of CSR:

CSR is of recent origin and is still an evolving concept, we have already discussed that there is a wide option for companies to adopt CSR practices and to incorporate it for their overall strategic plan. Social responsiveness has gained its momentum during the 1960's and 1970's. Different scholars and thinkers came up with different generations of CSR based on their own view revealing the relevant business situations and environment of their time. Dr. Simon Zadek, a writer and advisor focused on business and sustainability has come up with three generations of CSR in 2001. He is currently co-Director of the United Nations Environment's Inquiry into the design of Sustainable Financial System and a visiting Professor at Singapore Management University.

2.6.1 First Generation or the past:

Former CSR focuses more on corporate philanthropic activities. It shows that corporations can give to society without getting distracted from their corporate obligations and still be in profit. There are millions of companies around the world that donate substantial funds to healthcare, education, etc. Philanthropic activities that were charity in the past are now aligned with the strategic interests of business. Companies engage stakeholders with philanthropic interests and relate to non-profit organisations. The companies also shifted their philanthropic process under the globalized scenario.¹³¹

¹³¹ Karim, A., (2021) Corporate Social Responsibility, SBPD Publishing House, Uttar Pradesh, pp 28

2.6.2 Second Generation or the present:

As we already mentioned CSR is a developing concept. The present business entities consider CSR to be a strategic tool. It deals with incorporating CSR as an integral part of a long-term business strategy. Hence, the business strategy is based on the competitive survival of a business and the concept is what is widely appreciated and accepted by business companies. Companies are aiming to gain competitive advantage through CSR practices in the second generation.

2.6.3 Third Generation or the future:

CSR focuses on making significant contributions by supplementing national governance in poverty eradication, healthcare, inclusiveness, environmental preservation, etc. It addresses issues like poverty, exclusion and environmental degradation. The third-generation practice would see businesses taking an active role in partnering with other elements of society to deal with huge problems. Here, we see a shift from individual company activities to group activities. The idea goes beyond voluntary approaches by individual companies and involves leadership companies and organisations that influence the market in which they operate. The idea is to make the whole market sustainable. It is a long-term perception. The third generation looks at businesses working closely with the government and even influence policy changes towards betterment. The third generation has not been practically applied and remains a partially engaged vision.

2.7 Growth and Development of CSR in India:

Globalization and Liberalization of India in 1991 pave another milestone leading the country a complete turnover towards deregulation. The change was necessary for India to get out of the difficult economic situation the country faced then. Corporate governance became important as management and ownership got separate and the span between it widened, business became enlarged and widened in nature, with privatization taking to the fore. 'Corporate government in India aims at

committing the concerned corporation or organization as a reliable stakeholder-friendly, transparent and sustainable service provider and a reliable partner.¹³²

In this era, the first major initiatives on corporate governance was taken by the Confederation of Indian Industries (CII), in 1998. 'The CII took initiative of introducing guidelines for corporations to follow in India. At the same time different private investment companies entered and the style of economy changed rapidly. Indian business organization has to compete with the global business organization and the style of doing business shifted from traditional to modern approach.

Therefore, the phase of traditional philanthropic activities like charity needs to lean towards conventional development concerns and emphasis was made to improve the overall social welfare of the country. This era saw a rapid growth in business activities and the corporate responsibility actively engaged to improve the disadvantage and weaker sections of the society as well as development of the whole society and environment. Thus, 'while the philanthropic model remains influential, it is, however, slowly transformed into more strategic and formalized programmes and complemented with new activities in environmental reporting.'¹³³ 'The first formal attempt by the Government of India to put the CSR issue on the table was in the issuance of the Corporate Social Responsibility Guidelines in 2009 by the Ministry of Corporate Affairs. The guidelines represent a substantial effort in enhancing protection of stakeholder's interest in corporate sector as well as focus on both CSR activities and on the ethical and sustainable conduct of business. It also outline the rights of all stakeholders and human rights.'¹³⁴ Further, 'the Ministry of Corporate Affairs (MCA), in July, 2011 unveiled the National Voluntary Guidelines (NVGs) which aimed at promoting social, environmental and economic responsibilities of business. It also provide business a framework to enable them to move towards responsible operational decision making and urge them to adopt the "triple bottom-

¹³² Paleri, P. (2019), '*Corporate Social Responsibility: Concept, Cases and Trend*': Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh, pp-287

¹³³ Kundal, N. S. (2019), '*Corporate Social Responsibility – Concept, Genesis, Evolution & Practice*, 2019, Oak Bridge Publishing Pvt. Ltd.; Gurgaon, Gurugram, Haryana, pp - 113

¹³⁴ Ibid, pp – 132, 133

line” approach’¹³⁵ With all of these efforts, the government clearly understood their assignment and foresee what may happen in future India if both the corporate and government work closely together. Thus, the Companies Act, 2013 was enacted by the Parliament on account of this and to regulate the Company more legally. As mentioned earlier, ‘Section 135 of the Companies Act extends CSR from public to private companies and companies of a certain size to spend 2% of their average net profits made during immediately three financial years towards any of the activities specified in Scheduled VII of the Act.’¹³⁶ ‘In 2015 with an intention to align the NVG’s with Sustainable development goals and United Nations Guiding Principles on Business and Human Rights, Ministry of Corporate Affairs started the process of reviewing the guidelines and updating them. These updated principles called the National Guidelines on Responsible Business Conduct (NGRBC), issued in March, 2019 encourage business to achieve the Sustainable Development Goals (SDG’s) agenda by focusing on stakeholders, it allows for deliberations on areas related to business, such as climate change, circular economy and aspect of sustainable development. It facilitates examination of social costs incurred in the process of economic development, especially with respect to natural resources such as clean air, potable water, contamination free food, etc.’¹³⁷

Moreover, ‘in this age of strict corporate governance, the concept of ‘shareholder wealth maximization’ has taken the backseat, and what has emerged as more important for companies to ensure better corporate governance is to give due concern to the society and environment which are amongst its stakeholders. It is from this concern that the adoption of responsible business practices gains significance as the interest of the society and the environment are no less important than the company’s financial and operational performance.’¹³⁸ Therefore, the companies gave

¹³⁵ Ibid, pp – 133, 134

¹³⁶ Companies Act, 2013, 4th Edition, October, 2020

¹³⁷ Kundal, N. S. (2019), ‘Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd.; Gurgaon, Gurugram, Haryana, pp - 135

¹³⁸ De, R., A Practical Guide to Corporate Social Responsibility : Law, Accounting and Taxation aspects, 2018, Second Edition, Bloomsbury Publication, New Delhi, pp - 149

much importance to this greater concern 'since they have a larger shareholder base in the society thereby making public interest in them quite enormous.'¹³⁹ 'CSR goes beyond the exclusive scope of the country as it is characteristic of the human system as a whole. It is hidden in the core attitude of a human system and its interactive behaviour.'¹⁴⁰ 'The last phase of 20th century became the starting point in India's tryst with corporate governance and the idea is poised for growth throughout the 21st century. Indian corporations have already carved a niche in the modern world market.'¹⁴¹

As a result, many Indian companies are at the forefront of corporate governance which further enhance the economic condition of the country. This induced confidence for foreign investors to invest in India. 'The government too is supporting and incentivizing the corporations by the enactment of laws, cyber laws, social responsibility rules, competition laws, foreign exchange management laws and other regulatory measures and guidelines and establishment of authorities such as the Securities and Exchange Board of India (SEBI) as the guardian of corporate government in India.'¹⁴² All of these maintain integrity, transparency and accountability throughout their organization particularly as well as to the public and global in general.

2.8 Advantage and Disadvantage of CSR:

The Corporate Social Responsibility 'as it is known in the triad of business, government and society, is the present status of corporate philanthropy which is an affirmation, obligation, commitment and mandate that is decidedly dynamic. There is a heating success stories of CSR towards society and environment all over the

¹³⁹ De, R, A Practical Guide to Corporate Social Responsibility : Law, Accounting and Taxation aspects, 2018, Second Edition, Bloomsbury Publication, New Delhi pp - 149

¹⁴⁰ Paleri, P. (2019), '*Corporate Social Responsibility: Concept, Cases and Trend*': Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh , pp-279

¹⁴¹ Ibid, pp - 287

¹⁴² Paleri, P. (2019), '*Corporate Social Responsibility: Concept, Cases and Trend*': Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh, pp - 288

world'¹⁴³ but there also exist a barrier which hampers the developmental phase of CSR. It is a very much accepted line that CSR is a business practice which is oriented socially. It therefore, increase the chance to showcase companies consistency and their productivity which again result in winning customers retention and loyalty. It leads a positive reputation for the company, it incurred a profitable and valuable income and promote better customer relation. So, the advantages of CSR for both the company and the society is prodigious. CSR aims for sustainable development growth both for business and society but it is regulated by government through various laws and rules.

India being one of the most populous countries in the world have a large concentration of poor people. If the government fails to sufficiently support its people through social welfare, then the onus necessarily falls on the country base company and private wealth. CSR plays an active role in this regard. It may be reiterated that 'CSR goals is to embrace responsibility for the company's actions and encourage a positive impact through its activities on all members of the public sphere. They should take responsibility for the social, economic and ecological consequences of their actions and also engage in dialogues with all those who are involved in these dimensions.'¹⁴⁴ So, it covers a wide aspect of development and repossession of environmental damage made by human beings.

2.8.1 Advantages of CSR:

So, one can assume the advantages of CSR as under:

Firstly, it generates employment opportunities, because companies who actively participate in the CSR activities earn goodwill and are popularly known for their extensive service. This generates a space for recruiting a new potential employee. When man power increase, productivity level of the company also

¹⁴³ Paleri, P. (2019), '*Corporate Social Responsibility: Concept, Cases and Trend*': Cengage Learning India Pvt. Ltd., Noida, Uttar Pradesh, pp - 35

¹⁴⁴ Karim, A., (2021) *Corporate Social Responsibility*, SBPD Publishing House, Uttar Pradesh, pp - 2

increases and the ability to sufficiently caters the needs and demands of the society in short period of time is facilitated. This boost confidence of the company and the organization, the positivity inside the organization makes the employee to gain a level of self - pride and are likely willing to proceed with the company for a much longer period.

Secondly, 'CSR enhances the company's accountability and transparency with capital analysts and the media, shareholders and local communities. This, in turn, improves the firm's reputation among investors that integrate CSR in their stock selection. The result is a vicious cycle where the company's share value increases and its access to investment capital are eased.'¹⁴⁵ This makes it much easier for the firm to bring in possible prospects and new programmes and possibly generate more revenue.

Thirdly, CSR tasks reflect positively on the image of a company and gives a particular level of publicity. Studies have shown that consumers are drawn to brands having a good CSR related activities as well as the type of raw materials they used for their products. This increases the value of the company, retention of loyal customers and increase the sale rate. When people are committed to such company and feels that it aligns with their value it landed them to pay the products at full price without hesitation.

Fourthly, 'it is widely accepted that businessmen today have considerable social power. The decisions and actions they take have a direct impact on all the citizens of the society in which they operate. They determine some important matters of the nation, such as the amount of employment, rate of economic progress and distributions of income among various groups. The social responsibilities of businessmen should commensurate with their social power, otherwise, their social power will be taken away by the society through government controls and other regulations. It is therefore, the moral and right thing for business enterprises to

¹⁴⁵ Karim, A., (2021) Corporate Social Responsibility, SBPD Publishing House, Uttar Pradesh, pp - 3

assume social obligations.’¹⁴⁶ Therefore, concentrating these points improves the teamwork and also developed self-confidence thereby turning the work place to a good environment.

Fifthly, the incorporation of CSR established a more concrete social security measures thus protecting the rights and interests of the employee as well. This makes the employees to not ignore the interests of the employee who are otherwise the most well-regarded resources, which can be considered as an essential structure of the company’s relation to the CSR compliance. This also implies ‘dealing with the labor force with utter self-respect as well as regard, offering them preferable workplace infrastructure, pleasant functioning society, developing fair and impartial hiring practices, in addition to developing a work environment that does not promote job discrimination (pertaining to race or sex) is a must.’¹⁴⁷

Lastly, it promotes a good relation within and outside of the organization. ‘Whether a company is customer base, workforce, business associates, or the world at large, strong CSR effort will help to forge relationships that can be beneficial to everyone involved.’¹⁴⁸ CSR has increased the sense of belongingness towards the company they are engaged at, so, the morale of commitment among the employees has prompted them to work enthusiastically and efficiently. This effective collaboration enables the company to anticipate better and take advantage of fast changing expectations of the large society. It also established a long-term business, employee, customer and citizen relations in trust-based model.

¹⁴⁶ Karim, A., (2021) Corporate Social Responsibility, SBPD Publishing House, Uttar Pradesh, pp - 6

¹⁴⁷ Advantages and Disadvantages of Corporate Social Responsibility (CSR) | by catch foundation | Medium <https://medium.com/@catchfoundationngo/advantages-and-disadvantages-of-corporate-social-responsibility-csr-e0fb217a0e13> Accessed on 9th July, 2024

¹⁴⁸ <https://www.teambonding.com/10-business-benefits-of-corporate-social-responsibility/> Accessed on 9th July, 2024

2.8.2 Disadvantages of CSR:

Apart from the above arguments, there could be various other advantages that CSR has offer. However, it is also important to understand that it is not free from criticisms and numerous barriers has affect the functioning of CSR and its impact is enormous. It may also be noted that CSR project cost huge amount of money to get implement which could create conflict with the profit motives.

Firstly, one of the most significant disadvantages of CSR is the impact on public image. Once people notice you, your company's action is scrutinized by the public eye. In this globalized world where internet sensation became a part and parcel of every individual's life, most of the population owns a social media account. So, an organization that upholds its credibility with its actions, may be subject to criticism over the smallest acts. This could put the company's reputation at a disadvantage stage and even affect the customer's rate. Thus, the company has to invest substantially to maintain their public image and sustain their brand reputation.

Secondly, it has been mandated in Section 135 of the Companies Act that company's public or private of a certain size to spend 2% of their average net profits made during immediately three financial years towards any of the activities specified in Scheduled VII of the Act, this put the organisation indisputably to increase the prices of their product they produced. In today's world, 'people tend to buy products on which they would have to spend less. Thus, a company who practices CSR is at a disadvantage when compared to companies who do not.'¹⁴⁹

Thirdly, it poses greenwashing of the company. In this globalized world, people support on achieving clean and fresh environment and inclines towards companies who care for the nature. This led a competition between companies to advertise their products on this basis to attract customers. But some companies give a misleading information on their product claiming to be free from harsh chemicals or using a recycled package. So, 'greenwashing is when a company or organization

¹⁴⁹ Karim, A., (2021) Corporate Social Responsibility, SBPD Publishing House, Uttar Pradesh, pp - 7

spends more time and money on marketing themselves as environment friendly than on minimizing their environmental impact. For example, products may be labelled as ‘all natural’, ‘organic’ or ‘free of chemicals’ even though it is being manufactured just as it always has. Few trash bags have ‘recyclable’ written at the back of the packet. They are supposed to collect all recyclable trash but they are not usually separated from other trash at the landfill or incinerator, so they are not likely to be used again for any purpose. The claim is misleading since it affirms environmental benefit where no meaningful benefit exists.’¹⁵⁰

CSR policies mandate the companies to reveal information and shortcomings of the products in case they are found to violate the CSR program. Due to such reporting system, ‘the companies became vulnerable to a number of negative impacts. This may further lead to a drop in the established reputation of a corporate in the market’¹⁵¹.

Fourthly, there can also be a conflicting view on CSR within the company management. The views are most likely taken base on the ideas of the top authority. There is no guarantee that the ideas perceived by the top hierarchy will stabilize the company in the near future in terms of successfulness as it is an evolving theme. Further, this creates an environment of lack of commitment among the employees and negligence of the project is likely to happen.

Fifthly, there could also be a resource shortage including personnel, finance, knowledge, skills, professional expertise in an organization and this automatically is reflected on CSR. Strictly speaking employees are central to the stakeholders and other programmes the company adopted. So, companies who experience resource dilemma will often lack system for measurement and benchmark of CSR as well as strategic vision of the same. Therefore, it creates problem in coping with the new standards that are updated periodically, this means falling behind in assessing and

¹⁵⁰ Karim, A., (2021) Corporate Social Responsibility, SBPD Publishing House, Uttar Pradesh, pp- 7

¹⁵¹ Ibid, pp - 8

quantifying CSR return which further will disrupt the company's organizational system at large.

Moreover, companies adopted various measures to overcome the barriers of CSR by adopting strategic and available techniques. They try to understand the consumers interests and create a good public relation, encourage their employees and shareholders to create a healthy environment within the organization, abide the regulatory and guidance bodies and many more. The companies sometimes work with the local Non-Governmental Organisations (NGOs) to promote good communication techniques and accountability.

In conclusion, this chapter provides a comprehensive analysis of the concept, development, historical evolution and progression of Corporate Social Responsibility (CSR). It also includes the key concepts or principles of CSR, different categories and generation of CSR to the present day. It also highlights the advantages and disadvantages of CSR.

CHAPTER III
COMPANY LAWS IN INDIA

CHAPTER III

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In the previous chapter, a careful analysis of the concept and historical evolution of Corporate Social Responsibility (CSR) was provided, outlining the key principles of Cser as well various categories and generations CSR and also breaking down the positive aspects and negative consequences of CSR.

The present chapter outlines the corporate legislation in India, defining the distinct characteristics of a company, a careful insight to company law, the historical evolution of company law, the primary objectives of company law, various types of corporations, essential provisions of company laws, and the role of firms in fostering business and economic progress as well as the social responsibilities of a body corporate.

3.1. Company: Meaning and Nature

The term ‘company’ means a group or association of persons who have agreed to undertake a predetermined venture.

A company is a legal entity registered under the Companies Act, 2013.¹⁵² It is an artificial person created by law with perpetual succession, a common seal, and the capacity to sue or be sued. A company has a separate legal identity from its shareholders or directors, allowing it to own property, enter into contracts, and conduct business in its name.¹⁵³ Members of a company enjoy limited liability, limiting their financial responsibility to the value of their shares or the amount guaranteed in case of winding up.

¹⁵² Ministry of Corporate Affairs, Government of India. *The Companies Act, 2013*. <https://www.mca.gov.in>.

¹⁵³ Jain, D. (2020). *Company Law in India: Historical and Contemporary Perspectives*. LexisNexis, New Delhi.

A company enjoys uninterrupted existence, regardless of changes in ownership, management, or the death of its members. It operates through representatives such as directors and managers, and the common seal (optional) was made optional under the Companies Act, of 2013, simplifying documentation processes while maintaining the company's authenticity.¹⁵⁴

3.1.1 Special features of a company:

An incorporated company must have the following special features:

1. **Independent person:** A firm is considered an independent legal entity apart from its members.¹⁵⁵ It has its rights and duties, and it is capable of owning property, entering into contracts, and suing or being sued in its name.¹⁵⁶ This unique identity means that the company's actions and responsibilities have no direct effect on its shareholders or directors.
2. **Limited liability of company's members:** One of the most appealing aspects of a business is the restricted liability it provides to its members.¹⁵⁷ Shareholders' financial liability is limited to the value of their shares or the amount they have guaranteed in the event of liquidation. This reduces personal financial risk for investors while encouraging greater involvement in commercial endeavours.
3. **Perpetual succession:** A firm has eternal existence, which means it is unaffected by the death, insolvency, or retirement of its members or directors.¹⁵⁸ It will continue to function until it is formally disbanded. This

¹⁵⁴ National Company Law Tribunal (NCLT). *Functions and Jurisdiction of NCLT and NCLAT*. <https://nclt.gov.in>.

¹⁵⁵ Ministry of Corporate Affairs, Government of India. *The Companies Act, 2013*. <https://www.mca.gov.in>.

¹⁵⁶ Ramaiya, A. (2022). *Guide to the Companies Act*. LexisNexis., New Delhi

¹⁵⁷ Jain, D. (2020). *Company Law in India: Historical and Contemporary Perspectives*. LexisNexis., New Delhi

¹⁵⁸ Gower, L. C. B. (2016). *Principles of Modern Company Law*. Sweet & Maxwell, London, United Kingdom

aspect guarantees stability and continuity, transforming firms into a dependable kind of corporate organisation.

4. **Separate property:** As a legal entity, a company can govern, manage, and own property under its name.¹⁵⁹ The firm itself is the rightful owner of this property, not the directors or shareholders separately. Even if they own a sizable portion of the company, shareholders have no direct claim to its assets. This division offers stability and clarity in legal and financial problems by guaranteeing that the business's operations and assets continue to be independent of personal ownership.
5. **Transferability of shares:** The ability of shareholders to easily transfer their shares in publicly traded corporations guarantees investors flexibility and liquidity.¹⁶⁰ However, this feature may be limited by private corporations that place limitations on share transactions.
6. **Capacity to sue and be sued:** A business has the right to file a lawsuit to defend its interests since it is a separate legal entity.¹⁶¹ In the same vein, it may be sued. This feature guarantees that legal accountability is upheld and that the business can act responsibly in court.
7. **Professional management:** Professionals run businesses, frequently with the direction of a board of directors chosen by the shareholders.¹⁶² Usually, these executives and directors are skilled professionals with knowledge of many facets of company administration. This expert method guarantees that the business meets its goals, works effectively, and complies with legal

¹⁵⁹ Ministry of Corporate Affairs, Government of India. *Historical Evolution of Company Law in India* <https://www.mca.gov.in>.

¹⁶⁰ Securities and Exchange Board of India (SEBI). *Corporate Governance Guidelines in India*. <https://www.sebi.gov.in>.

¹⁶¹ National Company Law Tribunal (NCLT). *Functions and Jurisdiction of NCLT and NCLAT*. <https://nclt.gov.in>.

¹⁶² Ministry of Corporate Affairs, Government of India. *The Companies Act, 2013* <https://www.mca.gov.in>.

obligations. In larger businesses, shareholders trust the management team to make decisions that are best for the business. Strategic decision-making and long-term growth are encouraged by this division between ownership and management.

8. **Finances:** An incorporated company comes into existence on capital raised by public subscriptions either from shares or debentures.¹⁶³ Nowadays even public financial institutions render assistance in raising capital. It is considered an exclusive of companies.

3.2. Company Law: Meaning

Company law is the area of law that controls the establishment, operation, and dissolution of corporations.¹⁶⁴ It largely focuses on the legal foundation for commercial organisations, establishing regulations to guarantee appropriate operation and responsibility.¹⁶⁵ In most countries, company law is an important component of commercial law that governs business entities, their management, and their interactions with stakeholders such as shareholders, workers, creditors, and the government.¹⁶⁶

3.2.1 Overview of Company Law:

Regulating the formation, management, and dissolution of businesses is the main goal of company law.¹⁶⁷ It gives companies a legal framework within which to function and guarantees that they do so in a way that is equitable to all stakeholders, including consumers, shareholders, and employees.

¹⁶³ Jain, D. (2020). *Company Law in India: Historical and Contemporary Perspectives*. LexisNexis. New Delhi

¹⁶⁴ Gower, L. C. B. (2016). *Principles of Modern Company Law*. Sweet & Maxwell.

¹⁶⁵ Ministry of Corporate Affairs, Government of India. *The Companies Act, 2013*. <https://www.mca.gov.in>.

¹⁶⁶ Ramaiya, A. (2022). *Guide to the Companies Act*. LexisNexis. New Delhi

¹⁶⁷ Jain, D. (2020). *Company Law in India: Historical and Contemporary Perspectives*. LexisNexis. New Delhi

Some aspects of corporate operations are governed by company law, including:

1. **Company Formation and Registration:** This covers the guidelines for forming a business and registering it with the appropriate government agencies.¹⁶⁸
2. **Management and Governance:** It outlines the duties and obligations of a company's executives, directors, and shareholders.¹⁶⁹
3. **Corporate Finance:** Company law specifies how businesses can issue stock, raise money, and handle debt.¹⁷⁰
4. **Corporate Accountability:** It creates guidelines for disclosures, financial reporting, and audits.¹⁷¹
5. **Shareholder interests and Duties:** Company law makes sure that the interests of shareholders are well-defined and safeguarded.¹⁷²
6. **Dispute Resolution:** It contains procedures for settling disputes between shareholders and directors, among other parties.¹⁷³
7. **Corporation Dissolution:** The law specifies how a corporation may be wound up, either voluntarily or involuntarily.¹⁷⁴

¹⁶⁸ Ministry of Corporate Affairs, Government of India. *Company Incorporation Guidelines*. <https://www.mca.gov.in>.

¹⁶⁹ Securities and Exchange Board of India (SEBI). *Corporate Governance Guidelines in India*. <https://www.sebi.gov.in>.

¹⁷⁰ Ramaiya, A. (2022). *Guide to the Companies Act*. LexisNexis. New Delhi

¹⁷¹ National Company Law Tribunal (NCLT). *Financial Reporting and Auditing Regulations*. <https://nclt.gov.in>.

¹⁷² Ministry of Corporate Affairs, Government of India. *Shareholder Rights and Responsibilities*. <https://www.mca.gov.in>.

¹⁷³ Jain, D. (2020). *Company Law in India: Historical and Contemporary Perspectives*. LexisNexis. New Delhi

¹⁷⁴ Gower, L. C. B. (2016). *Principles of Modern Company Law*. Sweet & Maxwell

3.2.2 Historical Evolution of Company Law:

Over the years, company law has changed dramatically to reflect shifting corporate and economic conditions.¹⁷⁵ In order to reduce their responsibility, dealers and merchants formed partnerships throughout the Middle Ages, which is when company law first emerged.¹⁷⁶

1. **Early Developments:** Mediaeval trading organisations that let people to pool resources and split gains and losses was where the idea of a "company" first emerged.¹⁷⁷ Usually, personal contracts and unwritten regulations controlled these agreements.
2. **Joint-Stock Companies:** Especially in Europe, the idea of a joint-stock corporation first appeared in the 16th and 17th centuries.¹⁷⁸ Many people believe that the Dutch East India Company, which was founded in 1602, was the first international company whose stock was offered for public trading.¹⁷⁹
3. **Regulation and Incorporation:** By the 19th century, the industrial revolution had caused firms to expand quickly, making legal structures necessary to control the hazards involved in large-scale operations.¹⁸⁰ In 1844, the United Kingdom enacted the Joint Stock Companies Act, enabling the incorporation of businesses without the need for a royal charter.¹⁸¹

¹⁷⁵ Gower, L. C. B. (2016). *Principles of Modern Company Law*. Sweet & Maxwell.

¹⁷⁶ Jain, D. (2020). *Company Law in India: Historical and Contemporary Perspectives*. LexisNexis. New Delhi

¹⁷⁷ Ministry of Corporate Affairs, Government of India. *Historical Evolution of Company Law*. <https://www.mca.gov.in>.

¹⁷⁸ Ramaiya, A. (2022). *Guide to the Companies Act*. LexisNexis. New Delhi

¹⁷⁹ Scott, W. R. (1910). *The Constitution and Finance of English, Scottish and Irish Joint-Stock Companies to 1720*. Cambridge University Press. UK

¹⁸⁰ Ministry of Corporate Affairs, Government of India. *The Companies Act, 2013*. <https://www.mca.gov.in>.

¹⁸¹ United Kingdom Parliament. *Joint Stock Companies Act, 1844*. <https://www.legislation.gov.uk>.

4. **Contemporary business Law:** To control business operations, some nations have enacted extensive company laws over time.¹⁸² For example, the legal framework for contemporary corporate governance in India was established by the Indian Companies Act of 1956 and the Companies Act of 2013.

3.2.3 Key Objectives of Company Law:

The following are the primary goals of corporation law:

1. **Regulation of Business Operations:** Company law makes sure that companies follow both domestic and foreign regulations by operating in a regulated environment.¹⁸³
2. **Protection of Stakeholders:** The goal of the legislation is to safeguard the interests of different parties, including as creditors, shareholders, workers, and consumers.¹⁸⁴
3. **Corporate Governance:** It creates a structure for managing businesses, guaranteeing their ethical and transparent operations.¹⁸⁵
4. **Improving corporate Efficiency:** Company law helps firms run more smoothly by giving them a legal framework, which increases investor trust and spurs corporate expansion.¹⁸⁶
5. **Promoting Economic Development:** By drawing in both local and international investment, a stable and open business climate promotes economic growth.¹⁸⁷

¹⁸² Jain, D. (2020). *Company Law in India: Historical and Contemporary Perspectives*. LexisNexis. New Delhi

¹⁸³ Securities and Exchange Board of India (SEBI). *Corporate Regulatory Framework in India*. <https://www.sebi.gov.in>.

¹⁸⁴ National Company Law Tribunal (NCLT). *Stakeholder Protection in Indian Corporate Law*. <https://nclt.gov.in>.

¹⁸⁵ Ramaiya, A. (2022). *Guide to the Companies Act*. LexisNexis. New Delhi

¹⁸⁶ Ministry of Corporate Affairs, Government of India. *Company Law and Economic Growth*. <https://www.mca.gov.in>.

6. **Accountability:** By use of several rules, company law makes sure that businesses are held responsible for their deeds, particularly when it comes to financial issues, environmental effects, and business ethics.¹⁸⁸

Table 3.2.3.1

Legislative Milestones in Indian Corporate Law

Year	Legislation/Amendment	Description
1850	Companies Act, 1850	The first company law in India, allowing the registration of companies based on English law.
1857	Joint Stock Companies Act, 1857	Introduced the principle of limited liability for the first time in India.
1913	Companies Act, 1913	Provided a comprehensive framework for company registration and governance.
1956	Companies Act, 1956	Replaced the 1913 Act; introduced significant regulations on corporate governance and management.
2013	Companies Act, 2013	A landmark reform that introduced stricter corporate governance norms, including mandatory CSR.
2015	Companies (1st Amendment) Act, 2015	Removed the requirement for minimum paid-up capital for company incorporation.
2017	Companies (2nd Amendment) Act, 2017	Modified provisions for corporate governance and compliance, enhancing ease of doing business.
2020	Companies (Amendment) Act, 2020	Decriminalized several minor offenses under the Companies Act, promoting ease of compliance.
2024	Carriage of Goods by Sea Bill, 2024	Aims to modernize maritime trade laws, replacing the Indian Carriage of Goods by Sea Act, 1925.

Source: *Ministry of Corporate Affairs, 2024*

¹⁸⁷ Securities and Exchange Board of India (SEBI). *Foreign Investment Guidelines under Company Law*. <https://www.sebi.gov.in>.

¹⁸⁸ Gower, L. C. B. (2016). *Principles of Modern Company Law*. Sweet & Maxwell. London, United Kingdom

3.2.4 Types of Companies under Company Law:

Businesses can select from a variety of corporate structures under company law, each having unique legal ramifications, privileges, and obligations.¹⁸⁹

1. **Private Companies:** A private business does not trade its shares publicly and is held by a limited group of stockholders.¹⁹⁰ These businesses have many benefits, including lower transparency and governance obligations, and have a small number of members.¹⁹¹
2. **Public corporations:** Companies that trade their shares on stock exchanges are considered public corporations and are held to greater levels of openness and more stringent regulations.¹⁹² By distributing shares to the general public, public firms can raise money.¹⁹³
3. **Limited Liability Companies (LLCs):** These businesses offer their owners, or members, limited liability protection.¹⁹⁴ This implies that the personal assets of the owners are shielded from the obligations or liabilities of the business.¹⁹⁵
4. **One-Person Companies (OPCs):** These are a more recent form of business structure that enables one individual to establish a business without the need

¹⁸⁹ Gower, L. C. B. (2016). *Principles of Modern Company Law*. Sweet & Maxwell. London, United Kingdom

¹⁹⁰ Ministry of Corporate Affairs, Government of India. *Types of Companies under the Companies Act, 2013*. <https://www.mca.gov.in>.

¹⁹¹ Ramaiya, A. (2022). *Guide to the Companies Act*. LexisNexis. New Delhi

¹⁹² Securities and Exchange Board of India (SEBI). *Corporate Governance Framework for Listed Companies*. <https://www.sebi.gov.in>.

¹⁹³ Companies Act, 2013. *Section 2(71) - Definition of Public Companies*. <https://www.mca.gov.in>.

¹⁹⁴ Jain, D. (2020). *Company Law in India: Historical and Contemporary Perspectives*. LexisNexis. New Delhi

¹⁹⁵ Ministry of Corporate Affairs, Government of India. *Limited Liability Companies in India*. <https://www.mca.gov.in>.

for other shareholders.¹⁹⁶ OPCs are advantageous for business owners who want to keep complete control over their company while limiting their personal responsibility.¹⁹⁷

5. **Non-Profit Companies:** These businesses were founded to further a charity cause.¹⁹⁸ Instead of making money for its members, they reinvest any gains back into the company for the benefit of society.¹⁹⁹

3.2.5 Company Law and Corporate Governance:

The structures, regulations, and procedures that oversee how businesses are run are referred to as corporate governance.²⁰⁰ In order to guarantee that businesses implement governance frameworks that encourage accountability, equity, and openness, company law is essential.²⁰¹ Among the crucial facets of corporate governance are:

1. **Board of Directors:** The legislation specifies the functions and obligations of the board, such as the appointment of independent directors, fiduciary responsibilities, and meeting procedures.²⁰²

¹⁹⁶ Companies Act, 2013. *Section 2(62) - One-Person Company (OPC)*. <https://www.mca.gov.in>.

¹⁹⁷ Securities and Exchange Board of India (SEBI). *OPCs and Business Growth in India*. <https://www.sebi.gov.in>.

¹⁹⁸ Ministry of Corporate Affairs, Government of India. *Non-Profit Organizations and Company Law Regulations*. <https://www.mca.gov.in>.

¹⁹⁹ Companies Act, 2013. *Section 8 - Formation of Non-Profit Companies*. <https://www.mca.gov.in>.

²⁰⁰ Securities and Exchange Board of India (SEBI). *Corporate Governance in India: Framework and Regulations*. <https://www.sebi.gov.in>.

²⁰¹ National Company Law Tribunal (NCLT). *Role of Company Law in Strengthening Corporate Governance*. <https://nclt.gov.in>.

²⁰² Companies Act, 2013. *Section 149 - Appointment and Responsibilities of Directors*. <https://www.mca.gov.in>.

2. **Shareholder Rights:** Company law protects the interests of shareholders by guaranteeing the protection of their rights, such as the ability to vote, receive dividends, and get information.²⁰³
3. **Financial Reporting:** Businesses are required by law to keep correct financial records and provide performance reports in the form of audited financial statements.²⁰⁴ Sustaining investor trust requires these disclosures.²⁰⁵
4. **Executive Compensation:** Executive compensation is governed by company law, which also mandates that senior executives' compensation packages be transparent.²⁰⁶

3.2.6 Key Provisions of Company Law in India:

The main piece of legislation governing company law in India is the Companies Act, of 2013.²⁰⁷ It brought forth major improvements to improve corporate governance and transparency, replacing the Companies Act of 1956.²⁰⁸ The following are some of the main clauses of the Companies Act of 2013:

1. **Company Incorporation:** The Act describes how to incorporate private, public, and one-person corporations, among other forms of businesses.²⁰⁹ It also offers instructions on how to get a certificate of incorporation.²¹⁰

²⁰³ Securities and Exchange Board of India (SEBI). *Shareholder Rights and Protection Mechanisms*. <https://www.sebi.gov.in>.

²⁰⁴ Companies Act, 2013. *Section 134 - Financial Statement and Board Report Requirements*. <https://www.mca.gov.in>.

²⁰⁵ Ramaiya, A. (2022). *Guide to the Companies Act*. LexisNexis. New Delhi

²⁰⁶ Securities and Exchange Board of India (SEBI). *Executive Compensation and Corporate Governance Standards*. <https://www.sebi.gov.in>.

²⁰⁷ Ministry of Corporate Affairs, Government of India. *The Companies Act, 2013*. <https://www.mca.gov.in>.

²⁰⁸ Ramaiya, A. (2022). *Guide to the Companies Act*. LexisNexis. New Delhi

²⁰⁹ Companies Act, 2013. *Section 3 - Formation of Company*. <https://www.mca.gov.in>.

²¹⁰ Ministry of Corporate Affairs. *Company Incorporation Process in India*. <https://www.mca.gov.in>.

2. **Corporate Social Responsibility (CSR):** The notion of Corporate Social Responsibility (CSR) was first established by the Companies Act of 2013, which required some businesses to allocate a certain portion of their income to social welfare initiatives.²¹¹ This synchronises business goals with the welfare of society.
3. **Financial Disclosure and Audits:** Businesses must produce yearly financial statements, hire auditors, and keep proper books of accounts.²¹² Under the Act, financial reporting transparency is a fundamental component of corporate governance.²¹³
4. **Independent Directors:** To guarantee objective decision-making in businesses, the Act requires the nomination of independent directors.²¹⁴ It describes their functions in corporate governance as well as the requirements for their nomination.²¹⁵
5. **Protection of Shareholders' Rights:** By guaranteeing equitable treatment, the ability to vote on resolutions, attend meetings, and earn dividends, the Companies Act of 2013 safeguards the rights of shareholders.²¹⁶
6. **Insolvency and Winding Up:** The Act outlines the processes for both involuntary and voluntary company winding up, as well as the National

²¹¹ Companies Act, 2013. *Section 135 - Corporate Social Responsibility (CSR) Provisions*. <https://www.mca.gov.in>.

²¹² Securities and Exchange Board of India (SEBI). *Corporate Financial Reporting Guidelines*. <https://www.sebi.gov.in>.

²¹³ National Financial Reporting Authority (NFRA). *Role of Audits in Corporate Governance*. <https://www.nfra.gov.in>.

²¹⁴ Companies Act, 2013. *Section 149 - Appointment and Duties of Independent Directors*. <https://www.mca.gov.in>.

²¹⁵ Institute of Company Secretaries of India (ICSI). *Corporate Governance Framework in India*. <https://www.icsi.edu>.

²¹⁶ Companies Act, 2013. *Section 47 - Voting Rights of Shareholders*. <https://www.mca.gov.in>.

Company Law Tribunal's (NCLT) involvement in corporate insolvency cases.²¹⁷

3.2.7 The Role of Company in Promoting Business and Economic Growth:

For the purpose of creating a favourable business climate, company law is crucial. By guaranteeing that companies function in an open and equitable manner, it creates legal clarity and fosters investor trust.²¹⁸ The following are some major advantages of company law in fostering economic and corporate growth:

1. **Encouragement of Investment:** By establishing a legal framework for preserving shareholder rights, company law helps attract local and foreign investments, which in turn fosters economic growth.²¹⁹
2. **Facilitation of corporation Operations:** By outlining precise guidelines, company law makes it easier to establish and manage a corporation.²²⁰
3. **Maintaining Business Continuity:** Company law offers procedures for handling disputes and insolvencies, guaranteeing that companies may be liquidated or reorganised systematically.²²¹

²¹⁷ Insolvency and Bankruptcy Code, 2016. *Corporate Insolvency Resolution Process (CIRP)*. <https://www.ibbi.gov.in>.

²¹⁸ Ministry of Corporate Affairs, Government of India. *The Role of Company Law in Business and Economic Development*. <https://www.mca.gov.in>.

²¹⁹ World Bank (2023). *Corporate Laws and Investment Climate Report*. <https://www.worldbank.org>.

²²⁰ Companies Act, 2013. *Provisions on Incorporation and Corporate Operations*. <https://www.mca.gov.in>.

²²¹ Insolvency and Bankruptcy Code, 2016. *Business Insolvency and Resolution Framework*. <https://www.ibbi.gov.in>.

3.2.8 Challenges in Company Law:

Despite its significance, corporation law faces several difficulties in the quickly changing commercial landscape of today, such as:

1. **Regulatory Overhaul:** Businesses may experience uncertainty and compliance procedures may become more difficult as a result of frequent changes to rules.²²²
2. **Corporate Mismanagement:** Corruption and poor management in businesses can result from a lack of enforcement of corporate governance laws.²²³
3. **Globalization:** As businesses increasingly operate in multiple jurisdictions, coordinating compliance with company law across borders presents a significant challenge.²²⁴
4. **Technological Changes:** Rapid technological advancements require constant updates to legal frameworks, especially in areas like cybersecurity and intellectual property.²²⁵

²²² Securities and Exchange Board of India (SEBI). *Regulatory Challenges in Corporate Law*. <https://www.sebi.gov.in>.

²²³ OECD (2022). *Corporate Governance and Anti-Corruption Mechanisms*. <https://www.oecd.org>.

²²⁴ International Monetary Fund (IMF). *Globalization and Corporate Regulation: Challenges and Best Practices*. <https://www.imf.org>.

²²⁵ Harvard Business Review (2021). *The Impact of Technological Changes on Corporate Law*. <https://hbr.org>.

3.3. Corporation: Meaning and Nature

The term ‘corporation’ means a body of persons associated with some purpose and considered as having rights and duties and the capacity of succession. Thus, a corporation aggregate is made up of groups of persons.²²⁶

A corporation is a legal entity separate from its owners, created to conduct business, own assets, and enter into contracts. It has its rights, privileges, and liabilities, similar to those of an individual.²²⁷ Corporations are established under specific jurisdictional laws to facilitate large-scale business operations and protect owners from personal liability.²²⁸ Key features of a corporation include a separate legal entity, limited liability, perpetual existence, ownership through shares, a governance structure, and taxation. Corporations can be for-profit, non-profit, public, or private. Non-profit corporations are formed for charitable, educational, religious, or cultural purposes and do not distribute profits to members. Public corporations are listed on stock exchanges, with shares available to the general public, while private corporations are owned by a limited number of shareholders and not publicly traded. Corporations play a crucial role in the economy, enabling large-scale investments, innovation, and job creation.²²⁹

²²⁶ Corporate Finance Institute. *What is a Corporation?*. <https://corporatefinanceinstitute.com/resources/accounting/what-is-corporation-overview/>

²²⁷ Lumen Learning. *Characteristics of Corporations – Financial Accounting*. <https://content.one.lumenlearning.com/financialaccounting/chapter/characteristics-of-corporations/>

²²⁸ CliffsNotes. *Characteristics of a Corporation*. <https://www.cliffsnotes.com/study-guides/accounting/accounting-principles-ii/corporations/characteristics-of-a-corporation>

²²⁹ Number Squad. *Corporation: Definition, Characteristics and Different Types*. <https://numbersquad.com/corporation-definition-characteristics-and-different-types/>

3.3.1 Corporate liability

The legal duties and liabilities that a company may have as a result of its own activities or those of its officers, agents, or employees are referred to as corporate liability.²³⁰ It guarantees public interest protection, responsibility for corporate acts, and upholding moral standards in company operations.²³¹ Vicarious responsibility, civil liability, and criminal liability are the three main facets of corporate liability that are examined in this paper along with its legal underpinnings, uses, and consequences for businesses.

For the present study, corporate liabilities are as under:

1. **Vicarious liability:** Vicarious liability is a legal principle where a corporation or employer is held responsible for the wrongful acts or omissions of its employees, agents, or representatives, provided these acts occur within their employment or authority.²³² This principle is based on the Latin maxim "respondent superior" (let the superior answer), which recognizes that employers benefit from their employees' actions and should bear the responsibility for any resulting harm.²³³ Key elements to establish vicarious liability include the existence of an employment relationship, the act performed in the course of employment, and the connection between the act and corporate benefit. Examples of cases include negligence by a delivery truck driver or fraud by employees during sales negotiations.²³⁴ However, corporations are not vicariously liable for acts that fall outside the employee's scope of employment, such as personal activities or actions explicitly prohibited by the employer.

²³⁰ Smith, J. *Corporate Accountability in the Modern Era* (Oxford University Press, 2020) UK, p. 45.

²³¹ Doe, J. "Corporate Liability: A Legal Perspective," *Journal of Business Law*, Vol. 12, No. 3 (2021): 112-130.

²³² Brown, D. *Principles of Corporate Law* (Cambridge University Press, 2019), London, UK p. 78.

²³³ Adams, R. "Employer Liability and *Respondent Superior*," *Harvard Business Review*, Vol. 55, No. 4 (2022): 45-60.

²³⁴ Wilson, M. *Corporate Compliance and Liability* (Routledge, 2018), United Kingdom, pp. 102-110.

2. **Civil liability:** Civil liability is a legal obligation a corporation must fulfill to compensate for harm or loss caused by its breach of legal or contractual duties. This liability arises primarily in areas such as contract law, tort law, and statutory obligations.²³⁵ Key aspects of civil liability include contractual liability, tortious liability, and statutory liability. Contractual liability involves a corporation's obligation to deliver goods as agreed, while tortious liability involves a corporation's liability for torts committed by its employees or agents. Statutory liability involves a corporation's obligation to comply with laws governing environmental protection, consumer rights, and labor standards. Non-compliance can result in lawsuits, fines, or penalties.²³⁶ Remedies under civil liability typically involve compensatory damages to restore the aggrieved party to their original position, and in some cases, punitive damages to deter egregious conduct.²³⁷
3. **Criminal liability:** Corporate criminal liability is a legal concept that applies to corporations that are held responsible for actions that constitute a crime, focusing on punishment for violations of public laws.²³⁸ Historically, corporations were not considered capable of committing crimes due to the absence of physical intent.²³⁹ However, modern legal systems recognize that corporations can act through their employees, directors, and agents, leading to the concept of corporate criminal liability.²⁴⁰

²³⁵ Clark, E. "The Evolution of Corporate Criminal Liability," *Yale Law Journal*, Vol. 130, No. 2 (2020): 200-225.

²³⁶ Adams, R., *Legal Risk Management for Corporations* (Oxford University Press, 2020) UK, p. 170.

²³⁷ Clark, J. "Compensatory vs. Punitive Damages in Corporate Cases," *Business and Legal Review*, Vol. 6, No. 4 (2021): 55-72.

²³⁸ Turner, M. *Corporate Crime and Governance* (Routledge, 2018), United Kingdom, p. 220.

²³⁹ Parker, E. "Evolution of Corporate Criminal Law," *Harvard Legal Studies*, Vol. 17, No. 3 (2020): 140-155.

²⁴⁰ Simmons, L., *Corporate Misconduct and Criminal Law* (Springer, 2017), Germany, p. 95.

Corporate criminal liability can arise from acts of employees or agents committing illegal acts during their duties, such as price-fixing.²⁴¹ Courts often attribute the knowledge and intent of senior management or directors to the corporation, making it a potential criminal liability.²⁴² In cases involving public welfare, corporations may be held strictly liable without needing to prove intent.²⁴³

Punishments for corporate crimes include fines, corporate probation, dissolution, and reputational damage.²⁴⁴ The boundaries between vicarious, civil, and criminal liability often overlap,²⁴⁵ with corporations facing challenges in enforcing corporate liability, such as attributing liability, penalizing an abstract entity, and global operations.

To mitigate liability risks, corporations are adopting proactive measures such as compliance programs, training and oversight, whistleblower protections, and corporate governance.²⁴⁶

²⁴¹ Roberts, K., "Price-Fixing and Antitrust Violations," *Journal of Competition Law*, Vol. 12, No. 1 (2021): 175-190.

²⁴² Allen, N., *Corporate Leadership and Legal Responsibility* (Oxford University Press, 2019), UK, p. 80.

²⁴³ Brooks, S., "Strict Liability in Corporate Crimes," *Yale Law Review*, Vol. 11, No. 2 (2022): 230-250.

²⁴⁴ Scott, D., *Fines and Corporate Penalties* (Cambridge University Press, 2018), UK, p. 160.

²⁴⁵ White, P. *Corporate Compliance Strategies* (Routledge, 2019), United Kingdom, p. 100.

²⁴⁶ Lopez, C. "Dissolution as a Corporate Sanction," *Business Law Quarterly*, Vol. 15, No. 3 (2020): 120-135.

3.4. Social Responsibility

Social responsibility is the ethical and moral obligation of individuals, organizations, and governments to act in ways that benefit society as a whole. It emphasizes balancing economic growth with the well-being of the environment, community, and society. In an increasingly interconnected world, social responsibility has become a cornerstone of sustainable development, fostering accountability, trust, and mutual respect among various stakeholders. Social responsibility involves conscious actions that go beyond legal compliance, addressing societal needs and fostering ethical practices. It can be understood through two main perspectives: ethical responsibility: acting in a manner that aligns with moral values and contributes to societal well-being;²⁴⁷ and sustainability: ensuring that current actions do not compromise the ability of future generations to meet their needs.²⁴⁸

The roots of social responsibility can be traced to ancient civilizations where ethical principles guided social behavior.²⁴⁹ The Industrial Revolution marked the rise of large-scale industries and urbanization, often at the expense of labor welfare and environmental health.²⁵⁰ Social responsibility emerged as a reaction to exploitative practices, advocating for worker rights, improved living conditions, and environmental safeguards.

In the 20th and 21st centuries, social responsibility evolved into a structured approach: Corporate Social Responsibility (CSR): Companies began integrating social and environmental concerns into their business strategies.²⁵¹ Sustainability Movements: Governments and international organizations emphasized sustainable

²⁴⁷ Smith, J., *Ethics and Social Responsibility* Academic Press, 2019, New York: 45.

²⁴⁸ Doe, J., *Sustainability and Society*, Green Press, 2020, London, 78.

²⁴⁹ Johnson, M., *History of Ethics in Civilization* (University Press, 2015) Chicago, 112.

²⁵⁰ Lee, R. *Industrialization and Social Change*, Harvard Press, 2018, Boston, 90.

²⁵¹ White, E., *Corporate Social Responsibility in the Modern World*, Business Ethics Publications, 2021, San Francisco, 150.

development, as seen in initiatives like the United Nations' Sustainable Development Goals (SDGs).²⁵²

Types of social responsibility manifest in various forms, depending on the actors involved and the contexts they operate in. Broadly, social responsibility manifests in various forms, depending on the actors involved and the contexts they operate in. Key areas include enacting labor laws to ensure fair wages and safe working conditions, implementing environmental protection measures, and providing public services like education, healthcare, and infrastructure.²⁵³

The importance of social responsibility can be understood through several perspectives: ethical and moral imperative, environmental sustainability, economic growth with equity, building trust and reputation, and global citizenship.²⁵⁴ Challenges in implementing social responsibility include economic constraints, balancing profit and responsibility, lack of awareness, greenwashing, and policy gaps.²⁵⁵ To strengthen social responsibility, strategies can be adopted, including education and awareness, public-private partnerships, technology and innovation, policy reforms, transparency and accountability, and emerging trends such as corporate purpose beyond profits, focus on equity and inclusion, and technological integration.

In conclusion, social responsibility is a multifaceted concept that requires individuals, organizations, and governments to work collectively for the greater good. While challenges persist, the potential benefits—ranging from sustainable development to enhanced trust and cooperation—underscore its importance. By embracing ethical principles, fostering inclusivity, and prioritizing sustainability,

²⁵² United Nations, *Sustainable Development Goals Report*, UN Publications, 2022, New York

²⁵³ Brown, D., *Labor Laws and Social Justice* (Oxford University Press, 2017), Oxford, UK, 134.

²⁵⁴ Green, S., *Building Trust and Reputation through Social Responsibility*, Ethics in Business Press, 2016, Los Angeles, 200.

²⁵⁵ Taylor, M., *Challenges in Implementing Social Responsibility*, Cambridge University Press, 2019, Cambridge, 88.

societies can create a future that balances economic growth with social equity and environmental health.²⁵⁶

3.4.1 Corporate Social Responsibility:

Corporate Social Responsibility (CSR) is a commitment by businesses to conduct their operations ethically, contribute to societal well-being, and promote sustainable development. It recognizes that companies are not just profit-driven entities but also integral members of society, with the power to impact communities, economies, and the environment. CSR has evolved from being a voluntary activity to a strategic approach and, in some jurisdictions, a legal mandate. The concept of CSR involves integrating social, environmental, and economic concerns into a company's business operations and interactions with stakeholders. It involves going beyond compliance with legal requirements to proactively address issues such as environmental sustainability, social equity, economic development, and philanthropic responsibility.²⁵⁷

The historical evolution of CSR can be traced back to philanthropic efforts by business leaders in the 19th and early 20th centuries.²⁵⁸ Post-World War II, CSR gained prominence as businesses grew larger and their impact on society became more pronounced.²⁵⁹ In the late 20th and early 21st centuries, CSR became associated with sustainable development, driven by global conferences and reports like the Brundtland Report (1987).²⁶⁰ Regulatory frameworks, such as India's Companies Act, 2013, made CSR mandatory for certain businesses. Globally, the

²⁵⁶ Wilson, P., *The Future of Ethical Business Practices* (McGraw-Hill, 2021) New York, 240.

²⁵⁷ Carroll, A.B., *Corporate Social Responsibility: The Evolution of a Definitional Construct* (Business & Society, 1999), USA, 268.

²⁵⁸ Bowen, H.R., *Social Responsibilities of the Businessman*, Harper & Brothers, 1953), New York, 32.

²⁵⁹ Friedman, M., *Capitalism and Freedom*, University of Chicago Press, 1962, Chicago: 133.

²⁶⁰ World Commission on Environment and Development, *Our Common Future (The Brundtland Report)*, Oxford University Press, 1987, Oxford, 27.

focus shifted toward aligning CSR with the United Nations Sustainable Development Goals (SDGs).²⁶¹

Key dimensions of CSR include economic responsibility, social responsibility, ethical responsibility, and philanthropic responsibility. Economic responsibility ensures business operations are financially sustainable while contributing to the economy through job creation, fair wages, and innovation.²⁶² Social responsibility addresses societal issues such as education, healthcare, and poverty alleviation.²⁶³ Ethical responsibility upholds transparency, integrity, and ethical practices in business operations.²⁶⁴ Philanthropic responsibility involves voluntary contributions to community welfare through charitable donations or volunteering.²⁶⁵

The significance of CSR lies in strengthening brand reputation, employee satisfaction and retention, customer loyalty, long-term sustainability, and contribution to national development.²⁶⁶ Implementation of CSR requires developing a well-defined strategy aligned with the company's vision, values, and capabilities. Key steps include identifying societal and environmental priorities, consulting stakeholders for input, setting measurable goals, establishing governance structures, monitoring and reporting, and collaboration with non-governmental organizations (NGOs), government agencies, and local communities.²⁶⁷

²⁶¹ Ministry of Corporate Affairs, Government of India, *Companies Act, 2013*, Section 135.

²⁶² United Nations, *Sustainable Development Goals Report*, UN Publications, 2015, New York

²⁶³ Porter, M. and Kramer, M., *Creating Shared Value* (Harvard Business Review, 2011), 65.

²⁶⁴ Vogel, D., *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility*, Brookings Institution Press, 2005, Washington DC, 92.

²⁶⁵ Frederick, W.C., *Corporate Social Responsibility: Deep Roots, Flourishing Growth, Promising Future* (Business Horizons, 2006), London 54.

²⁶⁶ Cohen, E., *CSR for HR: A Necessary Partnership for Advancing Responsible Business Practices* (Greenleaf Publishing, 2010), Hoboken, NJ 78.

²⁶⁷ Esty, D. and Winston, A. . *Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage*, Wiley, 2009, Hoboken, NJ, 210.

Challenges in CSR implementation include lack of awareness, greenwashing, balancing profit and responsibility, regulatory complexities, and measuring impact.²⁶⁸ The future of CSR will see CSR becoming an integral part of corporate strategies, emphasizing transparency, technology-driven CSR, and focusing on inclusive growth.²⁶⁹ Corporate Social Responsibility is not just an ethical obligation but a strategic imperative for businesses in the 21st century.²⁷⁰ By addressing social, environmental, and economic concerns, CSR fosters sustainable growth, strengthens stakeholder relationships, and contributes to a better world. As businesses, governments, and communities collaborate to address global challenges, CSR will play a pivotal role in creating an equitable and sustainable future.²⁷¹

To conclude, this chapter outlines the importance of corporate legislation in India, defining the distinct characteristics of a company, a careful insight to company law, the historical evolution of company law, the primary objectives of company law, various types of corporations, essential provisions of company laws, and the role of firms in fostering business and economic progress as well as the social responsibilities of a body corporate.

²⁶⁸ Visser, W., *The Age of Responsibility: CSR 2.0 and the New DNA of Business*, Wiley, 2011, New York, 153.

²⁶⁹ Elkington, J., *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, Capstone Publishing, 1997, Oxford, 88.

²⁷⁰ Schwab, K., *Stakeholder Capitalism: A Global Economy that Works for Progress, People, and Planet*, Wiley, 2021, Hoboken, NJ, 120.

²⁷¹ Crane, A., Matten, D., and Spence, LJ, *Corporate Social Responsibility: Readings and Cases in a Global Context* Routledge, 2014, London, 45.

CHAPTER IV
CORPORATE SOCIAL RESPONSIBILITY (CSR) AND
THE COMPANY LAWS

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The previous chapter outlines the importance of corporate legislation in India, defining the distinct characteristics of a company, a careful insight to company law, the historical evolution of company law, the primary objectives of company law, various types of corporations, essential provisions of company laws, and the role of firms in fostering business and economic progress as well as the social responsibilities of a body corporate.

The present chapter examines the connection that exists between Corporate Social Responsibility (CSR) and company laws in today's corporate environment. It examines the legal framework of corporate law that regulates CSR activities, stressing the principal requirements and responsibilities a firm must meet when incorporating CSR into its operations. It also highlights the essential obligations that firms must fulfil to ensure their CSR programs adhere to the law.

In India, Corporate Social Responsibility (CSR) has transitioned from a voluntary endeavor to a compulsory compliance obligation for certain companies. The shift in CSR laws signifies an overall worldwide movement towards incorporating social and environmental issues into business operations. This transformation in India was codified by legislative provisions in the Companies Act, 2013, particularly Section 135, and has been further improved by numerous rules, circulars, and revisions. The present study examines the legal framework governing CSR in India, specifically highlighting Section 135 of the Companies Act, 2013, the Companies (CSR Policy) Rules, 2014, and other developments.

It has been analyzed that CSR is not new in India as many businesses' organization incorporate this concept to various social activities from time to time. One already understands that the concept of CSR differs in this modern era as compared to the ancient CSR activities which was purely on philanthropic activities. India, having a rich natural resource has already regulate its company through various Company law starting from 1913 and subsequently amend various Act. The earlier business culture in India has followed the philanthropic type of system and it is clear that 'many business companies have traditionally associated money-making with a philanthropic activity side by side. The idea was more embedded in trusteeship and even had its impact on institutions which actively participated in India's freedom movement. It was more about giving donations and taking up activities for uplifting the poor. The idea was to use the society's resources to make money and thereafter giving away some of it back to the society in the name of charity.²⁷² It is also clear that the business company has found this concept useful in building trust and cooperation in a larger perspective, be it society and the government as well. Perceptible development in society through this fund caught the attention of the central government to manage this concept more meaningful and systematic so that the society and the business company can get the maximum benefit out of it.

Meanwhile, regulations and control of the business enterprise costs a lot of energy and money but it is also necessary to prevent the businessmen from indulging in black marketing and other anti-social practices. There can be instances that their funding might be just a shield of their wrong deeds. The government therefore adopted the Consumer Protection Act as early as 1986. This act envisaged the consumers to address their grievances and complaints to the Consumer Forum who possess a special power to deal with such problems. In the meantime, the business enterprise proved themselves to be trustworthy and have become aware of the social responsibility they have than ever before. Many companies therefore, took a bigger

²⁷² Companies Act, 2013 – As amended by Companies (Amdt.) Act, 2020, 4th Edition (2020) – pp 1.33

leap in respect of accountability, environmental development, social development and sustainable development.

4.1 Relationship between CSR and business:

The relationship between Corporate Social Responsibility (CSR) and company performance has garnered significant attention in recent years, as businesses increasingly recognize the importance of ethical practices in driving success. CSR encompasses a company's efforts to conduct business in a socially responsible manner, addressing environmental, social, and governance (ESG) issues. This relationship is particularly evident in three key areas: brand reputation, investor attraction, and long-term sustainability.

Firstly, CSR initiatives play a crucial role in enhancing brand reputation. Companies that actively engage in socially responsible practices are often perceived as more trustworthy and ethical by consumers. Research indicates that 87% of consumers are more likely to purchase from a brand that supports a good cause, highlighting the impact of CSR on consumer behavior²⁷³. A strong brand reputation, cultivated through CSR, fosters customer loyalty and differentiates a company in a competitive market. For instance, brands like Patagonia and TOMS have successfully integrated CSR into their business models, resulting in a loyal customer base that values their commitment to social and environmental causes²⁷⁴. This positive perception not only drives sales but also enhances the overall market value of the company. Moreover, CSR can significantly attract investors. A growing number of investors prioritize ESG criteria when making investment decisions. According to a report by We Are Founders, 76% of investors expect

²⁷³ Cone Communications. (2016). "2016 Cone Communications Millennial Employee Engagement Study." https://calisanbagliligi.wordpress.com/wp-content/uploads/2019/10/75bb1-2016conecommunicationsmillennialemployeeengagementstudy_pressreleaseandfactsheet.pdf accessed on 7.03.2025

²⁷⁴ We Are Founders. (2023). "5 Ways CSR Drives Startup Growth and Loyalty."

companies to address social issues, viewing CSR as a sign of long-term viability²⁷⁵. Companies with robust CSR strategies are often perceived as lower risk, leading to a lower cost of capital and increased investment opportunities. This trend is particularly evident in the rise of socially responsible investing (SRI), where funds are allocated to companies that demonstrate a commitment to CSR. Studies have shown a positive correlation between CSR performance and financial performance, indicating that socially responsible companies tend to outperform their less responsible counterparts²⁷⁶. This relationship underscores the financial benefits of CSR, as investors increasingly seek to align their portfolios with their values. In addition to improving brand reputation and attracting investors, CSR contributes to long-term sustainability. By addressing social and environmental challenges, companies can mitigate risks associated with regulatory compliance, reputational damage, and operational disruptions. For example, firms that invest in sustainable practices, such as reducing carbon footprints and ensuring fair labour practices, not only enhance their CSR profile but also improve their operational efficiency and reduce costs in the long run²⁷⁷. This proactive approach to sustainability aligns with the growing consumer demand for ethical business practices, further reinforcing the importance of CSR in corporate strategy. Furthermore, CSR initiatives can lead to innovation and new market opportunities. Companies that prioritize CSR often find themselves at the forefront of developing sustainable products and services, catering to a market that increasingly values sustainability. This innovation not only drives revenue growth but also positions companies as leaders in their respective industries, enhancing their competitive advantage²⁷⁸.

²⁷⁵ Vorecol. (2023). "The Impact of Corporate Social Responsibility on Brand Reputation." <https://vorecol.com/blogs/blog-the-impact-of-corporate-social-responsibility-on-brand-reputation-9325> accessed on 7.03.2025

²⁷⁶ Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). "The impact of corporate sustainability on organizational processes and performance." *Management Science*, 60(11), 2835-2857.

²⁷⁷ Forbes. (2024). "Corporate Social Responsibility: A Strategic Imperative For Modern Businesses."

²⁷⁸ Hugill & Ip Solicitors. (2020). "The Positive Impact of Corporate Social Responsibility." <https://www.hugillandip.com/2020/02/the-positive-impact-of-corporate-social-responsibility/>

Thus, the relationship between CSR and company performance is significant and multifaceted. CSR enhances brand reputation, attracts investors, and contributes to long-term sustainability. As businesses continue to navigate an increasingly complex social and environmental landscape, integrating CSR into their core strategies will be essential for achieving sustainable growth and maintaining a competitive edge. Companies that recognize the value of CSR are likely to reap the benefits of improved performance, stakeholder trust, and market success, social, and governance (ESG) issues. These regulations have pushed businesses to adopt more transparent and responsible practices (Brown & Caylor, 2006)²⁷⁹.

4.2 Legal framework for CSR in Companies Law

4.2.1 Mandatory Obligations for CSR:

Section 135 is applicable to companies that satisfy at least one of the following requirements in the prior financial year:

- Net value of ₹500 crore or greater:
- annual turnover of ₹1,000 crore or greater:
- and net profit of ₹5 crore or greater.

For CSR activities to be carried-out, the company are obliged to follow certain norms as per law. The mandatory obligations of every qualifying company as mentioned in the Companies Act, 2013 are mentioned below²⁸⁰.

Firstly, to constitute a ‘Corporate Social Responsibility Committee of the Board’ consisting of three or more directors, out of which at least one director shall be an independent director (Section 135 (1)). This issue is needed to be clarified in such a manner that whether qualifying companies which requires minimum two directors only would be required to appoint one or more director only to constitute

²⁷⁹ Brown, L. D., & Caylor, M. L. (2006). *Corporate Governance and Firm Performance*. Journal of Financial Economics, Vol. 38, No.1, 32-53.

²⁸⁰ Companies Act, 2013 – As amended by Companies (Amdt.) Act, 2020, 4th Edition (2020) – pp1.162

CSR Committee and comply with the CSR provisions (also see sub-section 1).²⁸¹ At least two persons out of which:

(a) one shall be as specified under clause (d) of sub section (1) of section 380 of the Act, and

(b) another shall be nominated by the foreign company. (Refer rule 5(1) of the Companies (CSR Policy) Rules, 2014)

Secondly, to formulate a CSR Policy, based on CSR Committee's recommendations. The companies are also obliged to give preference to the local areas around it where it operates, for spending the amount earmarked for CSR activities.

Thirdly, to undertake activities included in CSR Policy in line with the activities indicated to be undertaken by the company as specified under (in areas or subject) Schedule VII.

Fourthly, to recommend the amount of expenditure to be incurred on the recommended activities or in other words to spend at least 2% of average net profits on CSR.

Fifthly, to monitor the CSR policy of the company from time to time and ensure that the amount sanctioned are executed by the entrusted authority befittingly.

Lastly, to formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in rule 5(2) of the Companies (CSR Policy) Rules, 2014. For companies covered under Section 135(9) of the Act and not required to have CSR Committee, these functions shall be carried out by the Board itself.

²⁸¹ Garg, K., 'Corporate Social Responsibility – Including amendments made by The Companies (Amendment) Act, 2020 & The Companies (CSR Policy) Amendment Rules', 2021, pp- 71

4.2.2 Responsibilities of the CSR Board Committee

The qualifying or eligible companies after creating CSR board committees are obliged to certain responsibilities. As per section 135 (4) of the Companies Act, CSR is a Board-driven process. The responsibilities of the Board of a CSR-eligible company, inter-alia, include the following²⁸² —

- (i) Approve of the CSR policy after taking into account the recommendations made by the CSR committee;
- (ii) The approved CSR policy and disclose contents of such policy in its report and also place it on the company's website, if any;
- (iii) ensure that the activities included in the CSR policy are undertaken by the company;
- (iv) ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years;
- (v) satisfy itself regarding the utilisation of the disbursed CSR funds; and
- (vi) if the company fails to spend at least two per cent of the average net profits of the company, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer the unspent CSR amount as per provisions of sections 135(5) and 135(6) of the Act.
- (vii) Further, the unspent amount relates to any of the ongoing project must be transferred to the fund specified in Scheduled VII within a period of six months of the expiry of the financial year (sub-section 5).

²⁸² General Circular No. 14 /2021 E-file no.CSR-05/01/2021-CSR-MCA Government of India Ministry of Corporate Dated: 25th August 2021

- (viii) The company may also transfer the amount which remain unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, within a period of thirty days from the end of the financial year to a special account opened by them on behalf of the previous financial year in any scheduled bank which is called the Unspent Corporate Social Responsibility Account.
- (ix) This account shall be spent by the company in pursuance of its obligation towards the CSR policy within a period of three financial years from the date of such transfer. Failing of which, the company shall transfer the same to a fund specified in Scheduled VII within a period of thirty days of the completion of the third financial year (sub-section 6).

4.2.3 Penalty for not Complying the Provisions

The Act envisaged that all the eligible companies to administer CSR activities as per the above listed provision. Penalties for not complying this is also mentioned in the Act. To avoid such condition and in order to maintain the company's reputation, the CSR Board committee actively work towards this programme relentlessly keeping in mind that this can hamper the marketing condition as well as their revenue turnover.

The central government shall ensure compliance of the provisions mentioned under Section 135 of the Act by the company and may give directions as it considers necessary to the company - if it finds that a company is in default with the provisions (of sub-section 5 and sub-section 6) of Section 135, the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in scheduled VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, which ever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Scheduled VII, or the Unspent Corporate Social Responsibility Account, as the case

may be, or two lakhs rupees, whichever is less (read under sub-section 7 of section 135).

4.2.4 Composition of CSR Committee

The composition of the CSR Committee for various categories of companies is as specified by the Ministry of Corporate Affairs in its General Circular 14/2021 vide E-file No. CSR-05/01/2021-CSR-MCA dated the 25th August, 2021 (ANNEXURE – III) is as below :

For a listed company, the ‘Corporate Social Responsibility Committee of the Board’ consisting of three or more directors, out of which at least one director shall be an independent director (Section 135 (1)).

For unlisted company, three or more directors, out of which at least one shall be an independent director. However, if there is no requirement of having an independent director in the company, two or more directors.

For Private companies, two or more directors. No independent directors are required as mentioned in the proviso under section 135(1).

For a foreign company, at least two persons out of which :

(a) one shall be as specified under clause (d) of sub section (1) of section 380 of the Act, and

(b) another shall be nominated by the foreign company. (Refer rule 5(1) of the Companies (CSR Policy) Rules, 2014)

All the companies incorporated in India whether domestic or foreign companies are obliged to meet the criterion of the Act and invest in CSR immediately in the preceding financial year as per the Companies (Amendment) Act, 2017. The companies have specialized CSR teams that formulate policies, strategies, and goals for their CSR programs and set aside budgets to fund them. These programs are often determined by social philosophy which has clear objectives and

are well defined and aligned with the mainstream business. The programs are put into practice by the employees who are crucial to this process. CSR programs range from community development to development in education, environment, healthcare, educational scholarship schemes, etc. Incorporation of CSR helps in strengthening the development of community and enhancement of the reputation of the company. It also cultivates a sense of loyalty and trust amongst the employees in the organizational ethics.

4.2.5 Incorporation of CSR Policies and Programmes by the company

After making necessary investment under CSR the companies have to give reports of their activity to its CSR Board Committee. The report can be in a complied format of their on-going project, complete project or give justification for non-spending in case of non-compliance or part-compliance. The mandatory CSR provisions are based on the principles of 'comply or explain'.

In case, the company did not earn any profit, it may not invest in CSR due to lack of funds and can explain the reason in the Board Report which should suffice the condition. Hence, the eligibility criteria will be as per the financial data of the company on any of the three preceding years (or the immediately preceding financial year from the effective date notified by MCA for amended provisions of sec 135). The CSR spending need not necessarily be done directly by the company itself. Any contribution can be made by the company and entrust it to a trust or NGO etc. qualify for CSR expenditure for the company.

As envisaged in the Act, all CSR programmes and projects should be approved by the Boards on the recommendations of their CSR Committees, any change or alterations need to be made should also be undertaken by the CSR Committee or the Board. The government has no role in this regard other than listing out the items of activities in the Scheduled VII for the companies to choose from as per their convenience and preference. 'Amendments were issued to the Schedule VII of the Act during the year 2019-20 for inserting item (xii) 'disaster management, including relief and reconstruction activities' (30 May, 2019) and substituting earlier provisions

under item (ix) (11 October, 2019).'²⁸³ Moreover, as mandated by the government CSR programmes should be an actual project or a detailed programmed and not and one-off event like television programmes, award programmes, sponsorship of events and the like. They must make sure that the projects they approved must encapsulate sustainability.

Further, the CSR policy must contain a 'detailed policy framework of the organization containing a list of projects planned to be undertaken, the means of execution, implementation schedules and the process of monitoring. Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 states that the following points must be considered while drafting the CSR policy:

- a) CSR policy shall specifically provide activities which are to be undertaken by the company during the financial year.
- b) CSR policy may provide such activities which beneficial for the employees of the company. However, expenditure on such activity will not be considered as CSR expenditure.
- c) The companies can build the capacities of their own personnel as well as those of their implementing agencies through institutions with established track records of last three financial years. However, administrative overhead in any case shall not exceed 5% of total CSR expenditure in one financial year.

Further, Rule 6 provides that the following shall be included in the CSR Policy:

- a) List of programmes or projects within the meaning of schedule VII.
- b) The modalities for execution of CSR projects.
- c) The schedules for implementation of CSR projects.

²⁸³ CHAPTER IV-061c1ab81c492b4.39496850.pdf (cag.gov.in) Accessed on 15th August, 2024

- d) Monitoring process of such projects.
- e) Specific declaration to the effect that surplus arising out of the CSR projects shall not form part of the business profit of a company.²⁸⁴

Meanwhile, during the ‘COVID-19 (coronavirus) outbreak, the Ministry of Corporate Affairs has notified that companies expenditure to fight the pandemic will be considered valid under CSR activities. Funds may be spent on various activities related to COVID-19 such as promotion of healthcare including preventive healthcare and sanitation, and disaster management.’²⁸⁵ The government, however, is considering a re-evaluation of this provision, as well as other CSR provisions recently introduced under the Companies Amendment Act, 2019 (“the Act”).²⁸⁶ Further, ‘the CSR amendments introduced under the Act has mandated companies to deposit the unspent CSR funds into a fund prescribed under Schedule VII of the Act within the end of the fiscal year. This amount must be utilized within three years from the date of transfer, failing which the fund must be deposited in to one of the specified funds. The new law prescribes for a monetary penalty as well as imprisonment in case of non-compliance. The penalty ranges from INR 50,000 to INR 2.5 million whereas the defaulting officer of the company may be liable to imprisonment for up to three years, or a fine up to INR 500,000 or both.’²⁸⁷

The Board may decide to undertake its CSR activities as recommended by CSR committee after undertaking baseline survey and need assessment studies for identifying the CSR project/ activity through a registered trust/ society or a company established by the CPSE or its holding, subsidiary, or associate company under Section 8 of the Act or otherwise. The projects were executed either through Government agencies/ institutions, local bodies/ community based organizations or

²⁸⁴ De, R., (2018) ‘A practical Guide to Corporate Social Responsibility: Law, Accounting and Taxation Aspects’, Bloomsbury Publication, New Delhi 2018, pp - 212

²⁸⁵ Corporate Social Responsibility in India - India Briefing News (india-briefing.com) Accessed on 5th August, 2024

²⁸⁶ Corporate Social Responsibility in India - India Briefing News (india-briefing.com) Accessed on 5th August, 2024

²⁸⁷ *ibid*

on the basis of proposals received from NGOs/ implementing agencies etc. Section 135(5) of the Act provides that the CPSE shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

Execution of the work as per the plan and in conformity of the committee does not mean that business is over, the company as per Rule 5(2) of CSR Rules 2014, the CSR committee shall institute a transparent monitoring mechanism for implementation of CSR projects or programs or its activities undertaken by the CPSE. Hence, 'DPE vide OM No. CSR-15-0008-2014-Dir CSR dated 1st August, 2016 instructed the CPSEs to have an institutionalized mechanism for monitoring, reporting and evaluation of CSR also known as observance of transparency and due diligence in selection and implementation of activities under CSR by CPSEs.'²⁸⁸ As per Section 135(2) read with Section 134(3)(a) of the Act, a Company is required to include an annual report on CSR in their Board of Directors' Report and place it on the official website. 'According to Rule 9 of CSR Rules, 2014, the companies have to disclose the following in the prescribed format :

- a. Contents of CSR policy and its web link, average net profit, composition of CSR committee, administrative overheads, prescribed amount, unspent amount, reasons for unspent amount.
- b. Include a responsibility statement signed by the CSR committee that the implementation and monitoring of CSR policy was in compliance with the CSR objective and policy of the company.'²⁸⁹

'The Companies Act, 2013 catapulted the hitherto voluntarily commitment by the companies to a legal obligation and ordains a specific set of companies to

²⁸⁸https://www.icsi.edu/media/webmodules/Observance%20of%20Transparency%20dt_1_8_2016.pdf Accessed on 8th August, 2024

²⁸⁹https://cag.gov.in/uploads/download_audit_report/2020/CHAPTER%20IV-061c1ab81c492b4.39496850.pdf pp – 108 Accessed on 8th August, 2024

contribute mandatory towards CSR.’²⁹⁰ However, with the evolution of ‘the Companies Corporate Social Responsibility Amendment Rules, 2021 which came into effect from 22nd January, 2021 new rules have been adopted to strengthen the current existing Act. The new rules include – Firstly, Roping in the independence agency for CSR Impact Assessment Report. Secondly, SROI as performance measurement parameter in the Board Report. Thirdly, placing in CSR Charter to get in line with impact assessment. Fourthly, maintaining trail of unspent amount and ongoing projects – one to one correlation and ploughing back. Fifthly, ESG disclosures and lastly, capital assets created or acquired under CSR activities.’²⁹¹

4.2.6 The Companies (CSR Policy) Rules, 2014

The Companies (CSR Policy) Rules, 2014, which were introduced alongside the Companies Act, 2013, provide further clarification on the implementation of CSR activities. These rules are crucial in defining what constitutes eligible CSR spending and setting out guidelines for companies on how to approach CSR.

- Eligible Activities: The Rules outline a broad range of activities that qualify as CSR, including, but not limited to:
 - Promoting education, health, gender equality, and rural development.
 - Supporting initiatives for the protection of national heritage, art, and culture.
 - Providing vocational training and skills development.
 - Addressing issues such as hunger, poverty, and malnutrition.

²⁹⁰ Kundal, N. S. (2019), ‘Corporate Social Responsibility – Concept, Genesis, Evolution & Practice, 2019, Oak Bridge Publishing Pvt. Ltd.; 2019, pp - 113

²⁹¹ De, R. (2018) ‘A practical Guide to Corporate Social Responsibility : Law, Accounting and Taxation Aspects’ ,Bloomsbury Publication, New Delhi 2018 pp- 43

The rules emphasize that CSR activities should aim to create positive social impact and not be directly related to the company's business operations. It also allows companies to contribute to funds such as the Prime Minister's National Relief Fund or Clean Ganga Fund, thereby broadening the scope of eligible CSR activities.

- **Implementation:** CSR activities can be executed either by the company directly or through third-party agencies such as NGOs, trusts, or societies. The Rules also require companies to monitor and evaluate the outcomes of their CSR initiatives through impact assessments for projects exceeding a specified financial threshold.
- **Expenditure Reporting:** Companies are required to report their CSR activities annually in their Board of Directors' Report. This includes detailed disclosure of the CSR policy, activities undertaken, and the total amount spent on CSR initiatives.

4.2.7 Amendments to the CSR Provisions

Several amendments to the Companies Act, 2013, and the CSR Rules have been made since the original enactment to address emerging challenges and refine the framework. Some notable amendments include:

- **The Companies (Amendment) Act, 2019:** This amendment brought significant changes, particularly in terms of accountability and penalties for non-compliance. Companies that fail to spend the mandated CSR funds must now provide an explanation for the shortfall. Furthermore, unspent CSR funds must be transferred to a specified CSR fund or used for ongoing CSR projects in the subsequent financial year. The amendment also introduced a provision to hold directors accountable for ensuring compliance.
- **CSR Spending Calculation:** A 2020 amendment clarified that CSR spending may include certain administrative costs associated with implementing CSR programs, which was previously an area of ambiguity. This clarification

aimed to provide companies with greater flexibility while maintaining the core objective of social welfare.

- **CSR Impact Assessment:** The 2021 amendments further refined CSR guidelines by mandating impact assessments for projects with significant budgets, ensuring that the funds spent have a measurable and lasting impact on society.

These amendments reflect the evolving regulatory approach to CSR, as the government seeks to enhance the effectiveness of CSR expenditure and ensure it meets its intended goals.

4.3 Important CSR case laws

Corporate Social Responsibility (CSR) in India has been significantly influenced by various landmark judicial decisions that have shaped its legal framework and corporate governance. Notable cases include:

- *Union Carbide Corporation v. Union of India (1989)*²⁹²

This case, which originated out of the Bhopal Gas Tragedy, highlighted corporate responsibility by holding businesses accountable for environmental disasters brought on by their operations.

- *M.C. Mehta v. Union of India (1987)*²⁹³

CSR's role in preserving public welfare was strengthened when the Supreme Court introduced the idea of absolute liability for businesses involved in risky operations, guaranteeing that they pay communities that were affected.

²⁹² 1992 AIR 248, 1991 SCC (4)584, 1991 SCALE (2)675, 1991 SCR Supl.(1) 251, JT 1991 (6)8

²⁹³ 1 SCC 395 (Supreme Court of India)

- *Tata Power Company Ltd. v. Maharashtra Electricity Regulatory Commission (2008)*²⁹⁴

The court acknowledged that corporate entities should support social welfare in addition to their business goals, emphasizing the incorporation of CSR into corporate governance.

- *Chief Commissioner of Central Goods and Service Tax v. M/S Safari Retreats Private Limited (2024)*²⁹⁵

This case involved discussions on CSR obligations under Section 135 of the Companies Act, 2013, reflecting the judiciary's role in interpreting CSR compliance requirements.

- *Public Interest Litigation Regarding Oil Companies' CSR Funds (2024)*²⁹⁶

The Supreme Court addressed a PIL urging oil companies to allocate CSR funds to public transport, highlighting the judiciary's influence in directing CSR contributions toward public welfare.

- *Indian Petrochemicals Corporation Ltd. v. M.C. Mehta (1987)*²⁹⁷

This case established the principle of "absolute liability" for industries engaged in hazardous activities. The Supreme Court held that such industries are strictly liable to compensate for any harm caused by their operations, irrespective of fault, thereby reinforcing corporate responsibility for environmental protection.

²⁹⁴ 2009 ELR 378 (APTEL)

²⁹⁵ [TS-350-HC-2019(ORI)-NT]

²⁹⁶ <https://thecsrjournal.in/pil-csr-funds-oil-companies-public-transport-supreme-court/> accessed on 19.03.2025

²⁹⁷ AIR 1987 SC 1086 (India)

- *Vellore Citizens' Welfare Forum v. Union of India (1996)*²⁹⁸

The Supreme Court mandated the closure, relocation, or redesigning of tanneries causing pollution in the Tamil Nadu region. This judgment highlighted the judiciary's role in enforcing environmental standards and corporate accountability.

- *Ridhima Pandey v. Union of India (2017)*²⁹⁹

A nine-year-old girl filed a petition arguing that the government's failure to act on climate change violated constitutional provisions. The National Green Tribunal recognized the right to be free from adverse effects of climate change as a fundamental right, emphasizing the state's duty to protect the environment.

- *Goa Foundation v. Sesa Sterlite Ltd.*³⁰⁰

The Supreme Court addressed illegal mining activities causing environmental degradation in Goa. The court ordered the suspension of mining operations, highlighting the imperative to balance corporate activities with environmental sustainability.

4.4 Challenges and Recommendations in CSR Implementation in India

Corporate Social Responsibility (CSR) has become an essential element of business strategy in India, particularly following the introduction of Section 135 of the Companies Act, 2013. The mandate has provided a framework for businesses to contribute meaningfully to societal welfare, yet its implementation has revealed several challenges. These include compliance burdens, the effectiveness of CSR programs, enforcement gaps, and limited corporate engagement. This analysis identifies these hurdles and presents tailored recommendations to optimize CSR implementation.

²⁹⁸ [1996] Supp. (5) S.C.R. 241

²⁹⁹ W.P. (C) No. 1077/2017 (Delhi High Court)

³⁰⁰ 6 SCC 590 (Supreme Court of India)

1. Compliance Burden and Complexity:

One of the most significant challenges businesses face in implementing CSR is the complex regulatory environment under Section 135 of the Companies Act, 2013, and the Companies (CSR Policy) Rules, 2014. These provisions impose a variety of compliance requirements on companies, such as forming a CSR committee, ensuring that activities align with Schedule VII, and submitting annual reports detailing CSR spending. For small and medium enterprises (SMEs), especially those with fluctuating profits, managing CSR obligations becomes a cumbersome task. Moreover, the requirement to spend at least 2% of average net profits on CSR activities, coupled with the frequent changes in regulations, such as the introduction of impact assessment requirements for projects above ₹10 crore, increases the administrative burden.³⁰¹

To alleviate the compliance burden, the government could consider providing a standardized set of guidelines or simplified frameworks that cater specifically to SMEs and non-profit entities. A dedicated CSR portal offering guidance and regulatory updates could further streamline communication between companies and the Ministry of Corporate Affairs (MCA). This would simplify reporting for smaller entities, ensuring their active participation in CSR activities.

2. Effectiveness and Impact Measurement:

Despite the push for companies to invest in CSR, the actual effectiveness of these programs is often questioned. Many companies tend to focus on charitable donations or short-term infrastructure development, which may not have long-term sustainability or measurable social impact. The tendency to fund isolated projects without integrating community empowerment or capacity building limits the transformative potential of CSR. Furthermore, there is insufficient focus on outcome-

³⁰¹Ministry of Corporate Affairs (MCA) Notification No. G.S.R. 1(E), dated 27th February 2014, Companies (CSR Policy) Rules, 2014.
<https://ca2013.com/rule/companies-corporate-social-responsibility-rules-2014/>
accesses on 13.03.2025

based assessments, often making it difficult to measure the real-world impact of these initiatives.³⁰²

The government should incentivize businesses to adopt outcome-based CSR models that emphasize measurable social outcomes. One approach could be the use of frameworks like Social Return on Investment (SROI) to assess the true impact of CSR activities. Encouraging partnerships with NGOs and social enterprises with expertise in sustainable development would also help companies implement more impactful and long-lasting initiatives.

3. Enforcement Gaps and Transparency Issues:

The enforcement of CSR obligations has been a notable issue, as instances of non-compliance or misallocation of funds often go unaddressed. Some companies misreport CSR activities, classifying non-CSR-related expenditures as part of their CSR contributions or failing to meet the 2% spending requirement without justification. This lack of accountability undermines the credibility of CSR initiatives, while weak enforcement mechanisms make it difficult to rectify these issues.³⁰³

Establishing a more robust monitoring mechanism would help ensure compliance and provide a transparent oversight system for CSR activities. The MCA could consider setting up an independent oversight body or an evaluation panel that reviews CSR projects and verifies the actual use of funds. A public CSR performance rating system would also provide transparency, fostering accountability among businesses and building trust with stakeholders.

³⁰² <https://ca2013.com/rule/companies-corporate-social-responsibility-rules-2014/> accessed on 13.03.2025 Companies (Amendment) Act, 2019, Section 135, which includes provisions for "impact assessments."

³⁰³ https://www.mca.gov.in/Ministry/pdf/InvitationPublicCommentsHLC_01032019.pdf accessed on 13.03.2025 MCA Circular No. 21/2014, dated 18th June 2014, clarifies CSR spending and reporting requirements.

4. Limited Corporate Engagement and Shallow Social Impact:

Many companies still perceive CSR as a mandatory obligation rather than a strategic opportunity to create lasting social value. This often leads to tokenistic CSR efforts, such as one-off donations or philanthropic activities, that fail to address the root causes of social problems. There is a significant gap in deeper corporate engagement, where businesses actively design and implement projects that promote systemic change and align with their core competencies.

Corporations should be encouraged to align their CSR efforts with their core business objectives, ensuring that CSR is not merely a separate, peripheral activity. By integrating CSR into their business models, companies can focus on areas like education, healthcare, or environmental sustainability, where their expertise and resources can make a meaningful difference. Collaboration with local governments, non-profit organizations, and other corporate entities can enhance the scale and impact of CSR initiatives.³⁰⁴

5. Awareness and Capacity Building within the Corporate Sector:

Despite the mandatory nature of CSR, many companies still lack sufficient knowledge of their responsibilities under the law. The absence of expertise in designing and executing effective CSR strategies results in poor implementation of CSR activities. Small and medium enterprises, in particular, may not have the resources or understanding to fully comply with CSR regulations, thus limiting their ability to contribute meaningfully.³⁰⁵

³⁰⁴[https://www.csrbox.org/Impact/description/India_CSR_news_FAQs-on-Corporate-Social-Responsibility-\(CSR\)-by-MCA-August-2021_1422](https://www.csrbox.org/Impact/description/India_CSR_news_FAQs-on-Corporate-Social-Responsibility-(CSR)-by-MCA-August-2021_1422) accessed on 13.03.2025 MCA Circular No. 05/2019, dated 22nd January 2019, encourages businesses to invest in impactful CSR initiatives.

³⁰⁵ <https://ca2013.com/rule/companies-corporate-social-responsibility-rules-2014/> accessed on 13.03.2025 Ministry of Corporate Affairs (MCA) Notification No. G.S.R. 1(E), dated 27th February 2014, emphasizes the need for corporate governance and transparency in CSR reporting.

The government should partner with educational institutions and industry bodies to launch awareness campaigns and capacity-building programs. These initiatives should educate corporate leadership on CSR best practices, impact assessment methodologies, and sustainability principles. Additionally, CSR-specific workshops can help smaller businesses and non-profits understand their regulatory obligations and make the most of their CSR investments.

While CSR in India has the potential to significantly benefit society, several challenges continue to hinder its full realization. From the complexity of compliance to issues with effectiveness, enforcement, and transparency, the current CSR framework requires refinement. By simplifying the compliance process, focusing on outcome-based initiatives, strengthening enforcement mechanisms, and encouraging greater corporate engagement, India can create a CSR ecosystem that is both impactful and accountable. The government, through regulatory reforms, increased awareness, and transparency, must support these changes to foster a more responsible and sustainable business landscape.

In conclusion, the chapter examines the connection that exists between Corporate Social Responsibility (CSR) and company laws in today's corporate environment. It examines the legal framework of corporate law that regulates CSR activities, stressing the principal requirements and responsibilities a firm must meet when incorporating CSR into its operations. It also highlights the essential obligations that firms must fulfil to ensure their CSR programs adhere to the law.

CHAPTER V
CORPORATE SOCIAL RESPONSIBILITY (CSR)
IN THE STATE OF MIZORAM

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The previous chapter examines the connection that exists between Corporate Social Responsibility (CSR) and company laws in today's corporate environment. It examines the legal framework of corporate law that regulates CSR activities, stressing the principal requirements and responsibilities a firm must meet when incorporating CSR into its operations. It also highlights the essential obligations that firms must fulfil to ensure their CSR programs adhere to the law.

The present chapter explores the evolution of CSR in Mizoram, focusing on the legal frameworks, CSR activities undertaken by businesses, and their socio-economic impact on local communities. We will examine both regulatory and voluntary CSR practices, analyse CSR initiatives across various sectors, and provide case studies of companies involved in CSR in Mizoram. The chapter will also discuss the challenges and opportunities of CSR in the state and offer recommendations for enhancing CSR implementation.

In Mizoram, a northeastern state of India, CSR initiatives are gaining importance as businesses seek to address the unique socio-economic challenges faced by local communities. Mizoram, characterized by its hilly terrain, rich biodiversity, and diverse culture, presents both opportunities and challenges for CSR activities. The state's relatively underdeveloped infrastructure, limited access to education and healthcare, and economic reliance on agriculture make CSR initiatives crucial in addressing these issues.

5.1 Legal Framework In connection to Corporate Social Responsibility in Mizoram

The legal framework for Corporate Social Responsibility (CSR) in India is principally regulated by the companies Act of 2013, which requires corporations that achieve specific financial limits to dedicate at least 2% of their average net earnings over the preceding three years to CSR initiatives.

This provision pertains to companies possessing a net worth of ₹

- 500 crore or greater.
- An annual revenue of ₹1,000 crore or greater, or
- A net profit of ₹5 crore or greater.

According to Section 135 of the corporations Act, corporations must create a CSR Committee, develop a CSR policy, and declare CSR actions in their annual reports. The legislation breaks down the categories of activities qualifying for CSR support, encompassing initiatives pertaining to education, healthcare, environmental conservation, and rural development, among others.

Companies operating in Mizoram are subject to this legislative system, which is made more complicated by the state's distinctive socio-economic backdrop. The CSR mandate offers firms the chance to aid regional development, particularly in infrastructure, healthcare, and education sectors. The execution of CSR initiatives in Mizoram must be attuned to the region's diverse cultures and geographical constraints. Furthermore, the government of Mizoram has implemented state-level measures intended to enhance social welfare and growth. These programs frequently enhance and direct the CSR endeavours of enterprises inside the state.

5.2 Corporate Social Responsibility Initiatives in Mizoram: Areas of Focus

1. *Infrastructure Development:* A significant difficulty in Mizoram is the inadequately constructed infrastructure, particularly in isolated regions. Corporate Social Responsibility projects in this area generally emphasize the enhancement of roads, bridges, water delivery systems, and energy connectivity. NEEPCO (North Eastern Electric Power Corporation) has initiated various CSR projects to enhance power infrastructure in rural regions, hence bolstering the government's initiatives to provide dependable electricity supply. In the promotion of Healthcare, NEEPCO Provided 4 (four) Nos. Medical ICU Ventilator @ Rs. 5,60,000.00 each for containment of the spread of COVID19 in the state of Mizoram.³⁰⁶
2. *Education:* Education serves as a fundamental pillar of development in Mizoram, where access to high-quality education continues to pose challenges, especially in isolated communities. Numerous firms have concentrated their CSR initiatives on developing and enhancing educational facilities, providing scholarships to students, and advocating for vocational training. ONGC (Oil and Natural Gas Corporation) has allocated resources to educational projects in Mizoram, constructing schools and offering scholarships for higher education to disadvantaged children. ONGC has been active in Mizoram, particularly in the areas of education and healthcare. The company has funded the construction of schools and hospitals, as well as providing scholarships to students from disadvantaged backgrounds. ONGC's CSR activities have helped in improving the quality of life for local communities by addressing basic infrastructural and health needs.

³⁰⁶ <https://neepco.co.in/sites/default/files/CSR-Detail-2015-16.pdf> accessed on 14.03.2025

3. *Healthcare*: The healthcare system in Mizoram encounters challenges like inadequate medical facilities, a scarcity of skilled personnel, and restricted access to quality healthcare in rural regions. Corporate Social Responsibility activities in the healthcare industry encompass the establishment of medical camps, the donation of medical equipment, and the provision of healthcare services in disadvantaged areas. Entities such as BHEL (Bharat Heavy Electricals Limited) have enhanced healthcare by aiding local hospitals and orchestrating health awareness initiatives.³⁰⁷ BHEL has been involved in several CSR initiatives in Mizoram, focusing on healthcare, education, and rural development. BHEL has organized health camps, donated medical equipment to local hospitals, and supported local educational institutions. Their efforts have contributed to the improvement of healthcare access and educational opportunities in rural areas of Mizoram.
4. *Environmental Sustainability*: Mizoram is recognized for its abundant biodiversity; nonetheless, it has issues pertaining to deforestation and environmental deterioration. Corporate Social Responsibility projects in environmental sustainability emphasize afforestation, conservation of natural resources, and the promotion of eco-friendly practices. Energy sector companies, including NEEPCO, engage in afforestation and biodiversity conservation initiatives to alleviate the environmental consequences of their activities.
5. *Livelihood and Economic Empowerment*: Agriculture serves as the predominant occupation in Mizoram, with numerous CSR initiatives focused on enhancing agricultural output, implementing sustainable farming practices, and assisting self-help groups (SHGs). Organizations such as ONGC and BHEL engage in offering livelihood assistance through skill development initiatives, vocational training, and financial support to local farmers.

³⁰⁷<https://mpcb.mizoram.gov.in/uploads/attachments/cbca7d50a06f906b09a0fe3dcdeebec/pages-224-ch-1-introduction.pdf> accessed on 14.03.2025

5.3 CSR initiatives in Mizoram by Institutions

5.3.1 CSR initiatives under State Bank of India, Mizoram

State Bank of India (SBI) a Fortune 500 company, is an Indian Multinational, Public Sector Banking and Financial services statutory body headquartered in Mumbai. The rich heritage and legacy of over 200 years, accredits SBI as the most trusted Bank by Indians through generations. It is the largest banking and financial services organization in India, with an asset base of over Rs. 61 trillion. We serve over 50 crore customers through our vast network of over 22,500 branches, 63,580 ATMs/ADWMs, 82,900 BC outlets, with an undeterred focus on innovation, and customer centricity, which stems from the core values of the Bank - Service, Transparency, Ethics, Politeness and Sustainability.

The Bank has successfully diversified businesses through its various subsidiaries i.e SBI General Insurance, SBI Life Insurance, SBI Mutual Fund, SBI Card, etc. It has spread its presence globally and operates across time zones through 241 offices in 29 foreign countries.

Growing with times, SBI continues to redefine banking in India, as it aims to offer responsible and sustainable Banking solutions.³⁰⁸

The following table contains some of the CSR initiatives undertaken by the Bank within the state of Mizoram, the exact amount of donation is confidential so the respondents were not able to share. There are more initiatives undertaken but due to proper maintenance of records only the activities shown in the Table could be presented.

³⁰⁸ <https://sbi.co.in/web/about-us> accessed on 19.03.2025

Table 5.3.1 (a) CSR Projects in Mizoram by State Bank of India

Sl. No	Date of Donation	Name of Donee	Purpose
1.	August 2023	Ist Bn MAP, Eng Med. School, Aizawl	Computer Lab, furniture and fixtures for smart class rooms
2.	March 2023	Govt. Zirtiri Residential Science College	Water cooler and filter set for students and faculty
3.	September 2023	Presbyterian English School Under Synod	Computers
4.	March 2023	Lengpui Village Council	Water cooler and filter set
5.	2024	Sihphir Village	Solar Street Lightening system
6.	2024	Govt. Sihphir Venghlun High School	SBI Smart School Initiatives Smart Classroom/ Computer Lab/ Science Lab
7.	February 2024	Art and Culture Department	Sponsorship for celebration of Chapchar Kut
8.	2024	Chief Minister Relief Fund	Cyclone Remal relief fund
9.	January 2025	Traffic Police Department	Financial assistance for procurement of necessary equipments
10.	January 2025	Govt. P/S I, Mamit	Upgradation and renovation of infrastructure
11.	January 2025	Govt. P/S IV, Kawnpui	Upgradation and renovation of infrastructure
12.	2023	Mission foundation Movement, Durtlang	Donation of Bus
13.	2024	State Bank Day (Annual Programme)	Tree Plantation

Source: Field Study conducted during October 2023 – January 2025

5.3.2 CSR initiatives undertaken by Mizoram Rural Bank

Mizoram Rural Bank established on 27th September 1983 under the Regional Rural Bank Act 1976 is jointly owned by the Government of India, Government of Mizoram and State Bank of India. The share capital of RRB is subscribed in the following – Government of India has 50% shares, Government of Mizoram has 15 % shares and the sponsoring commercial Bank, State Bank of India has 35 % shares.

Mizoram Rural Bank with its main Head Office, Aizawl has branches operating in 11 districts and 26 RD Blocks with a branch unit of 89 comprising of 18 urban, 19 semi – urbans and 52 rural centers. During the financial year of 2020-2021, Mizoram Rural Bank contributed a total amount of 11 lakhs towards CSR.

CSR initiatives undertaken by Mizoram Rural Bank within the state of Mizoram for the development of the society. Application for funding different projects are brought before the CSR Committee of the bank and upon careful deliberations the Committee choose the projects which would be sponsored/ funded under their CSR provision.

Table 5.3.2 (a)**CSR Projects during 2020-2021 under MRB**

Sl. No	Originating From	Particulars	Approved Amount	Sanctioned Date
1.	Ephatha Society of Mizoram	Donation of water cooler/ projector/ steel almirah/ computer set	80000.00	25.08.2020
2.	Zarkawt Local Level Task Force		10000.00	12.06.2021
3.	Head Master Chhuanthar P/S	Donation of water cooler	33000.00	20.10.2020
4.	35 th MRB Day Donation	Donation of 302400.00 to: 1. TNT (Aizawl) = 60000.00 2. TNT (Lunglei) = 40000.00 3. TNT (Kolasib) = 40000.00 4. TNT (Champhai) = 40000.00 5. AVBD (Aizawl) = 20000.00 6. Vanpalai = 15000.00 7. Horeb Retreat Center = 15000.00 8. Operation Kingdom = 30000.00 9. ZMC (Water Filter) = 42400.00	302400.00	25.09.2020
5.	Presbyterian Pastor Pension Fellowship	Advertisement in PPF Souvenir	25000.00	23.03.2021
6.	Protective Mask MRB H.O.	Donation of Protective Masks to customers	464000.00	23.03.2021
7.	Secretary YMA Khatla Branch	Funding of Basketball Court Lighting System	229063.00	29.03.2021

Source: Field Study conducted during October 2023

Table 5.3.2 (b)**CSR Projects during 2021-2022 under MRB**

Sl. No	Originating From	Particulars	Approved Amount	Sanctioned Date
1	Deputy Commissioner & Chairman, District Disaster Management Authority	Request for Financial Assistance in Fight against Covid-19	1000000.00	01-05-2021
2	Asst. General Secy. Central Young Lai Assn.	Donation for construction of CYLA Football Field Chokidar Quarters	10000.00	29-05-2021
3	Robert Romawia Royte Minister of State Sports & Youth Services	Sponsorship of two Mizo Professional Boxers @ Rs. 50000 each	100000.00	05-06-2021
4	Vice President MSU General Headquarters	Sponsorship for MSU felicitation Live Programme for Top 3 students in HSSLC Examination 2021	50000.00	29-06-2021
5	Head Office	Donation of Protective Mask	250000.00	29-06-2021
6	General Secretary Lairam Isua Krista Baptist Kohhran	Donation of Ambulance for Lairam Medical Centre	549911.00	30-06-2021
7	Dr. Vanlaltanpuia MLA Lunglei 'N' Assembly Constituency	Donation of Ambulance for YMA Serkawn	554509.00	07-07-2021
8	General Secretary, Pang Zirlai Pawl, General Headquarters, Vathuampui	Request for sponsorship of PZP Gen. Headquarter Felicitation	50000.00	09-07-2021
9	Cost of Hiring Vehicle for IBPS-RRB-CRP-X (Preliminary Exam) held on 1 st , 7 th and 8 th Aug 2021		30500.00	09-08-2021
10	Vice President/Organizing Chairman MSU General Headquarters	Request for Sponsorship for MSU Felicitations Live Program 2021	50000.00	16-08-2021
11	Secretary, Young Mizo	Sponsorship of Futsal Ground	1000000.00	16-08-2021

	Association, Luangmual Branch	at Govt. CH Chhunga High School, Luangmual		
12	Dr. R.Zonuntluanga Joint Registrar (Estt) MZU	Financial Assistance on project of “Development of Education in Rural Areas of Mizoram”	500000.00	23-08-2021
13	Director Medical & Health Department, Baptist Church of Mizoram	Request for donation of Morgue Van for Christian Hospital, Serkawn	1023730.00	07-09-2021
14	Secretary, Salvation Army Youth, Aizawl Temple Corps.	Sponsorship of Coffee Nite 2021	100000.00	17-11-2021
15	General Secreatry, Music Domain Mizoram (MDM)	Sponsorship of MDM Calendar 2022	30000.00	17-11-2021
16	Deputy Commissioner, Aizawl District, Aizawl	Sponsorship for Organizing Events in Celebration of AKAM	92500.00	17-11-2021
17	Chief Organizer, 1 st Annual Mizoram Sports Award	Sponsorship of the 1 st Annual Mizoram Sports Award 2021	50000.00	17-11-2021
18	Branch Manager, Keifang Branch	Sponsorship of 1 st Prize on Sanition Award	15000.00	17-11-2021
19	Branch Manager, Aibawk Branch	Donation of Inverter with Battery & Printer to PHC Aibawk	46472.00	01-12-2021
20	Secretary, Village Council, Sialsuk	Donation towards Beautification Project of Sialsuk Tlang	45000.00	01-12-2021
21	Convener, 14 th Triennial Conference of AIRRBEA	Sponsorship of Advertistment in AIRRBEA Souvenir	50000.00	03-12-2021
22	General Secreatry, Association for Voluntary Blood Donation, Headquarters, Mizoram	Sponsorship of Voluntary Blood Donation during Christmas season	50000.00	03-12-2021
23	Head, Department of Clinical Psychology, MZU	Financial Assistance on 57 th National & 26 th International	200000.00	14-01-2022

		Conference of Indian Academy of Applied Psychology – 2022		
24		CSR Activity for Model Villages (1 st Installment)	4075000.00	23-03-2022
25	Branch Manager, Kawnpui	Donation of Water Cooler to Lalfak Memorial H/S	39500.00	02-03-2022
26		CSR Activity for Model Villages (1 st Installment)	4075000.00	23-03-2022
27	Director, Synod Hospital, Durtlang	Donation of Mobile Clinic Bus to PC Synod Hospital, Durtlang	1959332.00	30-03-2022
28	Branch Manager, Lawngtlai	Donation for Poor Fund 1. State – Rs. 10,00,000.00 2. Lawngtlai Rs. 1,00,000.00 3. Siaha Rs. 1,00,000.00 4. Farkawn Rs. 70,000.00 5. Kawnpui Rs. 50,000.00 6. Sangau Rs. 70,000.00 7. Bualpui NG Rs. 60,000.00 8. Khawbung Rs. 50,000.00	1500000.00	07-02-2022

Source: Field Study conducted during October 2023

Apart from the several projects sponsored and finance by the bank under the CSR Project. The bank also has a new project called ‘MRB Model Village Scheme (*MRB Thlawhhma*)’ where sustainable financial inclusion will be implemented and ensured in one village in each district of Mizoram in the background of Covid-19 to assist the people of the identified village through all possible financial products. The bank will also implement one CSR activity in each village to improve the infrastructure of one local government school or any other service activity which will be identified by the Model Village Committee and approve by the CSR Committee, with the budget of Rs. 2 -10 lakhs.³⁰⁹

³⁰⁹ Source: Field study conducted during October 2023

Table 5.3.2 (c)**CSR Project in Model Villages**

Sl. No	Adopting Branch	Model Village	CSR Project	Estimated Project Cost
1.	Kawnpui	Bairabi	Public Toilet & Waiting Shed	5,00,000.00
2.	Hnahthial	Darzo	Market Shed	10,00,000.00
3.	Ngopa	Lamzawl	Market Shed	10,00,000.00
4.	Baktawng	Hmawngkawn	Waiting Shed	2,00,000.00
5.	Lawngtlai CMI	Paithar	Bolero Pickup	10,00,000.00
6.	Tipa	Tipa B	Retaining Wall	10,00,000.00
7.	Khawhai	New Chalrang	Market Shed	10,00,000.00
8.	Reiek	Chungtlang	Market Shed	10,00,000.00
9.	Lungsei	Zawlpui	Rest House	10,00,000.00
10.	Khawbung	Dungtlang	Retaining Wall	4,50,000.00
11.	Ratu	Sailutar	Retaining Wall	10,00,000.00
TOTAL				9,15,40,000.00

Source: Field Study conducted during October 2023

5.3.2 CSR initiatives undertaken by HDFC Bank

HDFC Bank (Housing Development and Finance Corporation Limited) is India's largest private sector bank. It was incorporated in 1994 and started operations in 1995. HDFC Bank offers a variety of banking services, including commercial and investment banking, retail banking, and wholesale banking.³¹⁰ HDFC Bank's CSR activities in Mizoram, as outlined in their CSR policy and other reports, focus on promoting sustainable development through initiatives in areas like healthcare, education, livelihood, and environmental conservation.³¹¹

Key areas of HDFC Bank's CSR activities in Mizoram:

- *Healthcare and Hygiene:*
 - Supporting the Government of India's Swachh Bharat Abhiyan through awareness campaigns, behavioural changes, and sanitation infrastructure development.
 - Organizing health camps, promoting awareness about nutrition, providing clean drinking water, and conducting blood donation drives.
 - Focusing on reducing the burden of healthcare expenditure on patients by providing access to essential medical services at subsidized rates.
- *Education:*
 - Supporting the development of smart schools to impart quality education in target regions.
 - Promoting digital literacy through community-based digital centers.
- *Livelihood and Economic Empowerment:*
 - Supporting skill training and livelihood enhancement programs for underprivileged rural youth.

³¹⁰ <https://www.hdfcbank.com/> accessed on 19.03.2025

³¹¹ <https://v.hdfcbank.com/csr/index.html> accessed on 19.03.2025

- Promoting entrepreneurship as a livelihood option.
- Supporting farmers and their families to increase their productivity and incomes.
- Promoting enterprise development through handloom and rice units.
 - *Environmental Sustainability:*
- Promoting renewable energy sources and sustainable use of natural water bodies.
- Planting trees and developing water conservation structures.
- Supporting initiatives to address climate change and promote sustainable agriculture practices.

Table 5.3.3 (a)**CSR initiatives by HDFC Bank**

Sl.No	Donation	Name of Donee	Year
1	Fund of Rs. 13.75 Lakhs	Health Department, Govt of Mizoram	2020
2	10 ICU Bed Set to	Civil Hospital Aizawl	2021
3	Medical Equipment - Motorized ICU Bed – 5 Nos - Multi Para Monitor – 5 Nos - Suction Machine – 5 Nos - BiPap Machine – 5 Nos - CPAP Machine – 5 Nos - Ventilator – 2 Nos - Median Transport Ventilator – 3 Nos	Lunglei District Hospital	2022
4	Medical Equipment - Motorized ICU Bed – 5 Nos - Multi Para Monitor – 5 Nos - Suction Machine – 5 Nos - BiPap Machine – 5 Nos - CPAP Machine – 5 Nos - Ventilator – 2 Nos - Median Transport Ventilator – 3 Nos	Siaha District Hospital	2022
5.	Smart Classroom	Govt. Venghlui M/S, College Govt. Endala M/S, Ramhlun North Govt. H/S, Hnahthial Govt. H/S, Muallianpui Govt. Tuisualral H/S, Sakawrdai Govt. NE Khawdungsei H/S	2023
6.	Smart Classroom	Eklavya Modern Residential School	2024
7.	Tablet – 20 Nos	Mizoram Blind Society	2024
8.	Blood Donation Bus	Blood Bank, Civil Hospital, Aizawl	2021

9.	Smart Classroom	On going donation
10.	Annual Blood Donation	Blood Bank, Civil Hospital, Aizawl

Source: Field Study conducted during October – December 2024

5.3.3 CSR initiatives undertaken by North Eastern Development Finance Corporation Limited (NEDFi)

The North Eastern Development Finance Corporation Limited (NEDFi) has played a significant role in the socio-economic development of the northeastern region of India, including Mizoram. NEDFi, as a premier development finance institution, not only provides financial services but also undertakes various Corporate Social Responsibility (CSR) initiatives to improve the livelihoods of the local population, enhance infrastructure, and ensure sustainable development. Here is a detailed overview of the CSR initiatives carried out by NEDFi in Mizoram: ³¹²

1. Community Development and Livelihood Enhancement

NEDFi has been actively involved in community development programs that aim to enhance the livelihoods of local communities in Mizoram. This includes supporting micro-enterprises, promoting skill development, and providing financial assistance to small businesses. NEDFi collaborates with local communities and Non-Governmental Organizations (NGOs) to implement sustainable projects, focusing on sectors like agriculture, handicrafts, and small-scale manufacturing.

For example, NEDFi has facilitated the establishment of self-help groups (SHGs) that empower women and marginalized groups by providing them with training and financial support. These groups have successfully initiated various income-generating activities, such as weaving, poultry farming, and agri-business ventures.

³¹² <https://www.nedfi.com/our-branch-network/> see website for further discussion

2. Healthcare Initiatives

NEDFi has undertaken several healthcare-related initiatives aimed at improving public health in Mizoram. This includes providing financial support for the construction of healthcare facilities and promoting health awareness campaigns. NEDFi also supports projects aimed at improving maternal and child health, sanitation, and hygiene in rural and remote areas of the state.

For instance, NEDFi has been involved in the promotion of medical camps, health check-ups, and awareness programs focusing on preventable diseases. These efforts help in improving access to healthcare services for communities in the region that may have limited access to medical facilities.

3. Education and Skill Development

Education is a key focus area for NEDFi's CSR initiatives in Mizoram. The corporation has supported educational programs, particularly those aimed at enhancing the skill sets of the youth, which is crucial for their employment and entrepreneurship opportunities. NEDFi has funded various initiatives aimed at improving the quality of education, such as infrastructure development for schools, teacher training programs, and the provision of educational materials.

Additionally, NEDFi has supported skill development centers that offer training in vocational courses, including information technology, handicraft making, and other traditional crafts. These initiatives are designed to increase the employability of young people and contribute to the economic development of the region by creating a skilled workforce.

4. Environmental Sustainability

NEDFi has recognized the importance of environmental sustainability in the region, given the region's rich biodiversity and ecological sensitivity. The corporation has implemented several eco-friendly projects in Mizoram, focusing on afforestation, conservation of natural resources, and promoting sustainable agricultural practices.

One of the key initiatives involves promoting organic farming and sustainable agricultural practices that help conserve the environment while improving farmers' income. NEDFi also supports tree plantation drives and environmental awareness campaigns aimed at protecting the forests and water resources in the region.

5. Infrastructure Development

Infrastructure development is crucial for the economic growth of any region. NEDFi has contributed to the development of key infrastructure in Mizoram, including roads, bridges, and public facilities. The corporation's CSR initiatives include funding for the construction of rural roads, which improve connectivity and access to markets for farmers and businesses.

In addition, NEDFi has been involved in supporting projects that improve basic amenities such as drinking water supply systems, sanitation facilities, and community halls in remote villages, which enhance the overall quality of life for the residents.

6. Promoting Culture and Heritage

NEDFi also plays an important role in promoting the cultural heritage of Mizoram. This includes supporting initiatives that aim to preserve the traditional arts, crafts, and cultural practices of the Mizo community. NEDFi has sponsored events like cultural festivals, traditional craft exhibitions, and the promotion of local Mizo handicrafts.

Furthermore, the corporation has supported the development of infrastructure for cultural institutions, such as museums and community centers, to ensure the preservation and promotion of the unique culture of Mizoram.

7. Disaster Relief and Rehabilitation

Mizoram is prone to natural disasters, including floods and landslides, which can cause significant damage to infrastructure and livelihoods. In response, NEDFi has been involved in disaster relief and rehabilitation efforts in the state. The corporation has provided financial aid and logistical support to affected communities during times of crisis.³¹³

*NEDFi under its CSR initiative "Mission Oxygen Programme" contributes Rs. 15 lakh to CM Relief Fund for COVID-19 on 9th July, 2021.*³¹⁴

*On 11th June, 2024: As part of its Corporate Social Responsibility (CSR) initiatives, NEDFi has extended a fund support of Rs. 25.00 lakh to Mission Foundation Movement, a reputed NGO in Mizoram, for relief and rehabilitation on Cyclone Remal affected communities. The funding was presented in the presence of Pu Lalduhawma, Chief Minister of Mizoram, who handed over the cheque to the MDM representative today.*³¹⁵

5.3.4 CSR initiatives of Bharat Heavy Electricals Limited (BHEL)

Bharat Heavy Electricals Limited (BHEL), established in 1964, is one of India's largest public sector engineering and manufacturing companies, primarily specializing in power generation and transmission equipment. As a key player in India's industrial sector, BHEL has contributed significantly to the growth of energy infrastructure and manufacturing in the country. With a portfolio that spans power

³¹³ <https://www.sentinelassam.com/north-east-india-news/mizoram-news/nedfi-gives-financial-aid-to-remal-hit-people-in-mizoram> accessed on 19.03.2025

³¹⁴ <https://dipr.mizoram.gov.in/post/nedfi-contributes-rs-15-lakh-to-cm-relief-fund-for-covid-19> accessed on 19.03.2025

³¹⁵ <https://dipr.mizoram.gov.in/post/nedfi-extends-csr-support-for-cyclone-remal-affected-communities-in-mizoram> accessed on 19.03.2025

plants, renewable energy, transportation systems, and industrial products, BHEL stands as a symbol of India's industrial prowess.

Focus Areas of CSR initiatives

BHEL has been active in implementing a range of CSR initiatives in Mizoram, focusing on community welfare, environmental sustainability, and socio-economic development. The company's CSR programs in Mizoram are primarily aimed at improving the quality of life of underserved communities by addressing the region's specific needs.

- *Education:* BHEL has invested in educational initiatives to uplift the standards of education in Mizoram. The company has supported the establishment of schools, donation of educational materials, and the provision of scholarships for underprivileged students. These efforts aim to bridge the educational gap and promote sustainable development through knowledge empowerment. BHEL's programs have notably helped increase school attendance rates in remote areas.

- *Healthcare:* BHEL's healthcare initiatives in Mizoram focus on providing medical aid to underserved regions. The company has sponsored health camps and set up medical facilities, offering free medical check-ups, treatment, and distribution of medicines. BHEL also contributed to the construction of healthcare infrastructure, such as health centers, that cater to both urban and rural populations.

- *Infrastructure and Rural Development:* As part of its CSR initiatives, BHEL has also contributed to the development of rural infrastructure in Mizoram. This includes the construction of roads, sanitation facilities, and the provision of potable water. These projects not only enhance the living standards but also foster economic development in the region. The company has been involved in providing sustainable infrastructure, which is a crucial need for the rural population of Mizoram.

- *Environmental Sustainability*

BHEL has launched projects aimed at environmental conservation in Mizoram. These include initiatives to promote afforestation, waste management, and water conservation. In a region prone to soil erosion and flooding, BHEL's efforts to plant trees and implement water conservation methods have helped in improving the local ecosystem.³¹⁶

The CSR initiatives of BHEL in Mizoram have positively impacted the local population by improving educational standards, enhancing healthcare facilities, providing better infrastructure, and fostering environmental awareness. The community has benefited from BHEL's efforts to create a self-sustaining model of development, enabling people to live healthier, more prosperous lives.

5.3.5 CSR initiatives of Oil and Natural Gas Corporation (ONGC)

Oil and Natural Gas Corporation (ONGC), established in 1956, is a state-owned oil and gas company, which plays a pivotal role in the exploration, production, and development of oil and gas resources in India. As one of the largest and most prominent energy companies in the country, ONGC has contributed significantly to India's energy security. The corporation is also committed to fostering sustainable growth by engaging in various Corporate Social Responsibility (CSR) activities that benefit the communities in which it operates.³¹⁷

ONGC has undertaken various Corporate Social Responsibility (CSR) initiatives in Mizoram, focusing on education, healthcare, drinking water, and environmental sustainability, including projects like constructing school toilets and installing solar streetlights.

³¹⁶ BHEL's Corporate Social Responsibility Policy. (n.d.). *BHEL Official Website*

³¹⁷ <https://ongcindia.com/web/eng/csr> accessed on 19.03.2025

Focus Areas of ONGC's CSR activities in Mizoram:

- Education: ONGC has initiatives focused on improving the quality of education in the state, including digital education for schools and supporting computer literacy through Smart Classes.
- Healthcare: ONGC's CSR efforts include providing financial assistance for mid-day/supplementary meal facilities in schools and supporting healthcare infrastructure.
- Drinking Water: ONGC has undertaken projects related to ensuring access to safe drinking water, such as constructing community tube wells and wells.
- Environmental Sustainability: ONGC is committed to promoting healthy environment and environmental sustainability, including initiatives like planting trees and installing solar streetlights.
- Skill Development: ONGC supports skill development programs, including vocational and livelihood training, for target groups including women, elderly, unemployed and underprivileged youth.
- Specific Projects:
 - Digital Education: ONGC has implemented digital education programs in schools, contributing to improving the quality of education.
 - Construction of School Toilets: ONGC has taken up socially initiative projects such as construction of school toilets.
 - Installation of Solar Street Lights: ONGC has installed solar street lights to improve safety and accessibility in rural areas.
 - Safe Drinking Water: ONGC has undertaken projects related to ensuring access to safe drinking water, such as constructing community tube wells and wells.

- Integrated Agri-Dairy Model Projects: ONGC has implemented integrated agri-dairy model projects for marginal farmers in selected villages.
- Construction of Anganwadis: ONGC has contributed to the construction of Anganwadis, which are early childhood care and education centers.
- Construction of Check Dams: ONGC has constructed check dams to improve water management and irrigation.
- Construction of IHHLs: ONGC has contributed to the construction of Individual Household Latrines (IHHLs) in villages.
- Project Volantis: ONGC has supported the Project Volantis, which is a CSR initiative to address issues related to COVID-19.
- Ambulance to Lunglei District: ONGC has provided an ambulance to the people of Lunglei district, Mizoram³¹⁸

ONGC's CSR programs in Mizoram are often carried out in collaboration with local governments, non-governmental organizations (NGOs), and community-based organizations. These partnerships help ensure that the projects are well-targeted and have the desired impact. By working with local entities, ONGC ensures that the initiatives are culturally relevant, address the real needs of the community, and have long-lasting effects

5.3.6 Top popular CSR initiatives undertaken in Mizoram

CSR of Tata Sons

To address problems like low productivity, income, deforestation, soil erosion, nutrient loss and loss of biodiversity in rural areas of Mizoram, Tata Sons Private Limited has conceived a 5 years CSR intervention in developing alternative

³¹⁸ https://csrbox.org/India_CSR_Project_Power-Grid-Corporation-of-India-Ltd--Ambulance-to-people-of-Lunglei-district,-Mizoram--_26756 accessed on 19.03.2025

integrated livelihood options for the farmers in Aizwal, Serchipp and Lunglei districts and practices for sustainable utilisation of natural resources.³¹⁹

These include expanding the scope of traditional backyard piggery for small holders, facilitating a shift from Jhum farming by engaging households under kharif cultivation, increasing productivity of land through crop diversification, promoting orchard development, livestock management, enhancing knowledge and awareness of better agriculture and horticultural practices, promoting sustainable use of water resources through rainwater harvesting and forming Farmer Producer Organisations for shared inputs.

Initiative by Tata Trusts

The Navajbai Ratan Tata Trust and the Government of Mizoram signed a Memorandum of Understanding on October 10, 2013 towards improving the quality of Education in Mizoram. The MoU extends for a period of 5 years where NRTT and the Government of Mizoram have collaborated in implementing projects to improve the quality of education in the State.

Through this Memorandum of Understanding, the Trusts propose to work in the state on a range of issues aiming at improving quality of preschool services, elementary schools, provision of teaching learning materials in local Mizo and other languages, ensuring life skill and vocational skill education for youth and adolescents, providing access to secondary schools by supporting residential facilities and use of modern Information Communication Technology tools to make teaching – learning relevant and joyful.

In 2016, The Government of Mizoram and Tata Trusts signed another MoU to nurture sports talent in the state by harnessing the rich wealth of talent and existing sports infrastructure. Tata Trusts set up a Centre of Excellence (CoE) in Aizawl, Mizoram in 2018, equipped with international and Indian coaches, nutritionists, physiotherapists and other support staff.

³¹⁹ <https://thecsrjournal.in/top-csr-projects-mizoram-corporate-social-responsibility/> accessed on 19.03.2025

CSR of Oil India

Oil India Limited (OIL), a state-owned enterprise of the Government of India, partnered with the Switzerland-based Global Fund for combating HIV/AIDS, tuberculosis and malaria in its operational areas of Mizoram and four other Indian states for five years.

OIL has invested heavily in developing infrastructure by way of roads and bridges to improve basic surface communication for the benefit of the people and communities in its operational areas. Over the years, the company has constructed many public stages, auditoriums, libraries, lecture halls, computer centers, waiting sheds, playgrounds, schools and institutes of higher education as well as upgraded and developed rural hospitals for augmentation of rural infrastructure in its areas of operation in Mizoram and four other states.

CSR of SBI

SBI Foundation started ‘SBI Sanjeevani – Clinic on wheels’, a mobile medical unit in South Sikkim during FY 2016-17, to provide primary healthcare services to the rural communities. The project has improved the quality of life of the communities in the remote villages by providing doorstep medical services. The project has been expanded to Mizoram and a few other Indian states in FY 2021-22 with an estimated outreach of over 2 lakh beneficiaries across 250 remote villages. The project has been well-received by the communities, and local Health departments are also supporting the initiative.

CSR of Infosys

With the backing of Infosys Foundation, Avanti Fellows has launched the Girls STEM Education Programme, aiming to offer free engineering and medical test preparation assistance to female students. In fiscal year 2023, the organization placed its focus on educating girls in several states of India including Mizoram.

To equip the students with the necessary skills, the program provides them with 6-12 hours of intensive test preparation classes on a weekly basis, conducted outside

regular school hours. The Avanti team diligently conducted weekly assessments, spanning 1-3 hours, to gauge the students' learning levels and track their progress. These evaluations were comprehensive and diagnostic in nature, generating valuable data points that were utilized to customize the guidance and support needed for each student. Alongside the test preparation classes, the students were provided with JEE/NEET online learning resources, class recordings, mock tests, and orientation sessions.

Magic Bus' SCALE programme in Mizoram

Poverty alleviation programme Magic Bus has been actively working with children and communities since 2014, in Mizoram. Its 5-year SCALE (School Completion and Livelihood Enablement) programme has been funded by Azim Premji Philanthropic Initiative (APPI) and Laureus Sport for Good Foundation. The programme provides training to teachers from government schools across Mizoram, to build their capabilities to conduct life skills sessions to adolescents in schools, through activity based learning.

After the successful training sessions since 2014, Magic Bus conducted online training sessions for teachers starting 7th September 2020, to prepare them for schools post lockdown. Teachers have been trained to take up sessions on mental well-being, relevance of life skills during the ongoing and post-pandemic situation, identifying and working on children with vulnerability, rekindling interest of learning among adolescents and COVID-19 prevention. The training has also equipped teachers with skills to conduct virtual sessions, how to motivate children virtually and ways to implement the need based curriculum with adolescents.

REC Foundation

REC Foundation, the CSR arm of the Navratna Central Govt. Public Sector Enterprise REC Limited, has increased its efforts in a big way to support welfare work across aspirational districts of the country. The foundation has partnered with at least half a dozen aspirational districts in the thematic areas of Health, Nutrition and School Education. The focus of the foundation has been on all-around development of India's unnoticed regions and has travelled far and wide to select ambitious projects in districts where most organizations aren't able to reach.

REC Foundation has committed a total sum of around Rs. 55 crore towards projects aimed at transforming school education and improving health services. Of the aspirational districts it is implementing the project at, is Mamit District of Mizoram. REC signed a memorandum with Mamit District in Mizoram for transforming school education in government schools and improvement of health services in government health facilities. It committed about Rs 20.63 crore under the initiative.

The initiative aimed at bringing out-of-school children back to formal education, improvement of facilities in schools from water filters to biometric attendance trackers. On the healthcare front, the foundation will work with more than 40 facilities to improve their services. It will include mobile vans, life support equipment and medical test facilities apart from 'telemedicine' equipment for all 52 government medical facilities.

Nestle

The Nestlé Healthy Kids Programme was a breakthrough initiative that was launched in 2009 to show the company's commitment to promoting nutrition, health and wellbeing among adolescents.

The key to Nestle Healthy Kids Programme is the understanding of a balanced diet, healthy eating habits, awareness of food and personal hygiene and regular exercises in form of some physical activity like sports and games.

Nestle CSR collaborates with other partners with a common cause who have the expertise in the local conditions to create real impact and bring about a real change in the life of the community where the company operates. The company is implementing this programming in two modes:

1. Conduct Classroom sessions in partnership with Six Regional Universities
2. Partnering with Magic Bus India foundation that has pioneered the 'Sports for Development' model

5.4 Issues and Challenges of implementing CSR initiatives in Mizoram

Below are the key problems and challenges companies encounter when implementing CSR initiatives in Mizoram:

- *Geographical and Transportation Barriers*

Challenge: The primarily hilly and remote landscape of Mizoram complicates access to rural areas where CSR projects are most essential. The state's hilly terrain presents logistical difficulties in the transportation of resources, supplies, and manpower necessary for CSR activities.

Impact: Delays in project implementation, increased expenses due to challenging terrain, and difficulties in accessing rural areas may result in the wasteful use of CSR money and impede the overall efficacy of CSR programs.

- *Cultural and Social Diversity*

Challenge: Mizoram is home to a diverse population with different ethnic groups, traditions, and values. Many of the indigenous communities have distinct ways of life, which may not align with conventional CSR programs.

Impact: CSR initiatives that fail to account for the cultural sensitivities and unique needs of these communities' risk being rejected or ineffective. A lack of culturally aware strategies can lead to the alienation of local people and create challenges in gaining community support.

- *Economic Constraints and Limited Private Sector Presence*

Challenge: Mizoram's economy is primarily agrarian, with limited industrialization compared to other states in India. The state has a lower presence of large corporations, and many businesses operate on a smaller scale. Consequently, fewer companies meet the CSR eligibility criteria stipulated by the Companies Act of 2013 (net worth of ₹500 crore, revenue of ₹1,000 crore, or profit of ₹5 crore).

Impact: Due to the lack of large corporations and industries, the overall CSR spending in the state is limited. The small-scale businesses that do exist may have limited financial resources, making it difficult for them to allocate funds toward CSR initiatives, even if they are willing.

- *Limited Awareness of CSR*

Challenge: While the Companies Act of 2013 has increased awareness of CSR among businesses in India, there is still limited awareness and understanding of CSR within local communities in Mizoram. Local people may not fully understand the benefits of CSR or how to engage with these programs.

Impact: A lack of community awareness may result in low participation and ineffective CSR implementation. In many cases, CSR programs may fail to address the actual needs of the local communities if they are not actively involved in the planning and execution phases.

- *Inadequate Infrastructure for Effective Implementation*

Challenge: The infrastructure in Mizoram, particularly in rural and remote areas, is often underdeveloped. Poor roads, inadequate healthcare facilities, and limited access to basic utilities like electricity and clean water are common issues. For CSR programs targeting infrastructure development, these constraints can significantly hinder progress.

Impact: CSR initiatives aimed at infrastructure development may face considerable delays or challenges in execution. Inadequate infrastructure can lead to subpar results or increased costs for companies trying to implement their CSR programs.

- *Limited Monitoring and Evaluation Mechanisms*

Challenge: There is often a lack of robust monitoring and evaluation systems for CSR projects in Mizoram. Local NGOs, government bodies, or third-party evaluators may not have the capacity to assess the impact of CSR initiatives effectively.

Impact: Without effective monitoring and evaluation, companies may not know whether their CSR activities are meeting the desired objectives. This lack of data-driven insights can lead to poor decision-making and inefficiencies in future CSR activities.

- *Regulatory and Compliance Issues*

Challenge: While the Companies Act of 2013 mandates CSR for eligible companies, the legal framework for CSR is still evolving. Local regulations may not always be in sync with national CSR guidelines, leading to potential compliance issues. Additionally, some companies may not fully understand the nuances of compliance, especially regarding reporting and fund allocation.

Impact: Misunderstanding or non-compliance with CSR requirements may lead to penalties, legal disputes, or reputational damage. Companies in Mizoram may face challenges in fulfilling the requirements due to the complexity of the law or inadequate legal guidance.

In conclusion, the present chapter explores the evolution of CSR in Mizoram, focusing on the legal frameworks, CSR activities undertaken by businesses, and their socio-economic impact on local communities. It also discusses the challenges and opportunities of CSR in the state and offer recommendations for enhancing CSR implementation.

Map No: 5.1 (a)

Map of India



Source: <https://surveyofindia.gov.in/pages/physical-map-of-india> on 24.03.2025

Map No: 5.1 (b)

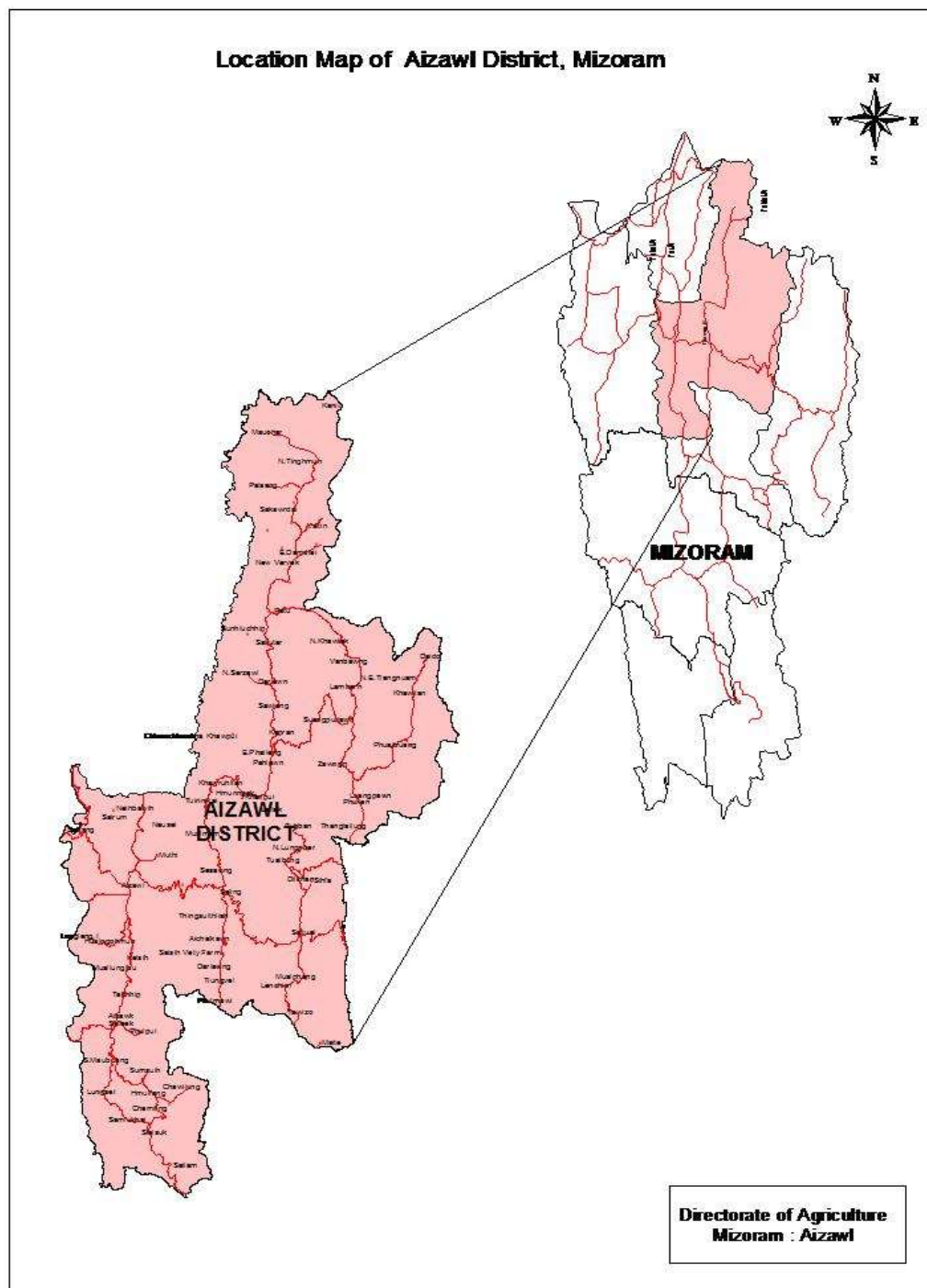
Map of Mizoram



Source: <https://mizoram.gov.in/> on 23.03.2025

Map No: 5.1 (c)

Map of Aizawl



Source: Directorate of Agriculture

CHAPTER VI
RESULT AND DISCUSSION

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The previous chapter explores the evolution of CSR in Mizoram, focusing on the legal frameworks, CSR activities undertaken by businesses, and their socio-economic impact on local communities. It also discusses the challenges and opportunities of CSR in the state and offer recommendations for enhancing CSR implementation.

The present chapter consists of the results of statistical analysis based on the response of one hundred and ten (110) individuals – 50 respondents are from employees of the banks while 60 respondents are the beneficiaries of the programmes undertaken by the banks, providing valuable insights into education levels, impact measurement metrics, and strategic recommendations. The analysis of education levels highlights a diverse range of academic qualifications among respondents, including graduation, post-graduation, and professional degrees. In terms of impact measurement metrics, the findings emphasize the use of tools such as beneficiary feedback, target area improvement tracking, and reputation monitoring to evaluate program outcomes effectively. Additionally, the strategic recommendations focus on key areas for organizational improvement, including enhanced budget allocation, stakeholder collaboration, employee engagement programs, and transparency enhancements. Collectively, these analyses offer a comprehensive understanding of the respondents' perspectives on educational attainment, evaluation practices, and strategies for organizational success.

6.1 Corporate Social Responsibility (CSR) in Banking: Practice and Impact

The statistical analysis is based on the response of 50 respondents who are the employees of the banks.

6.1.1 Awareness on Corporate Social Responsibility (CSR)

Table No. 6.1.1 (a):

Familiarity with the concept of CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	35	70.0	70.0	70.0
No	15	30.0	30.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The above table indicates that a substantial portion of those surveyed, about 70%, have a grasp on the idea of Corporate Social Responsibility (CSR), leaving a notable 30% in the dark. This suggests that there is a commendable awareness level among the participants. The overall percentages confirm that every response has been accounted for, ensuring the dataset is comprehensive. However, the lingering 30% who lack familiarity with CSR points to a potential gap in knowledge that could be tackled by organizations and policymakers through targeted awareness campaigns or educational programs. Delving into the elements that shape CSR awareness, be it educational background, professional experiences, or prior exposure to CSR efforts, could unveil valuable perspectives for this analysis.

Table No. 6.1.1 (b):

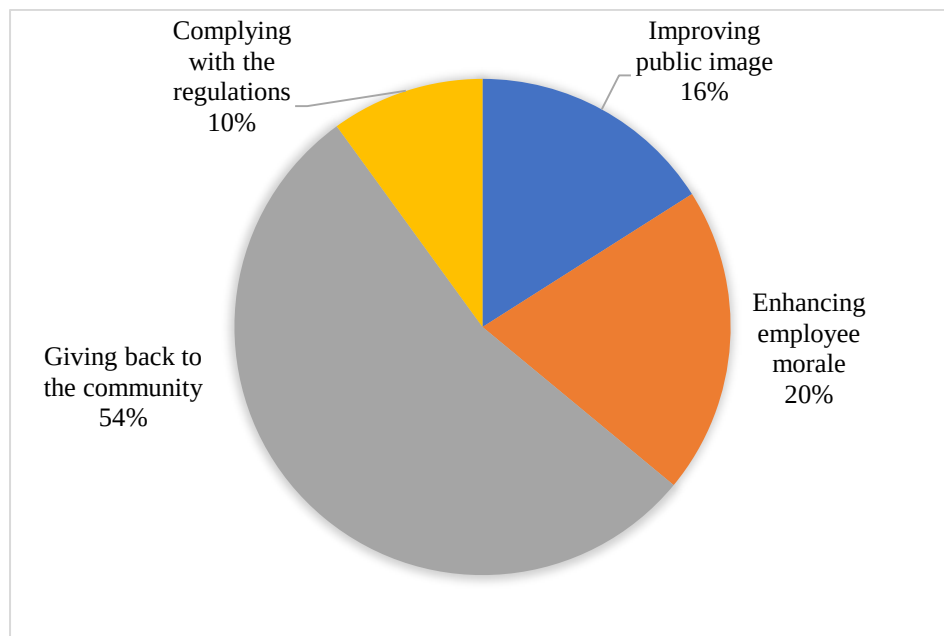
Purpose of CSR for banks

Frequency		Percent	Valid Percent	Cumulative Percent
Improving public image	8	16.0	16.0	16.0
Enhancing employee morale	10	20.0	20.0	36.0
Giving back to the community	27	54.0	54.0	90.0
Complying with the regulations	5	10.0	10.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. Table 6.1.1 (b):

Purpose of CSR for banks



Source: Field Study conducted during November 2024

The above table reveals that a significant 54% of participants believe that the foremost role of Corporate Social Responsibility (CSR) in banking is “Giving back to the community.” This insight highlights a prevalent belief that banks should prioritize their social and ethical commitments to society. In a closer look, 20% of respondents view CSR as a way to “Enhance employee morale,” suggesting that these initiatives not only benefit the community but also cultivate a more positive atmosphere and higher job satisfaction within the organization. Meanwhile, 16% see CSR as a vehicle for “Improving public image,” indicating that some believe these efforts are primarily aimed at boosting reputation and goodwill. Lastly, 10% interpret CSR as fulfilling legal “Compliance with regulations,” pointing to the view that some banks may undertake these actions out of obligation rather than choice.

Table No. 6.1.1 (c):

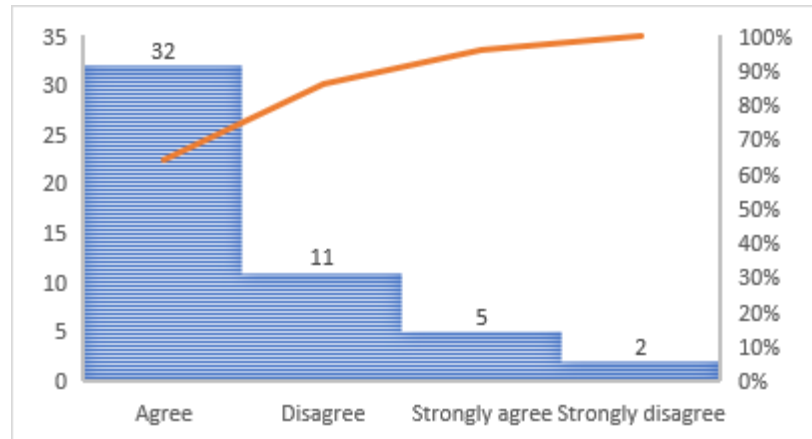
Positive impact on the bank's reputation and customer loyalty

Frequency		Percent	Valid Percent	Cumulative Percent
Strongly agree	5	10.0	10.0	10.0
Agree	32	64.0	64.0	74.0
Disagree	11	22.0	22.0	96.0
Strongly disagree	2	4.0	4.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.1 (c):

Positive impact on the bank's reputation and customer loyalty



Source: Field Study conducted during November 2024

Recent findings reveal that a significant 74% of surveyed individuals recognize Corporate Social Responsibility (CSR) initiatives as essential to a bank's reputation and fostering customer loyalty. Among this group, 64% agree generally, while 10% are strong advocates. This suggests that many customers see CSR as a key ingredient in building trust, enhancing a bank's image, and developing long-lasting relationships.

Conversely, 26% of respondents remain skeptical. Of these, 22% disagree, and 4% are outright opposed to the concept. Their doubts hint at a belief that CSR efforts may lack sincerity, result in minimal tangible benefits, or serve primarily to meet regulatory requirements, rather than reflecting a true commitment to social responsibility.

Table No. 6.1.1 (d):

Availability of dedicated CSR policy or strategy

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	28	56.0	56.0	56.0
No	8	16.0	16.0	72.0
Not sure	14	28.0	28.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The above table sheds light on the landscape of Corporate Social Responsibility (CSR) within the banking sector. A striking 56% of respondents affirm that their banks have established a clear and steadfast CSR policy. This statistic reflects a growing trend among financial institutions to formally adopt CSR, recognizing its power to enhance their reputations and magnify their contributions to society.

However, not all share this confidence. A noteworthy 16% of participants convey uncertainty, suggesting that their banks lack a defined CSR strategy. This might indicate a reluctance among some institutions to engage in structured CSR initiatives, or perhaps they take a more informal route to their social responsibilities. Additionally, a significant 28% of respondents feel uncertain about their bank's stance on CSR. This considerable percentage points to a potential disconnect in awareness or transparency regarding CSR efforts, highlighting an opportunity for banks to improve communication around their initiatives.

Table No. 6.1.1 (e):

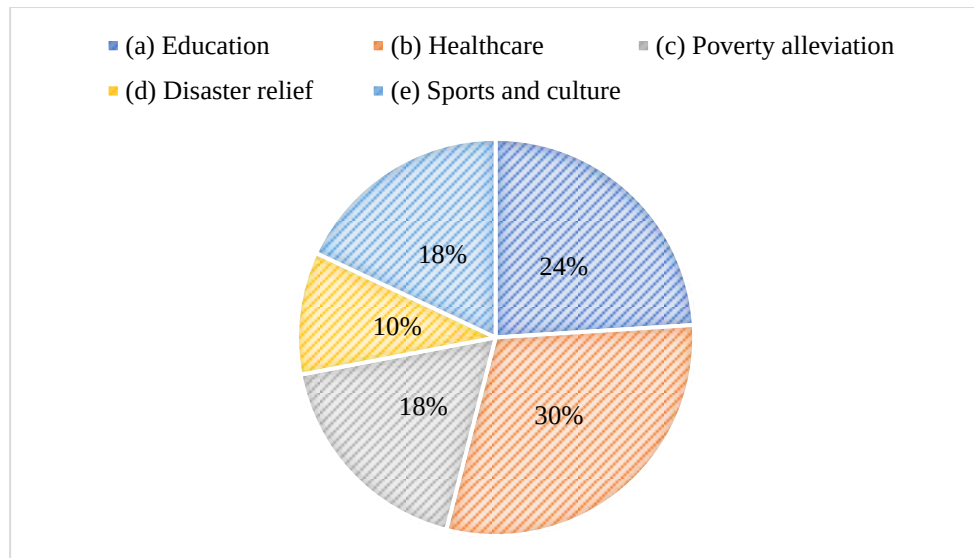
Key focus areas of bank's CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
Education	12	24.0	24.0	24.0
Healthcare	15	30.0	54.0	54.0
Poverty alleviation	9	18.0	72.0	72.0
Disaster relief	5	10.0	82.0	82.0
Sports and culture	9	18.0	100.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No: 6.1.1 (e):

Key focus areas of bank's CSR initiatives



Source: Field Study conducted during November 2024

Table 6.1.1 (e) shines a light on the core areas where banks invest their efforts in Corporate Social Responsibility (CSR). Leading the charge is Healthcare, capturing 30% of their initiatives. This reveals a commitment to enhancing public health, whether through funding hospitals, organizing medical camps, or launching health awareness campaigns. Education follows closely, at 24%, underscoring the belief banks hold in the transformative power of knowledge. Their focus extends to bolstering literacy programs, offering scholarships, and upgrading school facilities, all aimed at fostering community growth. Equally significant are Poverty alleviation and Sports and culture, both at 18%. These areas reflect the banks' dedication to empowering communities through economic programs, livelihood support, and cultural initiatives. Although Disaster relief accounts for the smallest slice at 10%, it remains a crucial element of CSR, activated as a response to urgent needs and natural disasters. This diverse tapestry of CSR efforts illustrates how banks weave social impact into their corporate fabric, addressing fundamental needs and enriching lives.

Table No. 6.1.1 (f):

Target groups in CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
(a) Selected in consultation with NGOs	9	18.0	18.0	18.0
(b) Random selection of community or area	32	64.0	64.0	82.0
(c) Poor people living in rural areas	9	18.0	18.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Table 6.1.1 (f) paints an interesting picture of how banks approach their corporate social responsibility (CSR) efforts. A striking 64% of banks opt for a method of random selection when choosing beneficiaries, casting a wide net across various communities. This broad, inclusive strategy allows for a widespread impact, but it raises questions about how effectively these resources are reaching the most vulnerable groups. In contrast, 18% of banks take a more nuanced approach by collaborating with NGOs to determine their target demographics. This partnership suggests a shift towards a more strategic, needs-based focus, amplifying the potential of CSR initiatives to make a real difference in the lives of those who need it the most. Another 18% specifically hone in on impoverished individuals in rural areas, acknowledging the critical challenges posed by rural poverty. This targeted effort resonates deeply with the overarching goals of financial inclusion and sustainable development, reflecting a growing awareness of social responsibility within the banking sector.

Table No. 6.1.1 (g):

Implementation of CSR Initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
(a) Through a dedicated CSR department	29	58.0	58.0	58.0
(b) By collaborating with non-profit organizations	11	22.0	22.0	80.0
(c) By providing financial support to community projects	10	20.0	20.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Table 6.1.1 (g) shows that the majority of banks (58%) implement Corporate Social Responsibility (CSR) initiatives through a dedicated CSR department. This indicates that most banks have an internal structure specifically responsible for planning, executing, and monitoring CSR activities. Having a dedicated CSR department allows banks to align their CSR efforts with their overall corporate strategy and ensure consistent, long-term engagement with social initiatives. Meanwhile, 22% of banks implement CSR by collaborating with non-profit organizations (NGOs). This approach leverages the expertise and local knowledge of NGOs, ensuring that CSR initiatives are effectively designed and executed to address community needs. Collaboration with NGOs can also enhance transparency and accountability in CSR activities.

Additionally, 20% of banks implement CSR by providing financial support to community projects. This suggests that some banks primarily engage in CSR through donations and sponsorships rather than direct project execution. While financial support can make a significant impact, its effectiveness often depends on how well funds are allocated and managed by the recipient organizations.

Table No. 6.1.1 (h):

Challenges in implementing CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
(a) Lack of funds	22	44.0	44.0	44.0
(b) Difficulty in identifying suitable projects	13	26.0	70.0	70.0
(c) Lack of awareness among stakeholders	15	30.0	100.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The above table shows a vivid picture of the hurdles banks encounter on their journey to embrace Corporate Social Responsibility (CSR). Topping the list of concerns, with a striking 44% of respondents, is the perennial issue of funding. This reveals that many banks find themselves grappling with the challenge of channeling adequate financial resources into CSR initiatives, often hindered by tight budgets, competing priorities, or the broader economic climate influencing their profitability.

Furthermore, a noteworthy 30% of participants point to a lack of awareness among stakeholders as a significant barrier. This highlights that employees, customers, and even the wider community might not fully grasp the essence or the positive effects of CSR programs. Such a gap in understanding can stifle participation, dampen engagement, and complicate the efforts to convey the true value of these initiatives. Lastly, 26% of respondents express that pinpointing suitable projects presents another obstacle. This signals that banks may find it challenging to identify CSR ventures that resonate with both their corporate ethos and the needs of the communities they serve. Without a well-defined strategy, there's a risk that banks may invest in initiatives that fail to create a lasting impact, ultimately diminishing the effectiveness of their CSR endeavors.

Table No. 6.1.1 (i):

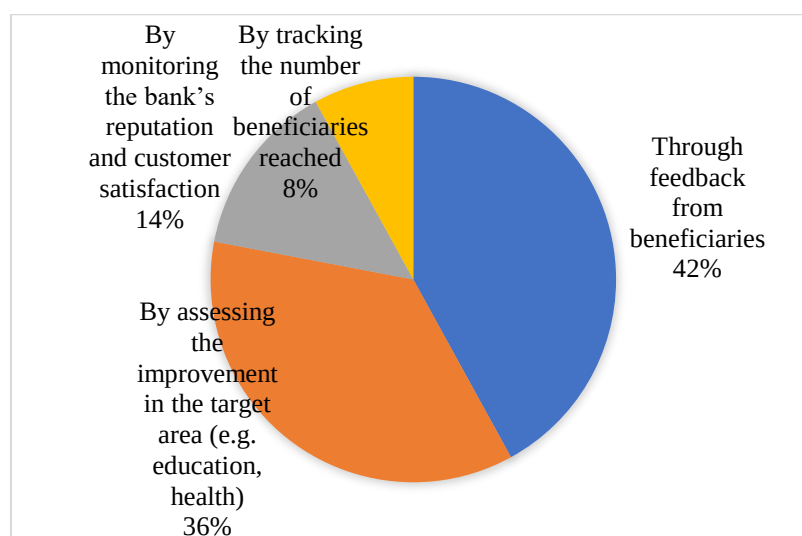
Measurement of impact of CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
Through feedback from beneficiaries	21	42.0	42.0	42.0
By assessing the improvement in the target area (e.g. education, health)	18	36.0	36.0	78.0
By monitoring the bank's reputation and customer satisfaction	7	14.0	14.0	92.0
By tracking the number of beneficiaries reached	4	8.0	8.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.1 (i):

Measurement of impact of CSR initiatives



Source: Field Study conducted during November 2024

The above table shows diverse methods banks use to evaluate their Corporate Social Responsibility (CSR) efforts. Feedback from beneficiaries leads, with 42% of respondents relying on direct input to gauge effectiveness. This feedback provides qualitative insights into the programs' resonance within communities and their alignment with local needs. Next, 36% measure progress in targeted areas, focusing on tangible outcomes like increased literacy or improved healthcare access, which indicate lasting change from CSR initiatives. Additionally, 14% monitor reputation and customer satisfaction, viewing CSR as a strategic tool for enhancing brand image and customer loyalty. However, excessive focus on reputation could overshadow the actual community impact. Finally, just 8% measure success by the number of beneficiaries reached, suggesting a limited emphasis on quantity as a success metric. While broad reach is valuable, it may not reflect the true quality of CSR impact.

Table No. 6.1.1 (j):

Recording of CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	24	48.0	48.0	48.0
No	12	24.0	24.0	72.0
Not Sure	14	28.0	28.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The above table reveals that 48% of banks either publish a dedicated Corporate Social Responsibility (CSR) report or include CSR details in their annual reports. This indicates a significant acknowledgment of the importance of transparency and accountability in their CSR efforts, allowing them to effectively communicate their social and environmental contributions to stakeholders like customers and investors.

On the other hand, 24% of banks shy away from publishing any CSR reports, hinting at potential gaps in structured reporting or decreased focus on CSR disclosures. Without such public transparency, these banks may find it challenging to demonstrate their CSR achievements. Moreover, 28% of respondents are uncertain about whether their bank produces a CSR report. This uncertainty could reflect a broader lack of awareness among employees and customers regarding the bank's CSR activities. If these initiatives remain under the radar, banks risk losing valuable chances to boost their reputation and engage meaningfully with their stakeholders.

Table No. 6.1.1 (k):

Effectiveness of CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
By increasing the budget allocation for CSR	21	42.0	42.0	42.0
By collaborating with the Government and Stakeholders	20	40.0	40.0	82.0
By focusing on projects with long term plan	9	18.0	18.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Table No. 6.1.1 (k) indicates that a notable 42% of participants in the survey expressed the view that increasing the budget for Corporate Social Responsibility (CSR) could enhance the effectiveness of these initiatives. This response stands out, signaling a general consensus that more financial support could enable banks to launch larger-scale and more impactful CSR projects. With greater resources at their disposal, these institutions could broaden the scope of their efforts and improve the quality and sustainability of their initiatives.

Meanwhile, 40% of those surveyed highlighted the potential benefits of collaborating with government entities and other stakeholders. This perspective underscores the belief that strategic partnerships can greatly elevate the design, implementation, and overall impact of CSR efforts. By joining forces with NGOs, government agencies, and various stakeholders, organizations can develop more comprehensive and scalable programs, effectively tapping into external expertise, resources, and networks for a broader societal benefit. Additionally, 18% of respondents advocated for a focus on long-term projects to enhance CSR outcomes. This viewpoint indicates a recognition of the importance of establishing sustainable initiatives that deliver enduring benefits to communities, rather than relying on short-lived campaigns. Committing to long-term projects fosters a deeper social impact and aligns with a sustainable development agenda.

Table No. 6.1.1 (I):

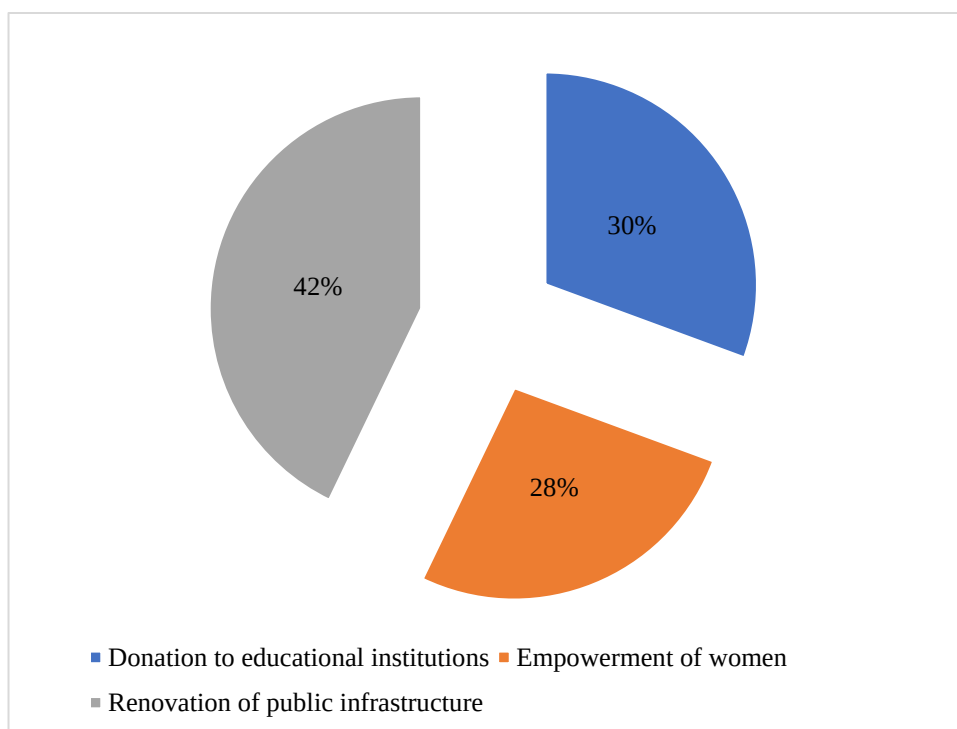
Focus Areas of CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Donation to educational institutions	15	30.0	30.0	30.0
Empowerment of women	14	28.0	28.0	58.0
Renovation of public infrastructure	21	42.0	42.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.1 (I):

Focus Areas of CSR



Source: Field Study conducted during November 2024

The table above highlights the community enhancement priorities among respondents regarding what banks should focus on for their CSR initiatives. A significant 42% advocate for the renovation of public infrastructure, underlining a strong belief that upgrading roads, public buildings, and parks could greatly uplift community life. Such investments not only enhance living conditions but also invigorate local economies, yielding lasting benefits for residents.

Meanwhile, 30% show a preference for directing donations towards educational institutions. This considerable interest in education underscores its importance as a CSR focus. By supporting schools, especially in underserved regions, banks can boost access to quality education and equip future generations with essential skills, driving long-term community growth. Finally, 26% of respondents emphasize the need for banks to champion women's empowerment. This

perspective highlights the vital role of promoting gender equality and providing resources for women's development. Empowering women is not just a social imperative; it also fosters economic benefits, enhancing overall community wellbeing and paving the way for a more inclusive society.

Table No. 6.1.1 (m):

CSR in helping the community learn/ develop new skills

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	24	48.0	48.0	48.0
No	26	52.0	52.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The table outlines participant responses on whether the bank's CSR initiatives aid the community in learning or skill development. 48% of respondents affirm that these CSR efforts are beneficial for learning and skill enhancement, suggesting a notable acknowledgment of their value in educational or vocational contexts.

On the other hand, 52% disagree, indicating that a considerable segment views CSR initiatives as lacking in focus on skill-building or education. This perspective hints that while such efforts may offer support in areas like donations or healthcare, skill development may not always be a priority.

Table No. 6.1.1 (n):

Relation between profitability and CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	16	32.0	32.0	32.0
No	34	68.0	68.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The above table reveals an intriguing divide: 32% of participants believe there's a link between profitability and Corporate Social Responsibility (CSR), while a notable 68% disagree. In favor (32%): A small group sees CSR as a pathway to enhanced profits, resonating with the "double bottom line" idea. This view holds that businesses can thrive financially while positively impacting society. Some studies even suggest that CSR efforts can boost a bank's reputation, draw in socially conscious investors, and foster customer loyalty, all of which may propel financial gains. Against (68%): The majority perceives no strong tie between CSR and profit. This skepticism might arise from the reality that CSR investments often incur costs with delayed or negligible financial returns. Moreover, some banks may find it challenging to connect their CSR activities with tangible profitability, reinforcing the belief that these undertakings don't directly drive financial success.

Table No. 6.1.1 (o):

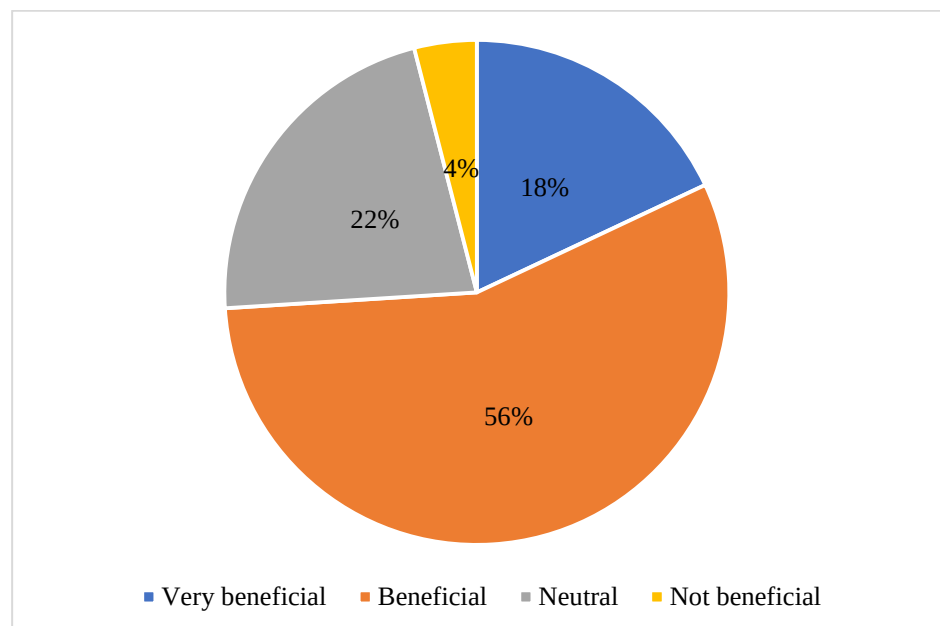
CSR benefitting stakeholders

Frequency		Percent	Valid Percent	Cumulative Percent
Very beneficial	9	18.0	18.0	18.0
Beneficial	28	56.0	56.0	74.0
Neutral	11	22.0	22.0	96.0
Not beneficial	2	4.0	4.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.1 (o):

CSR benefitting stakeholders



Source: Field Study conducted during November 2024

The above table brings to light how different respondents view the impact of Corporate Social Responsibility (CSR) within their organizations, revealing a spectrum of opinions. Very beneficial (18%) a small segment of participants feels that CSR initiatives deliver significant advantages to stakeholders, highlighting a belief in their profound and positive influence. Beneficial (56%) The majority acknowledge CSR efforts as valuable, albeit not revolutionizing, indicating that while they appreciate the benefits, they may not see them as life-changing. Neutral (22%) A considerable number of respondents adopt a neutral stance, perceiving CSR activities as neither particularly helpful nor harmful to stakeholders. Not beneficial (4%): A small faction is skeptical, asserting that CSR programs fail to yield any tangible benefits, raising questions about their overall worth and effectiveness. These mixed perceptions reflect a wider understanding that CSR can elevate a company's image, enhance employee morale, and nurture customer loyalty, ultimately serving a diverse array of stakeholders. Yet, the divergence in opinions draws attention to the idea that the success and significance of CSR initiatives often hinge on how well they are executed and how closely they align with the expectations of those they aim to serve.

Table No. 6.1.1 (p):

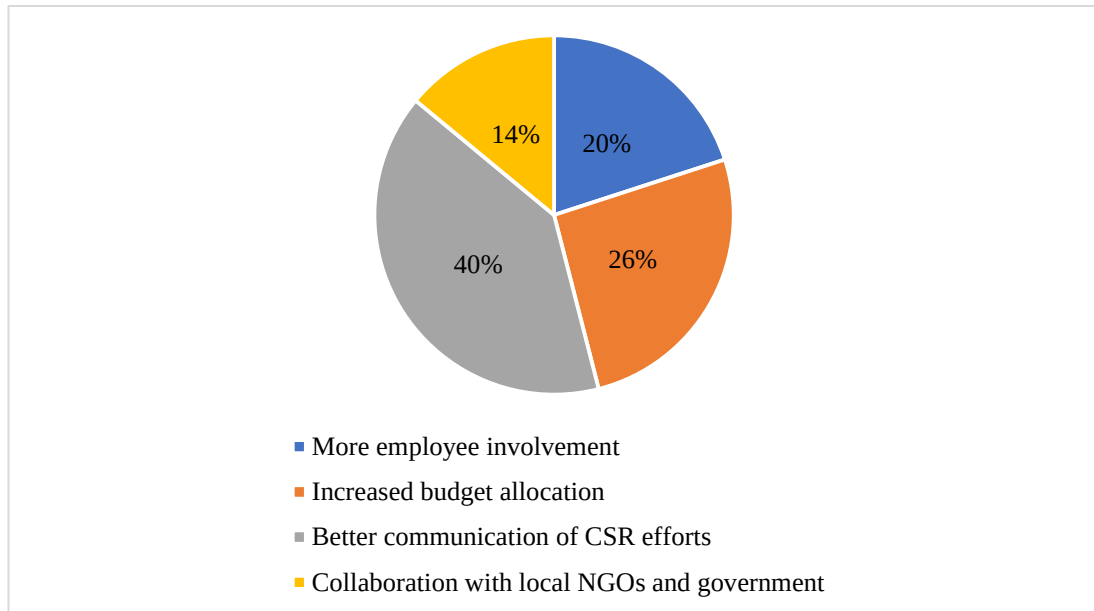
Suggestions for enhancing CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
More employee involvement	10	20.0	20.0	20.0
Increased budget allocation	13	26.0	26.0	46.0
Better communication of CSR efforts	20	40.0	40.0	86.0
Collaboration with local NGOs and government	7	14.0	14.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.1 (p):

Suggestions for enhancing CSR initiatives



Source: Field Study conducted during November 2024

Table No. 6.1.1 (p) presents employees' views on improving the company's Corporate Social Responsibility (CSR) efforts. Among 50 respondents, various suggestions were made, reflecting differing levels of enthusiasm. A key issue is the notable lack of awareness of CSR initiatives, with 40% calling for better communication to address this gap. This highlights a disconnect; while the company engages in CSR, many employees remain uninformed, potentially hindering engagement and effectiveness. Additionally, 26% of respondents suggested that increasing the CSR budget could enhance these initiatives, indicating that current financial constraints may limit their impact. Furthermore, 20% expressed a need for greater employee involvement in CSR activities, showing a desire for more inclusive approaches. However, only 14% recognized the importance of collaborating with local NGOs and government entities, suggesting that most believe internal improvements like awareness, budget, and participation should be prioritized. In summary, while partnerships could enhance CSR strategies, most employees feel strengthening internal practices is a more urgent need for the company.

Table No. 6.1.1 (q):

Interest in future CSR training or workshops

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	26	52.0	52.0	52.0
No	24	48.0	48.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Table No. 6.1.1 (q) provides insights into how employees feel about future opportunities for Corporate Social Responsibility (CSR) training or workshops. Only 2% of the employees, which amounts to 26 individuals, showed enthusiasm for attending further CSR sessions. Interestingly, this suggests that more than half of our workforce recognizes the value in learning about CSR and might be open to participating in initiatives if they receive the right kind of training. However, 48% or 24 employees expressed disinterest, which is a significant percentage. This could point to issues like a lack of awareness, motivation, or perhaps they just don't see how CSR training is relevant to their jobs. The nearly even split in responses indicates that there isn't a strong agreement on the significance of CSR training across the board. It might be worthwhile to dive deeper into the reasons for that disinterest and think about how we can make our training programs more engaging and relevant.

While there is a moderate level of interest in CSR training, the close divide highlights the need for us to be deliberate in designing these programs. Tailoring them to better address employee concerns and showcasing how CSR is connected to their roles could be key. Strategies like customized training, offering incentives, or even interactive sessions could be effective in boosting engagement and participation.

Table No. 6.1.1 (r):

Engagement with the community regarding CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Community meetings	15	30.0	30.0	30.0
Surveys and feedback forms	28	56.0	56.0	86.0
Direct involvement in projects	7	14.0	14.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The table illustrates the bank's community engagement through its Corporate Social Responsibility (CSR) initiatives. With 50 responses collected, three engagement methods were assessed: community meetings, surveys and feedback forms, and direct project involvement. Surveys and feedback forms emerged as the predominant method, with 28 employees (56%) indicating this preference. This highlights the bank's strong reliance on gathering community insights through structured feedback rather than direct dialogue. Next, community meetings ranked second, selected by 15 employees (30%). While these face-to-face interactions do occur, they are less frequent than survey engagements. These meetings foster open communication, enabling the bank to share its CSR initiatives and receive immediate feedback. Lastly, only 7 employees (14%) identified direct involvement in projects as a method used by the bank. This points to a limited hands-on approach compared to other engagement strategies. Overall, the findings reveal a tendency for the bank to engage indirectly, favoring surveys and meetings over direct participation. This

presents an opportunity for the bank to boost its CSR efforts by increasing its active involvement in community projects.

6.1.2 General Information of respondents

Table No. 6.1.2 (a):

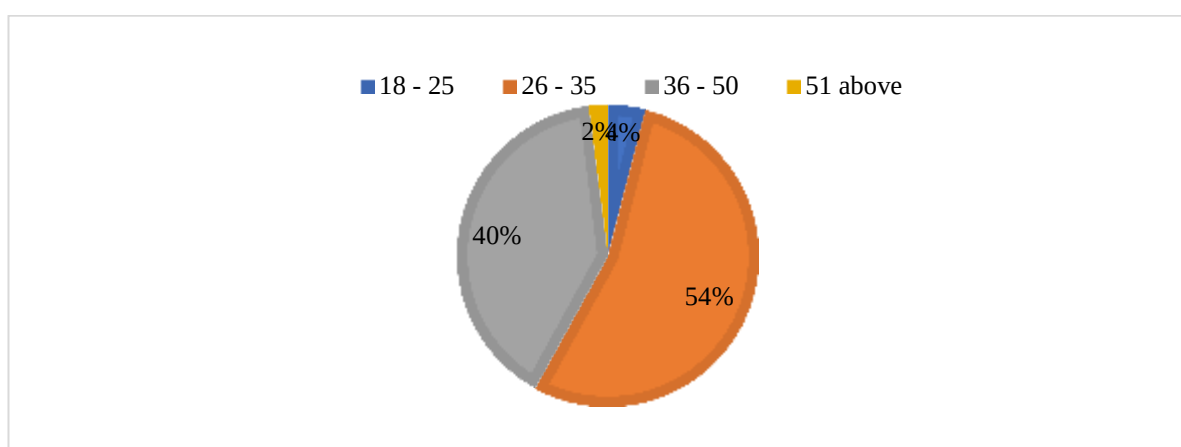
Age Group

Frequency		Percent	Valid Percent	Cumulative Percent
18 - 25	2	4.0	4.0	4.0
26 - 35	27	54.0	54.0	58.0
36 - 50	20	40.0	40.0	98.0
51 above	1	2.0	2.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.2 (a):

Age Group



Source: Field Study conducted during November 2024

Table No. 6.1.2 (a) illustrates the age distribution of 50 survey respondents, segmented into four key brackets: 18-25, 26-35, 36-50, and 51 and above. Notably, the 26-35 age group holds the largest share, representing 54% with 27 individuals. This signifies a workforce largely in the early to mid-career stage, suggesting vibrancy and potential. Following closely, the 36-50 range accounts for 40% (20 individuals), indicating a wealth of experience and likely leadership roles. The mix here balances seasoned professionals with emerging talent. In contrast, the younger 18-25 demographic is notably small, comprising only 4% (2 individuals). This hints at a scarcity of entry-level hires, pointing to a preference for candidates with more experience. The oldest group, 51 and above, is minimal at just 2% (1 individual). The low representation may reflect retirements or a shift in organizational structure favoring younger employees. When considering the 36-50 age group, a striking 98% of respondents are between 26 and 50 years old. The final 2% rounds out the age distribution, showcasing a workforce skewed toward middle-aged employees. In summary, the data reveals a workforce predominantly aged between 26 and 50, with few younger or older individuals, reflecting possible trends in recruitment and career paths within the organization.

Table No. 6.1.2 (b):

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	27	54.0	54.0	54.0
Female	23	46.0	46.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The above table presents the gender distribution of the respondents in the survey. Out of a total of 50 participants, 27 individuals (54%) identified as male, while 23 individuals (46%) identified as female. This indicates a relatively balanced representation of genders within the survey, with a slight majority of male respondents. The cumulative percentage reaches 54% with male respondents, meaning that just over half of the participants belong to this group. The remaining 46% of female respondents complete the total, bringing the cumulative percentage to 100%. The close distribution between male and female respondents suggests that the workforce or surveyed population is fairly gender-diverse, with no extreme disparities in representation. While males make up a slightly larger portion, the difference is minimal, indicating that both genders are nearly equally present in the organization or group being studied.

Table No. 6.1.2 (c):

Educational Qualifications

	Frequency	Percent	Valid Percent	Cumulative Percent
School	1	2.0	2.0	2.0
Graduation	21	42.0	42.0	44.0
Post Graduation	27	54.0	54.0	98.0
Professional	1	2.0	2.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The above table presents the educational qualifications of the 50 respondents in the survey. The majority of participants, 27 individuals (54%), have attained a postgraduate degree, indicating that more than half of the respondents have pursued higher education beyond graduation. This suggests a workforce or group with a strong academic background, possibly requiring specialized knowledge or advanced qualifications. The second-largest category consists of those with a graduation degree, comprising 21 individuals (42%). This shows that a significant portion of respondents has completed undergraduate education, making it the second most common level of qualification. A very small percentage of respondents fall into the remaining two categories. Only one individual (2%) has an education level limited to school, indicating that very few respondents have not pursued higher education. Similarly, just one respondent (2%) has a professional qualification, suggesting that specialized or vocational certifications are not as common among this group.

6.1.3 Perception and Awareness on CSR

Table No. 6.1.3 (a):

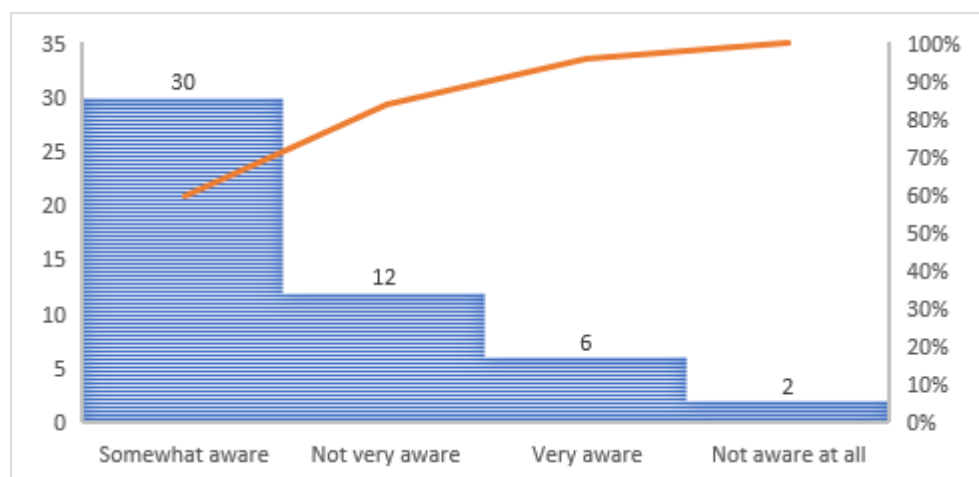
Awareness on Bank's CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
Very aware	6	12.0	12.0	12.0
Somewhat aware	30	60.0	60.0	72.0
Not very aware	12	24.0	24.0	96.0
Not aware at all	2	4.0	4.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.3 (a):

Awareness on Bank's CSR Initiatives



Source: Field Study conducted during November 2024

Table No. 6.1.3 (a) represents respondents' awareness of their bank's Corporate Social Responsibility (CSR) initiatives. Out of 50 participants, 30 (60%) are somewhat aware of these activities, indicating a general knowledge without in-depth details. Twelve respondents (24%) are not very aware, suggesting limited engagement with specific programs. Only 6 respondents (12%) are very aware, showing a small group likely follows or participates in CSR efforts closely. Meanwhile, 2 participants (4%) are completely unaware of these initiatives. Overall, 72% of respondents have at least some awareness of the bank's CSR activities. This highlights that while most employees recognize the initiatives, there is potential to enhance understanding and engagement in the bank's social responsibility efforts.

Table No. 6.1.3 (b):

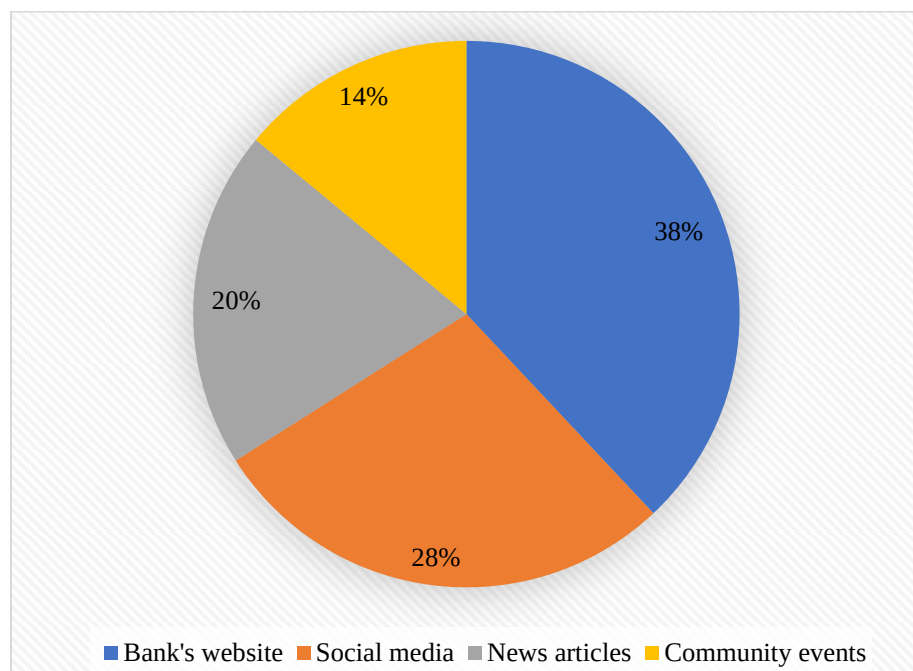
Primary knowledge of Bank's CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
Bank's website	19	38.0	38.0	38.0
Social media	14	28.0	28.0	66.0
News articles	10	20.0	20.0	86.0
Community events	7	14.0	14.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.3 (b):

Primary knowledge of Bank's CSR initiatives



Source: Field Study conducted during November 2024

The table highlights how participants learn about their bank's Corporate Social Responsibility (CSR) efforts. Among the 50 respondents, the bank's website emerges as the leading source, with 19 individuals (38%) leaning on it for CSR insights. This underscores the website's vital role in sharing information about the bank's initiatives. Following closely is social media, favored by 14 participants (28%) as their main avenue for discovering CSR activities. This suggests the bank effectively leverages these platforms to connect with a broader audience and provide timely updates. Next are news articles, with 10 respondents (20%) reporting they learn about the bank's CSR through media coverage. While this source is useful, it's less immediate and personal than the previous two. Lastly, community events serve as the primary source for 7 respondents (14%). This indicates the bank's outreach to local communities through events, though this method reaches a smaller audience compared to digital channels. With news articles accounted for, a cumulative 86% of participants rely on digital and media sources for their CSR information, leaving 14% who prefer community events. This paints a clear portrait of how knowledge about the bank's CSR activities is disseminated.

Table No. 6.1.3 (c):

Transparency of Bank's CSR efforts

Frequency		Percent	Valid Percent	Cumulative Percent
Very transparent	10	20.0	20.0	20.0
Somewhat transparent	25	50.0	50.0	70.0
Not very transparent	14	28.0	28.0	98.0
Not transparent at all	1	2.0	2.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The table sheds light on how participants perceive the transparency of their bank's Corporate Social Responsibility (CSR) efforts. Among the 50 respondents, half (25 individuals) believe the bank shows some transparency in its CSR activities. This indicates that while many see a glimpse of openness, there's a lingering doubt about the thoroughness of the bank's communication. Notably, 28% (14 respondents) feel the bank falls short of transparency. They might see some information but find it murky or insufficient. This sentiment suggests areas for the bank to refine its outreach and clarity. Conversely, 10 respondents (20%) are pleased with the bank's transparency, feeling well-informed and assured about the details surrounding its CSR initiatives. Then there's a lone voice (2%) who insists that the bank is entirely opaque in its CSR efforts, a concern that, while present, seems to affect only a negligible number. When combining the "somewhat transparent" group, 70% of participants agree that the bank offers at least a modicum of transparency in its CSR communications. However, the remaining 30% signal a need for greater clarity.

6.1.4 CSR Training and Development

Table No. 6.1.4 (a):

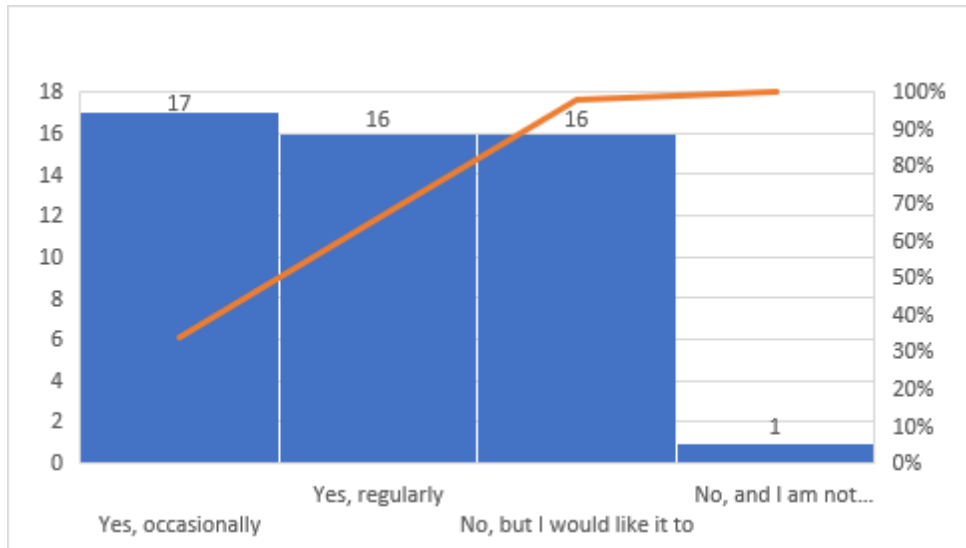
Availability of Training on CSR for employees

Frequency		Percent	Valid Percent	Cumulative Percent
Yes, regularly	16	32.0	32.0	32.0
Yes, occasionally	17	34.0	34.0	66.0
No, but I would like it to	16	32.0	32.0	98.0
No, and I am not interested	1	2.0	2.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.4 (a):

Availability of Training on CSR for employees

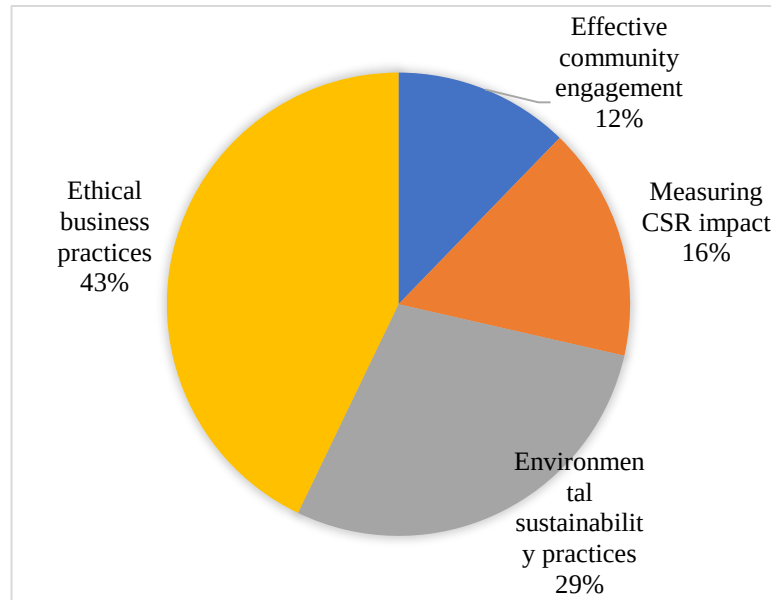


Source: Field Study conducted during November 2024

Table No. 6.1.4 (a) reveals employee feedback on Corporate Social Responsibility (CSR) training provided by the bank. Out of 50 respondents, the largest group—17 individuals (34%)—noted that CSR training occurs occasionally, hinting at a sporadic approach driven by specific needs or events. Close behind, 16 respondents (32%) indicated they receive regular CSR training, highlighting a commitment to continuous education for some staff members, although this focus may not extend to everyone. Equally, 16 respondents (32%) expressed interest in CSR training, signaling a desire for more educational resources in this area. Their enthusiasm suggests a gap the bank could fill, offering more enriching opportunities for learning. Only 1 person (2%) mentioned a lack of interest in CSR training altogether, marking a negligible minority. When considering those receiving or desiring training, a significant 66% of respondents are inclined toward CSR education. In summary, the data suggests the bank does provide some level of CSR training, but with evident enthusiasm from employees for broader and more consistent offerings. The interest, particularly from those currently without training, presents a valuable opportunity for the bank to strengthen its CSR initiatives.

Chart No. 6.1.4 (b):

Topics for future CSR Training sessions



Source: Field Study conducted during November 2024

Table No. 6.1.4 (b):

Topics for future CSR Training sessions

Frequency		Percent	Valid Percent	Cumulative Percent
Effective community engagement	6	12.0	12.2	12.2
Measuring CSR impact	8	16.0	16.3	28.6
Environmental sustainability practices	14	28.0	28.6	57.1
Ethical business practices	21	42.0	42.9	100.0
Total	49	98.0	100.0	
System	1	2.0		
Total	50	100.0		

Source: Field Study conducted during November 2024

The Table No. 6.1.4 (b) showcases the topics that participants wish to explore in upcoming Corporate Social Responsibility (CSR) training sessions. Out of 50 survey participants, 49 valid responses were analyzed after excluding one invalid entry. Topping the list is ethical business practices, with 21 votes (42%), reflecting a keen interest in the principles that underpin ethical behavior in business a cornerstone of CSR. This highlights the necessity for employees to delve into how ethics shape the bank's CSR initiatives and decision-making. Following closely is environmental sustainability practices, favored by 14 respondents (28%). This demonstrates a growing awareness among employees regarding the significance of environmental stewardship and their desire to learn how the bank can weave sustainable practices into its operations and CSR goals. Measuring CSR impact was selected by 8 respondents (16%), indicating a solid interest in evaluating the effectiveness of CSR efforts. Employees are eager to uncover methods to assess the outcomes of the bank's CSR programs and their lasting effects on the community and the environment. Lastly, effective community engagement attracted 6 responses (12%), pointing to a meaningful, if smaller, interest in how the bank can enhance its outreach within the community as part of its CSR strategy. Employees are curious about ways to connect more deeply with local needs through these initiatives.

6.1.5 CSR Funding and Resources

**Table No. 6.1.5 (a):
Allocation of funds for initiatives**

Frequency		Percent	Valid Percent	Cumulative Percent
Dedicated budget	30	60.0	60.0	60.0
Employee volunteer hours	12	24.0	24.0	84.0
Partnerships with NGOs	8	16.0	16.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The table illustrates respondents' views on resource allocation for the bank's Corporate Social Responsibility (CSR) efforts. Out of 50 respondents, 30 (60%) identified a dedicated budget as the primary allocation method, indicating a strong commitment to CSR through structured financial support. The second most popular method, endorsed by 12 respondents (24%), is employee volunteer hours, highlighting the bank's encouragement for staff engagement in CSR activities like community service. Lastly, 8 respondents (16%) noted partnerships with NGOs as a significant allocation strategy, reflecting the bank's collaboration with external organizations to enhance its CSR impact in various sectors such as community development and environmental conservation. Overall, the responses sum up to 100%, confirming that all participants recognize some approach to funding the bank's CSR initiatives.

Table No. 6.1.5 (b):

Whether the current level of funding for CSR initiatives is sufficient

Frequency		Percent	Valid Percent	Cumulative Percent
Yes, it is sufficient	24	48.0	48.0	48.0
No, it should be increased	18	36.0	36.0	84.0
Not sure	8	16.0	16.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The above table showcases employee opinions on whether the current funding for Corporate Social Responsibility (CSR) initiatives at their bank is adequate. Out of 50 respondents, 24 (48%) believe the funding is sufficient, indicating a level of satisfaction with how resources are allocated to CSR efforts.

However, a notable 18 employees (36%) feel that the funding could be increased. This suggests that many see the potential for the bank to enhance its CSR activities, whether by scaling up existing projects or venturing into new areas of social responsibility. These respondents likely recognize the benefits of a stronger financial commitment to CSR. Meanwhile, 8 respondents (16%) remain unsure about the sufficiency of the current funding. Their uncertainty may stem from a lack of information or clarity regarding the bank's investment in CSR, highlighting a potential need for better transparency or communication in this domain. When we combine those who think funding should be increased with those who feel it's adequate, we find that a solid 84% of respondents have an opinion on the matter, indicating that the majority either believe the funding is sufficient or see room for investment. Only 16% are uncertain, rounding out the total.

6.1.6 Evaluation and Improvement of CSR

Table No. 6.1.6 (a):

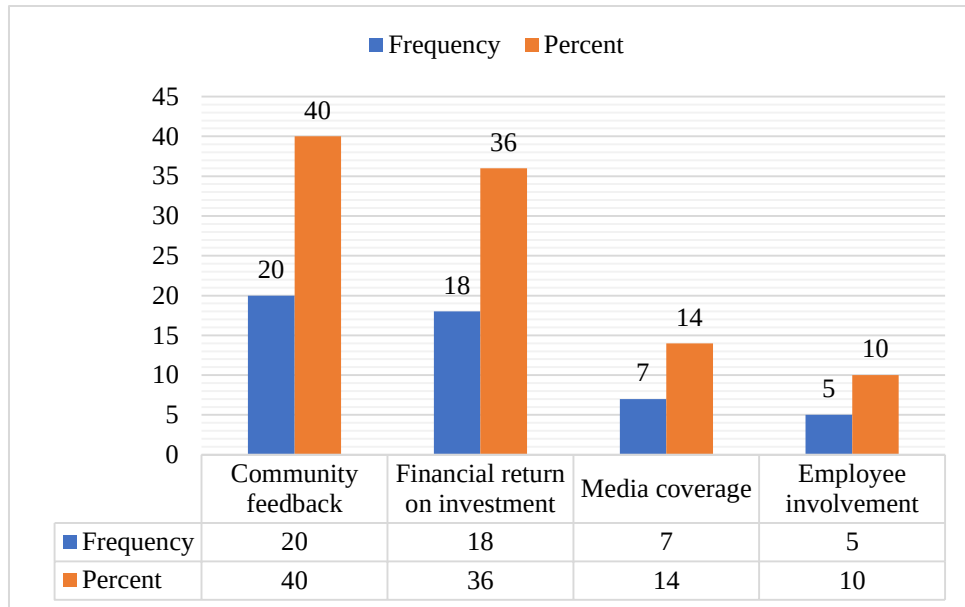
Evaluation of CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
Community feedback	20	40.0	40.0	40.0
Financial return on investment	18	36.0	36.0	76.0
Media coverage	7	14.0	14.0	90.0
Employee involvement	5	10.0	10.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.6 (a):

Evaluation of CSR initiatives



Source: Field Study conducted during November 2024

Table No. 6.1.6 (a) highlights key criteria that respondents prioritize when assessing the success of Corporate Social Responsibility (CSR) initiatives. With 50 participants weighing in, here's a snapshot of their opinions on what matters most. Leading the pack is community feedback, chosen by 20 respondents (40%). This reinforces the idea that many employees see community engagement and the tangible effects of CSR on local populations as critical measures of success, highlighting the importance of addressing real needs. Next up is the financial return on investment (ROI), selected by 18 respondents (36%). This indicates a strong belief that the financial outcomes—like cost savings, heightened brand value, or sustainable profitability—are vital in evaluating CSR initiatives, reflecting a more business-centric outlook. Media coverage garnered 7 votes (14%), suggesting that some stakeholders value visibility through media recognition as an essential success metric. While not as heavily emphasized, it shows that public acknowledgment of CSR efforts holds significance for part of the workforce. Finally, employee involvement was chosen by 5 respondents (10%), illustrating that while internal

engagement in CSR activities is acknowledged, it may not reign as the top criterion for measuring effectiveness.

Table No. 6.1.6 (b):

Suggestions for enhancing the visibility of CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
More frequent updates on progress	11	22.0	22.0	22.0
Greater use of social media platforms	17	34.0	34.0	56.0
Highlighting success stories in newsletters	16	32.0	32.0	88.0
Organizing community events to showcase efforts	6	12.0	12.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The table outlines recommended strategies to boost the visibility of Corporate Social Responsibility (CSR) initiatives at the bank, based on feedback from 50 participants. The most popular recommendation, endorsed by 17 respondents (34%), is to enhance the use of social media platforms. This suggests that many employees see potential in leveraging social media to showcase the bank's CSR efforts more actively, reaching wider audiences and engaging them with real-time updates. Following closely, 16 respondents (32%) advocate for sharing success stories in newsletters. This reflects a desire for a greater focus on positive outcomes from CSR activities, which can strengthen awareness and involvement by highlighting impactful narratives. Another significant suggestion, with 11 respondents (22%), is to provide more frequent progress updates. Participants believe that regular communication on CSR initiatives would keep both employees and the community informed about achievements and ongoing efforts, sustaining momentum and

commitment. Lastly, 6 respondents (12%) recommend organizing community events to demonstrate CSR efforts. While fewer in number, this idea signals the belief that direct community engagement could enhance visibility and strengthen connections through in-person interactions.

6.1.7 Long term impact of CSR

Table No. 6.1.7 (a):

Long term planning for success of CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Very important	11	22.0	22.0	22.0
Important	30	60.0	60.0	82.0
Somewhat important	7	14.0	14.0	96.0
Not important	2	4.0	4.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The above table reveals how respondents view long-term planning's importance for the success of Corporate Social Responsibility (CSR) initiatives at the bank, based on a survey of 50 individuals. Sixty percent (30 respondents) believe long-term planning is important for effective CSR. This indicates a general recognition among employees of the necessity for a strategic, long-term vision to ensure sustainable and impactful CSR efforts. Twenty-two percent (11 respondents) consider long-term planning very important, emphasizing that without a clear strategy, CSR initiatives may lack direction and fail to bring about significant change. Fourteen percent (7 respondents) view long-term planning as somewhat important, suggesting they might prioritize immediate results or flexibility over

strategic planning. Finally, 4% (2 respondents) feel that long-term planning is not essential, indicating a belief that CSR can succeed with a focus on short-term outcomes. Overall, when combining those considering long-term planning important, the cumulative percentage reaches 82%. This underscores that a significant majority recognize its role in successful CSR initiatives, while 18% view it as less critical or unnecessary.

Table No. 6.1.7 (b):

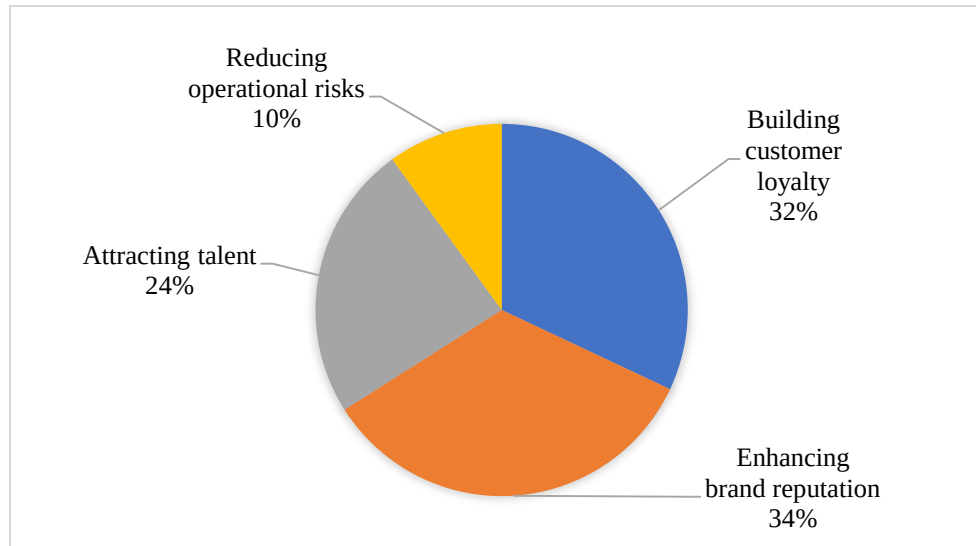
CSR initiatives contributing to the long-term sustainability of the bank

Frequency		Percent	Valid Percent	Cumulative Percent
Building customer loyalty	16	32.0	32.0	32.0
Enhancing brand reputation	17	34.0	34.0	66.0
Attracting talent	12	24.0	24.0	90.0
Reducing operational risks	5	10.0	10.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.1.7 (b):

CSR initiatives contributing to the long-term sustainability of the bank



Source: Field Study conducted during November 2024

Table No. 6.1.7 (b) highlights how respondents view the impact of Corporate Social Responsibility (CSR) initiatives on the bank's long-term sustainability. Fifty participants shared their insights, revealing some interesting trends. The standout response, from 17 participants (34%), is the belief that CSR efforts can bolster the bank's brand reputation. This insight shows a clear understanding that positive social engagement can reshape public perception, fostering trust and credibility essential for enduring success in a competitive landscape. Following closely, 16 respondents (32%) asserted that CSR initiatives enhance customer loyalty. When customers witness the bank's commitment to social or environmental causes, they're more inclined to stick around. This loyalty paves the way for a solid customer base and robust financial performance over time. Meanwhile, 12 participants (24%) indicated that CSR initiatives play a role in attracting talent. It seems that prospective employees, especially younger ones, are drawn to organizations that value social and environmental responsibility. A strong CSR commitment could be a magnet for top talent, ultimately fueling a motivated and productive workforce aligned with company values. Overall, 90% of respondents believe that CSR initiatives can

significantly enhance the bank's sustainability in one or more aspects. The remaining 10% either opted out or hold differing opinions on CSR's influence.

6.1.8 Personal engagement with CSR

Table No. 6.1.8 (a)

Voluntary participation for any community service or CSR activities

Frequency		Percent	Valid Percent	Cumulative Percent
Yes, frequently	4	8.0	8.0	8.0
Yes, occasionally	9	18.0	18.0	26.0
No, but I would like to	34	68.0	68.0	94.0
No, and I am not interested	3	6.0	6.0	100.0
Total	50	100.0	100.0	

Source: Field Study conducted during November 2024

The above table reveals insights on employees' involvement in community service or CSR activities outside of work, based on responses from 50 individuals. Only 4 respondents (8%) reported frequent volunteering, indicating a small but passionate group dedicated to social causes. A larger segment, 9 respondents (18%), said they occasionally volunteer, reflecting a positive, albeit less regular, engagement in community efforts. The majority, 34 respondents (68%), expressed a desire to volunteer, highlighting a strong interest and potential for increased employee involvement in community service. This presents an opportunity for the bank to enhance participation through incentives or more opportunities. Lastly, 3 respondents (6%) showed no interest in volunteering, suggesting a minor group that may not feel inclined to engage in these activities for personal reasons.

6.2 Assessing the Impact of Corporate Social Responsibility (CSR): A Beneficiary Perspective

The statistical analysis is based on the response of 60 respondents who are the beneficiaries of the CSR initiatives undertaken by the banks.

6.2.1 Awareness and Knowledge of CSR Activities

Table No. 6.2.1(a):

Awareness of CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	57	95.0	95.0	95.0
No	3	5.0	5.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table captures insightful data on how familiar a diverse group of 60 individuals is with the concept of "Corporate Social Responsibility (CSR)." Astonishingly, a significant 57 of these respondents equivalent to 95% recognize the term. On the other hand, just 3 participants, representing a mere 5%, are in the dark about CSR. This awareness is further highlighted in the valid percent column, which aligns perfectly with these findings, as there are no missing responses in our dataset. The cumulative percentages illustrate a clear picture: 95% of the respondents belong to the "Yes" camp, while the remaining 5% answer "No," rounding the total up to 100%. Clearly, this showcases a remarkable level of awareness regarding CSR among those surveyed.

Table No. 6.2.1(b):

Source of information regarding CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Media (TV, newspapers, etc.)	21	35.0	35.0	35.0
Community or local events	5	8.3	8.3	43.3
Word of mouth	13	21.7	21.7	65.0
Social media	20	33.3	33.3	98.3
Other:	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table paints a vivid picture of how individuals in Mizoram discovered the world of Corporate Social Responsibility (CSR). Out of 60 participants, traditional media emerged as the leading source of this awareness television and newspapers drew in 21 people, representing 35% of the group. Hot on its heels, social media captured the attention of 20 respondents (33.3%) who reported first encountering CSR initiatives on platforms such as Facebook, Twitter, or Instagram. Meanwhile, the power of conversation shone through; word of mouth played a vital role in spreading the message, with 13 respondents (21.7%) indicating that discussions with friends, family, or colleagues introduced them to CSR. Local community events seemed to make a more modest impact, as only 5 individuals (8.3%) learned about CSR through these gatherings. Interestingly, one person (1.7%) chose the option of "Other" when asked how they found out about CSR initiatives.

Table No. 6.2.1(c):

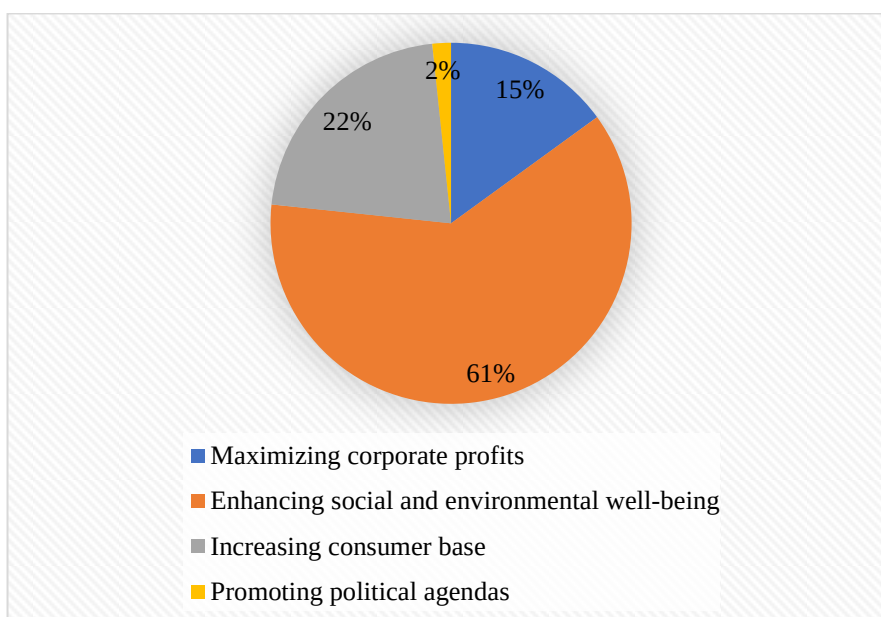
Primary goal of CSR in Mizoram

Frequency		Percent	Valid Percent	Cumulative Percent
Maximizing corporate profits	9	15.0	15.0	15.0
Enhancing social and environmental well-being	37	61.7	61.7	76.7
Increasing consumer base	13	21.7	21.7	98.3
Promoting political agendas	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.1(c):

Primary goal of CSR in Mizoram



Source: Field Study conducted during November 2024

Table No. 6.2.1(c) sheds light on how people in Mizoram view the main purpose of Corporate Social Responsibility (CSR). Among the 60 respondents, a significant chunk—37 of them, or 61.7%—believe that CSR's primary mission is to uplift social and environmental welfare. This trend points to a strong association between CSR and societal development, rather than merely serving corporate interests. A noteworthy segment, consisting of 13 respondents (21.7%), sees CSR as a way to expand the consumer base, hinting that some regard it as a savvy tactic for increasing market presence, blending altruism with strategy.

On the other hand, 9 respondents (15%) interpret CSR chiefly as a means to boost corporate profits, revealing a viewpoint that positions CSR as a financial lever rather than just a benevolent act. Only one lone voice (1.7%) perceives CSR as predominantly driven by political agendas, indicating that political motives are rarely linked to CSR efforts in Mizoram. The overall percentages paint a vivid picture, showing that 76.7% of responses align with social betterment and profit motives, climbing to 98.3% when considering market expansion, and concluding at 100% with political associations. In summary, this data crafts an intriguing narrative: in Mizoram, CSR is primarily seen as a vehicle for enhancing social and environmental conditions, while a considerable number of respondents also acknowledge its potential to foster business growth.

Table No. 6.2.1(d):

Promotion of CSR initiatives in Mizoram

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	30	50.0	50.0	50.0
No	30	50.0	50.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table highlights a clear divide in opinions about the visibility of Corporate Social Responsibility (CSR) activities in Mizoram. Half of the respondents 30 out of 60 feel that these efforts are well-known, while the other half believes they remain unnoticed. The valid percent column emphasizes this division, showing both perspectives are represented in the community. The cumulative percent affirms that “Yes” responses make up 50%, with “No” responses completing the total at 100%. This balanced sentiment suggests a mix of opinions: some believe CSR initiatives are effectively communicated, while others see a need for greater awareness. The data prompts a reevaluation of CSR communication strategies to better engage with the community and enhance visibility.

Table No. 6.2.1(e):

Knowledge of companies implementing CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	41	68.3	68.3	68.3
No	19	31.7	31.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The table reveals insights into local awareness of companies adopting Corporate Social Responsibility (CSR) initiatives. Out of 60 respondents, 41 representing 68.3% acknowledged their awareness of such organizations. This indicates a healthy recognition of CSR efforts within the community. Conversely, 19 respondents, or 31.7%, claimed they were unaware of any CSR activities in their area. This points to a significant portion of the population still unfamiliar with these initiatives, underscoring a potential communication gap. Overall, the percentages confirm that 68.3% of respondents are aware, bringing the total responses to 100% when including those who are not. While CSR initiatives are evidently making an

impact, the awareness gap suggests that enhancing visibility and outreach could further elevate public recognition.

Table No. 6.2.1(f):

Information to communities regarding CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	11	18.3	18.3	18.3
No	49	81.7	81.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The data reveals that local communities in Mizoram are not well-informed about Corporate Social Responsibility (CSR) activities. Out of 60 respondents, only 11 (18.3%) believe communities are adequately updated on CSR initiatives. In contrast, 49 respondents (81.7%) feel that locals lack essential information about these activities, indicating a significant gap in communication. The cumulative percentage confirms that only 18.3% answered "Yes," highlighting a critical need to improve outreach and engagement strategies. This is essential to ensure that CSR efforts effectively reach and benefit local communities.

Table No. 6.2.1(g):

Common CSR Initiatives in Mizoram

Frequency		Percent	Valid Percent	Cumulative Percent
Environment Protection	7	11.7	11.7	11.7
Education and Skill Development	41	68.3	68.3	80.0
Women Empowerment	2	3.3	3.3	83.3
Infrastructure Development	10	16.7	16.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table reveals some fascinating insights into how people in Mizoram view the landscape of Corporate Social Responsibility (CSR) initiatives. Out of 60 respondents, a significant 41 individuals making up 68.3% of the group highlight education and skill development as the frontrunners in CSR activities. This underscores a strong belief that efforts in Mizoram largely revolve around enhancing educational prospects and nurturing a skilled workforce. Following closely, infrastructure development emerges as the second most notable CSR initiative, pinpointed by 10 respondents (16.7%) as a primary focus. This implies that companies are also channeling resources into building physical infrastructure to bolster community advancement. While environmental protection is acknowledged, it occupies a lesser spot on the radar, recognized by merely 7 respondents (11.7%) as a vital area of CSR engagement. This suggests that although there are green initiatives at play, they might not hold the same prominence as those aimed at educational improvement. Lastly, the spotlight on women empowerment shines dimly, with just 2 respondents (3.3%) identifying it as a primary concern. This points to a gap in the visibility and implementation of CSR efforts that promote gender equality and women's development within the region.

Table No. 6.2.1(h):

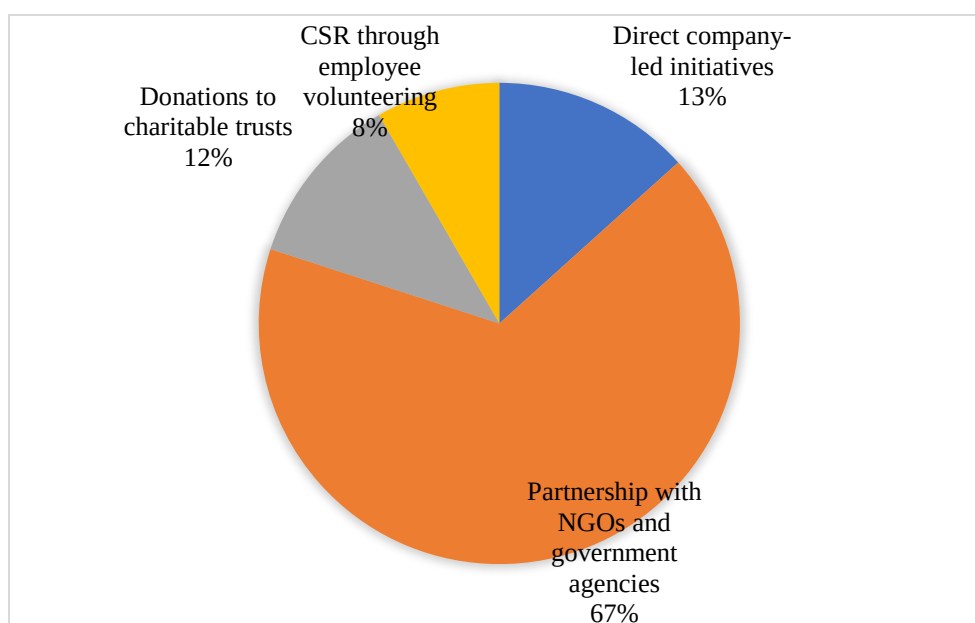
Mode of CSR Implementation in Mizoram

Frequency		Percent	Valid Percent	Cumulative Percent
Direct company-led initiatives	8	13.3	13.3	13.3
Partnership with NGOs and government agencies	40	66.7	66.7	80.0
Donations to charitable trusts	7	11.7	11.7	91.7
CSR through employee volunteering	5	8.3	8.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.1(h):

Mode of CSR Implementation in Mizoram



Source: Field study conducted during November 2024

Table No. 6.2.1(h) showcases the perspectives of 60 respondents regarding the preferred approach to Corporate Social Responsibility (CSR) in Mizoram. A significant majority 40 individuals, or 66.7% favor implementing CSR through partnerships with NGOs and government agencies. This highlights a strong belief in the power of collaboration to enhance the effectiveness of CSR initiatives. In contrast, 8 respondents (13.3%) prefer direct initiatives led by companies, illustrating that while some appreciate a more hands-on approach, it's not the predominant choice. Only 7 respondents (11.7%) see donations to charitable trusts as their favored method, indicating that while charitable giving is valued, it's not the top preference. Finally, employee volunteering ranks as the least favored mode, with just 5 respondents (8.3%) supporting it. This suggests that although corporate volunteering has its merits, it's not widely viewed as the most effective CSR strategy in Mizoram.

6.2.2 Implementation and Impact on Beneficiaries

Table No. 6.2.2 (a):

CSR meeting the needs of community

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	42	70.0	70.0	70.0
No	18	30.0	30.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The table presents a captivating glimpse into the local sentiments surrounding Corporate Social Responsibility (CSR) efforts in Mizoram, particularly how these initiatives align with the community's unique needs. Out of 60 individuals surveyed, an impressive 42—70%—feel that these CSR activities resonate effectively with the distinct challenges and priorities of the region. This underscores a strong conviction

that such initiatives are not merely symbolic but are truly integrated into the daily lives of residents, offering impactful solutions to urgent issues. Conversely, 18 respondents—30%—express the belief that CSR programs do not adequately fulfill the community's genuine requirements. This noticeable split in perspectives fosters an essential conversation among locals, indicating that while many recognize the goodwill behind these actions, there remains a prominent demand for improvements that better address local challenges. It's evident that there's a sense of appreciation paired with a yearning for evolution in how these initiatives can more effectively meet the diverse needs of Mizoram.

Table No. 6.2.2 (b):

Effectiveness of CSR programs in improving the quality of life

Frequency		Percent	Valid Percent	Cumulative Percent
Very effective	6	10.0	10.0	10.0
Effective	22	36.7	36.7	46.7
Neutral	30	50.0	50.0	96.7
Ineffective	2	3.3	3.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table unveils the varied perceptions of individuals regarding the impact of Corporate Social Responsibility (CSR) programs on the quality of life in Mizoram. Among the 60 respondents surveyed, a mere 6 individuals (10%) view these programs as "very effective," highlighting that only a handful perceive a truly significant positive shift. In contrast, a larger cohort of 22 respondents (36.7%) rate CSR initiatives as "effective." This response hints that while the transformations may not be groundbreaking, these programs are indeed contributing valuable improvements to the community. Interestingly, half of the participants—30 individuals (50%)—adopt a "neutral" stance. This suggests a hesitation to fully endorse or dismiss CSR programs, perhaps stemming from uncertainty or a lack of

firsthand experience. It could also indicate that while CSR efforts are recognized, their visible impacts might not be readily apparent. A small segment of the respondents, 2 individuals (3.3%), classify CSR initiatives as "ineffective," signaling that very few believe these efforts fall short in delivering meaningful change.

Table No. 6.2.2 (c):

Personal benefit received from CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Yes (If yes, please specify how you or your community benefitted.)	13	21.7	21.7	21.7
No	47	78.3	78.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table illustrates how respondents and their communities have engaged with Corporate Social Responsibility (CSR) initiatives. Of the 60 surveyed, only 13 individuals (21.7%) claimed to have directly benefitted from these programs. This raises a question about the broader impact of CSR efforts, suggesting that many are either untouched by these initiatives or do not recognize their importance. Conversely, a substantial 47 respondents (78.3%) reported no benefits for themselves or their communities from CSR initiatives. This points to a possible lack of visibility or outreach of such programs in Mizoram, or perhaps a failure in communicating their advantages effectively. In summary, 21.7% of the responses affirm a positive experience, while the remaining responses complete the picture, totaling 100%. The findings indicate that while CSR initiatives exist, their tangible effects on individuals and communities are minimal, highlighting the need for enhanced inclusivity, awareness, and effectiveness in their execution.

Table No. 6.2.2 (d):

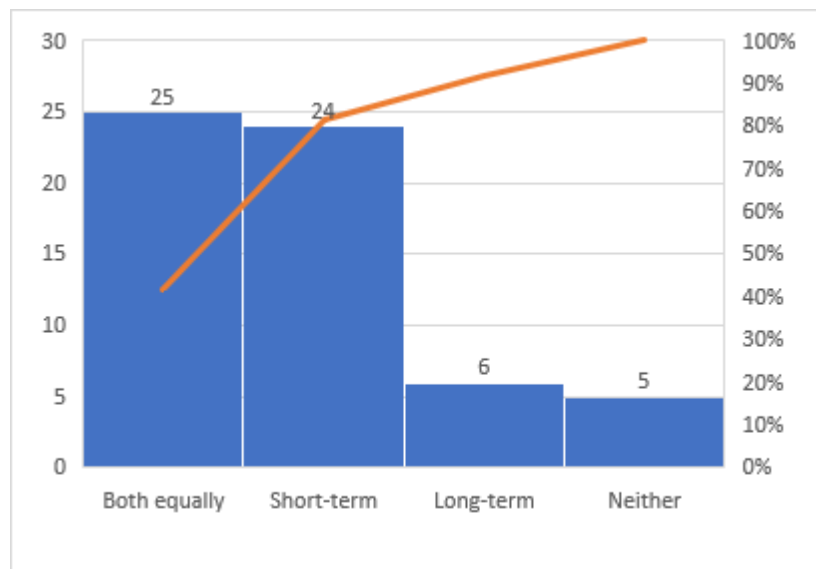
Focus of CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Short-term	24	40.0	40.0	40.0
Long-term	6	10.0	10.0	50.0
Both equally	25	41.7	41.7	91.7
Neither	5	8.3	8.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.2 (d):

Focus of CSR



Source: Field Study conducted during November 2024

Table No. 6.2.2 (d) illustrates the opinions of respondents regarding the focus of Corporate Social Responsibility (CSR) projects in Mizoram, particularly whether they prioritize short-term or long-term effects. Out of 60 surveyed individuals, 25 (41.7%) believe that these CSR initiatives effectively balance immediate and

sustainable impacts. This implies that a notable segment of the population views CSR efforts as addressing urgent needs while concurrently striving for lasting improvements. Following closely, 24 respondents (40%) perceive CSR projects as predominantly centered on short-term gains. This reflects a common belief that these activities are more about temporary fixes rather than fostering enduring community development. Conversely, only 6 respondents (10%) think that CSR efforts are mainly focused on long-term outcomes, indicating that a small fraction perceives these initiatives as genuinely committed to sustainable change. Furthermore, 5 respondents (8.3%) feel that CSR projects do not concentrate on either short-term or long-term impacts, suggesting that some individuals may regard these initiatives as ineffective or not aligned with the actual needs of the community.

Table No. 6.2.2 (e):

Improvement of local infrastructure

Frequency		Percent	Valid Percent	Cumulative Percent
Very much	3	5.0	5.0	5.0
Somewhat	43	71.7	71.7	76.7
Not at all	14	23.3	23.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Table No. 6.2.2 (e) showcases the views of respondents regarding the role of Corporate Social Responsibility (CSR) initiatives in enhancing local infrastructure, like roads and schools, in Mizoram. Out of 60 participants surveyed, only 3 individuals (5%) believe that CSR initiatives have made a significant difference in local infrastructure. This indicates that very few people see a strong positive effect of CSR efforts in this domain. In contrast, a significant portion—43 respondents

(71.7%)—opine that CSR initiatives have "somewhat" aided infrastructure development. This implies that while there is some acknowledgment of the benefits provided by CSR activities, they are not viewed as revolutionary or sufficient to fully address the community's needs. Conversely, 14 respondents (23.3%) assert that CSR initiatives have had no impact whatsoever on local infrastructure. This underscores that almost a quarter of those surveyed do not observe any substantial improvements linked to CSR efforts.

Table No. 6.2.2 (f):

Whether there is improvement in healthcare services

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	19	31.7	31.7	31.7
No	41	68.3	68.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table illustrates how respondents view the impact of Corporate Social Responsibility (CSR) activities on healthcare services in their region. Among the 60 participants, just 19 individuals (31.7%) feel that CSR initiatives have brought about noticeable enhancements in healthcare services. This implies that while some improvements are acknowledged, they may not be extensive or significant enough to be recognized by a majority. On the other hand, a greater number—41 respondents (68.3%)—do not see any apparent improvements in healthcare services attributed to CSR activities. This suggests that CSR initiatives in the healthcare sector might be limited, lack proper visibility, or fail to effectively cater to the healthcare demands of the community.

Table No. 6.2.2 (g):

CSR programmes regarding environmental challenges

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	46	76.7	76.7	76.7
No	14	23.3	23.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table highlights the thoughts of respondents on the contribution of Corporate Social Responsibility (CSR) initiatives to the resolution of environmental issues in Mizoram are displayed in the table. The majority of respondents (46, or 76.7%) out of 60 say that CSR efforts have helped address environmental challenges. This implies that a large number of people are aware of the work being done by businesses and organizations in fields including pollution control, waste management, afforestation, and water conservation.

However, 14 respondents (23.3%) do not believe that any CSR initiatives are helping to solve environmental problems. This suggests that although CSR initiatives might be having an effect, they are either not well-known or not pervasive enough for everyone to notice.

Table No. 6.2.2 (h):

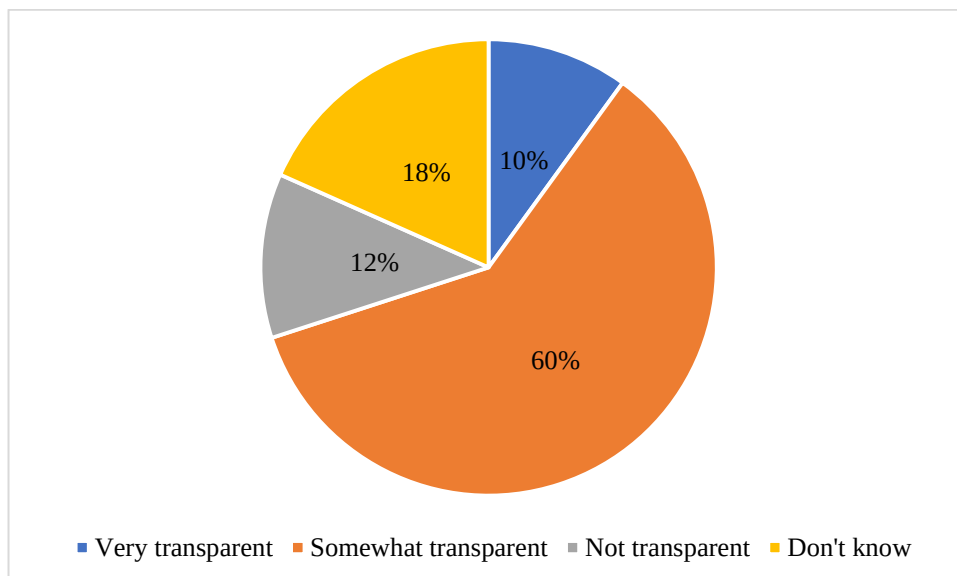
Transparency of CSR activities

Frequency		Percent	Valid Percent	Cumulative Percent
Very transparent	6	10.0	10.0	10.0
Somewhat transparent	36	60.0	60.0	70.0
Not transparent	7	11.7	11.7	81.7
Don't know	11	18.3	18.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.2 (h):

Transparency of CSR activities



Source: Field Study conducted during November 2024

Table No. 6.2.2 (h) outlines the views of respondents on the transparency of Corporate Social Responsibility (CSR) initiatives, focusing on their implementation and oversight in Mizoram. Out of 60 respondents, just 6 individuals (10%) regard CSR activities as "very transparent," which suggests that only a small fraction of the community feels these efforts are executed with genuine accountability and openness. In contrast, a larger group—36 respondents (60%)—believes that CSR activities are "somewhat transparent." This indicates that while there is a degree of openness in how these initiatives are managed, there might still be significant gaps in the availability of information or clarity about their implementation.

Conversely, 7 respondents (11.7%) think that CSR activities are "not transparent," raising concerns over unclear communication, accountability, or visibility in the management of CSR funds and projects. Moreover, 11 respondents (18.3%) chose "Don't know," highlighting that a significant portion of the population is not fully informed or aware of CSR transparency, likely due to inadequate reporting practices or limited engagement with the public.

Table No. 6.2.2 (i):

Improvement in education and skill development due to CSR efforts

Frequency		Percent	Valid Percent	Cumulative Percent
Yes	28	46.7	46.7	46.7
No	32	53.3	53.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Table No. 6.2.2 (i) respondents' opinions about how Corporate Social Responsibility (CSR) programs affect Mizoram's educational and skill-development systems are shown in the table. Of the 60 people polled, 28 (46.7%) believe that CSR initiatives have improved these areas. This suggests that over 50% of participants

recognize advantages like financial aid, career training, enhanced school facilities, or other CSR-supported educational programmes.

On the other hand, 32 respondents (53.3%) disagree that CSR initiatives have had a direct impact on skill development and education. This implies that most respondents either do not see noticeable changes or believe that these efforts have not had a sufficient impact, despite the current efforts.

Table No. 6.2.2 (j):

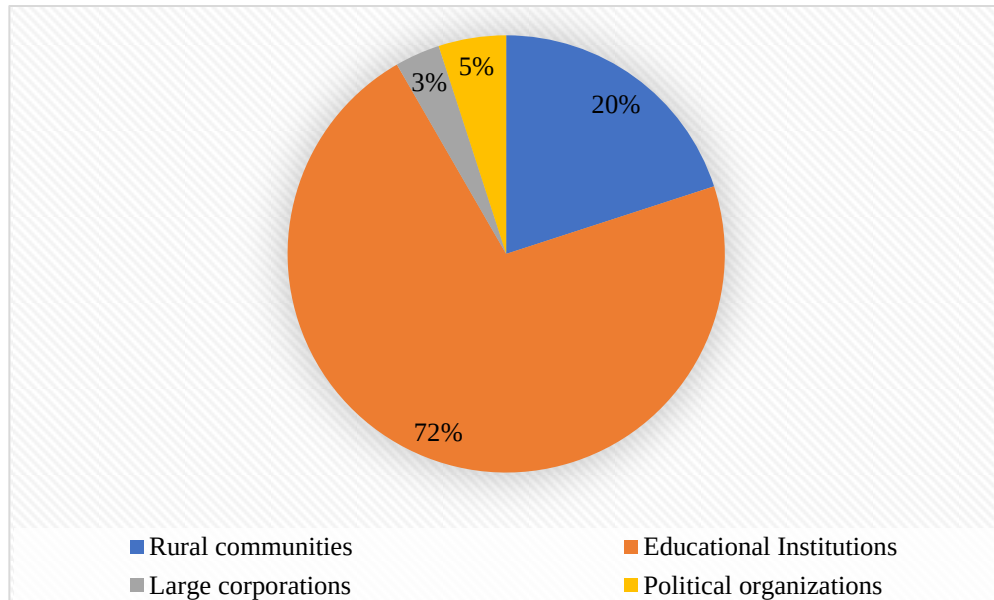
Benefits from CSR projects in Mizoram

Frequency		Percent	Valid Percent	Cumulative Percent
Rural communities	12	20.0	20.0	20.0
Educational Institutions	43	71.7	71.7	91.7
Large corporations	2	3.3	3.3	95.0
Political organizations	3	5.0	5.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.2 (j):

Benefits from CSR projects in Mizoram



Source: Field Study conducted during November 2024

Table No. 6.2.2 (j) illuminates the perspectives of respondents regarding the primary beneficiaries of Corporate Social Responsibility (CSR) initiatives in Mizoram. Out of 60 respondents, a noteworthy 43 individuals—representing 71.7%—assert that educational institutions are the frontrunners in reaping the rewards of CSR efforts. This indicates a robust focus on uplifting schools, colleges, and skill development centers, likely through enhancements in infrastructure, the provision of scholarships, or the availability of essential learning materials. In contrast, a smaller segment, comprising 12 respondents—or 20%—believes that rural communities stand to gain the most from CSR endeavors.

This hints that while certain initiatives may channel resources toward rural enhancement—targeting healthcare, water access, and livelihood enhancement—they don’t seem to resonate as broadly as the advancements seen in the educational realm. A mere 2 respondents, accounting for 3.3%, feel that large corporations are the main beneficiaries, suggesting that the general consensus leans away from viewing CSR as merely a mechanism for corporate self-serving. Interestingly, 3 respondents—

approximately 5%—contend that political organizations are the primary beneficiaries, raising potential concerns about the allocation of CSR funding being diverted toward political motivations rather than fostering genuine community upliftment.

Table No. 6.2.2 (k):

CSR with most impact

Frequency		Percent	Valid Percent	Cumulative Percent
Infrastructure development	8	13.3	13.3	13.3
Education and skill development	50	83.3	83.3	96.7
Sports and recreation	2	3.3	3.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table displays the opinions of respondents regarding the sector where Corporate Social Responsibility (CSR) has made the most significant impact in Mizoram. Out of 60 respondents, a substantial majority—50 individuals (83.3%)—assert that CSR efforts are most impactful in education and skill development. This highlights that CSR activities in the state primarily aim to enhance schools, colleges, vocational training, and scholarship programs, with education being the most acknowledged area of influence. A minority—8 respondents (13.3%)—believe that infrastructure development is where CSR initiatives have the greatest effect. This implies that while some CSR projects may have improved roads and public utilities, they don't receive the same level of recognition as educational programs. Only 2 respondents (3.3%) think that sports and recreation are the main focus of CSR efforts, indicating that initiatives in this area, such as athletic programs and sports facilities, are viewed as less significant or impactful by the public.

Table No. 6.2.2 (I):

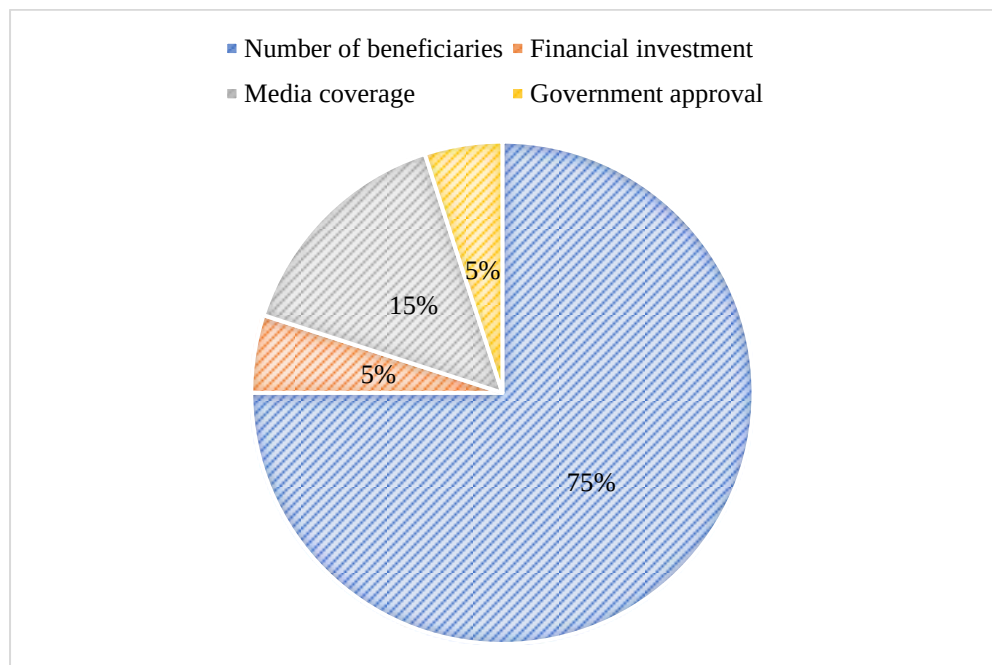
Success of CSR

Frequency		Percent	Valid Percent	Cumulative Percent
Number of beneficiaries	45	75.0	75.0	75.0
Financial investment	3	5.0	5.0	80.0
Media coverage	9	15.0	15.0	95.0
Government approval	3	5.0	5.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.2 (I):

Success of CSR



Source: Field Study conducted during November 2024

Table No. 6.2.2 (I) outlines the opinions of respondents regarding how success is gauged for Corporate Social Responsibility (CSR) initiatives in Mizoram. Out of 60 participants, a substantial majority—45 individuals, or 75.0%—believe that the number of beneficiaries serves as the main measure of a project's success. This reflects a tendency to assess CSR programs based on the extent to which they provide direct benefits to individuals or communities, including access to education, healthcare, or job opportunities. A smaller segment 9 respondents (15.0%) views media coverage as a significant indicator of success.

This suggests that public awareness and visibility through various channels, such as news articles, social media mentions, and advertising campaigns, contribute to how effectively CSR efforts are perceived. Only 3 respondents (5.0%) regard financial investment as the primary measure of success. This indicates that simply having monetary contributions is not considered a sufficient metric for impact unless these funds lead to concrete enhancements in the community.

Likewise, 3 respondents (5.0%) determine that government approval is the key measure of CSR success. This reveals that official endorsements or adherence to regulations hold less weight for the public compared to the direct benefits experienced by individuals.

Table No. 6.2.2 (m):

CSR focus on sustainable development

Frequency		Percent	Valid Percent	Cumulative Percent
Yes, most projects have a long-term focus	8	13.3	13.3	13.3
No, they are mainly short-term initiatives	37	61.7	61.7	75.0
Only a few companies prioritize sustainability	14	23.3	23.3	98.3
There is no sustainability focus	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table illustrates the views of respondents on the focus of Corporate Social Responsibility (CSR) projects in Mizoram regarding sustainable development. Out of 60 respondents, a significant majority—37 individuals (61.7%)—view CSR initiatives as primarily short-term. This implies that many efforts tend to be temporary or event-based rather than contributing to lasting sustainability. Additionally, 14 respondents (23.3%) believe that only a few companies genuinely emphasize sustainability in their CSR endeavors. This points to the existence of long-term initiatives, but they are limited to a small number of organizations. A mere 8 respondents (13.3%) feel that most CSR projects are oriented towards long-term goals. This indicates that only a few individuals recognize ongoing development efforts, such as enhancing infrastructure or promoting environmental conservation, as essential aspects of CSR. Lastly, only 1 respondent (1.7%) perceives a complete lack of sustainability focus in CSR initiatives. Overall, while short-term projects are predominant, there is some acknowledgment of sustainable development, even if it remains underappreciated.

6.2.3 Issues and Challenges in CSR Implementation

Table No. 6.2.3 (a):

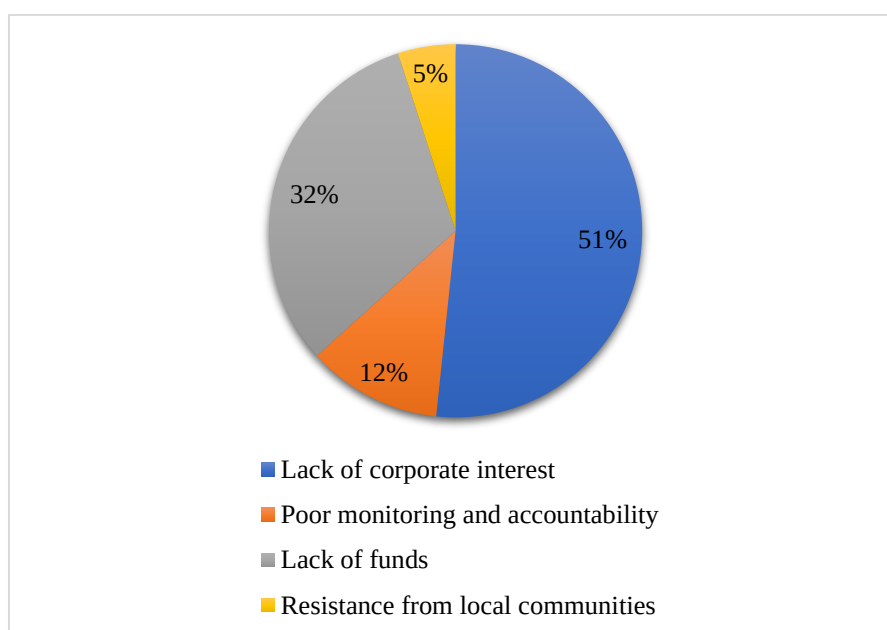
Biggest challenge in CSR implementation in Mizoram

Frequency		Percent	Valid Percent	Cumulative Percent
Lack of corporate interest	31	51.7	51.7	51.7
Poor monitoring and accountability	7	11.7	11.7	63.3
Lack of funds	19	31.7	31.7	95.0
Resistance from local communities	3	5.0	5.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.3 (a):

Biggest challenge in CSR implementation in Mizoram



Source: Field Study conducted during November 2024

Table No. 6.2.3 (a) outlines the key challenges encountered in implementing Corporate Social Responsibility (CSR) initiatives in Mizoram, based on a survey of 60 respondents. The predominant issue cited is the lack of corporate interest, which accounts for 51.7% of responses, indicating that many feel companies are not sufficiently committed to CSR efforts in the region. The second challenge identified is a lack of funds, with 31.7% of respondents noting that financial limitations impede the effective execution of CSR projects. This highlights the struggle to secure necessary resources for social and environmental initiatives. Additionally, 11.7% of respondents pointed to poor monitoring and accountability as a concern, suggesting that there are issues with oversight and transparency in CSR execution, though it's less prominent than the first two challenges. Lastly, 5% of respondents mentioned resistance from local communities as a challenge, indicating that while some community pushback exists, it is not as significant as the other issues. Overall, the cumulative data shows that lack of corporate interest and lack of funds together make up 83.4% of the reported challenges, emphasizing that these two factors are the main obstacles to CSR implementation in Mizoram.

Table No. 6.2.3 (b):

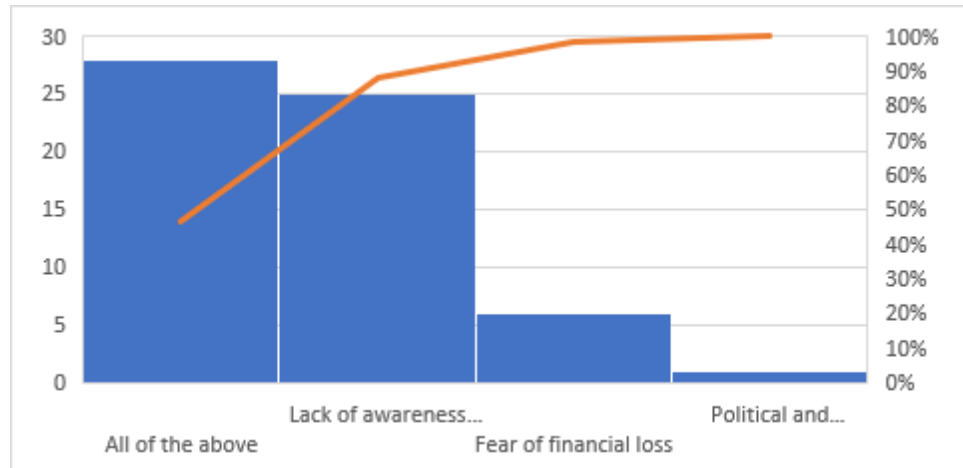
Companies hesitation to invest in CSR in Mizoram

Frequency		Percent	Valid Percent	Cumulative Percent
Lack of awareness about CSR regulations	25	41.7	41.7	41.7
Fear of financial loss	6	10.0	10.0	51.7
Political and bureaucratic obstacles	1	1.7	1.7	53.3
All of the above	28	46.7	46.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.3 (b):

Companies hesitation to invest in CSR in Mizoram



Source: Field Study conducted during November 2024

The above Table No. 6.2.3 (b) sheds light on why some companies in Mizoram are hesitant to engage in Corporate Social Responsibility (CSR) initiatives. A total of 60 participants took part in this survey, revealing several factors that contribute to the reluctance of businesses. The primary reason identified is a lack of awareness regarding CSR regulations, with 41.7% of respondents pointing this out as a significant issue. This indicates that many companies may not have a clear understanding of their responsibilities under CSR laws or the benefits of participating in such initiatives. Insufficient knowledge of legal obligations, potential incentives, and compliance processes could deter businesses from investing in CSR efforts.

Another concern is the fear of financial loss, acknowledged by 10% of the respondents as a notable factor. This reflects a mindset among certain companies that CSR activities may exhaust their financial resources without yielding immediate or visible benefits. Companies operating with narrow profit margins may be particularly reluctant to devote resources to CSR if they see it as a financial challenge rather than an opportunity for long-term growth for both the community and their business. Only 1.7% of respondents pointed to political and bureaucratic challenges, suggesting that while there may be some administrative hurdles, these are not the major deterrents

for most companies. This implies that government policies and regulatory issues are not viewed as significant barriers when compared to factors such as lack of awareness and financial worries. The most popular choice among respondents was "All of the above," with 46.7% indicating that a combination of lack of awareness, fear of financial loss, and political/bureaucratic challenges plays a role in corporate hesitance to invest in CSR. This underscores the perception among many businesses that they face multiple obstacles simultaneously, complicating their commitment to CSR initiatives.

Table No. 6.2.3 (c):

Common issue with CSR projects

Frequency		Percent	Valid Percent	Cumulative Percent
Lack of alignment with community needs	11	18.3	18.3	18.3
Poor execution and monitoring	16	26.7	26.7	45.0
Limited involvement of local stakeholders	3	5.0	5.0	50.0
All of the above	30	50.0	50.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table outlines the key challenges encountered by Corporate Social Responsibility (CSR) projects in Mizoram, drawn from the feedback of 60 participants. The results reveal several issues that hinder the effectiveness of CSR initiatives in the area. Notably, poor execution and monitoring are cited by 26.7% of respondents as the primary concern. This highlights that despite investments in CSR projects, a lack of proper oversight and evaluation diminishes their overall effectiveness. Without adequate implementation strategies, these initiatives may not

reach their full potential. Another significant issue, pointed out by 18.3% of participants, is the misalignment with community needs. This suggests that certain CSR efforts fail to meet the actual requirements of local populations, possibly due to insufficient research or consultation with those affected. If CSR projects overlook the priorities of the communities they intend to support, they may not produce lasting benefits. A smaller group of respondents (5%) mentions limited participation of local stakeholders as a challenge. While this indicates that engagement is less frequently seen as a significant issue, it remains vital for the success of CSR initiatives. Active involvement of local groups, leaders, and beneficiaries is essential. Importantly, 50% of the respondents noted “All of the above,” suggesting that these challenges often coexist rather than appearing in isolation. This indicates that many CSR projects in Mizoram are affected by a mix of poor execution, lack of community alignment, and limited stakeholder engagement. Addressing these interconnected challenges is crucial for enhancing the overall effectiveness and lasting impact of CSR efforts in the region.

Table No. 6.2.3 (d):

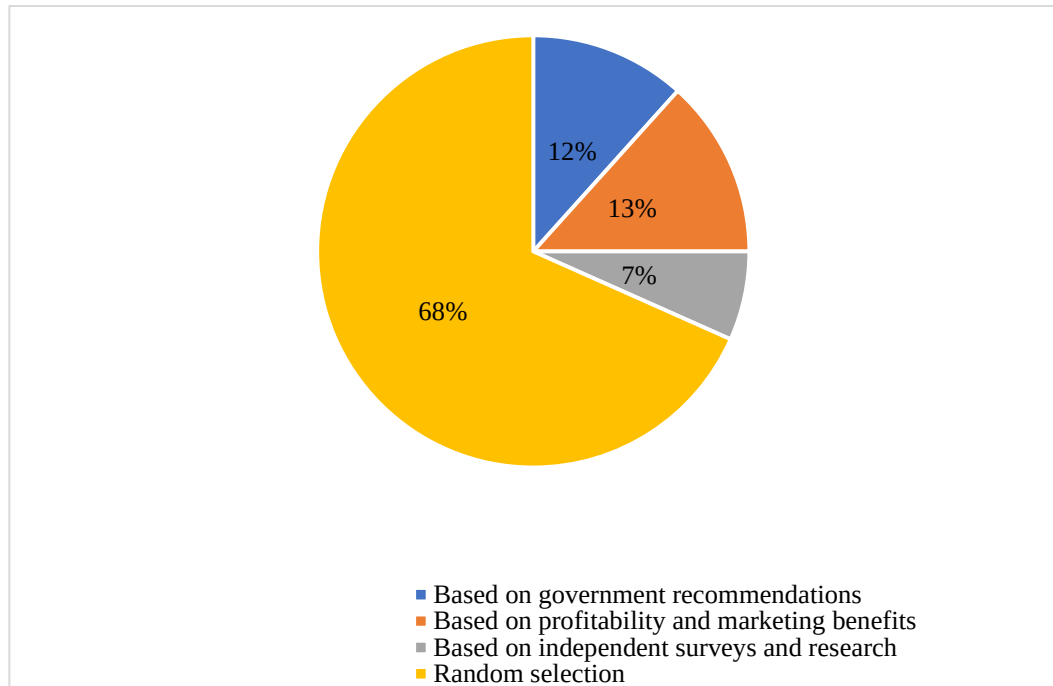
Selection of CSR beneficiaries

Frequency		Percent	Valid Percent	Cumulative Percent
Based on government recommendations	7	11.7	11.7	11.7
Based on profitability and marketing benefits	8	13.3	13.3	25.0
Based on independent surveys and research	4	6.7	6.7	31.7
Random selection	41	68.3	68.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.3 (d):

Selection of CSR beneficiaries



Source: Field Study conducted during November 2024

The above table provides insights into how businesses in Mizoram commonly determine beneficiaries for their Corporate Social Responsibility (CSR) programs. Feedback from 60 participants reveals that a significant number of companies do not follow a systematic or research-based methodology in their beneficiary selection process. In particular, 68.3% of respondents note that the choice of beneficiaries is often made at random, highlighting a lack of strategic planning and focused decision-making in CSR activities. This random selection method could detract from the effectiveness and sustainability of these initiatives, instead of concentrating on communities or individuals who truly need support or who could benefit most significantly from these programs. Moreover, 13.3% of those surveyed state that their choice of beneficiaries is often swayed by potential profitability and marketing benefits. This suggests that some companies prioritize branding and public relations

over creating a meaningful social impact, favoring beneficiaries that offer greater visibility or financial advantage.

Additionally, 11.7% of respondents mention that they rely on government guidelines for selecting CSR beneficiaries. While this alignment with official recommendations can align initiatives with broader development objectives, it may not necessarily address the most urgent local needs. The least frequently used method, adopted by only 6.7% of participants, involves employing independent surveys and research. This indicates that a limited number of companies are committed to conducting comprehensive evaluations to find deserving beneficiaries. A research-focused approach could significantly improve CSR results by ensuring that resources are directed towards those who need them most. However, the low utilization rate points to a general lack of emphasis on data-informed decision-making in CSR strategy among companies in Mizoram.

Table No. 6.2.3 (e):

Role of corruption in CSR implementation

Frequency		Percent	Valid Percent	Cumulative Percent
It leads to fund mismanagement	11	18.3	18.3	18.3
It reduces trust in CSR initiatives	7	11.7	11.7	30.0
It diverts resources from intended beneficiaries	14	23.3	23.3	53.3
All of the above	28	46.7	46.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table summarizes the effects of corruption on Corporate Social Responsibility (CSR) implementation in Mizoram, based on feedback from 60 participants. The results reveal several ways corruption hampers CSR effectiveness in the region. A primary consequence of corruption is the misallocation of resources, affecting 23.3% of respondents. This indicates that funds designated for CSR projects often fail to reach the intended communities, potentially due to favoritism, fraud, or other corrupt practices, which diminishes the social impact of these efforts.

Additionally, 18.3% of respondents highlighted fund mismanagement as a significant issue. Corruption results in the inefficient or inappropriate use of CSR funds, manifesting through inflated costs, ghost projects, or financial irregularities. Mismanagement leads to failed projects and wasted investments. Moreover, 11.7% of participants believe that corruption undermines trust in CSR initiatives. When corruption is revealed, it breeds skepticism among communities and stakeholders, hindering community engagement and making it difficult for companies to carry out effective CSR programs. Businesses may also hesitate to invest in CSR if they perceive that corruption will diminish their impact. Notably, the largest group of respondents, at 46.7%, chose "All of the above," indicating that corruption is a complex issue that contributes to fund mismanagement, diminished trust, and resource diversion. This suggests that many CSR efforts in Mizoram are hindered by multiple corruption-related challenges rather than a single problem.

Table No. 6.2.3 (f):

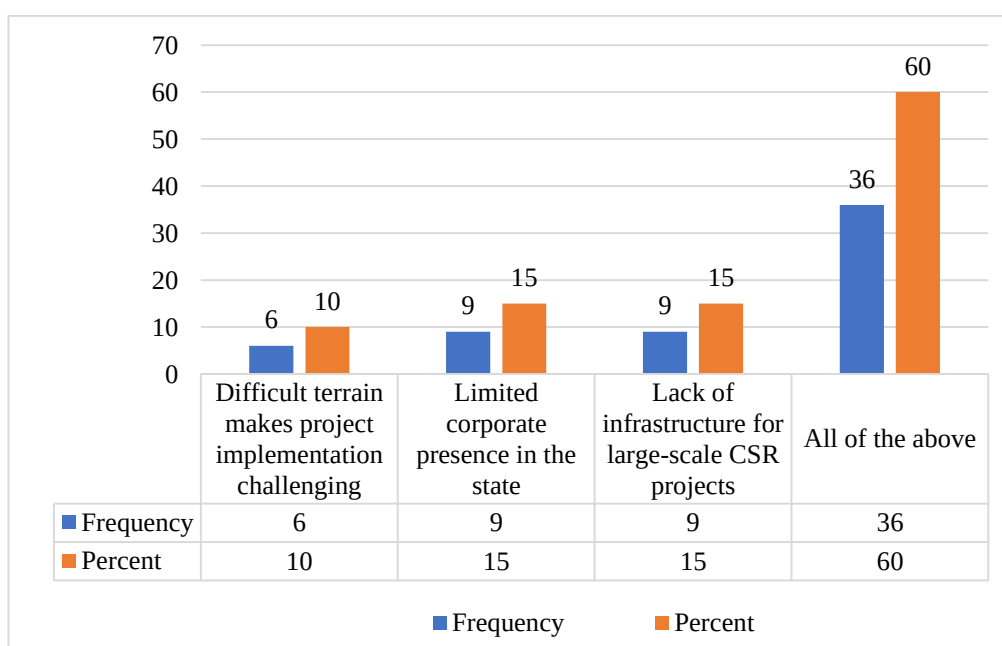
Geographical location of Mizoram

Frequency		Percent	Valid Percent	Cumulative Percent
Difficult terrain makes project implementation challenging	6	10.0	10.0	10.0
Limited corporate presence in the state	9	15.0	15.0	25.0
Lack of infrastructure for large-scale CSR projects	9	15.0	15.0	40.0
All of the above	36	60.0	60.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.3 (f):

Geographical location of Mizoram



Source: Field Study conducted during November 2024

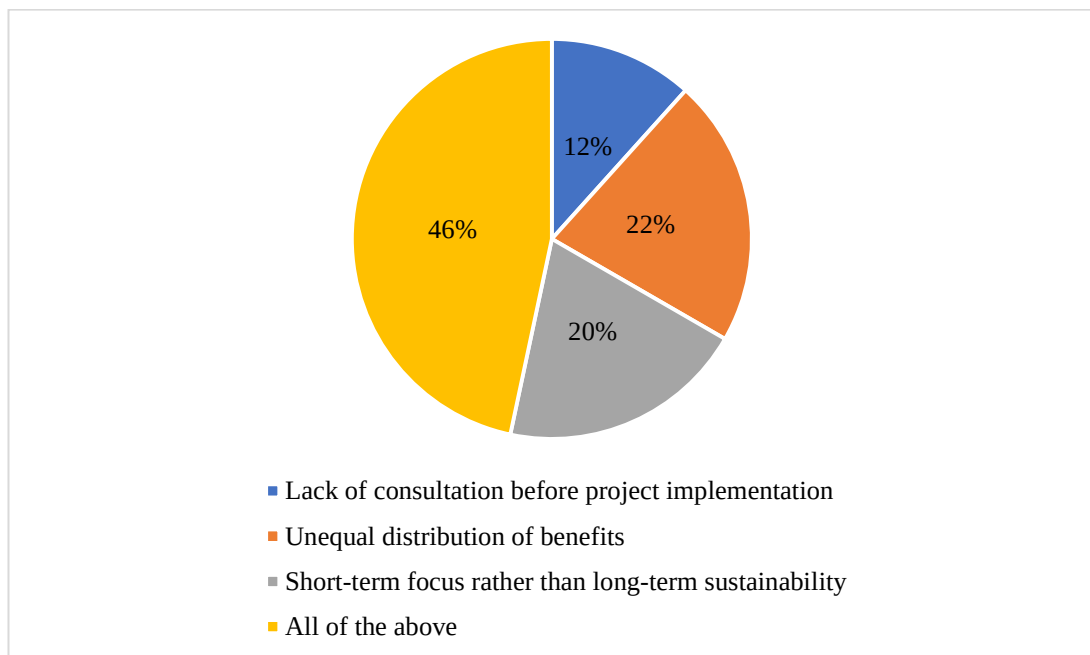
The above table outlines how Mizoram's geographical features influence the execution of Corporate Social Responsibility (CSR) initiatives. Data gathered from 60 participants reveal several notable challenges stemming from the state's unique geography and infrastructure. A key finding is that 60% of respondents chose "All of the above," indicating that various geographic factors collectively impede CSR efforts. This points to a multifaceted challenge for businesses in Mizoram, complicating their ability to plan and implement effective CSR initiatives. One significant hurdle mentioned by 10% of participants is the challenging terrain, as Mizoram's hilly landscape creates obstacles for project execution. The mountainous regions, remote villages, and limited road access hinder companies from efficiently reaching communities for development projects. This geographical reality often makes the transport of materials, establishment of infrastructure, and ongoing maintenance of CSR initiatives both costly and time-consuming. Additionally, 15% of respondents identified the limited corporate presence in the state as a concern. With a smaller industrial base compared to other regions, there are fewer large companies actively involved in CSR. Consequently, many businesses that fall under Indian CSR regulations may not operate in Mizoram, resulting in lower CSR investment in the area. Also, 15% of participants noted insufficient infrastructure for implementing large-scale CSR projects. Mizoram's underdeveloped industrial sector, poor logistical networks, and lack of adequate public facilities pose further challenges for sustaining significant CSR initiatives. Essential projects like hospitals, schools, or clean water systems require robust infrastructure, which is often inadequate in many areas of Mizoram, further constraining CSR efforts.

Table No. 6.2.3 (g):
Major complaint from local communities regarding CSR projects

Frequency		Percent	Valid Percent	Cumulative Percent
Lack of consultation before project implementation	7	11.7	11.7	11.7
Unequal distribution of benefits	13	21.7	21.7	33.3
Short-term focus rather than long-term sustainability	12	20.0	20.0	53.3
All of the above	28	46.7	46.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.3 (g):
Major complaint from local communities regarding CSR projects



Source: Field Study conducted during November 2024

The table outlines the key concerns of local communities regarding Corporate Social Responsibility (CSR) projects in Mizoram, based on feedback from 60 participants. The results reveal that local residents face a blend of issues rather than a single dominant complaint. A significant 46.7% of respondents indicated "All of the above," highlighting that communities often encounter multiple challenges with CSR implementation. This indicates that CSR projects in Mizoram struggle not only with planning and execution but also with lasting impact and equitable resource distribution. Lack of consultation before implementing projects emerged as a notable complaint, mentioned by 11.7% of participants. This shows that some CSR initiatives may proceed without engaging local communities, resulting in solutions that do not cater to their actual needs and potentially diminishing overall effectiveness.

Another major concern is the uneven distribution of benefits, noted by 21.7% of respondents. This suggests that the advantages from CSR initiatives may not be equitably shared, leading to feelings of favoritism among groups that perceive themselves as left out. Additionally, 20% of participants highlighted the short-term nature of many CSR projects, emphasizing that these initiatives often lack sustainability. While some may offer immediate gains, they frequently fail to create enduring improvements in the community, particularly once funding ceases or the company withdraws.

Table No. 6.2.3 (h):
Bureaucratic hurdle in CSR implementation

Frequency		Percent	Valid Percent	Cumulative Percent
Lengthy approval processes	27	45.0	45.0	45.0
Political interference	6	10.0	10.0	55.0
Complex legal requirements	6	10.0	10.0	65.0
All of the above	21	35.0	35.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table outlines major bureaucratic challenges that impede the execution of Corporate Social Responsibility (CSR) initiatives in Mizoram, drawing from feedback gathered from 60 individuals. The findings identify several administrative hurdles complicating CSR efforts, with many participants reporting multiple obstacles. The primary issue cited was lengthy approval processes, noted by 45% of respondents. This highlights significant delays faced by companies in securing necessary permissions for their CSR endeavors, often leading to lost opportunities and reducing motivation to invest in such projects due to prolonged waiting periods. Political interference was mentioned by 10% of participants as a hindrance, indicating that CSR efforts might sometimes cater more to political agendas rather than genuine community needs. This involvement can complicate decision-making and deter businesses from pursuing CSR initiatives for fear of complications.

Additionally, another 10% identified complex legal requirements as a significant challenge. The convoluted regulatory landscape surrounding CSR can be overwhelming, particularly for companies that lack familiarity with necessary legal standards. The intricacies of compliance and documentation can obstruct the smooth execution of projects. Moreover, 35% of respondents chose "All of the above,"

highlighting that these bureaucratic challenges frequently coexist. This demonstrates that companies in Mizoram regularly confront a mix of slow approvals, political entanglements, and complicated legalities, all of which contribute to delays and inefficiencies in their CSR endeavors.

6.2.4 Suggestions for Improving CSR in Mizoram

**Table No. 6.2.4 (a):
Improvement of CSR implementation**

Frequency		Percent	Valid Percent	Cumulative Percent
More corporate involvement in project selection	11	18.3	18.3	18.3
Better monitoring and evaluation mechanisms	14	23.3	23.3	41.7
Increased community participation	7	11.7	11.7	53.3
All of the above	28	46.7	46.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The table unfolds a compelling narrative on strengthening Corporate Social Responsibility (CSR) practices in Mizoram, drawing from the insights of 60 engaged participants. The findings reveal that the path to successful CSR is paved with a variety of influences, underscoring the call for a holistic approach. Notably, a robust 46.7% of respondents opted for “All of the above,” hinting that a thriving CSR landscape is anchored in enhanced corporate commitment, diligent monitoring, and an active participating community. This collective sentiment suggests that rather than seeking a lone solution, a tapestry of strategies is essential for effectiveness. A further 23.3% of participants spotlighted the crucial role of better monitoring and evaluation frameworks. Their input shines a light on a common gap: many CSR initiatives

embark on good intentions but lack the oversight needed to truly gauge their impact. By bolstering these evaluative structures, companies would gain the clarity needed to measure the true value of their contributions and allocate resources where they matter most.

Moreover, 18.3% of respondents highlighted the importance of companies immersing themselves more deeply in project selection. This advocates for a proactive partnership with the communities they serve and encourages a deeper investment in projects that not only align with their corporate goals but also resonate with local aspirations. Finally, 11.7% of participants pointed out the vital need for increased community engagement. When local voices are woven into the planning and execution of CSR initiatives, there's a greater chance of aligning these efforts with real needs, thereby improving acceptance and sustainability. In essence, a symphony of collaboration can transform CSR into a collective journey, enriching both businesses and communities in the process.

Table No. 6.2.4 (b):

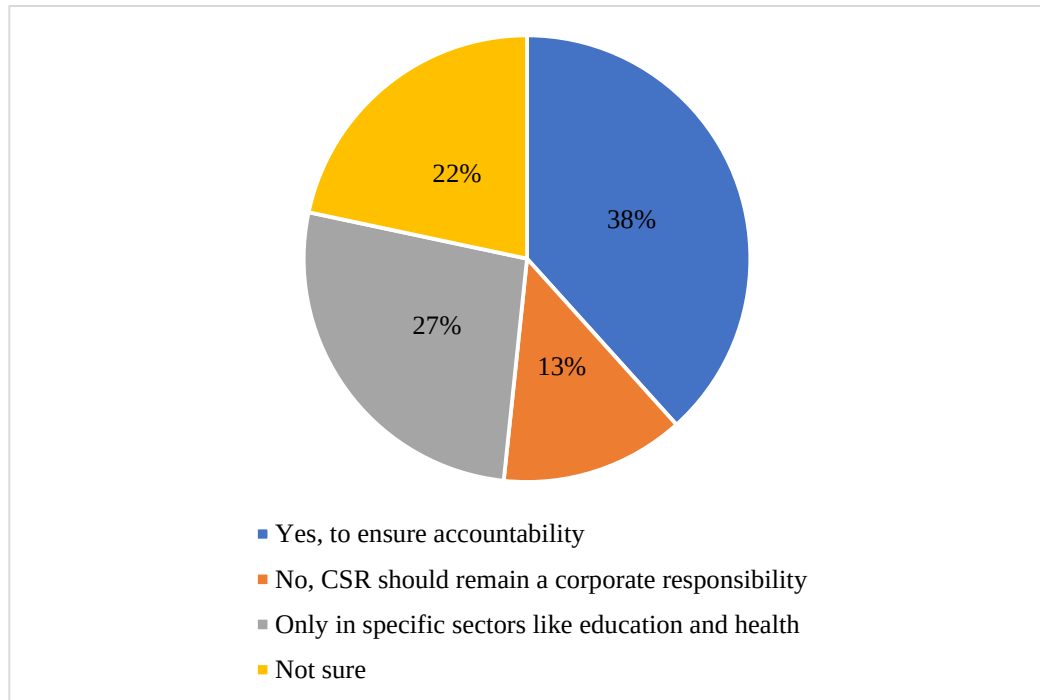
Role of Government in CSR implementation

Frequency		Percent	Valid Percent	Cumulative Percent
Yes, to ensure accountability	23	38.3	38.3	38.3
No, CSR should remain a corporate responsibility	8	13.3	13.3	51.7
Only in specific sectors like education and health	16	26.7	26.7	78.3
Not sure	13	21.7	21.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.4 (b):

Role of Government in CSR implementation



Source: Field Study conducted during November 2024

The table outlines opinions from 60 participants regarding the role of the Mizoram government in Corporate Social Responsibility (CSR) initiatives. The feedback reveals varied views, with a notable inclination toward increased government involvement to ensure accountability. Approximately 38.3% of respondents advocate for a stronger government role in CSR to promote accountability. They express concerns that corporate-led initiatives might lack transparency and oversight, suggesting that government action could enhance regulation and monitor projects for their effectiveness. This involvement could also help mitigate issues like fund misallocation and corruption in CSR efforts in Mizoram. Conversely, 13.3% believe that CSR should be the sole responsibility of corporations, fearing that too much government oversight might introduce bureaucratic delays and political interference. These individuals argue that businesses should handle their CSR initiatives independently.

Additionally, 26.7% think government participation should be restricted to specific sectors like education and health. This perspective acknowledges that while many CSR activities can remain corporate-led, areas that significantly affect public welfare may benefit from government oversight and coordination. Lastly, 21.7% of respondents are unsure about the government's role in CSR, indicating a lack of clarity on the appropriate balance between corporate freedom and state involvement in these initiatives.

Table No. 6.2.4 (c):

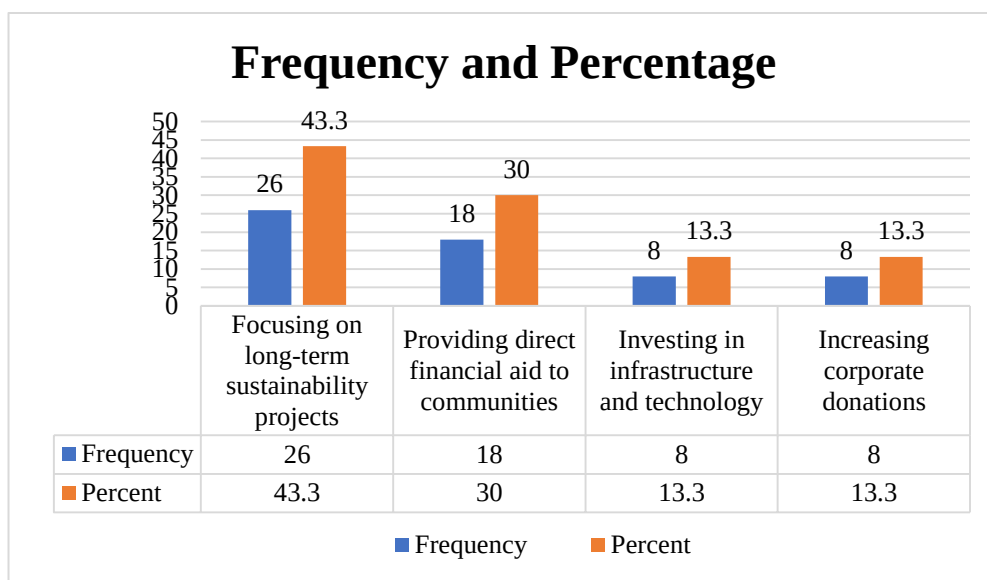
Utilization of CSR Funds

Frequency		Percent	Valid Percent	Cumulative Percent
Focusing on long-term sustainability projects	26	43.3	43.3	43.3
Providing direct financial aid to communities	18	30.0	30.0	73.3
Investing in infrastructure and technology	8	13.3	13.3	86.7
Increasing corporate donations	8	13.3	13.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.4 (c):

Utilization of CSR Funds



Source: Field study conducted during November 2024

The above table presents insights from 60 participants on effective utilization of Corporate Social Responsibility (CSR) funds in Mizoram. The findings stress the value of long-term planning and community-centered strategies to boost the sustainability and impact of CSR initiatives. About 43.3% of respondents recommend allocating CSR funds to long-term sustainability projects, aiming for initiatives that provide ongoing benefits in areas like education, healthcare, water supply, and job creation. They emphasize the necessity of tackling root social and economic issues for lasting community advantages.

Furthermore, 30% suggest offering direct financial aid to communities through grants or subsidies for immediate necessities in healthcare and livelihoods. While this can create quick impacts, it might not guarantee sustained change. Both "Investing in infrastructure and technology" and "Increasing corporate donations" received support from 13.3% of participants each. Investment in infrastructure aims to enhance essential resources like transportation and digital tools, improving community access to services and economic opportunities. On the other hand,

increasing corporate donations highlights an urgent need for more CSR funding to fulfill community needs. However, raising donations without proper oversight may not lead to effective outcomes.

Table No. 6.2.4 (d):

Focus of CSR in Mizoram over the next five years

Frequency		Percent	Valid Percent	Cumulative Percent
Rural development and employment	25	41.7	41.7	41.7
Climate change and environmental conservation	11	18.3	18.3	60.0
Education and skill training	17	28.3	28.3	88.3
Healthcare and sanitation	7	11.7	11.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table outlines key areas for Corporate Social Responsibility (CSR) in Mizoram over the next five years, drawing from feedback from 60 participants. The findings reveal a clear preference for initiatives that foster long-term economic growth, environmental stewardship, and the development of human capital. Rural development and job creation stand out as the top priority, with 41.7% of respondents advocating for a focus on these issues. There's a shared belief that CSR should invest in job opportunities and rural infrastructure improvements. By channeling resources into agriculture, small businesses, and self-employment, we can uplift livelihoods and bridge economic disparities while deterring youth from migrating to cities in search of work. Education and skills training follow closely, garnering support from 28.3% of participants. This underscores the urgent need for investing in human

resources. As the demand for skilled labor rises, CSR initiatives can provide vocational training, scholarships, digital education, and tailored skill development, significantly boosting youth employability and contributing to Mizoram's economic vibrancy.

Addressing climate change and environmental conservation emerges as a priority for 18.3% of respondents. With Mizoram's rich biodiversity facing threats such as deforestation and landslides, CSR actions could revolve around afforestation efforts, waste management practices, renewable energy projects, and promoting sustainable agriculture. Safeguarding the environment is vital for sustainable growth in a region that relies heavily on natural assets. Healthcare and sanitation, while still important, attracted the least attention, with only 11.7% highlighting this as a priority. However, improving healthcare access and sanitation services remains crucial for enhancing the well-being of Mizoram's residents, particularly in remote areas.

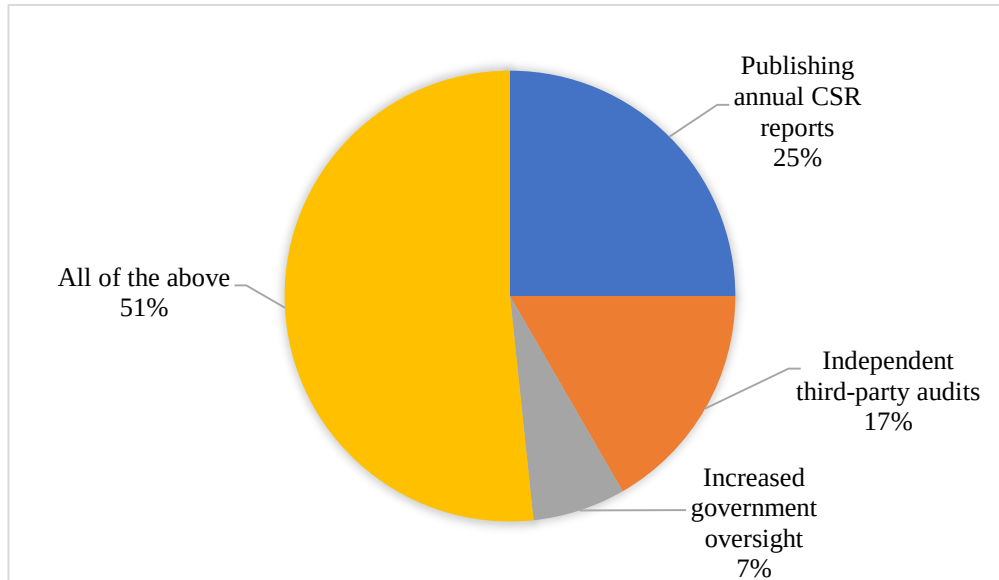
Table No. 6.2.4 (e):

Transparency in CSR initiatives

Frequency		Percent	Valid Percent	Cumulative Percent
Publishing annual CSR reports	15	25.0	25.0	25.0
Independent third-party audits	10	16.7	16.7	41.7
Increased government oversight	4	6.7	6.7	48.3
All of the above	31	51.7	51.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

Chart No. 6.2.4 (e):
Transparency in CSR initiatives



Source: Field Study conducted during November 2024

The above table outlines how companies in Mizoram can enhance transparency in their Corporate Social Responsibility (CSR) efforts, based on feedback from 60 participants. The findings suggest that utilizing a mix of several strategies is the most effective way to foster accountability and trust in CSR activities. A significant portion of respondents, 51.7%, chose "All of the above," indicating that combining annual CSR reports, independent audits, and increased government supervision is key to transparency. This highlights that relying on a single approach may not suffice; a multifaceted strategy is essential for building stakeholder trust. Among the specific strategies, 25% emphasized the importance of publishing annual CSR reports.

This underscores the need for companies to publicly disclose information about their CSR efforts, expenditures, and outcomes. Regular updates help demonstrate accountability and keep stakeholders informed, thus reducing concerns over potential mismanagement. Independent audits were favored by 16.7% of respondents, showcasing the value of external assessments for ensuring fairness and credibility. These audits can provide an objective evaluation of how CSR funds are

utilized and validate a company's social impact, addressing issues related to corruption and fund misallocation. Only 6.7% of participants regarded increased government oversight as crucial. While regulatory involvement can enhance compliance and deter misuse, this lower percentage indicates apprehension about excessive bureaucracy or political interference, which might hinder effective CSR implementation.

**Table No. 6.2.4 (f):
Improvement of public awareness about CSR**

Frequency		Percent	Valid Percent	Cumulative Percent
Media campaigns and social media engagement	17	28.3	28.3	28.3
Public discussions and stakeholder consultations	9	15.0	15.0	43.3
Government incentives for CSR awareness programs	1	1.7	1.7	45.0
All of the above	33	55.0	55.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table provides insights into enhancing public awareness of Corporate Social Responsibility (CSR) in Mizoram, based on feedback from 60 participants. The findings suggest that a multifaceted approach—utilizing various awareness tactics—is the most effective way to engage the public with CSR efforts. A significant portion of respondents (55%) opted for "All of the above," indicating that integrating media campaigns, public discussions, stakeholder engagement, and government incentives is essential for boosting CSR awareness. This reflects the

need for simultaneous methods to effectively reach a broader audience and create lasting change.

Among the individual strategies, media campaigns and social media emerged as the most effective, chosen by 28.3% of participants. This underscores the importance of digital platforms, television, and print media in sharing information. Social media, in particular, is vital for engaging younger audiences, showcasing success stories, and motivating participation in CSR initiatives. Public discussions and stakeholder consultations garnered 15% of the votes, highlighting the value of direct engagement with communities and leaders. These dialogues facilitate collaboration and ensure CSR projects are aligned with local needs while garnering community support. Only 1.7% of respondents singled out government incentives as the best method for promoting CSR awareness. This suggests that while such incentives can be beneficial, they may not resonate as strongly as media or community-based engagement approaches.

Table No. 6.2.4 (g):

Mandatory CSR reporting

Frequency		Percent	Valid Percent	Cumulative Percent
Yes, it would increase accountability	31	51.7	51.7	51.7
No, companies should have flexibility	5	8.3	60.0	60.0
Only for large corporations	6	10.0	70.0	70.0
Not sure	18	30.0	100.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table summarizes responses from 60 participants regarding the impact of mandatory CSR reporting on its effectiveness in Mizoram. The results indicate that a majority believe that compulsory CSR reporting would boost accountability and transparency in corporate social initiatives. Notably, 51.7% of respondents support the idea that mandatory reporting would enhance accountability. They argue that requiring companies to reveal their CSR activities could lead to better oversight, reduce fund mismanagement, and ensure alignment with community needs. Such transparency is also expected to foster public trust and promote more meaningful interactions between corporations and stakeholders. Conversely, 8.3% of respondents advocate for flexibility in reporting practices, suggesting that strict requirements could impose unnecessary burdens, particularly on smaller firms with limited resources.

Additionally, 10% of participants argue that mandatory reporting should be confined to large corporations. This opinion reflects the belief that while accountability is vital, imposing requirements on all businesses might be impractical, as larger companies generally possess more resources and visibility to manage compliance effectively. Lastly, 30% of respondents expressed uncertainty about the effectiveness of mandatory CSR reporting, indicating a lack of awareness about its potential impacts on corporate responsibility.

6.2.5 General profile of Respondents

Table No. 6.2.5 (a):

Gender

Frequency		Percent	Valid Percent	Cumulative Percent
Male	28	46.7	46.7	46.7
Female	32	53.3	53.3	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table presents the gender breakdown of the 60 survey participants, highlighting a nearly equal representation of males and females, with a slight majority of females. Specifically, 32 participants (53.3%) identified as female, while 28 participants (46.7%) identified as male. This demonstrates a balanced gender representation, contributing to a range of perspectives within the survey outcomes. The total percentage confirms that all respondents identified solely as male or female, achieving a complete representation of 100%. This balanced distribution enhances the reliability of the results by reducing gender bias and fostering a more thorough understanding of the topic at hand.

Table No. 6.2.5 (b):

Age Group

Frequency		Percent	Valid Percent	Cumulative Percent
Below 18	2	3.3	3.3	3.3
18-25	34	56.7	56.7	60.0
26-35	20	33.3	33.3	93.3
36-50	4	6.7	6.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table outlines the age distribution of 60 survey participants, highlighting a strong representation of younger individuals. Most respondents, 34 (56.7%), fall within the 18-25 age range, indicating that young adults, likely students or early-career professionals, are particularly engaged with issues like Corporate Social Responsibility (CSR). The next largest group includes those aged 26-35, which makes up 33.3% of respondents. This demographic likely encompasses

working professionals who may have firsthand experience with CSR initiatives. A smaller segment, 6.7%, belongs to the 36-50 age group, suggesting reduced engagement from older professionals or fewer senior individuals involved in CSR activities. Lastly, only 3.3% of respondents are under 18, the smallest group, likely due to their limited exposure to CSR and corporate initiatives.

Table No. 6.2.5 (c):

Occupation

Frequency		Percent	Valid Percent	Cumulative Percent
Student	28	46.7	46.7	46.7
Government employee	8	13.3	60.0	60.0
Private sector employee	8	13.3	73.3	73.3
Self-employed	14	23.3	96.7	96.7
Unemployed	2	3.3	100.0	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table outlines the occupational breakdown of the 60 survey participants. The largest group consists of students, who represent 46.7% of the respondents, highlighting a strong engagement among younger individuals likely still in education. This trend corresponds with the earlier age data, showing most respondents were aged 18-25, suggesting a heightened interest in social issues like Corporate Social Responsibility (CSR) among this demographic. Self-employed individuals account for 23.3% of the sample, reflecting the views of small business owners on CSR activities in Mizoram. Meanwhile, government and private sector

employees each make up 13.3% of the participants, indicating a lower availability or willingness to engage in the survey, although their insights are crucial for understanding CSR from a professional or policy standpoint. Only 3.3% of respondents reported being unemployed, showing limited representation from those outside formal work or education.

Table No. 6.2.5 (d):

District wise of respondents

Frequency		Percent	Valid Percent	Cumulative Percent
Aizawl	39	65.0	65.0	65.0
Champhai	1	1.7	1.7	66.7
Hnahtial	1	1.7	1.7	68.3
Khawzawl	4	6.7	6.7	75.0
Kolasib	2	3.3	3.3	78.3
Lawngtlai	2	3.3	3.3	81.7
Lunglei	3	5.0	5.0	86.7
Mamit	7	11.7	11.7	98.3
Siaha	1	1.7	1.7	100.0
Total	60	100.0	100.0	

Source: Field Study conducted during November 2024

The above table presents data on whether mandatory CSR reporting would improve CSR effectiveness in Mizoram, based on responses from 60 participants. With 65% of the responses coming from Aizawl, it appears that the majority of participants are from the most commercially engaged and urbanized district in the state. The greater population density may be the cause of this domination. With 11.7% of responders, Mamit district has the second-highest representation. This implies that people in rural and smaller towns are somewhat involved, but their involvement is still far less than that of Aizawl. Some districts, such Kolasib (3.3%), Khawzawl (6.7%), and Lunglei (5%), had little representation, which is indicative of their lower population densities or difficult access to the survey. Only 1.7% of the responses came from Champhai, Hnahthial, Lawngtlai, and Siaha, demonstrating the extremely low level of involvement from these areas.

In conclusion, the present chapter analyses the data collected for the study on CSR in Mizoram, specifically focusing on the implications of company laws in India, particularly under the Companies Act of 2013. The analysis of CSR practices in the region provides insights into the impact, challenges, and potential areas for improvement, as well as the researcher's findings and suggestions for the administration of CSR in Mizoram.

CHAPTER VII

CONCLUSION

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The previous chapter analyses the data collected for the study on CSR in Mizoram, specifically focusing on the implications of company laws in India, particularly under the Companies Act of 2013. The analysis of CSR practices in the region provides insights into the impact, challenges, and potential areas for improvement, as well as the researcher's findings and suggestions for the administration of CSR in Mizoram.

The present chapter is divided into two parts. The first part is the summary of the previous six chapters while the second part answers the research questions, indicating the major findings and suggestions for the proper administration and implementation of Corporate Social Responsibility in Mizoram.

Part – I

The first part of the chapter covers a brief summary of the previous six chapters which gives indication of the research problem, empirical study and presentation of various aspects of the study.

Chapter I: Introduction explores the conceptual framework of the entire study. It discusses the general introduction to the topic, the problem statement, literature review, scope and area of the study, study objectives, research questions, employed methodology, and the significance of the study. The study focuses largely on the state of Mizoram, and provides a brief description of the region.

Chapter II: Corporate Social Responsibility (CSR): Concept and Evolution provides a comprehensive analysis of the concept, development, and progression of Corporate Social Responsibility (CSR). The discussion includes the concept of Corporate Social Responsibility (CSR), emphasizing each of its categories and the evolution of CSR across several generations to the present day. It also breaks down the advantages and disadvantages of CSR.

Chapter III: Company Laws in India outlines the corporate legislation in India, which establishes the framework for the regulation, incorporation, operation, and dissolution of corporations inside the country. The discussion discussed the defining characteristics of a company, company law, the historical development of company law, the primary objectives of company law, various types of corporations, essential provisions of company laws, and the role of firms in fostering business and economic progress.

Chapter IV: Corporate Social Responsibility (CSR) and the Company Laws examines the connection that exists between Corporate Social Responsibility (CSR) and company laws in today's corporate environment. It examines the legal framework of corporate law that regulates CSR activities, stressing the principal requirements and responsibilities a firm must meet when incorporating CSR into its operations. It also highlights the essential obligations that firms must fulfil to ensure their CSR programs adhere to the law.

Chapter V: Corporate Social Responsibility (CSR) in the State of Mizoram discusses the many efforts and investments undertaken by certain companies in the state of Mizoram as part of their CSR initiatives. It studies how the Mizoram government and several companies use CSR funding to cope with state-wide development concerns.

Chapter VI: This chapter analyses the data collected for the study on CSR in Mizoram, specifically focusing on the implications of company laws in India, particularly under the Companies Act of 2013. The analysis of CSR practices in the region provides insights into the impact, challenges, and potential areas for improvement, as well as the researcher's findings and suggestions for the administration of CSR in Mizoram.

Part – II

The present study has posed for research questions, which were answered using primary and secondary data gathered from the study of literature such as books, articles, manuals, documents from the departments and sources from the internet.

The first research question is “*What is the concept of Corporate Social Responsibility (CSR) and its implications?*”. Corporate Social Responsibility (CSR) denotes the practice wherein corporations undertake projects that benefit society and the environment in addition to their profit-oriented activities. It encompasses the incorporation of social, environmental, and ethical factors into corporate practices, enhancing societal welfare. The principal aim of CSR is to guarantee that companies operate in a manner that positively influences the environment, local communities, and society as a whole, while reconciling the interests of shareholders. It is an important aspect of corporate governance in India, particularly following the introduction of Section 135 of the Companies Act, 2013. This legal provision mandates certain categories of companies to spend a portion of their profits on social initiatives, fostering a culture of corporate responsibility. While CSR's legislative framework has evolved, ensuring compliance with the CSR provisions remains a critical issue. This analysis examines the compliance requirements, reporting obligations, and penalties for non-compliance.

According to the findings collected from questionnaires conducted for the research, the concept of CSR in Mizoram is understood as a “gesture of gratitude from for the company to society in appreciation of the support and collaboration received”. The research reveals that the Mizo stakeholders view CSR as particularly aligned with the traditional Mizo value of collective service, where “Individuals offer their efforts for the collective benefit of society.”

The implications of CSR can be further discussed as follows:

- **Socio - Economic Development:** CSR can significantly influence the welfare of society by advancing education, healthcare, and community development. Corporations can substantially enhance the living conditions of underprivileged populations.
- **Environmental Impact:** CSR efforts frequently emphasize environmental sustainability. Organizations that implement sustainable practices, such as waste management, utilization of renewable energy, and conservation initiatives, contribute to the reduction of environmental harm.
- **Economic Growth:** CSR initiatives in areas such as infrastructure development, skill enhancement, and job creation can foster economic growth, particularly in impoverished regions like Mizoram.
- **Corporate Image and Reputation:** Participation in CSR elevates a company's brand equity and cultivates a favourable public awareness, subsequently resulting in consumer loyalty, improved employee morale, and increased investor appeal.
- **Legal Compliance:** CSR initiatives incorporate companies with national legislation (e.g., the Companies Act of 2013), guaranteeing adherence to corporate governance norms and social welfare responsibilities.

The second research question is “*What are the links between CSR and the company laws?*”. The Companies Act of 2013 established specific provisions for CSR, directly connecting the legal framework with corporate social responsibility initiatives. According to Section 135 of the Companies Act, 2013, Corporate Social Responsibility becomes mandatory for companies that satisfy certain financial criteria.

The key connections between CSR and company law are:

The Act stipulates CSR obligations for corporations that satisfy the following criteria:

- *Net worth of ₹500 crore or more.*
- *Revenue of ₹1,000 crore or more.*
- *Net profit of ₹5 crore or more during the previous financial year.*

These companies must allocate a minimum of 2% of their average net earnings from the preceding three financial years to CSR initiatives. This designates CSR as a legal requirement rather than merely a voluntary corporate activity for eligible entities.

CSR Committee and Reporting:

- **CSR Committee:** Each eligible company is required to establish a CSR committee responsible for the development and execution of CSR policies. This committee guarantees the appropriate distribution of funds, identifies projects compliant with legal regulations, and oversees the implementation of CSR efforts.
- **Annual Report:** Corporations must incorporate a report on Corporate Social Responsibility (CSR) activities inside their annual financial statements, outlining the CSR policy, expenditures, and undertaken projects. This guarantees transparency and accountability, rendering CSR an essential component of the corporate governance framework.

Legal Enforcement

The law mandates corporate accountability for non-compliance. If a corporation neglects to allocate the mandated CSR money, the board of directors is obligated to elucidate the deficiency in their report, and sanctions may ensue, including fines or potential jail for directors in the event of recurrent infractions.

The third research question is “*How is CSR implemented by the companies in Mizoram?*” In Mizoram, CSR implementation by companies follows the overarching framework provided by the Companies Act of 2013 but must be adapted to the region's unique challenges and needs. Companies in sectors like power, infrastructure, and energy are some of the main contributors to CSR in the state.

Companies operating in Mizoram focus on the following CSR initiatives that are well-suited to the region’s socio-economic context:

- **Education:** Companies invest in building schools, providing scholarships, and supporting educational infrastructure in rural areas where access to quality education is limited. For instance, NEEPCO (North Eastern Electric Power Corporation) has funded educational institutions in remote areas.

- **Healthcare:** Healthcare initiatives include setting up health camps, providing medical supplies, and constructing health centers. Companies like Indian Oil Corporation have worked towards improving healthcare in rural and tribal areas of Mizoram, providing access to basic healthcare services.

- **Environmental Sustainability:** Environmental CSR programs often focus on tree planting, waste management, and promoting renewable energy. For example, IndiGrid, an infrastructure company, has undertaken initiatives like afforestation drives and promoting environmental sustainability, which are critical in a region with abundant forests and unique biodiversity.

- **Rural Development:** Companies invest in rural infrastructure, including roads, drinking water supply, sanitation, and electrification. CSR in these areas directly addresses the developmental gap in Mizoram's rural communities, which face infrastructural challenges due to the state's hilly terrain.

- **Women Empowerment and Livelihood Generation:** Some companies focus on women’s empowerment through skill development and entrepreneurship programs. For instance, rural women in Mizoram are trained in sustainable farming or handicrafts as part of CSR programs by companies like ITC.

- **Collaboration with Local Communities: Community Involvement:** Companies work closely with local leaders, NGOs, and community groups to ensure the success of their CSR programs. The active participation of local stakeholders ensures that CSR initiatives are culturally appropriate and effectively address the region's specific needs.

The fourth and last research question is “*What are the problems and challenges in the administration of CSR in Mizoram and the possible remedial measures?*”. The administration of CSR in Mizoram faces unique challenges, primarily due to the region’s geographical, social, and economic factors. Companies in Mizoram concentrate on CSR efforts that align with the region's socio-economic backdrop.

Below are the key problems and challenges companies encounter when implementing CSR initiatives in Mizoram:

- **Geographical and Transportation Barriers**

The primarily hilly and remote landscape of Mizoram complicates access to rural areas where CSR projects are most essential. The state's hilly terrain presents logistical difficulties in the transportation of resources, supplies, and manpower necessary for CSR activities.

Delays in project implementation, increased expenses due to challenging terrain, and difficulties in accessing rural areas may result in the wasteful use of CSR money and impede the overall efficacy of CSR programs.

- **Cultural and Social Diversity**

Mizoram is home to a diverse population with different ethnic groups, traditions, and values. Many of the indigenous communities have distinct ways of life, which may not align with conventional CSR programs.

CSR initiatives that fail to account for the cultural sensitivities and unique needs of these communities' risk being rejected or ineffective. A lack of culturally aware strategies can lead to the alienation of local people and create challenges in gaining community support.

- Economic Constraints and Limited Private Sector Presence

Mizoram's economy is primarily agrarian, with limited industrialization compared to other states in India. The state has a lower presence of large corporations, and many businesses operate on a smaller scale. Consequently, fewer companies meet the CSR eligibility criteria stipulated by the Companies Act of 2013 (net worth of ₹500 crore, revenue of ₹1,000 crore, or profit of ₹5 crore).

Due to the lack of large corporations and industries, the overall CSR spending in the state is limited. The small-scale businesses that do exist may have limited financial resources, making it difficult for them to allocate funds toward CSR initiatives, even if they are willing.

- Limited Awareness of CSR

While the Companies Act of 2013 has increased awareness of CSR among businesses in India, there is still limited awareness and understanding of CSR within local communities in Mizoram. Local people may not fully understand the benefits of CSR or how to engage with these programs.

A lack of community awareness may result in low participation and ineffective CSR implementation. In many cases, CSR programs may fail to address the actual needs of the local communities if they are not actively involved in the planning and execution phases.

- Inadequate Infrastructure for Effective Implementation

The infrastructure in Mizoram, particularly in rural and remote areas, is often underdeveloped. Poor roads, inadequate healthcare facilities, and limited access to basic utilities like electricity and clean water are common issues. For CSR programs

targeting infrastructure development, these constraints can significantly hinder progress.

CSR initiatives aimed at infrastructure development may face considerable delays or challenges in execution. Inadequate infrastructure can lead to subpar results or increased costs for companies trying to implement their CSR programs.

- Limited Monitoring and Evaluation Mechanisms

There is often a lack of robust monitoring and evaluation systems for CSR projects in Mizoram. Local NGOs, government bodies, or third-party evaluators may not have the capacity to assess the impact of CSR initiatives effectively.

Without effective monitoring and evaluation, companies may not know whether their CSR activities are meeting the desired objectives. This lack of data-driven insights can lead to poor decision-making and inefficiencies in future CSR activities.

- Regulatory and Compliance Issues

While the Companies Act of 2013 mandates CSR for eligible companies, the legal framework for CSR is still evolving. Local regulations may not always be in sync with national CSR guidelines, leading to potential compliance issues. Additionally, some companies may not fully understand the nuances of compliance, especially regarding reporting and fund allocation.

Misunderstanding or non-compliance with CSR requirements may lead to penalties, legal disputes, or reputational damage. Companies in Mizoram may face challenges in fulfilling the requirements due to the complexity of the law or inadequate legal guidance.

To overcome the challenges identified above, several remedial measures can be taken to improve the administration and implementation of CSR in Mizoram. These measures will ensure that CSR programs are more effective, sustainable, and culturally relevant.

- Leveraging Local Partnerships

Companies should collaborate with local NGOs, government agencies, and community-based organizations to ensure that CSR initiatives are effectively tailored to the specific needs of Mizoram's population. These local partners can help bridge cultural gaps and ensure that CSR programs are culturally sensitive and relevant to the region.

Strengthening partnerships with local stakeholders will help ensure that CSR projects are more widely accepted by the community and are better suited to address local issues.

- Improved Community Engagement and Awareness

Companies should focus on increasing awareness and understanding of CSR among local communities. This can be done through awareness campaigns, workshops, and consultations with local leaders to ensure that the community is involved in the decision-making process from the outset. Using local languages and culturally appropriate communication methods will improve engagement.

Active community participation in CSR initiatives will not only improve the effectiveness of the programs but will also ensure that the projects address the real needs of the population. This will lead to better acceptance and sustainability of CSR activities.

- Fostering Public-Private Partnerships

Public-private partnerships (PPPs) can be a powerful tool in overcoming the financial and infrastructure constraints of Mizoram. By collaborating with the state government and local authorities, companies can pool resources to address large-scale issues such as healthcare, education, and rural infrastructure development.

PPPs can help mobilize additional resources, improve infrastructure, and reduce the burden on individual companies. This can lead to more impactful and far-reaching CSR initiatives.

- Investing in Capacity Building and Local Talent

Companies should invest in capacity building by providing training and skill development to local communities. This could include offering vocational training, entrepreneurship programs, or leadership development initiatives. Training local people will ensure that they are equipped to manage and sustain CSR programs in the long term.

Building local capacity will reduce dependence on external expertise and ensure that CSR programs continue to deliver benefits after the company's direct involvement ends. This approach can lead to sustainable development in Mizoram.

- Enhancing Infrastructure for CSR Projects

Companies should work with local government bodies to help improve the region's infrastructure, particularly in rural areas. CSR funds can be allocated to support the development of roads, healthcare facilities, and renewable energy projects, making it easier for CSR programs to reach remote populations.

Improved infrastructure will provide the foundation for successful CSR programs. For example, better roads can enable easier access to healthcare services, and improved energy access can enhance educational opportunities in remote areas.

- Strengthening Monitoring and Evaluation Frameworks

Companies should establish clear monitoring and evaluation frameworks for their CSR projects. This includes setting up measurable goals, tracking progress, and reporting results. Third-party evaluations by independent agencies or local community representatives can ensure objectivity and transparency.

Effective monitoring and evaluation will allow companies to assess the impact of their CSR activities, make necessary adjustments, and ensure that the projects are meeting the intended social and environmental goals.

- Simplifying Compliance Processes

To reduce compliance-related challenges, companies in Mizoram should be provided with clear, simplified guidelines and resources on CSR requirements. Collaborating with industry bodies, legal advisors, and government agencies can help ensure that companies understand their obligations under the Companies Act of 2013.

Simplifying the CSR compliance process will encourage more companies in Mizoram to actively engage in CSR activities and ensure that they meet the legal requirements without confusion or fear of penalties.

- Encouraging Smaller Companies to Participate

For companies that do not meet the CSR eligibility criteria, alternative incentives can be provided. The government could offer tax breaks or other benefits to encourage small and medium-sized enterprises (SMEs) to engage in CSR. Additionally, local businesses can be incentivized to engage in localized CSR initiatives that directly benefit the community.

Encouraging small companies to participate in CSR will ensure that a broader range of businesses contributes to the social and economic development of Mizoram, even if they do not meet the threshold for mandatory CSR.

The administration of CSR in Mizoram faces significant challenges due to the region's geographical, cultural, and economic factors. However, by adopting targeted measures such as fostering public-private partnerships, improving community engagement, simplifying compliance processes, and enhancing infrastructure, CSR initiatives can be made more effective and impactful. Companies in Mizoram can play a key role in the region's development by aligning their CSR strategies with local needs and ensuring that their programs are sustainable and culturally

appropriate. By addressing these challenges, CSR can be a transformative tool for driving social, economic, and environmental progress in Mizoram.

Further research focusing on impact assessment, local governance, indigenous communities, SMEs, and environmental sustainability will provide a more detailed and nuanced understanding of CSR in Mizoram, addressing the specific challenges and opportunities faced by companies in this unique region. Future studies can help refine CSR strategies and ensure they are more effective, culturally sensitive, and sustainable in the context of Mizoram.

Further research could focus on evaluating the effectiveness and long-term impact of CSR initiatives in Mizoram, especially in the healthcare, education, and environmental sectors. By measuring outcomes and gathering feedback from local communities, researchers can provide valuable insights into the actual benefits of CSR in the region.

Future studies could explore the role of local governance structures, including community-based organizations and tribal councils, in shaping CSR policies and facilitating the implementation of projects. Research in this area could help identify how local authorities can be better integrated into the CSR process.

A comparative study of CSR practices in Mizoram and other northeastern states could reveal region-specific trends, challenges, and opportunities. This could help develop a more regionally tailored approach to CSR that takes into account the unique socio-economic and cultural characteristics of the northeastern states.

Further legal research could explore potential reforms to the CSR provisions of the Companies Act of 2013 to address the challenges faced by smaller businesses and improve CSR compliance in states like Mizoram. Researchers could explore if specific provisions are needed to accommodate the local realities of CSR implementation in smaller and remote regions.

To sum up, Corporate Social Responsibility (CSR) has become a very significant part of development and welfare activities by both government agencies and corporate entities. Even CSR has now been converted into Environmental, Social and Governance (ESG) which is still broader in scope and outlook. The present study has tried to bring out the scenario relating to CSR in the state of Mizoram. However, any further study of CSR would include the aspects of ESG also and the findings of the present study would be a stepping stone to any further study in this regard.

APPENDIX – II

Questionnaire No .2

Assessing the Impact of Corporate Social Responsibility: A Beneficiary Perspective

This questionnaire has been prepared in connection with data collection for completing PhD research work in the Department of Public Administration, Mizoram University. Participation is voluntary. The data and information collected from the questionnaires will be kept only for research and analysis. At no point of time, the personal identity of the respondent will be made public.

Section I:

A. Awareness and Knowledge of CSR Activities

1. Are you aware of the term "Corporate Social Responsibility (CSR)"?
 - a) Yes
 - b) No
2. How did you first hear about CSR initiatives in Mizoram?
 - a) Media (TV, newspapers, etc.)
 - b) Community or local events
 - c) Word of mouth
 - d) Social media
 - e) Others (please specify)
3. What do you think is the primary goal of CSR in Mizoram?
 - a) Maximizing corporate profits
 - b) Enhancing social and environmental well-being
 - c) Increasing consumer base
 - d) Promoting political agendas
4. Do you think that CSR activities are well-publicized in Mizoram?
 - a) Yes
 - b) No
5. Are you aware of any companies or organizations implementing CSR in your region?
 - a) Yes
 - b) No
6. In your opinion, are the local communities in Mizoram adequately informed about CSR activities?
 - a) Yes

b) No

7. What types of CSR initiatives do you think are most common in Mizoram?

- a) Education and skill development
- b) Environmental protection
- c) Healthcare and sanitation
- d) Women's empowerment
- e) Infrastructure development

8. What is the preferred mode of CSR implementation in Mizoram?

- a) Direct company-led initiatives
- b) Partnership with NGOs and government agencies
- c) Donations to charitable trusts
- d) CSR through employee volunteering

Section B: Implementation and Impact on Beneficiaries

9. Do you think CSR initiatives are adequately tailored to address the specific needs of the local community in Mizoram?

- a) Yes
- b) No

10. How do you rate the effectiveness of CSR programs in improving the quality of life of beneficiaries in Mizoram?

- a) Very effective
- b) Effective
- c) Neutral
- d) Ineffective
- e) Very ineffective

11. Have you or anyone in your community personally benefited from a CSR initiative?

- a) Yes
- b) No

If yes, please specify how you or your community benefited.

[Open-ended response]

12. In your opinion, do CSR projects in Mizoram focus more on short-term or long-term impact?

- a) Short-term
- b) Long-term
- c) Both equally
- d) Neither

13. To what extent do you feel that CSR initiatives have improved local infrastructure (e.g., roads, schools, etc.)?

- a) Very much

- b) Somewhat
- c) Not at all

14. Have there been any visible improvements in healthcare services in your area due to CSR activities?

- a) Yes
- b) No

15. Are there any CSR programs that have helped address environmental challenges in Mizoram?

- a) Yes
- b) No

16. How would you rate the transparency of CSR activities in terms of how they are implemented and monitored?

- a) Very transparent
- b) Somewhat transparent
- c) Not transparent
- d) Don't know

17. Have you observed a direct improvement in education and skill development due to CSR efforts?

- a) Yes
- b) No

18. Who benefits the most from CSR projects in Mizoram?

- a) Rural communities
- b) Educational Institutions
- c) Large corporations
- d) Political organizations

19. In which sector has CSR had the most impact in Mizoram?

- a) Infrastructure development
- b) Education and skill development
- c) Sports and recreation
- d) Industrial growth

20. How is the success of a CSR project measured in Mizoram?

- a) Number of beneficiaries
- b) Financial investment
- c) Media coverage
- d) Government approval

21. Do CSR projects in Mizoram focus on sustainable development?

- a) Yes, most projects have a long-term focus
- b) No, they are mainly short-term initiatives

- c) Only a few companies prioritize sustainability
- d) There is no sustainability focus

Section C: Issues and Challenges in CSR Implementation

22. What is the biggest challenge in CSR implementation in Mizoram?
- a) Lack of corporate interest
 - b) Poor monitoring and accountability
 - c) Lack of funds
 - d) Resistance from local communities
23. Why do some companies hesitate to invest in CSR in Mizoram?
- a) Lack of awareness about CSR regulations
 - b) Fear of financial loss
 - c) Political and bureaucratic obstacles
 - d) All of the above
24. What is a common issue with CSR projects in Mizoram?
- a) Lack of alignment with community needs
 - b) Poor execution and monitoring
 - c) Limited involvement of local stakeholders
 - d) All of the above
25. How do companies generally select CSR beneficiaries?
- a) Based on government recommendations
 - b) Based on profitability and marketing benefits
 - c) Based on independent surveys and research
 - d) Random selection
26. What role does corruption play in CSR implementation?
- a) It leads to fund mismanagement
 - b) It reduces trust in CSR initiatives
 - c) It diverts resources from intended beneficiaries
 - d) All of the above
27. How does the geographical location of Mizoram affect CSR?
- a) Difficult terrain makes project implementation challenging
 - b) Limited corporate presence in the state
 - c) Lack of infrastructure for large-scale CSR projects
 - d) All of the above
28. What is a major complaint from local communities regarding CSR projects?
- a) Lack of consultation before project implementation
 - b) Unequal distribution of benefits
 - c) Short-term focus rather than long-term sustainability
 - d) All of the above

29. What is a major bureaucratic hurdle in CSR implementation?

- a) Lengthy approval processes
- b) Political interference
- c) Complex legal requirements
- d) All of the above

Section D: Suggestions for Improving CSR in Mizoram

30. How can CSR implementation in Mizoram be improved?

- a) More corporate involvement in project selection
- b) Better monitoring and evaluation mechanisms
- c) Increased community participation
- d) All of the above

31. Should the Mizoram government play a larger role in CSR implementation?

- a) Yes, to ensure accountability
- b) No, CSR should remain a corporate responsibility
- c) Only in specific sectors like education and health
- d) Not sure

32. How can CSR funds be utilized more effectively?

- a) Focusing on long-term sustainability projects
- b) Providing direct financial aid to communities
- c) Investing in infrastructure and technology
- d) Increasing corporate donations

33. What should be the focus of CSR in Mizoram over the next five years?

- a) Rural development and employment
- b) Climate change and environmental conservation
- c) Education and skill training
- d) Healthcare and sanitation

34. How can companies ensure transparency in CSR initiatives?

- a) Publishing annual CSR reports
- b) Independent third-party audits
- c) Increased government oversight
- d) All of the above

35. How can public awareness about CSR be improved in Mizoram?

- a) Media campaigns and social media engagement
- b) Public discussions and stakeholder consultations
- c) Government incentives for CSR awareness programs
- d) All of the above

36. Would mandatory CSR reporting improve CSR effectiveness in Mizoram?

- a) Yes, it would increase accountability

- b) No, companies should have flexibility
- c) Only for large corporations
- d) Not sure

Section II: General Information

1. What is your gender?

- a) Male
- b) Female
- c) Other

2. What is your age group?

- a) Below 18
- b) 18-25
- c) 26-35
- d) 36-50
- e) Above 50

3. What is your current occupation?

- a) Student
- b) Government employee
- c) Private sector employee
- d) Self-employed
- e) Unemployed

4. Which district of Mizoram are you currently residing in?

[List of Districts]

- (a) Aizawl
- (b) Kolasib
- (c) Champhai
- (d) Lunglei
- (e) Mamit
- (f) Hnahthial
- (g) Lawngtlai
- (h) Siaha
- (i) Saitual
- (j) Serchhip
- (k) Khawzawl

APPENDIX – I

Questionnaire No 1

Corporate Social Responsibility (CSR) in Banking: A Survey on practice and impact

This questionnaire has been prepared in connection with data collection for completing PhD research work in the Department of Public Administration, Mizoram University. Participation is voluntary. The data and information collected from the questionnaires will be kept only for research and analysis. At no point of time, the personal identity of the respondent will be made public.

Section I: Awareness on Corporate Social Responsibility (CSR)

1. Are you familiar with the concept of Corporate Social Responsibility (CSR)?
 - (a) Yes
 - (b) No
2. In your opinion, what is the primary purpose of Corporate Social Responsibility (CSR) for banks?
 - (a) Improving public image
 - (b) Enhancing employee morale
 - (c) Giving back to the community
 - (d) Complying with the regulations
3. Do you believe that Corporate Social Responsibility (CSR) initiatives have a positive impact on the bank's reputation and customer loyalty?
 - (a) Strongly agree
 - (b) Agree
 - (c) Disagree
 - (d) Strongly disagree
4. Does your bank have a dedicated Corporate Social Responsibility (CSR) policy or strategy?
 - (a) Yes
 - (b) No
 - (c) Not sure
5. What are the key focus areas of your bank's Corporate Social Responsibility (CSR) initiatives?
 - (a) Education
 - (b) Healthcare
 - (c) Poverty alleviation
 - (d) Disaster relief

- (e) Sports and culture
 - (f) Others (please specify) _____
6. Which are the target groups in your Corporate Social Responsibility (CSR) initiatives?
- (a) Selected in consultation with NGOs
 - (b) Random selection of community or area
 - (c) Poor people living in rural areas
 - (d) Others (please specify): _____
7. How are the Corporate Social Responsibility (CSR) initiatives implemented in your bank?
- (a) Through a dedicated CSR department
 - (b) By collaborating with non- profit organizations
 - (c) By providing financial support to community projects
 - (d) Others (please specify): _____
8. What challenges does your bank face in implementing Corporate Social Responsibility (CSR) initiatives?
- (a) Lack of funds
 - (b) Difficulty in identifying suitable projects
 - (c) Lack of awareness among stakeholders
 - (d) Others (please specify): _____
9. How does your bank measure the impact of your Corporate Social Responsibility (CSR) initiatives?
- (a) Through feedback from beneficiaries
 - (b) By assessing the improvement in the target area (e.g. education, health)
 - (c) By monitoring the bank's reputation and customer satisfaction
 - (d) By tracking the number of beneficiaries reached
10. Does the bank publish a separate Corporate Social Responsibility (CSR) report or include the information in its annual report?
- (a) Yes
 - (b) No
 - (c) Not Sure
11. In your opinion, how can the effectiveness of the Corporate Social Responsibility (CSR) initiatives be improved in the banking sector?
- (a) By increasing the budget allocation for CSR
 - (b) By collaborating with the Government and Stakeholders
 - (c) By focusing on projects with long term plan
 - (d) Others (please specify): _____
12. What other Corporate Social Responsibility (CSR) do you think your bank should prioritize for the betterment of the community?
- (a) Donation to educational institutions

- (b) Empowerment of women
- (c) Renovation of public infrastructure
- (d) Others (please specify): _____

13. Does the bank's Corporate Social Responsibility (CSR) help the community learn/ develop new skills? If Yes, in what way?

- (a) Yes
 - (b) No
- _____

14. Do you think there is a relation between profitability and Corporate Social Responsibility (CSR)?

- (a) Yes
- (b) No

15. In your opinion, how beneficial is Corporate Social Responsibility (CSR) to the following stakeholders of your organisation?

- (a) Very beneficial
- (b) Beneficial
- (c) Neutral
- (d) Not beneficial

16. What improvements would you suggest for enhancing Corporate Social Responsibility (CSR) initiatives in your company? (Select all that apply)

- (a) More employee involvement
- (b) Increased budget allocation
- (c) Better communication of CSR efforts
- (d) Collaboration with local NGOs and government

17. Would you be interested in participating in future Corporate Social Responsibility (CSR) training or workshops?

- (a) Yes
- (b) No

18. How does your bank engage with the community regarding Corporate Social Responsibility (CSR) initiatives?

- (a) Community meetings
- (b) Surveys and feedback forms
- (c) Direct involvement in projects
- (d) Other (please specify): _____

19. Please provide any additional comments or suggestions regarding Corporate Social Responsibility (CSR) initiatives in your bank:

Section II General Information

Age group:

- (a) 18 – 25
- (b) 26 – 35
- (c) 36 – 50
- (d) 51 above

Gender:

- (a) School
- (b) Graduation
- (c) Post Graduation
- (d) Professional
- (e) Others (please specify): _____

Section III: Perception and Awareness on CSR

20. How aware are you of your bank's CSR initiatives?

- (a) Very aware
- (b) Somewhat aware
- (c) Not very aware
- (d) Not aware at all

21. How do you primarily learn about your bank's CSR activities?

- (a) Bank's website
- (b) Social media
- (c) News articles
- (d) Community events
- (e) Other (please specify): _____

22. In your opinion, how transparent is your bank regarding its CSR efforts?

- (a) Very transparent
- (b) Somewhat transparent
- (c) Not very transparent
- (d) Not transparent at all

Section IV: CSR Training and Development

23. Has your bank provided any training related to CSR for employees?

- (a) Yes, regularly
- (b) Yes, occasionally
- (c) No, but I would like it to
- (d) No, and I am not interested

24. What topics would you like to see covered in future CSR training sessions?
(Select all that apply)

- (a) Effective community engagement
- (b) Measuring CSR impact
- (c) Environmental sustainability practices
- (d) Ethical business practices
- (e) Others (please specify): _____

Section V: CSR Funding and Resources

25. How does your bank allocate resources for its CSR initiatives?

(Select all that apply)

- (a) Dedicated budget
- (b) Employee volunteer hours
- (c) Partnerships with NGOs
- (d) Others (please specify): _____

26. Do you believe that the current level of funding for CSR initiatives in your bank is sufficient?

- (a) Yes, it is sufficient
- (b) No, it should be increased
- (c) Not sure

Section VI: Evaluation and Improvement

27. What criteria do you think should be prioritized when evaluating the success of CSR initiatives?

(Select all that apply)

- (a) Community feedback
- (b) Financial return on investment
- (c) Media coverage
- (d) Employee involvement
- (e) Others (please specify): _____

28. What improvements would you suggest for enhancing the visibility of CSR initiatives in your bank?

(Select all that apply)

- (a) More frequent updates on progress
- (b) Greater use of social media platforms
- (c) Highlighting success stories in newsletters
- (d) Organizing community events to showcase efforts
- (e) Others (please specify): _____

Section VII: Long-term Impact

29. How important do you think long-term planning is for the success of CSR initiatives?

- (a) Very important
- (b) Important
- (c) Somewhat important
- (d) Not important

30. In what ways do you believe CSR initiatives can contribute to the long-term sustainability of the bank itself?

(Select all that apply)

- (a) Building customer loyalty
- (b) Enhancing brand reputation
- (c) Attracting talent
- (d) Reducing operational risks
- (e) Others (please specify): _____

Section VIII: Personal Engagement with CSR

31. Have you ever volunteered personally for any community service or CSR activities outside of work?

- (a) Yes, frequently
- (b) Yes, occasionally
- (c) No, but I would like to
- (d) No, and I am not interested

32. If yes, what type of activities have you participated in? (Please specify)

APPENDIX - III

Corporate Social Responsibility

Notified Date of Section: 01/04/2014

^{1&2}[135. (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during ³[the immediately preceding financial year] shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

⁴[Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.]

(2) The Board's report under sub-section (3) of [section 134](#) shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—
(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company ⁵[in areas or subject, specified in [Schedule VII](#)];
(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,—
(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner [as may be prescribed](#); and
(b) ensure that the [activities](#) as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years ⁷[or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years], in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of [section 134](#), specify the reasons for not spending the amount ⁸[and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in [Schedule VII](#), within a period of six months of the expiry of the financial year].

¹⁰[Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.]

⁶[Explanation.—For the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of [section 198](#).]

⁹[6) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which,

the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

¹¹[(7) If a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.]

(8) The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions.]

¹²[(9) Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.]

1. Clarification related to Schedule VII - Dated 18.06.2014. (Point (iv) has been Omitted - Refer Clarification Dated-17.09.2014)

2. Clarification related to above Clarification Dated-17.09.2014.

3. Clarification with regard to provisions under section 135 (5) of the Companies Act, 2013.

Exceptions/Modifications/Adaptations

1. In case of Specified IFSC Public Company - Section 135 shall not apply for a period of five years from the commencement of business of a Specified IFSC public company - Notification Dated 4th January, 2017.

2. In case of Specified IFSC Private Company - Section 135 shall not apply for a period of five years from the commencement of business of a Specified IFSC private company - [Notification Dated 4th January, 2017](#)

Amendments

3. Substituted by the Companies (Amendment) Act, 2017 - **Amendment Effective from 19.09.2018**

In section 135 for sub-section (1), for the words—

any financial year

the following words shall be substituted, namely :-

the immediately preceding financial year

4. Inserted by The Companies (Amendment) Act, 2017 - **Amendment Effective from 19.09.2018**

5. Substituted by the Companies (Amendment) Act, 2017 - **Amendment Effective from 19.09.2018**

In section 135, for sub-section (3), in clause (a), for the words

as specified in ^{1,2} [Schedule VII](#);

the following words and figures shall be substituted, namely :-

in areas or subject, specified in [Schedule VII](#)

6. Substituted by the Companies (Amendment) Act, 2017 **Amendment Effective from 19.09.2018**

In section 135, for sub-section (5), for the Explanation-
Explanation.—For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of [section 198](#).

the following Explanation shall be substituted, namely :-

Explanation.—For the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of [section 198](#).

7. Inserted by [The Companies \(Amendment\) Act, 2019](#)- [Amendment Effective from 22.01.2021](#) [[Companies \(Amendment\) Second Ordinance 2019](#) is repealed on **31st July 2019**]

8. Inserted by [The Companies \(Amendment\) Act, 2019](#)- [Amendment Effective from 22.01.2021](#) [[Companies \(Amendment\) Second Ordinance 2019](#) is repealed on **31st July 2019**]

9. Inserted by [The Companies \(Amendment\) Act, 2019](#)- [Amendment Effective from 22.01.2021](#) [[Companies \(Amendment\) Second Ordinance 2019](#) is repealed on **31st July 2019**]

10. Inserted by the [Companies \(Amendment\) Act, 2020](#). Notification dated 28th September, 2020 [Amendment Effective from 22nd January 2021](#)

11. Substituted by the [Companies \(Amendment\) Act, 2020](#). Notification dated 28th September, 2020 [Amendment Effective from 22nd January 2021](#)

for sub-section (7),

(7) If a company contravenes the provisions of sub-section (5) or sub-section (6), the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of such company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

the following sub-section shall be substituted, namely:

(7) If a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.

12. Inserted by the [Companies \(Amendment\) Act, 2020](#). Notification dated 28th September, 2020 [Amendment Effective from 22nd January 2021](#)

APPENDIX - IV

The Companies (Corporate Social Responsibility Policy) Rules, 2014 notified on 27-02-2014 (inclusive of all amendments).

G.S.R. 129(E). - In exercise of the powers conferred under section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, namely: -

1. **Short title and commencement.** - (1) These rules may be called the Companies (Corporate Social Responsibility Policy) Rules, 2014.
(2) They shall come into force on the 1st day of April, 2014.
2. **Definitions.**- (1) In these rules, unless the context otherwise requires, -
 - (a) "Act" means the Companies Act, 2013;
 - (b) "Annexure" means the Annexure appended to these rules;
 - (c) "Corporate Social Responsibility (CSR)" means and includes but is not limited to :-
 - (i) Projects or programs relating to activities **areas or subjects** specified in Schedule VII to the Act; or
 - (ii) Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will **include activities, areas or subjects specified** in Schedule VII of the Act.
 - (d) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
 - (e) "CSR Policy" relates to the activities to be undertaken by the **company in areas or subjects** specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company;
 - (f) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :-

- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act:

Provided further that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section

- (1) of section 381 read with section 198 of the Act.
- (2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

3. Corporate Social Responsibility.

(1) Every company including its holding or subsidiary, and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India which fulfills the criteria specified in sub-section (1) of section 135 of the Act shall comply with the provisions of section 135 of the Act and these rules:

Provided that net worth, turnover or net profit of a foreign company of the Act shall be computed in accordance with balance sheet and profit and loss account of such company prepared in accordance with the provisions of clause (a) of sub-section (1) of section 381 and section 198 of the Act.

- (2) Every company which ceases to be a company covered under sub-section (1) of section 135 of the Act for three consecutive financial years shall not be required to -
 - (a) constitute a CSR Committee; and

(b) comply with the provisions contained in sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of section 135.

4. CSR Activities.-

(1) The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

(2) **The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through**

(a) a company established under Section 8 of the Act or a registered trust or a registered society, established by the company, either singly or alongwith any other company, or

(b) a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or any entity established under on Act of Parliament or State legislature :

Provided that-

if, the Board of a company decides to undertake its CSR activities through a company established under Section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilization of funds of such projects and programs and the monitoring and reporting mechanism.

(3) A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

- (4) Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
- (5) The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
- (6) Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure **including expenditure on administrative overheads**, shall not exceed five percent of total CSR expenditure of the company in one financial year.
- (7) Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

5. CSR Committees-

- (1) The companies mentioned in the rule 3 shall constitute CSR Committee as under.-
- (i) **a company** covered under sub-section (1) of section 135 which is not required to appoint an independent director pursuant to sub-section (4) of section 149 of the Act, shall have its CSR Committee without such director;
 - (ii) a private company having only two directors on its Board shall constitute its CSR Committee with two such directors;
 - (iii) with respect to a foreign company covered under these rules, the CSR Committee shall comprise of at least two persons of which one person shall be as specified under clause (d) of sub-section (1) of section 380 of the Act and another person shall be nominated by the foreign company.
- (2) The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

6. CSR Policy.-

- (1) The CSR Policy of the company shall, inter-alia, include the following, namely :-

- (a) a list of CSR projects or programs which a company plans to undertake **areas or subjects specified in** Schedule VII of the Act, specifying modalities of execution of such project or programs and implementation schedules for the same; and
- (b) monitoring process of such projects or programs:

Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company.

Provided further that the Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the **areas or subjects specified in Schedule VII** of the Act.

(2) The CSR Policy of the company shall specify | that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

7. CSR Expenditure.- CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the **areas or subjects, specified in** Schedule VII of the Act.

8. CSR Reporting.-

(1) The Board's Report of company covered under these rules pertaining to a financial year commencing on or after the 1st day of April, 2014 shall include an annual report on CSR containing particulars specified in Annexure.

(2) In case of a foreign company, the balance sheet filed under sub-clause (b) of sub-section (1) of section 381 shall contain an Annexure regarding report on CSR.

9. Display of CSR activities on its website. -

The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy its report and the same shall be displayed on the company's website, if any, as per the particulars specified in the Annexure.

ANNEXURE

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads.	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
3							
	Total						

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (wherever applicable)

Foot Notes:

The details of the Amendments are given below:

1. **First amendment** was notified on 12th September, 2014 vide notification no. 644 (E), which included in the Companies (Corporate Social Responsibility Policy) Rules, 2014, in rule 4, in sub-rule (6), after the words “**but such expenditure**” the words and comma “**including expenditure on administrative overheads,**” shall be inserted.
2. **Second amendment** was notified on 19th January, 2015 vide notification no. 43 (E), which included in the Companies (Corporate Social Responsibility Policy) Rules, 2014, in rule 4, in sub-rule (2), –
 - (i) for the words “**established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise**”, the words “**established under section 8 of the Act by the company, either singly or alongwith its holding or subsidiary or associate company, or alongwith any other company or holding or subsidiary or associate company of such other company, or otherwise**” shall be substituted;
 - (ii) in the proviso, in clause (i), for the words “**not established by the company or its holding or subsidiary or associate company, it**”, the words “**not established by the company, either singly or alongwith its holding or subsidiary or associate company, or alongwith any other company or holding or subsidiary or associate company of such other company**” shall be substituted.

3. **Third amendment** was notified on 23rd May, 2016 vide notification no. 540 (E), which included in the Companies (Corporate Social Responsibility Policy) Rules, 2014, in rule 4, for sub-rule (2), the following sub-rule shall be substituted, namely:—

“(2) The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through

(a) a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or alongwith any other company, or

(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature :

Provided that- if, the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism”.

4. **Fourth amendment** was notified on 19th September, 2018 vide notification no. 895 (E), which included in the Companies (Corporate Social Responsibility Policy) Rules, 2014, in rule 2, for sub-rule (1), the following sub-rule shall be substituted, namely:—

(1) in rule 2, -

(a) in sub-rule (1), in sub-clause (i) of clause (c), after the words “relating to activities”, the words “, areas or subjects” shall be inserted;

(b) in sub-rule (1), in sub-clause (ii) of clause (c), for the words “cover subjects enumerated”, the words “include activities, areas or subjects specified” shall be substituted;

(c) in sub-rule (1), in clause (e), for the words "company as", the words "company in areas or subjects" shall be substituted.

(2) in rule 5, in clause (i) of sub rule (1), for the words "an unlisted public company or a private company", the words "a company" shall be substituted.

(3) In rule 6, -

(a) in sub-rule (1), in clause (a), for the words "falling within the purview of" the words "areas or subjects specified in" shall be substituted;

(b) in sub-rule (1), in second proviso to clause (b), for the words, "activities included in Schedule VII" the words "areas or subjects specified in Schedule VII" shall be substituted.

(4) in rule 7, for the words, "purview of", the words "areas or subjects, specified in" shall be substituted.

10. In the said rules,-

(i) The Annexure shall be numbered as “Annexure –I” and in the heading of Annexure I as so numbered, after the words “BOARD’S REPORT”, the words and figures “FOR FINANCIAL YEAR COMMENCED PRIOR TO 1ST DAY OF APRIL, 2020” shall be inserted;

(ii) after Annexure –I as so numbered, the following Annexure shall be inserted, namely:-

“ANNEXURE -II

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES
TO BE INCLUDED IN THE BOARD’S REPORT FOR FINANCIAL
YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020**

1. Brief outline on CSR Policy of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate

5. Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1			
2			
3			
	TOTAL		

6. Average net profit of the company as per section 135(5).

7. (a) Two percent of average net profit of the company as per section 135(5)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year,

if any

(d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	TOTAL											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	TOTAL								

- (d) Amount spent in Administrative Overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.								
2.								
3.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).

”

11. In the said rules, after annexure-II, following e-form shall be inserted, namely:

“

CSR-1 (Pursuant to section 135 of the Companies Act, 2013 and rule 4(1) and (2) of the Companies (CSR Policy) Rules, 2014)	 सत्यमेव जयते	Registration of Entities for undertaking CSR Activities
Form language o English o Hindi Refer the instruction kit for filing the form.		
1. *Nature of the Entity: ☐ Company established under section 8 of the Companies Act, 2013 with section 12A and section 80G registrations under the Income Tax Act, 1961. ☐ Registered Public Trust with section 12A and section 80G registrations under the Income Tax Act, 1961. ☐ Registered Society with section 12A and section 80G registrations under the Income Tax Act, 1961. ☐ Company established under section 8 of the Companies Act, 2013 or Registered Trust or Registered Society established by the Central Government or State Government. ☐ Entity established under an Act of Parliament or State Legislature.		
2. (a) Whether the Entity is established by any company or group of companies: ☐ Yes ☐ No		

(b)(i) If yes, then provide the details of such company (s):

CIN of Company	Pre-fill	Add
Name of Company		

(ii) If no, whether the entity has an established track record of three years in undertaking

similar activities :

☐ Yes

☐ No

3. (a)* Type of existing entity:

*CIN/ Registration Number:

Pre-fill

(In case of a section 8 company, enter CIN. Else, enter registration number)

(b) *Name of the entity

(c) *Date of incorporation of the entity

(DD/MM/YYYY)

(d) *Address of the entity:

Line I

Line II

City

State/ Union territory

District

Pin Code

(e) *E-Mail ID of the entity

Send OTP

(f) *Enter OTP for email ID

Verify OTP

(g) *PAN of the entity

4. *Details of Directors/ Board of Trustees/ Chairman/ CEO/ Secretary/ Authorised Representatives of the entity:

Sl. No.	Name	Designation	DIN/PAN	Email ID

Attachments:

- 1.* Copy of Certificate of Registration;
- 2.* Copy of PAN of entity ;

List of Attachments

Attach

Attach

Remove Attachment

***Declaration**

I am authorized by the Entity vide *resolution number *dated to sign this form and declare that the particulars given in the form herein above are true and also are in agreement with the documents maintained by the Entity.

To be digitally signed by one director in case of Section 8 company

To be digitally signed by one of the Trustee/ CEO in case of Registered Public Trust

To be digitally signed by Chairperson/ CEO/ Secretary in case of Registered Society

To be digitally signed by Authorised Representative in case of Entity established under an Act of Parliament or State Legislature

***To be digitally signed by**

DSC Box

*Designation

*DIN of the director; or DIN or PAN of the Trustee or
CEO or Chairperson or Chief functionary or
authorised representative of the Entity;

***Certificate by Practicing Professional**

I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and Rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/ applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that:

1. The said records have been properly prepared, signed by the required officers/ authorised representatives of the entity and were found to be in order;
2. All the required attachments have been completely and legibly attached to this form;
3. It is understood that I shall be liable for action under Section 448 of the Companies Act, 2013 for wrong certification, if any found at any stage.

***To be digitally signed by**

DSC Box

☐ Chartered accountant (in whole-time practice)

☐ Company secretary (in whole-time practice)

☐ Cost accountant (in whole-time practice)

*Whether associate or fellow ☐ Associate ☐ Fellow

*Membership number

Certificate of practice number

Note: Attention is drawn to provisions of Section 448 and 449 of the Companies Act, 2013 which provide for punishment for false statement/ certificate and punishment for false evidence respectively.

Modify

Check form

Pre Scrutiny

Submit

This e-form has been taken on file maintained by the registrar of companies through electronic mode on the basis of statement of correctness given by the authorised person and professional.”

[E-F. No. CSR-05/3/2020-CSR-MCA]

GYANESHWAR KUMAR SINGH, Jt. Secy.

Note:— The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 129(E), dated the 27th February, 2014 and were subsequently amended by notification number G.S.R. 644(E), dated the 12th September, 2014, notification number G.S.R. 43(E), dated the 19th January, 2015, notification number G.S.R. 540 (E), dated the 23rd May, 2016, notification number G.S.R. 895(E), dated the 19th September, 2018 and notification number G.S.R. 526(E), dated the 24th August, 2020.

Policy on Corporate Social Responsibility

Issue date: June 2023

Version: 7.0



CSR & Sustainability Department
State Bank of India
Corporate Centre
Mumbai

(Note: The policy document has also been uploaded in SBI Times>> knowledge Hub>>CSR Policy)

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1 Preamble

State Bank of India (SBI) is India's largest Bank in public or private sector space with footprints not only across India but also at major commercial hubs of the world. State Bank of India is a diversified financial conglomerate with interest in corporate banking, retail banking, international banking, investment banking, government business, and treasury operations. SBI also has a stake in Life Insurance, General Insurance, Mutual Funds, Credit Card and Merchant Acquiring business through its subsidiaries. Being the Bank of choice for transforming India, SBI has been pioneering in Corporate Social Responsibility (henceforth referred to as CSR) in the Indian Banking Ecosystem.

The concept of CSR was introduced in the Bank as early as 1973, under the name 'Innovative Banking' with emphasis on assisting groups belonging to the weaker and downtrodden sections of the society by providing avenues for improvement of their economic condition. Innovative Banking involved participation in community activities such as blood donation camps, health camps, adult literacy, tree plantation etc. As the scope of activities increased, the Bank classified these activities as Community Services Banking. The CSR is now one of the activities through which Bank plays the role of a responsible Corporate citizen and discharges its social responsibility towards the community. The CSR at SBI aims to integrate economic, environmental, and social objectives to implement national priorities for social development.

Our Bank has been managing its CSR activities through the (i) Corporate Centre with the support of 17 Circles, Corporate Accounts group, Commercial Clients Group, Administrative Offices, Apex Training Institutes (ATIs), Branches etc. and (ii) SBI Foundation.

2 Vision Statement

To be a Bank known for bringing about sustainable improvement in the lives of citizens of the country with focus on socially & economically disadvantaged communities.

3 Objective

- To participate in activities which benefit community development, social responsibility, and environmental sustainability, so as to reach out to socially & economically disadvantaged sections of society.
- Accord primacy to support national priorities like Swach Bharat Abhiyan, Jal Shakti Abhiyan, Beti Bachao Beti Padhao, River Rejuvenation etc.

4 SBI Foundation

In order to smoothly carry out large CSR projects/programmes which require substantial funding & investment of time, SBI Foundation was established as a section 8 Company under Companies Act, 2013. SBI Foundation has been envisioned to undertake innovative and socially oriented programmes directly through strategic alliances and in collaboration with third parties. These activities are expected to be generally in tune with the activities mentioned in schedule VII of the Companies Act, 2013. SBI Foundation has its own CSR policy approved by the Board of Directors.

SBI Foundation is subject to audit by the Comptroller and Auditor General (CAG) of India. The SBI Foundation has its own independent Board which approves the Foundation's policy and reviews it from time to time. It also ensures efficient execution of programmes, projects and activities and compliance with all applicable laws and regulations.

As a parent company, the Bank's Corporate Social Responsibility Committee (CSRC) of the Board ensures a transparent monitoring mechanism for implementation of CSR projects / programmes / activities undertaken by the Foundation. The CSRC of the Board sets the direction of the activities of the SBI Foundation as per the CSR policy of the Bank and reviews the progress at quarterly intervals.

5 Ceiling & Allocation of Budget

The Companies Act, 2013 brought the concept of Corporate Social Responsibility to the forefront by mandating Companies to set aside 2% of their net profits solely for social activities. Section 135 of the Companies Act, 2013 also framed the definition of CSR and guidelines of CSR spend. *However, SBI is not governed by the Companies Act, 2013. As per RBI Regulations vide DBOD.No. Dir.BC.50/13.01.01/2005-06/ dated 21.12.2005, "the profit-making banks may make donations during a financial year aggregating up to one percent of the published profits of the banks for the previous year."*

Following the directions of RBI, State Bank of India may spend up to 1% of its previous year's published profits on CSR. The RBI instructions regarding limit of 1% is still applicable to Banks as confirmed by the letter no F.No.7/87/2019-BOA-I dated 30.09.2019 of Department of Financial Services, Ministry of Financial Services.

Note: The donations to Prime Minister's National Relief Fund (PMNRF) and subscriptions / contributions to professional bodies / institutions related to banking industry like Indian Banks' Association, National Institute of Bank Management, Indian Institute of Banking and Finance, Institute of Banking Personnel Selection and Foreign Exchange Dealers' Association of India may be excluded from the limit of 1%.

With the approval from the competent authority, annual budgets will be allocated to different entities, as part of the Annual Action Plan of the Bank. With the inception of SBI Foundation, up to 65% of the CSR Budget will be allocated to the Foundation and the remaining budget will be utilised for CSR activities for Normal & National Donations through offices of the Bank. Out of the budget allocated to the Bank, Minimum 75 % of CSR Budget is to be allocated to Normal Donation (Donations granted to voluntary organizations / NGOs/ charitable institutions registered as Societies or Public Charitable Trusts for implementing the projects which benefit community development, social responsibility and environment responsibility) and maximum 25% is for National Donation (i.e. Donations granted to funds sponsored / recognized by Central or State Governments, like National Defense Fund etc. for relief / rehabilitation during natural calamities). The Bank shall not carry forward the unutilized amount of the permissible limit of any year for use in subsequent years.

6 Eligibility

- It should be ensured that the CSR activities are undertaken by the Bank itself or through.
 - a) a company established under section 8 of the Act or a registered public trust or registered society, registered under section 12 A and 80 G of the Income Tax Act 1961, established by the company either singly or along with any other company; or
 - b) a company established under section 8 of the Act or a registered society established by the Central Government or State Government; or
 - c) any entity established under an Act of parliament or a state legislature; or
 - d) a company established under section 8 of the Act or a registered public trust or registered society, registered under section 12 A and 80 G of the Income Tax Act 1961, and having an established track record of at least three years in undertaking similar activities.
- Every entity covered as above who intends to undertake any CSR activity shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar with effect from the 01st day of April 2021. The Unique CSR Registration Number generated by this process will be mandatory for any CSR donation and to be mentioned in the Application Form.
- Discretion to be exercised judiciously to ensure that assistance is extended for worthy causes to well established institutions / NGOs with proven track record, for socially oriented and environmentally safe projects. It should be ensured that donations are invariably made directly to institutions / NGOs without any involvement of agents/middlemen/consultants.

- Donations should be given to institutions/ NGOs having a long unblemished record of public service. Before sponsoring of any project, appropriate and adequate due diligence on promoters/ trustees /persons behind the project need to be ensured to obviate any unwanted reputational risk. Donations are not to be given to individuals.
- Request for donations from institutions having caste / religious / communal bias and/or political overtones should not be considered.
- Donations to Government Departments or Organizations / Institutions funded exclusively by the Government should not be given as these institutions are expected to meet their financial requirements through government budgetary grants. Donations given for promotion of Information Technology / computer education and Sports are exceptions where proposals from Government aided Departments / Organizations / Institutions may also be considered.
- Donations to institutions which are having their own funds and / or can raise, on their own, funds to meet costs of their project should be avoided.
- In respect of donations to multi-branch organizations and repeat donations (within three years), Circles should obtain in-principle approval from CSR Department at Corporate Centre before considering donations to such institutions at Circle level.

7 Purpose

- “Corporate Social Responsibility (CSR)” means the activities undertaken by the Bank in pursuance of its statutory obligation in accordance with the provisions contained in Schedule VII of the Companies Act 2013, but shall not include the following, namely:-
 - i) Activities undertaken in pursuance of normal course of business of the Bank.
 - ii) Any activity undertaken by the Bank outside India except for training of Indian sports personnel representing any State or union territory at national level or India at International level.
 - iii) Contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act.
 - iv) Activities benefitting employees of the Bank.

- v) Activities supported by the Bank on sponsorship basis for deriving marketing benefits for its products or services.
 - vi) Activities carried out for fulfillment of any other statutory obligations under any law in force in India
- To have a lasting impact, donations are to be released preferably for purchase of some equipment for clearly identifiable projects to provide long term advantages to the target beneficiaries and are conducive to their sustained development.
 - Donations for construction activities/ acquiring of Real Estate should be discouraged. Only in very exceptional circumstances (like setting up homes and hostels for women or orphans; setting up old age homes, day care centers, constructions of Toilets), donations may be considered for construction activities provided it directly benefits the target beneficiaries. However, in deserving cases, the MD (in-charge of Retail Business) may allow permission based on recommendation from the Circle Authorities.
 - Donations should not be released as contribution towards corpus funds. In very exceptional and deserving cases, donations may be considered for augmentation of corpus fund or creation of endowment fund for awarding scholarships to meritorious and economically weaker students pursuing higher / technical / management education at reputed institutions like IIMs, IITs, etc. Such donations may, however, be granted on extremely selective basis and only to highly reputed institutions. In deserving cases, the MD (in-charge of Retail Business) may allow permission based on recommendation from the Circle Authorities.
 - Donations should be given for a specific activity / purpose rather than a general donation to discourage utilization of such funds at the discretion of the donee institution. Similarly, donations for too many small value sundry items (like bed sheets, pillow-covers, utensils, carpets, chairs, fans, mattresses, etc.) should normally be avoided as it becomes difficult to monitor utilization of such donations. Further, donations for such items do not yield desired publicity to the Bank.
 - The Circle should ensure that Donations are not limited to a few donee institutions rather the endeavor should be to benefit a large pool of institutions.
 - Donations should not be made for recurring expenses.

- ‘Chief Minister’s Relief Fund’ or ‘State Relief Fund for COVID-19’ is not included in Schedule VII of the Companies Act, 2013 and therefore any contribution to such funds shall not qualify as admissible CSR expenditure.

8 Areas of Engagement

The Bank has directed its CSR activities as per schedule VII of the Indian Companies Act covering the following areas:

8.1 Healthcare and Sanitation

Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

8.2 Education

Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

8.3 Empowerment of Women and Senior Citizens

Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

8.4 Environment

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.

8.5 Protection of National Heritage

Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional art and handicrafts.

8.6 War Veterans

Measures for the benefit of armed forces veterans, war widows and their dependents.

8.7 Sports

Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.

8.8 Contribution to Various Funds

- Contribution to the Prime Minister's National Relief Fund, or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women. *(However, as per the RBI Regulations vide DBOD.No.Dir.BC. 50/13.01.01/ 2005-06/ dated 21.12.2005, the donations to Prime Minister's National Relief Fund may be excluded from the limit of one percent ceiling)*
- Contribution made to State Disaster Management Authority to combat COVID-19 shall qualify as CSR expenditure under item no (xii) of Schedule VII of the 2013 and clarified vide general circular No. 10/2020 dated 23rd March, 2020.
- Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PMCARES)

8.9 Other Miscellaneous Areas

- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government.
- Contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies* engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).{*The autonomous bodies should be established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defense Research and Development Organization (DRDO), Department of

Science and Technology (DST), Ministry of Electronics and Information Technology} engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals(SDGs)

8.10 Rural Development

- Rural Development Projects

8.11 Slum Area Development

- Slum area development. (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.)

8.12 Disaster management, including relief, rehabilitation and reconstruction activities.

- Ministry of Corporate Affairs vide general circular No. 10/2020 dated 23rd March, 2020 has clarified that spending CSR funds for COVID-19 related activities shall qualify as CSR expenditure. It is further clarified that funds may be spent for various activities related to COVID-19 under items nos. (i) and (xii) of Schedule VII relating to promotion of health care including preventive health care and sanitation, and disaster management. Further, as per general circular No. 21/2014 dated 18.06.2014, items in Schedule VII are broad based and may be interpreted liberally for this purpose.

9 Implementation

CSR activities will be undertaken by Corporate Centre Establishments, Circles, Administrative Offices, Corporate Accounts group, Commercial Clients Group, Apex Training Institutes (ATIs), Branches, RSETIs etc. and SBI Foundation within the allocated budget as per the approved policy. CSR Department at Corporate Centre will be the nodal point for monitoring the donations made.

- Bank may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
- Bank may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programmes in accordance with CSR rules.

10 CSR Committee of the Board

The Bank has constituted Corporate Social Responsibility (CSR) Committee of the Board. The Committee consists of Two (2) Managing Directors of the Bank and Six (6) Independent Directors. The functions of the committee are to:

- Provide direction towards effective implementation of CSR Policies of the Bank.
- Meet at quarterly intervals to review the CSR activities undertaken in the previous quarter.
- Suggest ways and means to improve the functioning of CSR related activities.
- Deliberate upon and recommend all CSR proposals which are to be sanctioned by the ECCB

11 Monitoring and Evaluation

Monitoring

- CSR Department at Corporate Centre should be in close touch with the Circles for ensuring proper use of donations.
- Circles must report their spends on Monthly basis to CSR Department at Corporate Centre.
- Donations sanctioned within the discretionary powers of CGM of the Circle as per delegation of powers should be submitted to Corporate Centre for control purpose.
- Projects under SBI Foundations are subject to audit by the CAG.

Evaluation

- Random checking of assets / scrutinizing documents & assessment of impact by the Circle/ Corporate Centre functionaries.
- For bigger projects, impact assessment may be done by the independent agencies.
- Bank shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- The impact assessment reports shall be placed before the Board and shall be annexed to the annual review on CSR.
- For impact assessment bank may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

12. Other Social Responsibilities

Besides mandatory CSR activities, Bank has created following two funds for the benefit of society at large:

- a) Research and Development Fund- (Detailed in Annexure I)
- b) SBI Children's Welfare Fund (Detailed in Annexure II)

Only interest earned on the funds/ corpus are utilized for social expenditure and this expenditure is not part of mandatory ceiling of 1% under CSR.

13 Conclusion

The Bank ensures full disclosure of its CSR policy, composition of the CSR Committee of the Board and detailed expenditure. CSR policy of the Bank is available in public domain on its web site. The composition of the CSR Committee of the Board and annual expenditure is published every year in the Annual Report. Detailed annual expenditure will be made available on its website.

Research and Development Fund

Constitution

The Bank set up the Research & Development Fund in 1977 with the primary objective of supporting research work relevant broadly to the activities of the Bank.

Eligibility

- Under the Fund, Research grants are extended to Universities / reputed academic and Research institutions for undertaking research projects which are of direct relevance to the Bank / Banking industry or having indirect relevance to the Bank or which relate to the emerging scenario in the Banking industry / Economy.
- Research grants should be considered only to the Universities or highly reputed academic institutions.

Preference

- Preference should be given for appropriate and well-conceived projects / studies or action programmes which could be completed over a period of 2 years.
- Projects related to Credit, Particularly AGRI/ SME & also in the fields of RENEWABLE ENERGY and SUSTAINABILITY will be given thrust.
- The chair may be renewed for a further period of 2 years, subject to satisfactory performance. The maximum period for which assistance could be considered for any project would be about 4 years.
- The Research Projects / Studies should be utilized properly by the relevant user department(s) in the Bank who will review the performance annually.

R&D Fund Steering Committee

- A Steering Committee will be formed to approve a project as under:
 - MD (in-charge of Retail Business)
 - MD (Global Banking & Subsidiaries)
 - DMD & CDO
 - CGM, STU
 - CEA

SBI Children's Welfare Fund

The Bank constituted an SBI Children's welfare Fund as a Trust in 1983. The Corpus of the Fund is made up of contributions by staff members and matching contribution provided by the Bank. The Fund extends grants to institutions engaged in the welfare of underprivileged children like orphans, destitute, challenged and deprived.

Funds collected are kept as term deposits in State Bank of India and the projects are funded from the interest earned on the Corpus for the benefit of the Children

The Board of Trustees for the Children Welfare Fund consists of:

- a) Chairman
- b) MD (in-charge of Retail Business)
- c) One representative from SBI Officers
- d) One representative from SBI Award staff
- e) DGM (CSR), Managing Trustee

Projects recommended by the Circles under the Fund are sanctioned by the Trustees of the Children Welfare Fund.

Note: Any changes to the policy consequent to any changes in regulations or specific directions from regulator will be taken as a part of the policy with the approval of the vertical head and included in the policy at the time of next review.

CSR Policy Version 7.0 is valid for one year from the date of issue and reviewed annually.

APPENDIX - VII

Your Bank has adopted an advanced approach for assessing the impact on Earnings at Risk (EaR) and Market Value of Equity (MVE) with pre-defined tolerance limits that determine the risks associated with them. Also, it enables the Management to initiate appropriate preventive steps in a likely scenario of erosion in Net Interest Income.

To encourage branches to garner stable funds and assess your Bank implemented their profitability based on the cost of funds, a matched maturity-based Funds Transfer Pricing.

The Asset Liability Management Committee (ALCO) of your Bank monitors and manages liquidity and interest rate risks by constantly modulating the asset-liability mix in the balance sheet. ALCO, among other things, reviews the interest rate scenarios, the pattern of growth of liability products, credit growth, competitive advantages, liquidity management, adherence to the regulatory prescriptions and pricing of liabilities and assets from time to time.

To address the inherent rigidities in the balance sheet structure and the issue of quick transmission of changes in RBI's policy rates, effective from 1st May, 2019, your Bank took the lead in linking its pricing of Savings Bank Deposits (with balances above ₹1 lakh) and Short Term Loans (Cash Credit accounts and Overdrafts with limits above ₹1 lakh) to an external benchmark, that is, the policy Repo Rate.

Subsequent to the RBI guidelines on External benchmark-based lending rate, effective from 1st October, 2019, pricing of all floating rate Retail and MSME loans are linked to the external benchmark, that is, the policy repo rate. However, the repo rate linkage of SB deposit rates continues.

The Regulatory Reports/ Returns pertaining to the area of Asset-Liability Management (Domestic Position) have since been automated through OFSAA, and the Whole Bank position is expected to be in place shortly.

8. ETHICS AND BUSINESS CONDUCT

Since the inception of the Ethics and Business Conduct vertical, your Bank has been carrying out a host of initiatives and programs, attuned to permeate and percolate the ethical values and exalted behavioural norms across all levels. Whether it is formulating the basic foundational guiding principles such as the Vision, Mission and Values Statements and the Code of Ethics, or finetuning the existing operational guidelines in the domains of Consequence Management, Prevention of Sexual Harassment (POSH) or the Social Media, to name a few, the core working philosophy of your Bank has always been to be aware, alert and in harmony with the surroundings, both immediate and far. Furthermore, multiple enablers have been being put in place to shape a robust ethical infrastructure in your Bank for greater moral strength. With each passing year, a well thought out strategy to become future-ready has seen a steady and seamless integration of the latest technology platforms in the ongoing programmes and operational processes. This has, in turn, lent a massive impetus to the scope, size and the reach of the various ongoing and proposed ethical outreach initiatives within your Bank.

In FY2020, a comprehensive Ethics and Business Conduct website was developed and made functional to provide a one-stop platform for hosting the vast array of considerably curated ethical resources to facilitate easy accessibility for the benefit of the employees at large. To further encourage the proficiency and efficacy of the Discipline Management Function, several new initiatives and enablers were introduced to increase the efficiency of discipline management ecosystem in your Bank. In was in this context, that real-time and all comprehensive Business Conduct and Discipline Management Online Processing Portal and Dashboard was conceived, designed and operationalised in your Bank. To further augment and supplement the level of knowledge and for providing guidance, a wide array of training programmes, each tailored explicitly for officials working in a particular functional domain of the Discipline Management Framework, were regularly conducted throughout

the year. Reiterating your Bank's zero-tolerance policy in the matters of sexual harassment at workplace and its commitment towards fostering a gender-inclusive and safe work environment, your Bank rearticulated its policy and processes under the Prevention of Sexual Harassment of Women at Workplace as – GARIMA. Furthermore, to streamline and simplify the entire process flow of raising concerns in this regard, a real-time online complaint portal GARIMA was also ideated and operationalised along with the sustained skill-building of the process-owners.

For an organisation of the size and spread of your Bank, imbibing ethical values and building a complementing resonant culture is a long-term work-in-process. However, in its brief journey of three years so far, the honest intents followed with unflinching intensity, have already started yielding visible positive results, which are growing with each passing step and bolstering our brand equity day in and day out.

9. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is deeply ingrained into the culture of State Bank of India. Your Bank has been actively involved in CSR activities since 1973. The primary purpose of your Bank's CSR philosophy is to make a meaningful and measurable impact to the lives of economically, physically, and socially challenged communities of the country. Your Bank's CSR activities touch the lives of millions of the poor and needy across the length and breadth of the country.

The focus areas of your Bank's CSR activities include Healthcare, Education, Livelihood, Skill Development, Environment Protection of National Heritage, Empowerment of Women, youth, and senior citizens, amongst others.

CSR activities in project mode are implemented through the SBI Foundation, the CSR wing of State Bank of India established in 2015 with a vision of becoming a premier CSR institution in India through your Bank's tradition of "Service Beyond Banking". During the last four years of its existence, SBI

Foundation has been committed to identifying and supporting programs aimed at bringing a positive difference to those at the bottom of the pyramid.

As per the guidelines and mandate of Reserve Bank of India, State Bank of India is required to spend 1% of its profits on CSR. The offices of your Bank all across India have been carrying out various CSR activities to live up to the ethos of giving back to the society with the active engagement of its employees.

CSR spend during FY2020

In FY2019, the net profit of your Bank stood at ₹ 862 crore and 1% of the profit, that is, ₹ 8.62 crore has been budgeted as CSR fund of your Bank for FY2020. With the approval of RBI, your Bank contributed a total of ₹27.47 crore for various initiatives under its CSR commitments.

S. No.	Description	(₹ In Crore)
1	National Donations (Chief Minister Relief Fund of various States)	9.00
2	Normal Donations & other c direct activities including RSETIs (for capex expenditure)	6.09
3	SBI Foundation	12.38
	Total CSR spend	27.47

Additionally, a Dialysis Machine has also been donated for treating poor patients suffering from kidney problems. Similarly, a donation has been made to Bangalore Kidney Foundation for meeting the cost of free dialysis and Ramakrishna Ashram in Ahmedabad to support mentally challenged children.

Skill Development

India is one of the youngest nations in the world with more than 50% of its population below 25 years of age. Employability of the growing young demography is considered as one of the most important factors in the economic development of the country. State Bank of India has undertaken skill development initiatives as a focus area to support the supply of trained manpower. Your Bank has set up 152 Rural Self Employment Training Institutes (RSETIs) across the country to help and mitigate the unemployment and underemployment problems of youth in the country. During FY2020, your Bank allocated an amount of ₹1 crore for capital expenditure of two RSETIs.

Empowerment of Women and Senior Citizens

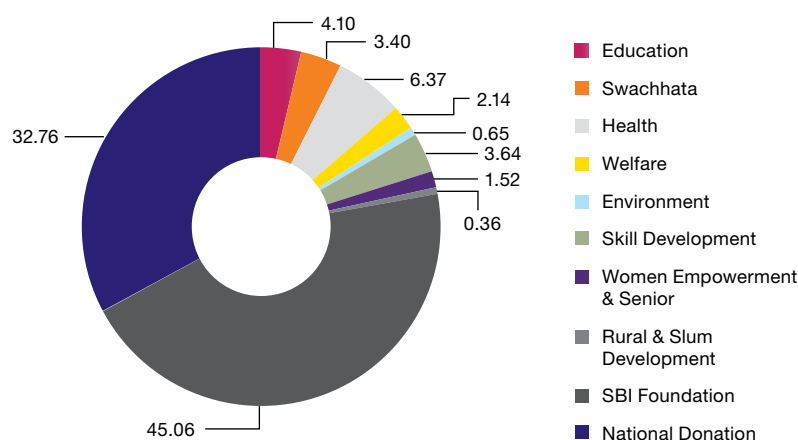
During FY2020, an amount of ₹0.42 crore was spent towards the empowerment of women and senior citizen. The major initiatives undertaken are as follows:

- Donation of 13-seater Tata Winger vehicle to the Society of Sisters of the Destitute Santhisadan, Oramanjhi, Ranchi
- Donation of a bus for senior citizen pilgrims to Sri Varaha Lakshmi Narasimha Swamy Temple.

Swachhata, Environment Protection and Sanitisation

State Bank of India is committed to the Government's mission of "Swachh Bharat" and has undertaken several initiatives across the country, which include providing sanitary napkin vending machines, dumper bins, and machines for plastic recycles, amongst others. All the initiatives under environment protection positively contribute to reduce the carbon footprint. During FY2020, an amount of ₹1.10 crore has been spent towards environment protection and sanitation. In addition to this, your Bank has arranged installation of smart crushing bins for

Focus Area wise spend 2019-20 (in %)



Education

Bank always strives to support education to weaker sections of society in remote, unreachable, and underdeveloped areas. An amount of ₹1.13 crore has been spent to support education and details are provided below:

- Six school buses worth ₹52.57 lakh were donated for various schools of disadvantaged children
- Distribution of Laptops, Projectors, benches, Tables, chairs, and library cabinet, amongst others for underprivileged students at schools

- Provided water purifiers to schools at backward places to enable drinking water facility to children

Healthcare

In Healthcare, State Bank of India provides basic infrastructure to Hospitals and NGOs to improve the medical facilities of underprivileged and economically weaker sections of the society. To deliver quality healthcare services, an amount of ₹1.75 crore has been spent. Your Bank has donated nine ambulances to different Hospitals, NGOs, and trusts.

collection of single use plastic bottles for recycling at different places in India. Furthermore, major Tree plantation initiatives have been undertaken and over four lakh trees have been planted across India.

SBI Children's Welfare Fund

With the concept of "Charity begins at home", State Bank of India had established a Trust named SBI Children's Welfare Fund in 1983, as an initiative by its staff members. The Trust receives funds from the voluntary contribution of your Bank's staff towards the betterment of the underprivileged and orphan children. The interest earned on the corpus of the fund is utilised to extend grants to Institutions engaged in the welfare of underprivileged children viz. orphans, differently abled, destitute, and deprived, amongst others.

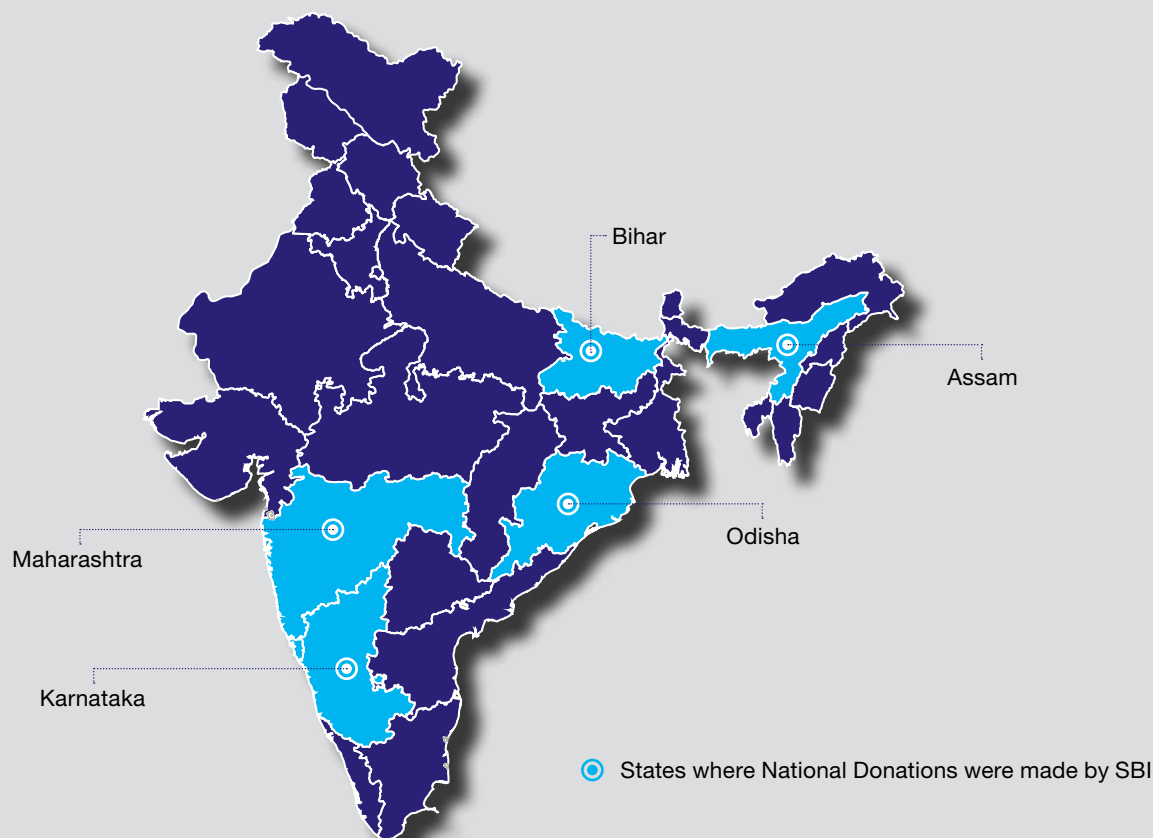
During FY2020, a total contribution of ₹0.45 crore has been received from the staff and your Bank has donated an amount of ₹ 0.53 crore to six organisations. These institutions are present across the country and work towards the welfare of the marginalised and downtrodden children including PwDs.

National Donation

Many parts of India have recently been devastated by the Cyclone and Floods, causing large scale destruction of property and infrastructure. In FY2020, ₹9.00 Crore was utilised as National Donation for donation to various Chief Minister's Relief Fund.

S. No.	Description	(₹ In Crore)
1	Assam	1.00
2	Bihar	1.00
3	Odisha	5.00
4	Maharashtra	1.00
5	Karnataka	1.00
Total National Donation		9.00

National Donations by SBI



10.SUSTAINABILITY AT STATE BANK OF INDIA

Your Bank has been performing on the sustainability front through a multi fold approach viz. management of social and environmental risks in strategic decision making, lending, and developing innovative products and services. To enhance sustainability practices in your Bank, in a formalised manner, has put in a place a Board approved “Sustainability and Business Responsibility” (BR) Policy. The Policy is placed in Public domain on your Bank’s website. State Bank of India has taken up a host of measures to scale up its performance on Environment-Social-Governance (ESG) parameters.

Your Bank has entrusted the Deputy Managing Director (HR) and Corporate Development Officer to oversee your Bank’s overall sustainability vision. The execution of your Bank’s Environmental and Social goals and targets are monitored by the Corporate Centre Sustainability Committee (CCSC) that comprises business and functional Heads from various Departments. The CCSC meets periodically to deliberate and draw a road map for effective sustainability management at the Bank level.

Your Bank has been doing Non-financial disclosure through an Annual Sustainability Report which is being published since FY2016. For FY2017 and onwards, your Bank has been publishing its Sustainability Report as per Global Reporting Initiative (GRI) framework. The Sustainability Reports are also placed on SBI’s website. Your Bank is also a member signatory of the CDP and disclosing its performance since 2012.

SUSTAINABILITY INITIATIVES OF STATE BANK OF INDIA

Some of the key initiatives already undertaken and in contemplation inter-alia includes:

- Recognising the concerns of climate change as a Corporate Social obligation, your Bank has charted a Carbon Neutrality strategy with an intention to achieve the status of Carbon Neutral organisation over a period in a phased manner. An approach paper is in place where your Bank envisages achieving the “Carbon Neutral” status by the year 2030. Initiative of Remote monitoring based Solar Power System at Branches (Rural/Semi-Urban) in lieu of Generator sets is being taken. Your Bank is also installing Solar systems at Branches throughout the country to scale up its captive RE power capacity. Your Bank’s RE capacity for captive use at present is approximately 35 MWp.
- Your Bank has installed of Solar ATMs, Solar Roof Top projects at its premises. Energy efficient lighting and Air conditioning system at your Bank’s premises in addition to installation of Motion activated lighting. Your Bank has established a Branch Server Consolidation (BSC) project for doing away with Branch servers and keeping data on a secured virtual environment. It has also installed of Power Management Utility on each desktop for power saving.
- Seven of your Bank’s premises are rated as “Green Premises/Projects” by Indian Green Building Council (IGBC) under different categories (Platinum/Gold/Silver).
- For all its digital channel customers, your Bank is offering Green Reward Points, which can be redeemed for credit to SBI GREEN FUND, the proceeds of which will be utilised for sustainable activities.
- Integration of Environment and Social Management Systems (ESMS) in your Bank’s Credit assessment process and business decisions have assumed critical importance. During the reporting period, your Bank issued additional Green Bonds of US\$ 100 million, which adds up to the aggregate Green Bond size of your Bank at US\$ 800 million.
- Your Bank is also in the process to map its product and services to the 17 United Nations Sustainable Development Goals (SDGs). Your Bank’s Eight (8) products have been mapped to SDGs, which include the two flagship loan products- Home Loan and Car Loan. On the theme of Integrating SDGs in Business Practices, an industry wide Round table discussion was organised to foster peer partnership and capacity building.
- SBI Green Marathon is your Bank’s landmark novel initiative for creating awareness on environmental care. The initiative has entered its 3rd edition this year. It has earned remarkable publicity and participation over the years and positioned itself as an innovative property with significant brand value.
- During the year, your Bank introduced a dedicated online tutorial “ASTITVA” for its employees on basic Sustainability issues pertaining to your bank’s Internal Sustainability measures and UN Sustainable Development goals. Additionally, a quarterly E-Newsletter “SUSTAIN ON” introduced and being mailed to all employees to sensitise them on sustainability related issues and news.

BRIEF NOTES ON CORPORATE SOCIAL RESPONSIBILITY
[SPECIALLY PREPARED FOR MLAs/DEPTs./DISTRICT ADMINISTRATION]

1. Concept of Corporate Social Responsibility:

India became the first nation to enact legislation mandating the implementation and reporting of Corporate Social Responsibility (CSR) activities under the Companies Act, 2013. CSR is a management framework through which companies incorporate social and environmental considerations into their business operations and interactions with stakeholders. It represents a long-term, structured commitment to societal development and welfare. CSR activities encompass two key components i.e. the company as the driving force and the beneficiaries as the ultimate recipients of these efforts.

2. Criteria for CSR Eligibility

Three criteria are under the ambit of CSR eligibility for the companies operating in India which impose a mandate to ensure social commitments:

- a. Net worth of the company to be Rs 500 crore or more; or
- b. The company turnover is Rs 1000 crore or more; or
- c. Net profit of the company to be Rs 5 crore or more.

According to Section 135 (1) of the Companies Act, 2013, “Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during [the immediately preceding financial year] shall constitute a Corporate Social Responsibility Committee of the Board”.

3. Permitted Areas of Intervention:

The Govt. of India allows the Companies operating in India to intervene in a wide range of activities concerning Poverty, Food, Health, Nutrition, Water, Sanitation, Education, Gender, Vulnerable Groups, Environment, Art & Culture, Youth & Sports, Research & Development, Rural Development, Disaster Management etc. to be included in their Corporate Social Responsibility Policies.

The following are the details of activities proposed for intervention mentioned as per *Schedule VII of the Companies Act, 2013*:

- i. Eradicating hunger, poverty, and malnutrition, [“promoting health care including preventive health care”] and sanitation [including contribution to the Swach 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, daycare centres, and 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 the 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 art and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows, and their dependents, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- vii. training to promote rural sports, nationally recognized 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 govt. for socio-economic development and relief and welfare of the scheduled caste, 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 Defense 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 area development. Explanation. - For 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.]

4. Functions of the Board of Company:

The following are the functions of the Board in ensuring Corporate Social Responsibility (CSR) compliance:

- a. **Approval of CSR Policy:** The Board must approve a formal CSR policy outlining the company's goals and objectives for social responsibility.
- b. **Public Disclosure:** The Board is required to disclose the CSR policy in the company's annual report and ensure that it is available on the company's website.
- c. **Implementation of CSR Activities:** The Board must ensure that the activities outlined in the CSR policy are effectively undertaken by the company.
- d. **CSR Expenditure:** The Board must ensure the company spends at least 2% of its average net profits from the past three financial years on CSR initiatives.
- e. **Monitoring Fund Utilization:** The Board must satisfy itself that the CSR funds disbursed are being properly utilized for their intended purposes.
- f. **Reporting and Transfer of Unspent CSR Funds:** If the company fails to spend the requisite 2% on CSR, the Board must include an explanation in its annual report and transfer the unspent funds according to the legal provisions in the Companies Act (Sections 135(5) and 135(6)).

5. Composition of Corporate Social Responsibility Committee:

As per Section 135(1) of the Companies Act, 2013, the Corporate Social Responsibility Committee is structured as follows:

- a. The committee includes a minimum of three directors.
- b. Among these directors, at least one is an independent director.

However, the composition of the Corporate Social Responsibility Committee may vary depending on the categories of company as highlighted below:

- i. **Listed Companies:** Must have at least three directors, including at least one independent director.
- ii. **Unlisted Public Companies:** Must have at least three directors, including at least one independent director. If an independent director is not required, the committee should have at least two directors.
- iii. **Private Companies:** Must have at least two 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 two 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.*(Refer to Rule 5(1) of the Companies (CSR Policy) Rules, 2014)*

6. Roles & Responsibilities of the Committee:

As per Section 135 (5) of the Companies Act, 2013, the Corporate Social Responsibility Committee are required to perform the following roles;

- a. **Formulate and recommend a CSR Policy:** The Committee must draft and propose a Corporate Social Responsibility policy to the Board, outlining the activities the company will undertake in areas specified by the law.
- b. **Recommend CSR Expenditure:** The Committee is responsible for advising on the amount of money to be allocated for the activities mentioned in the CSR policy.
- c. **Monitor CSR Policy:** The Committee must regularly review and monitor the implementation of the CSR policy to ensure its alignment with the company's objectives and legal requirements.

7. Mode of CSR Implementation:

As per Rule 4(1) of the Companies (CSR Policy) Rules, 2014, the Board of the company may implement its CSR activities, as approved by the CSR Committee, by the company itself or through:

- a. a company formed under Section 8 of the Companies Act, 2013, or a registered public trust or society established by the company registered under Section 12A and approved under 80G of the Income Tax Act, 1961 and exempted under Section 10(23C) of the Income Tax Act, 1961 either independently or in collaboration with another company; or
- b. a company established under Section 8 of the Companies Act, 2013, or a registered trust or society established by the Central or State Government, or
- c. any entity of statutory bodies established under an Act of Parliament or State legislature which undertakes activities mentioned in Schedule VII of the Companies ACT, 2013; or
- d. a company formed under Section 8 of the Companies Act, 2023 or a registered public trust or society established by the company registered under Section 12A and approved under 80G of the Income Tax Act, 1961 and exempted under Section 10(23C) of the Income Tax Act, 1961 has a track record of at least 3 years in undertaking similar activities.

8. Mandatory Financial Commitment:

- a. It is mandatory for companies to allocate every financial year at least 2% of their average net profits from the last three financial years.
- b. For companies that have been operating for less than three years, they may allocate every financial year at least 2% of their average net profits since their inception.

Section 135 (5) of the Companies Act, 2013 states "The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two percent. of the average net profits of the company made during the three immediately preceding financial years [or where

the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years], in pursuance of its Corporate Social Responsibility Policy”.

9. Action Against Non-Compliance with Mandatory Financial Commitment:

In case of an unspent CSR amount by the company, the concerned company is compelled to go through the following treatment as mentioned in Section 135 (5) of the Companies Act, 2013:

a. Ongoing Projects:

- Within 30 days from the end of the financial year, the company must open a special account in any scheduled Bank under the name “Unspent CSR Account” and transfer the entire unspent CSR amount to the said account.
- The company should spend the unspent CSR amount within three financial years with effect from the date of such transfer in the scheduled bank.
- At the end of three financial years, in case the unspent CSR amount remains unspent in the account, the remaining unspent amount shall be transferred to a fund specified in Schedule VII of the Companies Act, 2013, to be executed within 30 days from the end of the third financial year.

b. Other than Ongoing Projects:

- Within 6 months from the end of the financial year, companies eligible for CSR must transfer the unspent CSR amount to the fund specified in Schedule VII of the Companies Act, 2013.

10. Permissible Limit for Administrative Overhead:

As per Rules 7(1) of the Companies (CSR) Rules, 2014, companies implementing CSR projects are permitted to incur expenses up to 5% of the total CSR funds allocated towards administrative overheads for ‘general management and administration’ of CSR functions only. Administrative overheads include expenditures such as operating costs, employee salary or remuneration, expenses towards compliances, etc.

11. Surplus arising from CSR Activity:

Rules 7(2) of the Companies (CSR) Rules, 2014 outlines that in case of surplus accumulated from the spending on CSR activities, companies are mandated to transfer the surplus amount to the unspent CSR account and utilize the surplus income only for approved CSR activities within six months from the end of the financial year.

Income may be generated from the following sources:

- interest income earned by the implementing agency on funds provided under CSR,
- revenue received from the CSR projects,
- disposal/sale of materials used in CSR projects, and
- other similar income sources.

12. Requirement to undertake Impact Assessment:

As per Rule 8(3) of the Companies (CSR Policy) Rules, 2014, companies falling under the following conditions are mandated to conduct an impact assessment:

- a. companies with a minimum average CSR obligation of Rs. 10 crore or more in the last three financial years; and
- b. companies having CSR projects accomplished with an expenditure of a minimum of Rs. 1 crore not less than one year before execution of impact assessment.
- c. In case of fulfilling both conditions stated above, impact assessment shall be initiated based on the project.
- d. In other cases, the company may voluntarily initiate an impact assessment of the project accomplished.

13. CSR Reporting:

As per Rule 8(1) of the Companies (CSR Policy) Rules, 2014, the Board's Report for any financial year of a CSR-eligible company must include an annual CSR report with the details outlined in Annexure I or Annexure II of the Companies (CSR Policy) Rules, 2014, as applicable.

14. CSR Disclosure:

According to Rule 9 of the Companies (CSR Policy) Rules, 2014 the company's Board of Directors is mandated to publicly disclose the following on the company's website:

- a. The composition of the CSR Committee,
- b. The CSR Policy, and
- c. The projects approved by the Board

15. Legal Compliances Obligation for CSR Funds:

a. NGO Registration:

- Must registered under a specific legal framework passed by the Central or State Government.
- *National level:*
 - NGOs can be registered under “Trust & Society” under the Society Registration Act, 1860 administered by the Ministry of Corporate Affairs, Govt. of India.
 - NGOs can also be registered under Section 8 of the Companies Act, 2013 through the Registrar of Companies administered by the Ministry of Corporate Affairs, Govt. of India
- *Mizoram:* NGOs can be registered under “Firms & Societies” of The Mizoram Societies Registration Act, 2005 through the Registrar of Firms and Societies administered by the Taxation Department, Govt. of Mizoram.

b. PAN Card Registration:

- It is a crucial document for financial transactions and tax-related purposes, serving as a taxpayer's permanent identification number issued by the

Income Tax Department. Once allotted, the PAN remains valid indefinitely unless cancelled or modified by the department.

- An NGO can apply for a PAN Card by submitting the requisite application form along with supporting documents to the Income Tax Department.
- ***The necessity and uses of a PAN Card include the following:***
 - For filing income tax returns and all communications with the Income Tax Department.
 - In all challans related to the payment of taxes, interest, and penalties under the Income Tax Act.
 - For opening a bank account.
 - To obtain a CSR registration number.
 - For registration on the DARPAN portal of NITI Aayog.
 - To secure Section 12A registration and certification under Section 80G of the Income Tax Act.
- Under Section 272B of the Income Tax Act, 1961, failure to obtain a PAN Card may result in a penalty. As per the Income Tax Department's guidelines, a fine of INR 10,000 may be imposed for non-compliance.

c. Registration/Revalidation under Section 12A and approved under 80G of the Income Tax Act, 1961:

- NGOs have several options for their legal constitution, including trusts, societies, and section 8 companies. NGOs established under these primarily depend on donations to sustain their operations.
- To ensure these funds are exempt from taxation, NGOs must register under Section 80G and Section 12A of the Income Tax Act. However, DARPAN registration is now a prerequisite for obtaining these registrations.
- Section 80G registration enables NGOs to receive donations and issue exemption certificates to contributors, while Section 12A registration allows the NGO's surplus income over expenditure to be exempt from income tax.
- **Mandatory Requirement of DARPAN ID:** Organizations applying for registration or revalidation under the amended provisions of Sections 80G and 12A are required to provide their registration number from the DARPAN portal of NITI Aayog.
- **Registration under Section 80G:**
 - For those NGOs registered under Section 80G, donors can claim a 50% deduction from their taxable income for contributions made to the organization.
 - Organizations seeking new/fresh registration must apply to the Principal Commissioner of the Income Tax Department. A provisional registration valid for three years will be granted. To renew this registration, applications must be submitted either at least six months before the expiration of the validity period or within six months of commencing activities, whichever is earlier. Registration

must be revalidated every five years, with reapplications required six months before the registration's expiration.

▪ **Conditions under Section 80G:**

- The NGO must not have any non-exempt income, such as business income. If the NGO does generate business income, it must maintain separate accounts and ensure that donations received are not redirected for business purposes.
- The bylaws or objectives of the NGO must not include any provisions for using its income or assets for purposes other than charitable activities.
- The NGO must not operate for the benefit of a specific religious community or caste.
- The NGO must maintain accurate and regular accounts of its receipts and expenditures.
- The NGO must be duly registered under the Societies Registration Act, 1860, or under any corresponding legislation, or must be registered under Section 8 of the Companies Act, 2013.

▪ **Registration Under Section 12A:**

- Previously, registration under Section 12A was a one-time process, remaining valid indefinitely unless it is cancelled. However, effective from April 1, 2021, all new registrations are granted for five years, requiring organizations to apply for renewal every five years.
- To obtain fresh registration under Section 12A, an application must be submitted to the Principal Commissioner or Commissioner of the Income Tax Department, as specified in Section 12AB. Organizations will initially receive a provisional registration valid for three years.
- Renewal applications must be submitted at least six months before the expiration of the current registration.

▪ **What Types of Donations Are Eligible for Deduction Under Section 80G?**

- To claim a deduction under Section 80G, the donation must be made in monetary form and cannot consist of goods or services. Eligible donations can be made via cash, cheque, or electronic transfer. It is important to note that donations made in cash exceeding ₹2,000 are not eligible for this deduction. Donors should ensure that they obtain a receipt for their contributions.

▪ **Can Applications Under Sections 12A and 80G of the Income Tax Act Be Submitted Together?**

- Yes, applications under Sections 12A and 80G can be submitted simultaneously or separately. If an organization chooses to apply separately, the application for registration under Section 12A should

be submitted first. Obtaining registration under Section 12A is essential for subsequent registration under Section 80G of the Income Tax Act.

- d. **CSR Registration:** For NGOs seeking CSR funding, it is essential to register with the Ministry of Corporate Affairs (MCA) by filing Form CSR-1 promptly. The MCA will review the application and may request further documentation or clarification. Upon approval, the NGO will receive a CSR-1 registration certificate, enabling it to receive CSR funding from corporate entities.

- **Applicability of Form CSR-1:** Form CSR-1 is the registration form required to secure CSR funding, as designated by the Ministry of Corporate Affairs for entities undertaking CSR activities.
- According to Rule 4 of Companies (CSR Policy) Rules, 2014:
 - Any entity intending to engage in CSR activities must register with the Central Government by electronically filing Form CSR-1 with the Registrar. (*Effective from April 1, 2021*)
 - Form CSR-1 must be signed and verified digitally by a practicing Chartered Accountant, Company Secretary, or Cost Accountant.
 - Upon submission of Form CSR-1 on the portal, the system will automatically generate a unique CSR Registration Number.
- **Eligibility Criteria for Form CSR-1:**
 - A company incorporated under Section 8 of the Companies Act, 2013, with registrations under Sections 12A and 80G of the Income Tax Act, 1961.
 - A registered society or trust with Section 12A and 80G registrations under the Income Tax Act, 1961.
 - A company established under Section 8 of the Companies Act, 2013, or a registered trust or society established by the Central or State Government.
 - An entity created under an Act of Parliament or State Legislature.
- **Benefits of CSR Registration:**
 - **Access to Funding:** Registering allows NGOs to secure corporate funding with fewer legal complications.
 - **Enhanced Goodwill:** It improves the goodwill and public image of the NGO.
 - **Streamlined CSR Activities:** Registration simplifies the process of undertaking CSR initiatives.

- e. **NGO Darpan Enrolment/Registration:**

- The official website for NGO DARPAN registration is DARPAN Portal - <https://ngodarpan.gov.in/>. This platform allows NGOs to register and obtain necessary details for compliance with NITI Aayog requirements.

- The NGO DARPAN portal has been maintained by NITI Aayog since January 1, 2015, and invites all Voluntary Organizations (VOs) and Non-Governmental Organizations (NGOs) to register on the platform.
- This portal allows VOs and NGOs to enroll centrally and create a comprehensive repository of information categorized by sector and state.
- Upon registration, VOs and NGOs receive a system-generated Unique ID, which is mandatory for applying for grants under various schemes from Ministries, Departments, and Government bodies.
- **Benefits of NGO DARPAN Registration:**
 - **Mandatory for Government Funding:** Registration with NITI Aayog is essential for NGOs seeking government funding.
 - **Enhanced Credibility:** It boosts the credibility of NGOs, trusts, and societies, making it easier to attract donations from the general public.
 - **Strengthened Collaborations:** The NGO DARPAN portal facilitates stronger collaborations between NGOs and the government.
 - **Access to Information:** NGOs can access the latest information about new programs and projects through the NGO DARPAN portal, as well as updates on previous government initiatives.
 - **FCRA and Tax Compliance:** When filing for FCRA registration and Form 10A under the Income Tax Act, NGOs are required to provide their DARPAN ID details.

f. **Registration under the National CSR Exchange Portal:**

- The National CSR Exchange Portal is an initiative by the Ministry of Corporate Affairs, Government of India, designed to create an interactive platform for CSR stakeholders. This portal functions as an e-marketplace, showcasing social welfare projects from across India, allowing implementing agencies to present their ongoing projects while enabling companies to select projects for CSR spending based on their preferences, and vice versa.
- It was developed following the recommendations of the High-Level Committee on Corporate Social Responsibility in 2018, the portal aims to assist corporations in identifying suitable implementing agencies for the effective execution of their CSR initiatives, thereby reducing transaction costs. It addresses common challenges such as:
 - Identifying appropriate implementing agencies.
 - Finding suitable projects that align with their CSR policies.
- **Criteria for Registration:**
 - **Who Can Register on the National CSR Exchange Portal?**
The portal is open for registration to both registered companies and registered implementing agencies.
 - **Who are the Registered Implementing Agencies?**

Registered implementing agencies are those that are listed on the MCA21 portal and possess a valid CSR Registration Number (CRN).

- **Who are the Registered Corporates?**

Registered corporates are companies that are also listed on the MCA21 portal and hold a valid Corporate Identification Number (CIN).

▪ **Benefits of Registration**

i. Register as a Corporate:

- **Identify Suitable Implementing Agencies:** Easily find appropriate implementing agencies for CSR projects.
- **Discover CSR Projects:** Access a variety of CSR projects proposed by registered implementing agencies.
- **Manage CSR Projects:** Utilize the portal to efficiently oversee and manage CSR initiatives.

ii. Register as an Implementing Agency:

- **Apply for Corporate CSR Projects:** Submit proposals for CSR projects to corporates seeking partnerships.
- **List Projects for Funding:** Showcase projects to attract funding from corporate entities.
- **Manage CSR Projects:** Use the portal to effectively manage and track the progress of CSR projects.

g. Registration under Foreign Contribution (Regulation) Act, 2010:

- The Foreign Contribution (Regulation) Act, 2010 (FCRA) was enacted by Parliament to streamline the legal framework governing the acceptance and utilization of foreign contributions and foreign hospitality by specific individuals, associations, or companies. The Act aims to prevent the acceptance and use of foreign funds (*to be specified CSR funds from foreign companies*) or hospitality for activities that may harm national interests and addresses related issues or incidental matters to ensure proper regulation and accountability in this domain.
- Any Person* can receive foreign contribution subject to the following conditions:
 - It must have a definite cultural, economic, educational, religious, or social programme.
 - It must obtain the FCRA registration and prior permission from the Central Government.
 - It must not be prohibited under Section 3 of FCRA, 2010.

** In terms of FCRA, 2010 "person" includes – an individual; a Hindu undivided family; an association; and a company registered under*

section 25 of the Companies Act, 1956 (now Section 8 of the Companies Act, 2013).

- **Eligibility Criteria for Grant of Registration:** For grant of registration under FCRA, 2010, the association should:
 - i. be registered under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882, or section 25 of the Companies Act, 1956, etc;
 - ii. normally be in existence for at least three years and have undertaken reasonable activity in its chosen field for the benefit of the society for which the foreign contribution is proposed to be utilized. For this purpose, the association should have spent at least Rs.10,00,000/- over the last three years on its activities, excluding administrative expenditures. Statements of Income & Expenditure, duly audited by a Chartered Accountant, for the last three years, are to be submitted to substantiate that it meets the financial parameter.
- **Eligibility Criteria for Grant of Prior Permission:** An organization in the formative stage is not eligible for registration. Such organizations may apply for the grant of prior permission under FCRA, 2010. Prior permission is granted for receipt of a specific amount from a specific donor for carrying out specific activities/projects. For this purpose, the association should:
 - i. be registered under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882, or section 25 of the Companies Act, 1956, etc;
 - ii. submit a specific commitment letter from the donor indicating the amount of foreign contribution and the purpose for which it is proposed to be given; and
 - iii. submit a copy of a reasonable project for the benefit of the society for which the foreign contribution is proposed to be utilized.
- **Process for Application of Grant of Registration & Prior Permission:**
 - Application for grant of registration and prior permission is to be submitted online in form FC-3 A and FC-3 B respectively on the website- <https://fcraonline.nic.in>.
- **Required Documents:** For all FCRA services provided through the online portal, an Aadhar Number & Darpan ID are mandatory:
For Grant of Registration:
 - i. jpg file of scanned signature of the chief functionary (size: 50kb)
 - ii. self-certified copy of registration certificate/Trust deed etc., of the association (size: 1mb) [if not in English/ Hindi, upload copy translated into English/Hindi]
 - iii. self-certified copy of relevant pages of the Memorandum of Association/ Article of Association showing the aim and objects of the association. (size: 5mb) [if MOA/Article of Association is

not in English/ Hindi, please also upload a copy translated into English/Hindi]

- iv. Activity Report indicating details of activities during the last three years ;(size: 3mb)
- v. Copies of relevant audited statements of accounts for the past three years (Assets and Liabilities, Receipt and Payment, Income and Expenditure) reflecting expenditure incurred on aims and objects of the association and administrative expenditure; (size: 5mb)
- vi. A fee of Rs. 10,000/- is to be paid online through the payment gateway.
- vii. Affidavit from each office bearer in Proforma AA.

For Grant of Prior Permission:

- i. jpg file of scanned signature of the chief functionary (size: 50kb)
 - ii. self-certified copy of registration certificate/Trust deed etc., of the association (size: 1mb) [if not in English/ Hindi, upload copy translated into English/Hindi].
 - iii. duly signed Commitment Letter from the Donor. (size: 5mb)
 - iv. If functioning as editor, owner, printer, or publisher of a publication registered under the Press and Registration of Books Act, 1867, a certificate from the Registrar of Newspapers for India that the publication is not a newspaper in terms of section 1(1) of the said Act.
 - v. A fee of Rs. 5000/- is to be paid online through the payment gateway.
 - vi. Project Report for which FC will be received. (size: 3mb)
 - vii. Affidavit from each office bearer in Proforma AA. Note: Please ensure that documents are scanned in proper resolution so that these are legible.
- **Opening of Bank Account:** The “FCRA Account” under Section 17(1) of the Act can be opened only in the New Delhi Main Branch of SBI. “Another FCRA Account” and utilization account/accounts can be opened in any scheduled bank. It should be a PFMS integrated Bank.
 - **Process of Renewal:** Associations that desire to renew their registration certificate shall apply online only in Form FC-3C within 6 months before the expiry of their existing registration certificate. After successful payment of fees only, the application is deemed to have been completed.

16. Statutory Compliances for NGOs

a. Finance related to Compliances:

- **Annual Financial Audits:** NGOs must ensure Annual Financial Audits of Accounts are conducted after the completion of every financial year by a

qualified Chartered Accountant and submit the audit report to the Registrars of Societies/Companies and Funding Agencies.

- **Financial Statements:** NGOs must prepare and maintain accurate Financial Statements which shall be inclusive of Balance Sheets and Income & Expenditure Accounts of the organization for submission to the Registrar of Societies/Companies and Funding Agencies at the end of every financial year or timeline given by the concerned authority.
- **Bookkeeping:** NGOs regularly must maintain accurate and up-to-date Books of Accounts throughout the year which is inclusive of all financial transactions related to receipts, payments, and other financial activities within the organization to ensure transparency and accountability of the organization.
- **Tally:** If applicable and feasible, it is highly recommended that NGOs adopt the practice of using a Tally daily to digitalize and maintain the financial transactions and records of the organization's accounts to ease the process of maintaining financial records through bookkeeping, comply with legal compliances and generate important financial records for various financial compliances.
- **Utilization Certificates:** It is mandatory compliance for NGOs to prepare and provide utilization certificates on Funds/Grants received from Central Government ministries and State Government Departments or CSR funding corporations Quarterly or Annually. It also enables NGOs and Funders/Granters to maintain the flow of funds or grants promptly.

b. **Tax Deducted at Source (TDS):**

- **Deduction, Deposit & Filing:** If applicable, NGOs must deduct TDS on payments made and ensure timely deposit of the TDS after Deduction with the Income Tax Department before 7th of every month.
- **Issuance of TDS Certificate:** NGOs must ensure issuance of TDS certificate to deductees in Form 16 or Form 16A within 15 days of at the end of every quarter.

c. **Filing Annual Returns:** NGOs must file annual returns with the relevant authorities, including the Registrar of Societies, Registrar of Companies, or the Income Tax Department, as applicable.

- **Filing of Form ITR 7:** Entities such as NGOs, charitable trusts, political parties, and educational or religious institutions that claim exemptions under section 12A and 80G of the Income Tax Act, 1961 are required to file this ITR form before 31st October of the assessment year.
- **Filing of Form 10B:** It is applicable for NGOs, charitable trusts, and institutions that claim tax exemptions on their income under Section 12 of the Act are required to file before 30th September of the assessment year. Form 10B is used to submit the audit report for entities that seek

to claim tax exemptions. If Form 10B is not filed, the NGO or trust may lose its tax-exempt status and may have to pay tax on its income at regular rates.

- d. **Filing of Annual FCRA Returns:** All FCRA registered organisations must file Annual FCRA Returns by filling the Form FC-4 before 31st December every year.

17. Project Proposal Template for CSR Fund

- 1) Name/Title of Project:
- 2) Profile of the Organisation:
- 3) Project description/ Abstract of the project:
- 4) Background of Project:
 - a. The issue of concern:
 - b. Methodology of problematizing the concern (evidence of form/type of stakeholder consultation to understand the concern):
 - c. Supporting statistics/data and source (mandatory):
- 5) Location of project (State/ District/ Block):
- 6) Very briefly state why your organization is best suited to receive funding for implementing the proposed project.
- 7) Project objectives (SMART-Specific/ Measurable/ Achievable/ Relevant/ Time Bound):
- 8) Proposed Timelines and milestones of the project (can be presented in a tabular format):
- 9) Number of beneficiaries proposed (please represent scope in terms of year 1 and year 2 reach as per the project):
 - a. Direct beneficiaries
 - b. Indirect beneficiaries
- 10) Indicators for measuring output:
- 11) The anticipated outcomes (social, economic, cultural and environmental etc.):
 - a. Short term
 - b. Medium term
 - c. Long term (here, impact may also be specified)
- 12) Mitigation measures for unintended consequences:
- 13) Program Strategies/Implementation Mechanisms:
- 14) Program Strategies/Implementation Mechanisms: (please present as Gantt chart based on intensity of activity against a timeline)
- 15) Project Monitoring and Evaluation Mechanism:
- 16) Impact Assessment Plan:
- 17) Give details of sustainability mechanisms and substantiate the sustainability of this project:
- 18) Specific roles and responsibilities of all stakeholders identified for this project:
- 19) Define the innovative approach/strategy adopted by the proposed project in addressing the existing problems/gaps specific to the sector:

- 20) Substantiate the uniqueness of the proposed project in comparison to the existing sector specific initiatives:
- 21) Financial Information: The Organization's forecast for the period of Project with respect to Budget and Fund details:
 - a. Detailed Budget of the Project with line items:
 - Capital Expenditure
 - Program Expenditure
 - Personnel Cost
 - Administrative Expenditure
 - Monitoring Expenditure
 - Others
 - b. Loans/Debts already held by the Organization
 - c. Projected Cash Flow Statement
 - d. Statement of Accounting Policies Followed
 - e. Expected Grant from other Sources
 - f. Expected Internal Revenue Generation
- 22) Describe the Organization's accounting and financial controls and MIS functions. What MIS and technology expenditures will be needed in the future?
- 23) SWOT Analysis of the proposed project
 - a. Strengths (Internal factors)
 - b. Weakness (Internal factors)
 - c. Opportunity (External factors)
 - d. Threats (External factors)
- 24) Benefits of the project to the corporate donors:
- 25) Annexures
 - a. Details Report on atleast three current/ongoing projects implemented by the organization:
 - b. Others

18. Important Sites for NGOs:

- i. National CSR Portal <https://www.csr.gov.in/>
 - ii. Ministry of Corporate Affairs <https://www.mca.gov.in/>
 - iii. National CSR Exchange Portal <https://csrxchange.gov.in/>
 - iv. FCRA Online services <https://fcraonline.nic.in/>
 - v. NGO Darpan <https://ngodarpan.gov.in/>
 - vi. Income Tax Department <https://www.incometax.gov.in/iec/foportal/>
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APPENDIX - IX



HDFC BANK LTD
CSR Policy #: Version 6

Effective Date:
[1st April 2024]

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CORPORATE SOCIAL RESPONSIBILITY (CSR) Policy

1. Preamble

Corporate Social Responsibility (CSR) covers the process by which an organization approaches, defines and develops its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate strategies, processes, and activities. CSR, at the Bank, constitutes an integral part of the core value 'Sustainability' including Environment, Social and Governance considerations. The CSR policy applied largely to the banks programs and projects contributing to social and environmental good.

2. Purpose

HDFC Bank is committed to identifying and supporting programs aimed at:

- Developing and advancing the community and in particular, those at the bottom of the pyramid who are unequally endowed/enabled, and also
- Reducing negative impact of its operations on the environment.

This policy will serve as a guiding document containing approach and direction given by the board, taking into account the recommendations of the CSR Committee, defining guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

The CSR policy would function as a self-regulating mechanism for the Bank's CSR activities and enable adherence to laws, ethical standards, and international practices in this regard.

3. Policy Statement /Vision

With a vision to have economically and socially empowered communities within a sustainable ecosystem. The bank works to create economic opportunities, enhance the social status and conserve Natural resources, through a plethora of projects.

4. Scope

This policy will apply to all projects/programs undertaken as part of the Bank's Corporate Social Responsibility activities and will be developed, reviewed, and updated by reference to relevant codes of corporate governance and international standards or best practices. This policy is also in line with Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time ("the Act").

5. Governance

Overall governance of CSR and approving of the CSR Policy will be the responsibility of the Board through the CSR Committee

- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy,
- The Board shall ensure proper implementation of the CSR Policy along with monitoring and reviewing CSR Activities undertaken by the Bank and provide inputs as and when required.
- The Board shall satisfy itself that the CSR funds so disbursed are alignment to the CSR Policy of the Bank and have been utilized for the purposes and in the manner approved by it. The CFO or appropriate authority shall certify the same to the effect.
- The Board shall also ensure appropriate disclosures pursuant to the Act and Amendments thereof in the Annual Reports and Bank Website in prescribed formats.
- In case of ongoing project, as defined under the Companies (CSR Policy) Amendment Rules 2021, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The CSR Department of the Bank will be responsible for administering and executing the policy. As the Bank's CSR activities evolve further, the policy may be revised with the approval of the Board as per the recommendations CSR Committee of the Board.

6. CSR Committee

The Bank will institute a CSR Committee of the Board consisting of three or more directors including at least one Independent Director. The committee will also oversee the banks performance within the ESG framework and advise on various matters concerning the same. The Committee will meet at least four times in a year. The following shall be the terms of reference of the Committee.

- To formulate the Bank's CSR and ESG strategy, policy and goals and revision thereof, as may be required and recommend to the Board, an Annual Action Plan pursuant to the Act.
- To identify the areas of CSR activities as prescribed in Schedule VII of the Companies Act, 2013 and amendments thereof to the Act and recommend the amount of expenditure to be incurred on such CSR activities / projects within the Board approved budget plan.
- To monitor the Bank's CSR policy and performance from time to time to ensure the Bank meets the mandatory CSR compliance requirements.
- To review the CSR projects/initiatives from time to time and recommending any alteration in annual action plan, if any, to the Board
- To ensure legal and regulatory compliance from a CSR viewpoint

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- To ensure reporting, communication and appropriate disclosures to stakeholders on the Bank's CSR projects/initiatives
- To ensure that the surplus arising out of the CSR projects or programs, or activities do not form part of the business profit of the Bank.
- To oversee and monitor the Environmental Social Governance (ESG) framework, the Environmental policy, actionable and initiatives strategized and executed by the management level ESG Committee
- To oversee and monitor the Bank's ESG disclosures including the Sustainability Report highlighting the Bank's ESG performance and prioritization of material topics.
- To carry out any other roles and responsibilities as is mandated by the Board from time to time and / or enforced by any statutory authority including any modification or amendment as may be applicable.
- To review and reassess the adequacy of the Charter annually and recommend any proposed changes to Board for approval.

7. CSR Budget

The Board shall ensure that the 2% of average net profits from the immediately 3 preceding years is spent on CSR initiatives undertaken by the Bank. The overall amount to be committed to CSR will be approved by the Board as recommended by the CSR committee through its Annual Action Plan carrying list of CSR projects or programs approved to be taken. The following guiding principles to be adhered to in terms of CSR Budget Outlay and Expenditure -

- The administrative overheads shall not exceed five percent (5%) of the total CSR expenditure of the Bank for the financial year.
- The expenses incurred on Impact Assessment studies shall not exceed (2%) of the total CSR expenditure of the Bank or 50 lacs, whichever is higher.
- Any surplus generated from CSR activities shall not form part of the business profit of the Bank and shall be treated as follows:
 - a. Ploughed back into the same project.
 - b. Transferred to a designated Unspent CSR Account (UCSRA) and spent in pursuance of CSR policy and Annual Action Plan of the Company.
 - c. Transferred to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules.
- Any unspent amount shall be reported by the Board in its report specifying the reasons for not spending the amount and shall be dealt with in accordance to Section 135 of the Act and rules under Amendments thereof.
- In case, the Bank spends an amount in excess of requirement of its CSR obligations in a financial year, such excess amount may be set off against the requirement of CSR spending up to immediate succeeding three financial years subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 as maybe amended from time to time.

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- The Bank may spend its CSR budget for creation or acquisition of a capital asset subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amended to the same.

8. Supervision

The Bank's CSR activities will be driven by a dedicated CSR team under the guidance and support of senior functionaries. The CSR Committee and CSR Department under the direction of the Board would play a significant role in ensuring that the CSR policy is embedded across the Bank's operations and the CSR initiatives are in line with the policy.

With respect to ESG, the Bank has constituted a steering Committee to support the Bank's on-going commitment to Environmental, Social and Governance (ESG) matters relevant to the Bank under the guidance of CSR Committee and as directed by the Board.

9. Disbursement

The disbursal of funds will be either in tranche drawdown form or one-time payment depending on the nature and requirement of the project and the Annual Action Plan as recommended by the CSR Committee and approved by the Board. The terms, conditions and timing of disbursement will be discussed and agreed to with the CSR Department and project teams and will typically form part of the Memorandum of Understanding with the entity implementing the project.

10. Reporting

Mandatory filing of Form CSR-2 on MCA portal within the prescribed due date. Appropriate disclosures and reporting on all CSR activities and assessments done by the Bank will be done as part of the Director's Report in the Bank's Annual Report and Bank's official website in the prescribed formats as per statutory and regulatory reporting requirements of the Act.

11. Guiding Principles for initiating CSR Programs/Projects.

To provide a focused and structured approach to the program, the Bank will focus its support and CSR spends on specific pre-determined causes and areas of intervention as outlined in the Annexure to the policy.

The CSR Committee through the CSR shall formulate an annual action plan in pursuance of this CSR policy, which shall include the following and recommend it to the Board for Approval: -

- i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- ii. the manner of execution of such projects or programmes
- iii. the modalities of utilization of funds and implementation schedules for the projects or programmes.
- iv. monitoring and reporting mechanism for the projects or programmes; and
- v. details of need and impact assessment, if any, for the projects undertaken by the company:

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The Annual Action Plan compliant with the Act and the Amendments thereof, to follow the below mentioned guiding principles.

A) Guiding Principles on formulation of the Annual Action Plan to initiate CSR project:

- a) The Bank will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- b) The programs/ projects will be within the areas recommended / listed in the Schedule VII of the Act and mentioned in the Policy.
- c) The programs/ projects will be beyond business as usual.
- d) The programs/projects will be implemented within the country (with an exception if any as permitted by the CSR rules) and preferably in areas where the Bank has its presence.
- e) Programs/Projects should not be exclusively for the benefit of employees of the company or their family members or those that are conducted /undertaken exclusively in pursuance of the normal course of business.
- f) The programs/ projects should exclude activities that are to be supported on sponsorship basis for deriving marketing benefits for its products or services.
- g) The programs/ projects should exclude activities carried out for fulfilment of any statutory obligations under any law in force in India.
- h) In review of existing 'ongoing' projects as defined under the CSR Amendments and its progress against the approved timelines for those projects.
- i) In review of excessive amount approved by the Board for setting off against the budget of any financial year as eligible under the Act and its amendments.
- j) In review of any unspent amount from preceding FYs as aggregated in 'Unspent Corporate Social Responsibility Account (UCSRA)
- k) Any surplus, generated out of the CSR activities of the Bank, will be ploughed back to the CSR Initiatives of the Bank and Unspent amount (if any) from CSR program/project will be incurred/transferred in accordance to CSR rules of the Act and amendments thereof

During any financial year, the Annual Action Plan of the Company may be modified with approval of the board to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved projects.

B) Guiding Principle on Selection, Implementation and Monitoring of CSR Projects.

The Board shall ensure that the CSR activities are undertaken by the Bank itself (Direct Projects) with the involvement of various Bank employees/units or indirectly through implementing agencies like NGOs, Trusts, Societies, Section 8/ Section 25 companies, DST certified incubation canterers or through collaborative projects with other corporates as eligible under the act and amendments

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thereof. The CSR Department, under the guidance of CSR Committee would assist in implementation and monitoring of the CSR projects/initiatives.

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects / programs/ activities proposed to be undertaken by the Bank. The Bank shall undertake impact assessment of its projects through an independent agency, of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

AREAS OF CSR INTERVENTION (Annex. 1)

Enumerated below are the areas under which the Bank will implement its CSR Projects. This will be reviewed from time to time by the CSR Committee and the Board and specific initiatives under these will be undertaken in line with the CSR Policy to meet the overall objectives of these interventions.

1. Empowering through Sustainable Livelihood Initiatives (SLI) Category:

Companies Act- 2013, Schedule VII (i) Eradicating Hunger, Schedule VII (ii) Livelihood Enhancing Projects, Schedule VII (iii) Empowering Women and Schedule VII (x) Rural Development

HDFC Bank's Sustainable Livelihood Initiatives are designed to empower thousands of people, particularly women in rural parts of India. Through this initiative, the Bank reaches out to the un-banked and the under-banked segments of society and in doing so, it seeks to help as many people as possible at the bottom of the pyramid by providing them with livelihood finance.

Under this project the Bank will continue to support people (primarily woman) who are financially excluded through a holistic approach that will also offer training for enhancing occupation skills, credit counselling, financial literacy, and market linkages.

2. Financial Literacy and Inclusion Category:

Companies Act -2013, Schedule VII (i) Promoting Education, Schedule VII (ii) Livelihood Enhancing Projects

The Bank believes that absence of financial knowledge can lead to poor financial decisions that can have an adverse effect on the financial health of an individual. The Bank will endeavour to provide familiarity with and understanding of financial products, especially of rewards and risks, in order to better equip the financially excluded to make informed choices. These projects will endeavour to promote financial literacy amongst various segments such as students, senior citizens, and others in the communities, directly or through implementing partners.

The Bank will organize financial literacy awareness programs and through multiple media to create financial awareness and promote inclusion in the marginalized communities.

3. Promoting Education Category:

Companies Act -2013, Schedule VII (i) Promoting Education and Schedule VII (vi) measures for the benefit of armed forces veterans, war widows and their dependents.

Education is one of the building blocks of any nation. With the aim of having 'every child in school and learning' the Bank's interventions will aim at mainstreaming children and improving the quality of education they receive. A multitude of interventions such as educational sponsorships to students belonging to economically/socially/physically challenged categories and from the families of war veterans and the personnel in public services of defence and security training programs for

Classification - Public

teachers, supporting the infrastructure or running cost of reading programs, libraries, supportive classes, computers, science laboratories, physical education etc. will be undertaken to create a conducive learning environment and to promote learning.

4. Skill Training and Livelihood Enhancement Category:

Companies Act -2013, Schedule VII (ii) Employment Enhancing Vocational Skills and Livelihood Enhancing projects and Schedule VII (ii) Empowering Women.

A growing economy like India requires a large and skilled workforce. The Bank's skill training initiatives will aim at training and capacity development of youth and women from economically weaker sections of society, and to empower them to gain access to opportunities for sustainable livelihood and growth.

The Bank will support technical training courses, Skill Development Centre's, non-formal vocational programs aimed at creating livelihood opportunities, soft skill training aimed to facilitate integration into mainstream and soft loans for self- financing of training. Under the scope of this initiative, the Bank will also support upgrading skills and capacity building of farmers by introducing innovative methods of cultivation and creating market linkages.

5. Promoting Healthcare and Sanitation Category:

Companies Act -2013, Schedule VII (i) Promoting Preventive Healthcare; Schedule VII (xii) disaster management, including relief, rehabilitation and reconstruction activities and Schedule VII (vi) measures for the benefit of armed forces veterans, war widows and their dependents.

The Bank will address the healthcare, hygiene and sanitation needs of the community through innovative, affordable, and accessible products and services. The Bank will continue to conduct Blood Donation Drives and support the setup of Blood Storage Units in rural locations that do not have blood banks, to ensure supply of blood. In addition, the bank will work on in making affordable healthcare accessible to all sections through preventive, curative, and palliative interventions. Such activities also include contributions made to specific funds set up by the Central Govt and provisions made towards promotion of healthcare and wellness as eligible under Schedule VII updated from time to time. The Bank recognizes the difficult conditions under which our defence/police force operate in and will extend support through special products to provide them with a security cover.

6. Environmental Sustainability Category:

Companies Act -2013, Schedule VII (iv) Ensuring Environmental Sustainability, Conservation of Natural Resources and Maintaining the quality of soil.

Sustainability is one of the core values of the Bank and climate change mitigation and environmental improvements are essential elements of its strategy for sustainability. The Bank will initiate multiple projects implemented directly or through consultant partners to manage its emissions and to introduce environmentally friendly practices. Social Communication will be used as an effective tool in influencing behaviour and creating a sustainable environment for the community.

The Bank will encourage investment in energy efficient technology, developing socially and environmentally friendly products and services, improving access to water by creating/sponsoring irrigation and water storage structures, promoting public transport by creating appropriate infrastructure, benchmarking, and reporting on Sustainability projects.

7. Eradicating Poverty Category:

Companies Act -2013, Schedule VII (i) Eradicating Poverty, Hunger and Malnutrition.

The Bank recognizes the need to reach out to those at the bottom of the pyramid by providing them with need-based assistance. The Bank will also encourage employees to continue to contribute to society by undertaking projects in their respective areas.

Classification - Public

The Bank's Payroll Giving Program will encourage employees to donate a part of his/her salary. This amount may be matched by the Bank and the combined amount donated by the employee to a cause of his/her choice. These causes may include providing rations/nutrition, medical care, supporting education, etc.

8. Rural Development Category:

Companies Act -2013, Schedule VII (x) Rural Development

With the objective of contributing to the improvement of the economic and social well-being of people in rural areas, the Bank will initiate programs that empower the rural population. These will range from making financial services and products available to these areas and bringing them within the banking fold, to creating innovative products to suit the requirements of the rural population. The Bank will support projects providing electrification through solar or alternate methods, improving access to water, healthcare and sanitation, and construction and running cost of schools and health centres, amongst others.

9. Innovation Category:

Companies Act – 2013, Schedule VII (ix) contribution to incubators or research and development projects in the field of science, technology, engineering, and medicine funded by Central or State Govt. or allied sectors aimed at promoting SDGs.

HDFC Bank promotes innovation in the field of sustainable development. The Bank shall partner with eligible institutions defined under Schedule VII to promote innovative ideas, start-ups, research, training, and development work aimed at promoting Sustainable Development Goals (SDGs).

10. Contribution to specified funds Category:

Companies Act – 2013, Schedule VII (viii) contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women The Bank shall promote socio economic development and relief activities by supporting specific funds set up by the Govt. as made eligible under the Act and amendments thereof. The Bank has supported such funds for Covid-19 pandemic relief activities as well.

11. Promotion of Sports Category:

Companies Act – 2013, Schedule VII (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports. The Bank shall support interventions promoting sports among youths, children, and athletes as per need and impact through the support towards coaching and training, equipment, medical / rehab, promoting participation, sports kits, training Infrastructure etc. The Bank has been supporting such athletes and envisages developing junior athletes identified for sports at the scale of Olympics and Paralympics.

Activities not covered in the Policy if taken up will be within the prescribed activities listed in Schedule VII of the Companies Act, 2013 and amendments thereof to the Act with approval/ratification of CSR committee of the Board.

End of Document



भारत का राजपत्र The Gazette of India

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असाधारण
EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)
PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

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नई दिल्ली, मंगलवार, सितम्बर 20, 2022/भाद्र 29, 1944
NEW DELHI, TUESDAY, SEPTEMBER 20, 2022/BHADRA 29, 1944

कारपोरेट कार्य मंत्रालय

अधिसूचना

नई दिल्ली, 20 सितम्बर, 2022

सा.का.नि. 715(अ).—केंद्रीय सरकार, कंपनी अधिनियम, 2013 (2013 का 18) की धारा 135 और धारा 469 की उप-धारा (1) और उप-धारा (2) के द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, कंपनी (कारपोरेट सामाजिक दायित्व नीति) नियम, 2014 का और संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात्:-

1. संक्षिप्त नाम और प्रारंभ - (1) इन नियमों का संक्षिप्त नाम कंपनी (कारपोरेट सामाजिक दायित्व नीति) संशोधन नियम, 2022 है।

(2) ये राजपत्र में इनके प्रकाशन की तारीख को प्रवृत्त होंगे।

2. कंपनी (कारपोरेट सामाजिक दायित्व नीति) नियम, 2014 (जिसे इसमें इसके पश्चात् उक्त नियम कहा गया है) में, नियम 3 में,-

(i) उपनियम (1) में, परन्तुक के पश्चात्, निम्नलिखित परन्तुक अतः स्थापित किया जाएगा, अर्थात्:-

“परंतु यह और कि कोई कंपनी, जिसकी धारा 135 की उपधारा (6) के अनुसार, अपने अव्ययित कारपोरेट सामाजिक दायित्व खाते में, किसी प्रकार की राशि है तो वह सीएसआर समिति का गठन करेगी और उक्त धारा की उपधारा (2) से (6) में निहित उपबंधों का अनुपालन करेगी।”;

(ii) उप-नियम (2) का लोप किया जाएगा।

3. उक्त नियमों में, नियम 4 में, उप-नियम (1) के स्थान पर, निम्नलिखित उप-नियम को रखा जाएगा, अर्थात:-

‘(1) बोर्ड यह सुनिश्चित करेगा की सीएसआर कार्यकलाप स्वयं कंपनी द्वारा अथवा निम्नलिखित द्वारा किए जाएंगे,-

- (क) अधिनियम की धारा 8 के अधीन स्थापित कोई कंपनी, या आयकर अधिनियम, 1961 (1961 का 43) की धारा 80छ के अधीन अनुमोदित तथा धारा 12क के अधीन रजिस्ट्रीकृत या धारा 10 के खंड (23ग) के उप-खंड (iv), (v), (vi) या (vi) के अधीन छूट प्राप्त कोई रजिस्ट्रीकृत सार्वजनिक न्यास या कोई रजिस्ट्रीकृत सोसाइटी जो एकल रूप से या किसी अन्य कंपनी के साथ कंपनी के साथ स्थापित हो; अथवा
- (ख) अधिनियम की धारा 8 के अधीन स्थापित कोई कंपनी या केंद्रीय सरकार या राज्य सरकार द्वारा स्थापित कोई रजिस्ट्रीकृत न्यास या रजिस्ट्रीकृत सोसाइटी; अथवा
- (ग) संसद या राज्य विधानमंडल के किसी अधिनियम के अधीन स्थापित कोई इकाई; अथवा
- (घ) अधिनियम की धारा 8 के अधीन स्थापित कोई कंपनी, या आयकर अधिनियम, 1961 की धारा 80छ के अधीन अनुमोदित तथा धारा 12क के अधीन रजिस्ट्रीकृत या धारा 10 के खंड (23ग) के उप-खंड (iv), (v), (vi) या (vi) के अधीन छूट प्राप्त कोई रजिस्ट्रीकृत सार्वजनिक न्यास या कोई रजिस्ट्रीकृत सोसाइटी तथा जिसका समान कार्यकलाप करने में कम से कम तीन वर्षों का ट्रेक रिकार्ड स्थापित हो।

स्पष्टीकरण.- खंड (ग) के प्रयोजन के लिए, “इकाई” पद से अधिनियम की अनुसूची-VII में शामिल कार्यकलाप करने के लिए संसद या राज्य विधानमंडल के किसी अधिनियम के अधीन गठित एक सांविधिक निकाय होगा, अभिप्रेत है।

4. उक्त नियमों में, नियम 8 में, उपनियम (3) में, खण्ड (ग) में,-

- (i) “पाँच प्रतिशत” शब्दों के स्थान पर “दो प्रतिशत” शब्दों को रखा जाएगा।
- (ii) “जो भी कम हो” शब्दों के स्थान पर “जो भी अधिक हो” शब्दों को रखा जाएगा।

5. उक्त नियमों में, उपाबंध-II के स्थान पर, निम्नलिखित उपाबंध रखा जाएगा, अर्थात:-

“उपाबंध-II

अप्रैल, 2020 के प्रथम दिन को अथवा इसके पश्चात् आरंभ होने वाले वित्तीय वर्ष के लिए बोर्ड की रिपोर्ट में सम्मिलित किए जाने वाले सीएसआर क्रियाकलापों पर वार्षिक रिपोर्ट के लिए प्रपत्र

1. सीएसआर नीति के संबंध में संक्षिप्त रूप-रेखा:

2. सीएसआर समिति की संरचना :

क्र.सं.	निदेशक का नाम	पदनाम/निदेशक पद का स्वरूप	वर्ष के दौरान सीएसआर समिति की संपन्न बैठकों की संख्या	वर्ष के दौरान सीएसआर समिति की उन बैठकों की संख्या जिनमें भाग लिया गया

3. वह वेब-लिंक प्रदान करें जहां सीएसआर समिति की संरचना, सीएसआर नीति और सीएसआर परियोजनाएं बोर्ड द्वारा अनुमोदित सीएसआर परियोजनाएं कंपनी की वेबसाइट पर प्रकट की गई हैं।

4. नियम 8 के उप-नियम (3) के अनुसरण में यदि लागू हो, निष्पादित सीएसआर परियोजनाओं के प्रभाव मूल्यांकन का अधिशायी सारांश वेब लिंक के साथ प्रदान करें।
5. (क) धारा 135 की उपधारा (5) के अनुसार कंपनी का औसत निवल लाभ
(ख) धारा 135 की उपधारा (5) के अनुसार कंपनी के औसत निवल लाभ का दो प्रतिशत
(ग) पिछले वित्तीय वर्षों की सीएसआर परियोजनाओं या कार्यक्रमों या कार्यकलापों से उत्पन्न अधिशेष
(घ) वित्तीय वर्ष के लिए सेट-ऑफ की गई अपेक्षित राशि, यदि कोई हो
(ङ) वित्तीय वर्ष [(ख)+(ग)-(घ)] के लिए कुल सीएसआर दायित्व।
6. (क) सीएसआर परियोजनाओं (चालू परियोजना और चालू परियोजना के अतिरिक्त दोनों) पर व्यय की गई राशि।
(ख) प्रशासनिक उपरिव्यय पर व्यय की गई राशि।
(ग) प्रभाव मूल्यांकन पर व्यय की गई राशि, यदि लागू हो।
(घ) वित्तीय वर्ष [(क) + (ख) + (ग)] के लिए व्यय की गई कुल राशि।

(ङ) वित्तीय वर्ष के लिए व्यय की गई या अव्ययित सीएसआर राशि:

वित्तीय वर्ष के लिए व्ययित कुल राशि। (रुपए में)	अव्ययित राशि (रुपए में)				
	धारा 135 की उप-धारा (6) के अनुसार अव्ययित सीएसआर खाते में अंतरित कुल राशि।		धारा 135 की उपधारा (5) के द्वितीय परंतुक के अनुसार अनुसूची-VII के अधीन विनिर्दिष्ट किसी निधि में अंतरित राशि		
	राशि	अंतरण की तारीख	निधि का नाम	राशि	अंतरण की तारीख

(च) सेट-ऑफ के लिए अतिरिक्त राशि, यदि कोई हो:

क्र.सं.	ब्यौरा	राशि (रुपए में)
(1)	(2)	(3)
(i)	धारा 135 की उप-धारा (5) के अनुसार कंपनी के औसत शुद्ध लाभ का दो प्रतिशत	
(ii)	वित्तीय वर्ष के लिए व्यय की गई कुल राशि	
(iii)	वित्तीय वर्ष के लिए व्यय की गई अतिरिक्त राशि [(ii)-(i)]	
(iv)	पिछले वित्तीय वर्षों की सीएसआर परियोजनाओं या कार्यक्रमों या कार्यकलापों से उत्पन्न अधिशेष, यदि कोई हो	
(v)	उत्तरवर्ती वित्तीय वर्षों में सेट ऑफ के लिए उपलब्ध राशि [(iii)-(iv)]	

7. पूर्ववर्ती तीन वित्तीय वर्षों के लिए अव्ययित कारपोरेट सामाजिक दायित्व राशि का विवरण:

1	2	3	4	5	6	7	8
क्र. सं.	पूर्ववर्ती वित्तीय वर्ष	धारा 135 की उप-धारा (6) के अधीन अव्ययित सीएसआर खाते में अंतरित राशि (रुपए में)	धारा 135 की उप-धारा (6) के अधीन अव्ययित सीएसआर खाते में शेष राशि (रुपए में)	वित्तीय वर्ष में खर्च की गई राशि (रुपए में)	धारा 135 की उप-धारा (5) के दूसरे परंतुक के अनुसार अनुसूची VII के अधीन विनिर्दिष्ट निधि में अंतरित राशि, यदि कोई हो,	उत्तरवर्ती वित्तीय वर्षों में व्यय की जाने वाली शेष राशि (रुपए में)	कमी, यदि कोई हो
					राशि (रुपए में)	अंतरण की तारीख	
1	वित्त वर्ष-1						
2	वित्त वर्ष-2						
3	वित्त वर्ष-3						

8. क्या किसी पूंजीगत परिसंपत्ति को वित्तीय वर्ष में व्यय की गई कारपोरेट सामाजिक दायित्व राशि के माध्यम से सृजित या अधिग्रहित किया गया है:

☐ हाँ ☐ नहीं

यदि हां, तो सृजित / अधिग्रहित पूंजीगत परिसंपत्तियों की संख्या दर्ज करें

वित्तीय वर्ष में व्यय की गई कारपोरेट सामाजिक दायित्व राशि के माध्यम से इस तरह बनाई गई या अधिग्रहित की गई ऐसी परिसंपत्ति (ओं) से संबंधित विवरण प्रस्तुत करें:

क्र.सं.	संपत्ति या परिसंपत्ति (यों) के लघु विवरण [संपत्ति के पूरे पते और स्थान सहित]	संपत्ति या परिसंपत्ति (यों) का पिनकोड	सृजन की तारीख	व्यय की गई सीएसआर राशि	रजिस्ट्रीकृत स्वामी की इकाई/प्राधिकरण/लाभार्थी का विवरण		
(1)	(2)	(3)	(4)	(5)	(6)		
					सीएसआर रजिस्ट्रीकरण संख्या, यदि लागू हो	नाम	रजिस्ट्रीकृत पता

(सभी क्षेत्रों को उसी प्रकार दर्शाया जाना चाहिए जैसाकि राजस्व रिकार्ड में दर्शाया गया है, फ्लैट सं., मकान सं., नगर निगम कार्यालय/नगर निगम/ग्राम पंचायत को निर्दिष्ट किया जाना चाहिये तथा अचल संपत्तियों के क्षेत्र के साथ-साथ उसकी सीमाओं को भी निर्दिष्ट किया जाना चाहिए।)

9. यदि कंपनी धारा 135 की उप-धारा (5) के अनुसार औसत शुद्ध लाभ का दो प्रतिशत व्यय करने में विफल रही है, तो कारण (णों) को निर्दिष्ट करें।

ह./- (मुख्य कार्यकारी अधिकारी या प्रबंधन निदेशक या निदेशक)।	ह./- (अध्यक्ष, सीएसआर समिति)।	ह./- [धारा 380 की उप-धारा (1) के खंड (घ) के अधीन निर्दिष्ट व्यक्ति] (जहां भी लागू हो)।"।

6. उक्त नियमों में, ई-प्ररूप सीएसआर-1 में, क्रम संख्या 1 और उससे संबंधित प्रविष्टियों के स्थान पर, निम्नलिखित क्रम संख्या को रखा जाएगा, अर्थात्:-

"1. * इकाई का
स्वरूप

- आयकर अधिनियम, 1961 की धारा 8 के अधीन स्थापित कंपनी, धारा 10 के खंड (23ग) के उप-खंड (iv), (v), (vi) या (vi) के अधीन छूट प्राप्त और जो धारा 80छ के अधीन अनुमोदित कंपनी।
- आयकर अधिनियम, 1961 की धारा 8 के अधीन स्थापित, धारा 12क के अधीन रजिस्ट्रीकृत और धारा 80छ के अधीन अनुमोदित कंपनी।
- आयकर अधिनियम, 1961 की रजिस्ट्रीकृत सार्वजनिक न्यास, धारा 10 के खंड (23ग) के उप-खंड (iv), (v), (vi) या (vi) के अधीन छूट प्राप्त और धारा 80छ के अधीन अनुमोदित।
- आयकर अधिनियम, 1961 की रजिस्ट्रीकृत सार्वजनिक न्यास, धारा 12क के अधीन रजिस्ट्रीकृत और धारा 80छ के अधीन अनुमोदित।
- आयकर अधिनियम, 1961 की रजिस्ट्रीकृत सोसाइटी, धारा 10 के खंड (23ग) उप-खंड (iv), (v), (vi) या (vi) के अधीन छूट प्राप्त और धारा 80छ के अधीन अनुमोदित।
- आयकर अधिनियम, 1961 की रजिस्ट्रीकृत सोसाइटी, धारा 12क के अधीन रजिस्ट्रीकृत और धारा 80छ के अधीन अनुमोदित।
- धारा 8 के अधीन स्थापित कंपनी या केंद्रीय सरकार या राज्य सरकार द्वारा स्थापित रजिस्ट्रीकृत न्यास या रजिस्ट्रीकृत सोसाइटी।
- संसद या राज्य विधानमंडल के किसी अधिनियम के अधीन स्थापित इकाई।"

[ई-फा. सं. 05/03/2022-सीएसआर]

इन्द्रदीप सिंह धारीवाल, संयुक्त सचिव

टिप्पण: मूल नियम भारत के राजपत्र, असाधारण, भाग II, खण्ड 3, उपखण्ड (i) में तारीख 27 फरवरी, 2014 की अधिसूचना संख्या सा.का.नि. 129(अ) के द्वारा प्रकाशित किए गए थे और तारीख 12 सितम्बर, 2014 की अधिसूचना संख्या सा.का.नि. 644(अ), तारीख 19 जनवरी, 2015 की सा.का.नि. 43(अ), तारीख 23 मई, 2016 की सा.का.नि 540(अ), तारीख 19 सितम्बर, 2015 की सा.का.नि 895 (अ), तारीख 24 अगस्त 2020 की सा.का.नि 526(अ) और तारीख 22 जनवरी, 2021 की सा.का.नि 40(अ) के द्वारा पश्चातवर्ती में संशोधित किए गए।

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 20th September, 2022

G.S.R. 715(E).— In exercise of the powers conferred under section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Corporate Social Responsibility Policy) Rules, 2014, namely:-

1. **Short title and commencement.** - (1) These rules may be called the **Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022.**
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the said rules), in rule 3, -
(i) in sub-rule (1), after the proviso, the **following proviso shall be inserted, namely: -**
“Provided further that a company having any amount in its Unspent Corporate Social Responsibility Account as per sub-section (6) of section 135 shall constitute a CSR Committee and comply with the provisions contained in sub-sections (2) to (6) of the said section.”;
(ii) **sub-rule (2) shall be omitted.**
3. In the said rules, **in rule 4, for sub-rule (1), the following sub-rule shall be substituted, namely: -**
‘(1) The Board shall ensure that the CSR activities are undertaken by the company itself or through, –
(a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
(c) any entity established under an Act of Parliament or a State legislature; or
(d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
Explanation.- For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.’
4. **In the said rules, in rule 8, in sub-rule (3), in clause (c),-**
(i) for the words “five percent”, the words “two per cent.” shall be substituted;
(ii) for the words “whichever is less”, the words “whichever is higher” shall be substituted.
5. **In the said rules, for Annexure-II, the following Annexure shall be substituted, namely:-**

“ANNEXURE -II

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD’S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER THE 1ST DAY OF APRIL, 2020

1. Brief outline on CSR
Policy of the Company:
2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.
5.
 - (a) Average net profit of the company as per sub-section (5) of section 135.
 - (b) Two percent of average net profit of the company as per sub-section (5) of section 135.
 - (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.
 - (d) Amount required to be set-off for the financial year, if any.
 - (e) Total CSR obligation for the financial year [(b)+(c)-(d)].
6.
 - (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).
 - (b) Amount spent in Administrative Overheads.
 - (c) Amount spent on Impact Assessment, if applicable.
 - (d) Total amount spent for the Financial Year [(a)+(b)+(c)].
 - (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY-1							
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☐ No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub- section (1) of section 380] (Wherever applicable).”.

6. In the **said rules, in the e-form CSR-1**, for serial number 1 and the entries relating thereto, the following serial number shall be substituted, namely:-

- “1. *Nature of the entity
- Company established under section 8, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 and approved under section 80G of the Income Tax Act, 1961.
 - Company established under section 8, registered under section 12A and approved under section 80G of the Income Tax Act, 1961.
 - Registered public trust, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 and approved under section 80G of the Income Tax Act, 1961.
 - Registered public trust, registered under section 12A and approved under section 80G of the Income Tax Act, 1961.
 - Registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 and approved under section 80G of the Income Tax Act, 1961.
 - Registered society, registered under section 12A and approved under section 80G of the Income Tax Act, 1961.
 - Company established under section 8 or registered Trust or registered Society established by the Central Government or State Government.
 - Entity established under an Act of Parliament or State Legislature.”.

[E-F. No. 05/03/2022-CSR]

INDERDEEP SINGH DHARIWAL, Jt. Secy.

Note: The **principal rules** were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide notification number G.S.R. 129(E), dated the 27th February, 2014 and subsequently amended by notification numbers G.S.R. 644(E), dated the 12th September, 2014, G.S.R. 43(E), dated the 19th January, 2015, G.S.R. 540(E), dated the 23rd May, 2016, G.S.R. 895(E), dated the 19th September, 2018, G.S.R. 526(E), dated the 24th August, 2020 and G.S.R. 40(E), dated the 22nd January, 2021.

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ABSTRACT

**ADMINISTRATION OF CORPORATE SOCIAL
RESPONSIBILITY IN MIZORAM: IMPLICATIONS OF
COMPANY LAWS IN INDIA (2013-2021)**

**AN ABSTRACT SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
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(2013-2021)**

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**Submitted
In partial fulfillment of the requirement of the Degree of Doctor of Philosophy
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ABSTRACT

Introduction

The term Corporate Social Responsibility (CSR) came into common use in the late 1960s and early 1970s after many multi-national corporations formed the term stakeholder, meaning those on whom an organization's activities have an impact upon. From its inception, CSR has been regarded as a crucial part of the company's policy, even though it is still evolving, it is an important figure and plays itself out in numerous different concept and situation around the world. At different occasions, the terms "social responsibility", "corporate responsibility" or "corporate social responsibility" are used. Among other terms used to express the same idea, we find "social responsiveness", "social accounting", "social audit", "social conscience", "corporate social policy" and "corporate citizenship".

This research is about the collective action taken between various business organization and the state government, particularly the Government of Mizoram towards the promotion of a welfare society and attainment of integrated development goals through Corporate Social Responsibility (CSR). It mainly examines how companies manage their business activities besides their primary role so as to attain overall positive impact on the Mizo society through CSR. It also examines the process they adopted for the success and failure of this activity as CSR becomes a trending concept in the world of business.

The CSR in Mizoram is still very young and despite being one of the least developed states in India, along with Nagaland, Mizoram, is referred to be one of the least favored destinations for corporate philanthropic activities in India. According to data provided by the Minister of Finance and Corporate Affairs, Nirmala Sitharaman on November 18, 2019, in reply to a Starred Question in the Lok Sabha, in the three financial years prior to 2019. There could be numerous factors for being the least

avored destination and this clearly viewed the general business sentiment as well as the economic status of the state.

The relationship between Corporate Social Responsibility (CSR) and company performance has garnered significant attention in recent years, as businesses increasingly recognize the importance of ethical practices in driving success. CSR encompasses a company's efforts to conduct business in a socially responsible manner, addressing environmental, social, and governance (ESG) issues. This relationship is particularly evident in three key areas: brand reputation, investor attraction, and long-term sustainability.

The legal framework of Corporate Social Responsibility (CSR) in India is primarily governed by the Companies Act, 2013, which mandates certain companies to allocate at least 2% of their average net profits over the last three years to CSR activities. The provisions apply to companies meeting specific criteria, including a net worth of ₹500 crores, annual turnover of ₹1000 crores, or net profit of ₹5 crores or more. These companies are required to establish a CSR Committee and formulate a CSR policy that aligns with national priorities, as outlined in Schedule VII of the Companies Act. This schedule includes areas such as education, healthcare, environmental sustainability, and rural development.

The CSR Rules, 2014, further define the types of activities eligible for CSR spending and mandate annual reporting of CSR activities and expenditures. Companies must also disclose their CSR progress in the annual report, ensuring transparency. The Companies (Amendment) Act, 2019 introduced changes like the requirement for unspent CSR funds to be transferred to government-approved funds and penalties for non-compliance.

Additionally, companies must comply with SEBI regulations for listed entities, which include CSR disclosures in the Business Responsibility Reports (BRR). This comprehensive legal framework ensures that companies contribute to societal development, while also maintaining transparency and accountability in their CSR initiatives.

CSR initiatives in Mizoram have focused primarily on addressing the region's unique socio-economic challenges, including poverty alleviation, healthcare, education, and environmental sustainability. Given Mizoram's remote geography and its small-scale economy, CSR activities have often aimed at improving local infrastructure, promoting sustainable livelihoods, and enhancing the quality of life for its communities. Key CSR initiatives in Mizoram have included:

Educational Support: Many companies have contributed to the development of educational infrastructure, providing scholarships, building schools, and supporting vocational training programs, particularly in rural areas.

Healthcare and Nutrition: CSR efforts have been directed toward improving healthcare facilities, organizing medical camps, and addressing malnutrition issues, particularly among marginalized communities. Initiatives often focus on preventive healthcare and sanitation.

Environmental Sustainability: With Mizoram's rich natural resources, CSR programs have also focused on environmental conservation, including afforestation projects, waste management programs, and efforts to preserve local biodiversity.

Livelihood Support: CSR activities have aimed at providing livelihood opportunities through skill development, promoting local handicrafts, and supporting small-scale entrepreneurship, particularly for women and disadvantaged groups.

Infrastructure Development: Companies have contributed to the development of basic infrastructure such as roads, bridges, and sanitation facilities to improve living standards in rural and tribal areas.

Despite these positive efforts, challenges such as limited corporate presence, infrastructure bottlenecks, and the need for better coordination with local government agencies have affected the overall impact of CSR initiatives in the region. However, these activities play a critical role in the development of Mizoram, where government resources alone may not be sufficient to address all the region's needs.

Review of literature

The present study titled 'Administration of Corporate Social Responsibility in Mizoram: Implications of Company Laws in India (2013-2021)' is a new subject of research. The researcher has consulted a number of books, journals, research articles, reports, newspapers, internet sources, etc. in connection with the study. Some of the study materials are reviewed below which provide both direct and indirect references for collection of relevant data and information.

The CSRBOX (2024), *India CSR outlook report 2024*, offers an in-depth analysis of Corporate Social Responsibility (CSR) spending trends among 301 leading Indian companies. It combines primary and secondary research to provide a comprehensive view of CSR compliance, focus areas, and funding priorities in India, examining CSR compliance patterns, sector-wise investment trends, and the presence of women in CSR committees. It also explores reasons behind unspent CSR funds and identifies sectors receiving significant contributions, highlighting the distribution of funds and identifying sectors with the most significant contributions.

Verma, J., Kumar, K., & Singh, R. (Eds.). (2023), in this edited volume '*A Strategic Approach to CSR Focusing on Sustainable Development: Opportunities and Challenges*' delves into contemporary trends and challenges in Corporate Social Responsibility (CSR) which aims at accomplishing Sustainable Development Goals.

It compiles insights from various contributors, providing a comprehensive understanding of CSR's position in sustainable development.

The CSRBOX. (2023), *India CSR outlook report 2023*, offers a inclusive examination of Corporate Social Responsibility (CSR) trends between large corporates in India. This edition, based on primary and secondary research, provides valuable insights into CSR spending patterns, priorities, and challenges over the past decade.

Bhart, S. (2022), '*Corporate Social Responsibility in India: Law, Regulation and Politics*' delves into the development of Corporate Social Responsibility (CSR) in India, analyzing how global corporate influences have shaped the country's CSR legal framework, which is primarily based on soft law attributes. The author employs innovative methodologies to examine the regulatory landscape, exploring the intricate relationship between the state and corporate sectors. The book offers insights into the political dimensions of CSR, discussing how legislative changes have impacted CSR protocols among large firms in India.

Garg, K. (2021), *Corporate Social Responsibility (3rd Ed.)* attempts to serve the book as a guidance for the Corporate, Chartered Accountants, Company Secretaries, Cost and Management Accountants and other experts participated, by all means, in the matters relating to CSR enactment and conformity. It highlights the amendments made to the CSR policy in terms of requirements for transferring unspent CSR fund to the specified fund, CSR impact assessment, allowing set off of excess spending and punitive measures for non-compliance of CSR by certain enterprises and certain other long-standing demands of the industry.

Paleri, P. (2020), *Corporate Social Responsibility: Concept, Cases and Trend* examines the basis and developing architecture of CSR as an evolving concept. It highlights the idea, provenance and advancement of CSR in the corporate realm and all the theories, strategies, monitoring, measurement and reports of it in practice. The case studies included in the book helps in the overall study of CSR, code of conduct

and corporate administration. It gives a detail account of the evolution of CSR in the country.

Winners' Digest (2020) *Success Stories on Corporate Social Responsibility 2019* comprises concise corporate field studies of Winners of the Golden Peacock Award for Corporate Social Responsibility 2019. The book is a compilation of successful CSR initiatives and projects undertaken by the award-winning companies, both national and international, that were appreciated by the independent Jury of the Golden Peacock Awards. It endeavors to provide companies and their CSR stakeholders with insight and comprehensive overview of the CRS impactful practices.

Werther, B. W., Jr., & Chandler, D. (2020), *Strategic Corporate Social Responsibility: Stakeholders in a Global Environment (2nd Ed.)* focus on the intersection of CSR, business protocol and statutory strategy. Part I of the book consists of what is CSR? The evolution and arguments in favour and against CSR, the strategic content of CSR and the implementation of the same into culture and the society. Part II of the book is concerned with CSR concerns and field studies, organizational problems and field studies, economic obstacles and field studies and societal challenges and field studies in which CSR initiatives of certain multinational companies are critically analyzed.

Nwagu, K. (2019), '*Impact of Practices of CSR on the Performance of Business in the Context of Contemporary Nigerian Society*', studies the result of Corporate Social Responsibility (CSR) procedures on business achievement within contemporary Nigerian society. He reveals that CSR in Nigeria is predominantly philanthropic, influenced by cultural and religious beliefs. The findings propose that CSR activities can positively affect company presentation, though the impact may vary based on the nature and implementation of these practices. This work contributes to understanding how CSR practices are perceived and their effectiveness in enhancing business outcomes in Nigeria.

The *North East CSR Outlook Report 2019* provides an outline of Corporate Social Responsibility (CSR) activities in the eight states of North East India, detailing the CSR disburse for the fiscal year 2017-18. A total sum of INR 342.58 crore was used by 85 companies on 287 CSR projects in the region, with Assam receiving the highest share of funds. Major sectors contributing to CSR in the region include oil, banking, and finance, with an objective on education, health system, and rural advancement.

Singh, Y. P. (2019), '*A study on legal regime on corporate social responsibility in India*' laid down an extensive analysis of the legal necessities promoting the notion of CSR in India. It lays special focus on Indian laws all the while drawing comparisons with the global standards across the globe. It lays stress upon the importance of corporate communal responsibility in today's world and how it has help in shaping and forming better relations between large corporations and the society it chooses to promote.

Malhotra, R. S., & Sharma, S. A. (2019) , '*The Role of Corporate Social Responsibility in Promoting Ethical Business Practices in India*' argue that CSR plays a vital role in publicizing ethical business methods in India by supporting corporates to amalgamate communal and ecological apprehensions into their corporate processes. The paper highlights that CSR initiatives go beyond compliance and profit maximization, fostering a tradition of ethics, integrity, and sincerity within organizations.

Rao, P. N., & Jain, A. (2018), '*Evaluating the Effectiveness of CSR in Indian SMEs*' offer valuable insights into the CSR practices of Small and Medium Enterprises (SMEs) in India. The authors argue that while CSR is a fundamental tool for fostering sustainable advancement, the effectiveness of CSR initiatives in Indian SMEs is often limited due to resource constraints, lack of strategic alignment, and insufficient awareness about CSR's potential long-term benefits.

De, R. (2018), *A Practical Guide to Corporate Social Responsibility: Law, Accounting and Taxation Aspects*, states CSR is primarily the ownership of responsibility for the impact of one's business on the surrounding environment. It requires the company to step ahead and take into account its impact on all stakeholders and the environment while making corporate decisions. And when corporations embrace and put emphasis on the social aspect of their corporate responsibility, they strive to go beyond just avoiding being sued or doing harm to others – their goal is to proactively invest in and achieve greater wealth for the society at large.

Lumbe, N (2018), in the book *Corporate Social Responsibility in India* states that CSR is developing progressively important in recent everyday corporate world. It is the company's demonstration of caring about the stakeholder's interests. India is among the speediest accruing economies globally ensuring basic rights and opportunities to progress and prosper. It is also a country who is struggling to address some of the basic social issues and development needs every day.

Singh, H (2018), in the article '*An analytical study of challenges of Corporate Social Responsibility in India*' tries to investigate the status of CSR in the country all the while shining a spotlight into the issues and difficulties faced by the exercise of the concept. He explained the significance of preserving a good relationship among social welfare and corporate social commitment.

Chatterji, M. (2017), *Corporate Social Responsibility* studies the evolution of CSR and explains the concept of it, its origin and development through examples and case studies. It investigates and compares the corporate social responsibility initiatives implemented by various multinational corporations worldwide. It provides an insight to the CSR practices prevalent in India today and explains the problems and challenges faced by companies in their endeavor as well as showcasing several successful projects within the country.

Gupta, S. S. (2017), *Corporate Social Responsibility: A Case Study Approach* presents a description CSR in India, it includes actual scenario case studies and instances of how companies in India are implementing CSR programs. It covers diverse aspects, including CSR strategies, stakeholder engagement, and social development initiatives.

Reddy, N. T., Ramana, D. V., & Silpa, G. (2017) , *Corporate Social Responsibility of Indian IT Companies – A Study on CSR Activities of Select Companies* focuses on the actual theoretical model of CSR activities occurring on selected companies in India. It aims to study the wealth optimization of corporate companies through their CSR activities and to see if the corporate strategies are in tune with the CSR provisions and its impact and pertinence with competitive benefit of the organization towards resilience. 10 companies were selected for the study and were categorized below four major areas – health, education, community development and environment.

Desai, V. B., & Kshirsagar, S. G. (2017), ‘*Corporate Social Responsibility in India: A Path to Sustainable Development*’ discusses CSR's position in driving sustainable advancement in India, analyzing how corporations can unify communal, environmental, and economic goals into their corporate models. They argue that CSR in India has shifted past traditional humanitarianism and is now a key mechanism for achieving sustainable development. They emphasize that CSR can contribute significantly to addressing social, economic, and ecological issues, aligning with the broader goals of sustainable development.

Khanna, A. B., & Gupta, R. K. (2017), ‘*Exploring Corporate Social Responsibility in the Indian Context: The Case of the IT Sector*’ provide a detailed examination of CSR practices within India's rapidly growing Information Technology (IT) sector. The authors argue that the IT sector in India has become a key player in shaping CSR trends, with many leading companies embracing CSR as part of their core business strategies. The article emphasizes the sector's unique

position, where CSR is often integrated with business goals, such as talent retention, brand reputation, and international competitiveness.

Agarwal, P.D. & Sharma, S.S. (2016), '*CSR and Sustainability in India: The Role of Indian Multinational Enterprises*' examines how Indian multinational companies have increasingly adopted CSR practices, driven not only by regulatory requirements but also by a broader realization of their position in sustainable development.

Ravichandran (2016), *Corporate Social Responsibility: Emerging Opportunities and Challenges in India* discusses the various dimensions of CSR to meet the need of the present society. It opens with an introduction to the philosophy of CSR explaining the provisions and procedure for its implementation. It also highlights the accounting aspects and how companies, societies and trusts can be used as vehicles for CSR. It also gives an elaborate discussion on the tax perspective of CSR.

Mitra. P.P. (2016), *The Companies Act 2013: New Challenges in Contemporary Indian Economy* is a collection of twenty three articles from different law universities and faculties spread across the country and is divided into ten chapters with topics ranging from one person company, mergers and amalgamations, independent directors, women directors and CSR. The book focuses on the major changes introduced by the Companies Act 2013.

Mishra, R.K. (2016), in his book '*Corporate Social Responsibility and Development: The Case of India*' explores CSR's contribution to India's social and economic development. It provides empirical research and case studies to evaluate CSR's role in addressing issues like poverty, education, and healthcare in India. It explores how corporate social responsibility initiatives contribute to socio-economic development in India, focusing on their impact on various social challenges like poverty, education, health services, and environmental sustainability. The author provides an in-depth study of the function CSR plays in bridging developmental gaps, especially in rural and underdeveloped regions.

Joshi, R. R., & Singhal, S. K. (2016), '*Social Enterprises and CSR: Insights from the Indian Experience*' delves with affiliation among Corporate Social Responsibility (CSR) and social enterprises in India. It targets on what way social entrepreneurship participates to CSR initiatives by addressing pressing social issues in the country. It likely touches upon the challenges faced by social enterprises in India, such as limited funding, regulatory hurdles, and a lack of awareness about their impact.

Sethi, S. P. (2015), '*Corporate social responsibility in India: Current state and future challenges*' New Delhi: Routledge India offers an extensive look at the present situation of CSR in India, including its hardships and the future trajectory of corporate responsibility in the country. He examines the impact of India's 2013 Companies Act, which requires CSR spending for large corporates, and discusses the role of CSR in tackling national challenges like poverty, health, and education.

Kaushik, K. (2015), in '*CSR in India: Steering Business toward Social Change*' explores the growing importance of Corporate Social Responsibility (CSR) in India and its evolving role in driving social change. The book examines the view of CSR in India, particularly after the implementation of the Companies Act of 2013, which requires mandatory CSR expense for large enterprises. The author highlights the significant shift in corporate behavior from traditional philanthropy to more strategic, impact-driven CSR initiatives.

Kumar, A, Puri, S.K. & Tiwari, B.B. (2015), '*Corporate Social Responsibility in India: A Review of the Literature*' reviews the CSR literature in India, highlighting key themes such as CSR conceptualization, practices, and the function of CSR in the Indian corporate scene. It also provides insights into regulatory frameworks and CSR's influence on organizational performance in India. It discusses several challenges in the enforcement of CSR.

Gupta, S., Sharma, and Gouri (2014) , '*Corporate Social Responsibility in India: A global commitment*' examines the scope and boundary of CSR project

undertaken by the Indian enterprises and studies their contribution towards societal development. It lays emphasis on the CRS initiatives of large Indian corporations like Infosys, India Oil, Aptech Limited, Tata Steel, CISCO System Inc., Mahindra & Mahindra, Dalmia Cement (Bharat Limited), The Times of India, Reliance Industries Limited, ITC's One Paisa Campaign, IBM India and Delhi Metro Rail Corporations. It lays down the importance of CSR as it inspires more social and environmental authority from the corporate field, it also helps in the enhancing brand image and reputation. Corporations can profit regarding safety management, cost savings, access to capital, customer service, staff management and innovative capacity.

Bowen, H. R. (2013), '*Social responsibilities of the businessman* (Reprint)' which was originally released in 1953 and reprinted in 2013, Bowen's classic work remains a foundational text in CSR. He argues that businesses have a moral responsibility to ponder the social outcomes of their deeds and to contribute positively to society. His work set the foundation for future advancements in CSR theory, and the reprint highlights its continued relevance in contemporary discussions of corporate responsibility.

Raghunathan, V.R. (2011), *Corporate Social Responsibility in India* provides an insightful analysis of the evolution, practices, and challenges of Corporate Social Responsibility (CSR) in India. It explores how Indian corporations have integrated social and ecological challenge into their business architectures, particularly in response to evolving global standards and domestic socio-economic needs. It examines the historical context of CSR in India, from conventional altruism to a more structured and strategic method, and considers how CSR activities align with government policies, legal frameworks, and the expectations of various stakeholders.

Frederick, W. C. (2006), '*Corporation, Be Good! The Story of Corporate Social Responsibility*' traces the evolution of CSR from its origins in early business practices to its current status as a crucial element of corporate administration. The author examines the shifting attitudes toward business ethics and the growing

expectation that corporations should address together with their monetary goals, their social as well as environmental influences.

Kotler, P., & Lee, N. (2005), '*Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*' shows a comprehensive guide to unifying Corporate Social Responsibility (CSR) into business approach. It explores how companies can align their CSR attempts with both their business goals and the social causes they support. The authors emphasize that CSR is not only a method for companies to remunerate to community but also an instrument to improve their brand, credibility, and extended success.

The *Brief Notes on Corporate Social Responsibility (CSR)*, specially prepared for MLAs, departments, and district administration, provides an essential overview of CSR's function in promoting sustainable advancement and societal well-being. It highlights the significance of businesses engaging in committed activities that provide constructively to the society, environment, and economy.

In the current case of *Technicolor India (P.) Ltd. v. Registrar Of Companies* the Company came across the net income requirement under Section 135 of the Companies Act, 2013, and possessed a CSR committee however it consumed several quantity according to the CSR Policy of the Company throughout the financial year 2017-18, that stay under the boundary discussed in Section 135 (5) of the Act for that a motive was appropriately granted by the corporate in its Director's Report.

Statement of the Problem

Corporate Social Responsibility (CSR) is an act of incorporating the social and environmental concerns into the business model of the company. According to Section 135 of the Companies Act 2013, every Company has to spend in every financial year at least 2% of the average net profits of the company made during the three immediately preceding financial years toward its CSR activities. The provisions of CSR would not be applicable on a company where none of the three

criteria- the net worth nor turnover nor the net profit is being met by the company are being fulfilled as was held in the matter of Bilfinger Neo Structo Private Limited.

The CSR Policy should include the activities relating to - Eradicating hunger, poverty and malnutrition, promoting health care and sanitation; promotion of education, including special education and employment enhancing vocation skills and livelihood enhancement projects; promotion of gender equality, women empowerment and measures for reducing inequalities faced by socially and economically backward groups; ensuring environmental sustainability etc. The laws regarding CSR are different among various countries, responding to the complexity and diversity of the governmental, corporate and social roles.

Different national corporations have tried to implemented some of their CSR policies within the State of Mizoram but have also faced many difficulties in their endeavor. Almost all the North East states and particularly Mizoram and Nagaland are least favored destinations for corporate philanthropic activities in India in the form of their CSR. Many corporations as well as small scale industries are yet to carry out their CSR initiatives within the state. The present research tends to shed light on the meaning and important of CSR and upon the administration of the same within the State of Mizoram. This research hopes to find out the impact of such projects or activities in the society for improving the life of the citizens and supplementing the efforts of the government for development of administration.

Scope of the study

The scope of this study is centred on analysing the administration of Corporate Social Responsibility (CSR) within the legal framework of Company Laws in India, specifically focusing on Mizoram from 2013 to 2021. This research will examine the impact of the Companies Act, 2013, and its subsequent amendments on CSR practices in the state, with an emphasis on understanding the challenges and opportunities for businesses operating in Mizoram. The study will explore how businesses, both large and small, interpret and implement CSR strategies within the

regional socio-economic and cultural context, considering the state's unique demographic and infrastructural factors. Additionally, the scope will include an analysis of the effectiveness of CSR initiatives in addressing local development needs, such as healthcare, education, and environmental sustainability. This research will also assess the role of local governance in regulating and monitoring CSR activities and the extent to which businesses comply with legal mandates. The findings will offer recommendations for improving CSR administration, ensuring better alignment with both the legal framework and regional development goals. Initially a study on the CSR activities of financial institutions, insurance companies and small-scale industries within the State was included. However, it was found that the two latter institutions have no significant presence in the state in relation to CSR activities. So, it was decided that the study would concentrate on banks alone for collecting preliminary data and information. Popular CSR projects of large corporations and its impact on the society have also been included

Objectives of the study

1. To study the concept and evolution of Corporate Social Responsibility (CSR)
2. To study the relation between CSR and the Company Laws
3. To study the implementation of CSR in Mizoram
4. To study the problems and challenges in the administration of CSR and to suggest remedial measures

Research questions

1. What is the concept of Corporate Social Responsibility (CSR) and its implications?
2. What are the links between CSR and the Company Laws?
3. How is CSR implemented by the Companies in Mizoram?
4. What are the problems and challenges in the administration of CSR in Mizoram and the possible remedial measures?

Methodology

Corporate Social Responsibility (CSR) indicates a company's obligation to responsibly handle the social, environmental, and economic impacts of its operations in accordance with public expectations. It is not merely a philanthropic endeavour but a fundamental component of strategic management, impacting stakeholder relations and long-term viability.

This framework incorporates multiple theoretical viewpoints to effectively study CSR.

- *Stakeholder Theory (Freeman, 1984)*: This theory stresses that firms bear responsibilities to all stakeholders (workers, consumers, communities, investors), rather than solely to shareholders.
- *Legitimacy Theory*: This theory suggests that organizations endeavour to have their acts regarded as legitimate by society, hence impacting corporate social responsibility policies.
- *Resource-Based View (RBV)*: This theory argues that CSR programs may serve as a source of competitive advantage by improving reputation, brand loyalty, and employee happiness.
- *Institutional Theory*: This theory explains how CSR activities are influenced by normative, cultural, and regulatory constraints from societal norms, industry standards, and governmental legislation.

An empirical study with mixed-methods approach amalgamating qualitative and quantitative methods has been employed to achieve a thorough knowledge of CSR practices. Qualitative methods such as studying cases, interviews with CSR managers, and content assessment of CSR reports, are employed to understand motivations and strategies. Moreover, quantitative methods, interviews and questionnaires were adopted to evaluate the impacts of CSR on financial performance, stakeholder satisfaction, and brand equity. The collected data were analyzed using descriptive statistics such as percentage and averages. Principled research practices, consisting of acquiring informed approval from participants,

securing privacy, and reducing bias in data collection and analysis, have been implemented.

A purposive sampling technique for collecting the primary data from Financial Institution which consists of 5 banks, 10 officials per bank and 100 beneficiaries. Insurance companies which consist of 3 insurance companies, 5 officials per company and 50 beneficiaries. Industries which consist of 3 industries, 5 officials per industry and 50 beneficiaries. Therefore, the total sample size 200.

For the secondary sources, other relevant information and data are collected from various scholars and researchers published books, articles published in diverse journals, periodicals, websites, case studies, research papers, newspapers, and CSR policies of different companies. All the data collected are analyzed and tabulated and displayed by means of tables, charts, graphs using suitable appropriate statistical tools.

Chapterization

The study is divided into seven chapters, each dealing with different, but related sub-topics for clarification of the main topic as shown below:

Chapter I: Introduction explores the conceptual framework of the entire study. It discusses the general introduction to the topic, the problem statement, literature review, scope and area of the study, study objectives, research questions, employed methodology, and the significance of the study. The study focuses largely on the state of Mizoram, and provides a brief description of the region.

Chapter II: Corporate Social Responsibility (CSR): Concept and Evolution provides a comprehensive analysis of the concept, development, and progression of Corporate Social Responsibility (CSR). The discussion includes the concept of Corporate Social Responsibility (CSR), emphasizing each of its categories and the

evolution of CSR across several generations to the present day. It also breaks down the advantages and disadvantages of CSR.

Chapter III: Company Laws in India outlines the corporate legislation in India, which establishes the framework for the regulation, incorporation, operation, and dissolution of corporations inside the country. The discussion discussed the defining characteristics of a company, company law, the historical development of company law, the primary objectives of company law, various types of corporations, essential provisions of company laws, and the role of firms in fostering business and economic progress.

Chapter IV: Corporate Social Responsibility (CSR) and the Company Laws examines the connection that exists between Corporate Social Responsibility (CSR) and company laws in today's corporate environment. It examines the legal framework of corporate law that regulates CSR activities, stressing the principal requirements and responsibilities a firm must meet when incorporating CSR into its operations. It also highlights the essential obligations that firms must fulfil to ensure their CSR programs adhere to the law.

Chapter V: Corporate Social Responsibility (CSR) in the State of Mizoram discusses the many efforts and investments undertaken by certain companies in the state of Mizoram as part of their CSR initiatives. It studies how the Mizoram government and several companies use CSR funding to cope with state-wide development concerns.

Chapter VI: Results and Discussion. This chapter analyses the data collected for the study on CSR in Mizoram, specifically focusing on the implications of company laws in India, particularly under the Companies Act of 2013. The analysis of CSR practices in the region provides insights into the impact, challenges, and potential areas for improvement, as well as the researcher's findings and suggestions for the administration of CSR in Mizoram.

Chapter VII: Conclusion. This chapter comprises the conclusion of the study and is divided into two sections – Part I and Part II. Part I consists of a concise synopsis of Chapters I through Chapter VI, while Part II includes responses to the research questions posed in Chapter I, along with remedies for the current study and recommendations for future research in the same domain.

Major Findings

The study on the administration of Corporate Social Responsibility (CSR) in Mizoram, within the context of company laws in India (2013-2021), reveals several key findings related to the effectiveness of CSR practices and the influence of legal frameworks on corporate behaviour in the region.

The major findings of this research are outlined below:

Compliance with CSR Regulations:

The study finds that large corporate entities in Mizoram have largely complied with the CSR mandates set by the Companies Act, 2013. However, there is inconsistency in the level of compliance among small and medium-sized enterprises (SMEs), which often face challenges in meeting the prescribed CSR spending criteria. The main CSR strategies include donations to education and healthcare, rather than innovative or region-specific programs.

Impact of CSR on Local Communities:

CSR initiatives in Mizoram have had a tangible positive impact, particularly in sectors such as healthcare, education, and environmental conservation. However, the effectiveness of these programs varies, with some initiatives being more aligned with local needs than others. There is a notable discrepancy between the CSR activities of large corporations and smaller firms, with the former being more likely to engage in

high-profile, regionally recognized initiatives, while the latter struggle to implement large-scale projects.

Challenges in Implementation:

A significant finding of the study is the lack of infrastructure and local capacity to fully implement and monitor CSR projects, which can lead to inefficiencies in the deployment of CSR funds. The remoteness and accessibility challenges of Mizoram, coupled with limited local government oversight, hinder effective CSR implementation. Local communities often lack awareness of CSR activities, leading to low levels of stakeholder participation and engagement. This gap in communication affects the sustainability and impact of CSR efforts.

Legal and Regulatory Gaps:

Despite the strong regulatory framework provided by the Companies Act, 2013, the study reveals that the legal framework has limitations in addressing the unique challenges posed by regional disparities. The law does not sufficiently consider the specific socio-economic and cultural conditions of states like Mizoram, where there may be a need for customized approaches to CSR.

Corporate Perception and Motivation:

Companies in Mizoram, particularly those in the private sector, largely view CSR as a tool for improving their public image rather than a genuine commitment to social welfare. While some firms undertake CSR to meet legal obligations, others do so with the intention of gaining community trust and boosting brand reputation. There is limited awareness of the long-term benefits of CSR, both for businesses and the local community, as many companies focus on short-term projects with minimal strategic planning or engagement with stakeholders.

Government and Policy Influence:

The state government's role in guiding and supporting CSR activities in Mizoram is relatively underdeveloped. There is a lack of clear policy direction that aligns CSR goals with regional development priorities, such as addressing issues of

unemployment, poverty, and sustainable development. Recommendations from the study suggest the need for more proactive government intervention, such as providing incentives for businesses to invest in long-term, locally relevant CSR projects and ensuring better alignment between legal frameworks and regional needs.

Recommendations for Improvement:

The study recommends enhancing the capacity of local governments to monitor and evaluate CSR activities in Mizoram, improving transparency, and fostering partnerships between businesses, government, and local communities. It also highlights the need for companies to adopt more context-specific CSR strategies that are deeply rooted in the socio-economic realities of Mizoram, rather than simply following national or global trends.

Remedial measures

To overcome the challenges identified above, several remedial measures can be taken to improve the administration and implementation of CSR in Mizoram. These measures will ensure that CSR programs are more effective, sustainable, and culturally relevant.

- **Leveraging Local Partnerships**

Companies should collaborate with local NGOs, government agencies, and community-based organizations to ensure that CSR initiatives are effectively tailored to the specific needs of Mizoram's population. These local partners can help bridge cultural gaps and ensure that CSR programs are culturally sensitive and relevant to the region.

- **Improved Community Engagement and Awareness**

Companies should focus on increasing awareness and understanding of CSR among local communities. This can be done through awareness campaigns, workshops, and consultations with local leaders to ensure that the community is

involved in the decision-making process from the outset. Using local languages and culturally appropriate communication methods will improve engagement.

- **Fostering Public-Private Partnerships**

Public-private partnerships (PPPs) can be a powerful tool in overcoming the financial and infrastructure constraints of Mizoram. By collaborating with the state government and local authorities, companies can pool resources to address large-scale issues such as healthcare, education, and rural infrastructure development.

- **Investing in Capacity Building and Local Talent**

Companies should invest in capacity building by providing training and skill development to local communities. This could include offering vocational training, entrepreneurship programs, or leadership development initiatives. Training local people will ensure that they are equipped to manage and sustain CSR programs in the long term.

- **Enhancing Infrastructure for CSR Projects**

Companies should work with local government bodies to help improve the region's infrastructure, particularly in rural areas. CSR funds can be allocated to support the development of roads, healthcare facilities, and renewable energy projects, making it easier for CSR programs to reach remote populations.

- **Strengthening Monitoring and Evaluation Frameworks**

Companies should establish clear monitoring and evaluation frameworks for their CSR projects. This includes setting up measurable goals, tracking progress, and reporting results. Third-party evaluations by independent agencies or local community representatives can ensure objectivity and transparency.

- **Simplifying Compliance Processes**

To reduce compliance-related challenges, companies in Mizoram should be provided with clear, simplified guidelines and resources on CSR requirements. Collaborating with industry bodies, legal advisors, and government agencies can help

ensure that companies understand their obligations under the Companies Act of 2013.

- **Encouraging Smaller Companies to Participate**

For companies that do not meet the CSR eligibility criteria, alternative incentives can be provided. The government could offer tax breaks or other benefits to encourage small and medium-sized enterprises (SMEs) to engage in CSR. Additionally, local businesses can be incentivized to engage in localized CSR initiatives that directly benefit the community.

Limitations of the current study

While this study provides valuable insights into the administration of Corporate Social Responsibility (CSR) in Mizoram and its implications under Indian company laws, certain limitations must be acknowledged.

1. **Limited Availability of Region-Specific Data:** One of the primary challenges faced during the research was the lack of comprehensive and publicly available data specific to CSR implementation in Mizoram. Most CSR studies and reports focus on broader national trends or corporate activities in industrially developed states, making it difficult to obtain precise regional insights.
2. **Access to Corporate CSR Reports:** Many companies operating in Mizoram do not publish detailed CSR reports, and those that do often provide only limited disclosures. This restricted access to primary data from corporate entities posed a challenge in assessing the extent and effectiveness of CSR initiatives in the region.
3. **Evolving Legal Framework:** The regulatory landscape governing CSR in India has undergone significant changes in recent years, including

amendments to the Companies Act, 2013. The dynamic nature of these legal provisions means that some aspects of this study may require continuous updates to reflect the latest legislative developments.

4. **Challenges in Obtaining Stakeholder Perspectives:** Engaging with relevant stakeholders, including corporate representatives, policymakers, and local beneficiaries, was constrained by factors such as limited availability, reluctance to share detailed information, and logistical challenges. These constraints may have affected the depth of qualitative insights gathered during the study.
5. **Generalizability of Findings:** Since Mizoram has a unique socio-economic and industrial landscape, the findings of this study may not be entirely generalizable to other states in India. The limited presence of large corporate entities in Mizoram, compared to other regions, may also impact the applicability of broader CSR trends.

Despite these limitations, the study offers a significant contribution to the understanding of CSR administration in Mizoram and provides a foundation for further research on the subject. Future studies may benefit from expanded data collection, direct corporate engagement, and continuous monitoring of legal developments to enhance the scope and depth of analysis.

Significance of the Research

This study on the “Administration of Corporate Social Responsibility (CSR) in Mizoram: Implication of Company Laws in India (2013 - 2021)” provides valuable insights into how the Companies Act, 2013, and subsequent legal amendments have influenced CSR practices in a region with distinct socio-economic and cultural characteristics. By focusing on Mizoram, the research highlights the challenges and opportunities faced by businesses in aligning CSR activities with local needs, particularly in a state with limited infrastructure and unique demographic concerns. The study’s findings will contribute to a deeper understanding of how CSR laws

impact corporate practices, shedding light on the effectiveness of legal frameworks in promoting social responsibility. Additionally, the research offers policy recommendations that can guide regional development and foster more meaningful corporate engagement with the community, thereby enhancing the long-term impact of CSR in Mizoram and other similar regions in India. Through its exploration of both legal and practical dimensions, the study will inform future business strategies and contribute to the ongoing dialogue on CSR in India.

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