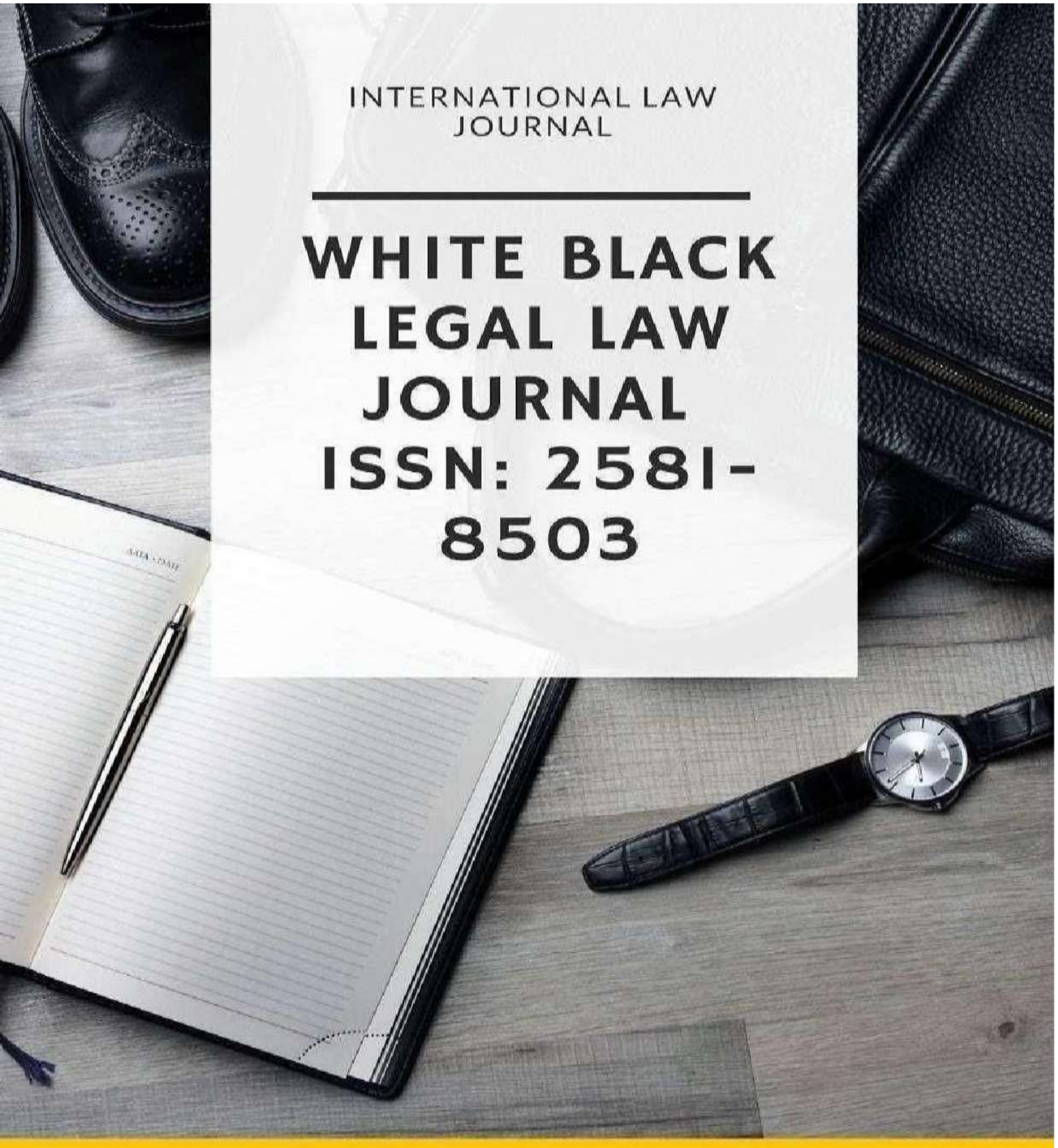

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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

GREENWASHING IN INDIAN CORPORATIONS: LEGAL CHALLENGES AND IMPLICATIONS FOR CSR PRACTICES

AUTHORED BY - SHUDHATA SUDHIR

LLM (Business Law)

Enrolment No. A0319324016 Batch: 2024-25

Research Dissertation submitted to Amity Institute of Advanced Legal Studies Amity University Uttar Pradesh

In Part Fulfilment of Requirement for Degree of Master of Laws (LLM)

Under the guidance and supervision of Dr Mishal Qayoom Naqshbandi Assistant Professor

DECLARATION BY CANDIDATE

I hereby affirm that the work presented in the dissertation titled ***"Greenwashing in Indian Corporations: Legal Challenges and Implications for CSR Practices,"*** which forms part of the requirements for the Master of Laws degree in Business Law at Amity Institute of Advanced Legal Studies (AIALS), Amity University, Noida, is an original research project carried out by me under the guidance of Dr. Mishal Qayoom Naqshbandi. I affirm that this thesis has not been presented by me for the conferment of any other degree at any other University or Institution.

SHUDHATA SUDHIR
Amity Institute of Advanced Legal Studies (AIALS)
AMITY UNIVERSITY, NOIDA

Date Place

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CERTIFICATE

This is to certify that the dissertation entitled *"**Greenwashing in Indian Corporations: Legal Challenges and Implications for CSR Practices**"* has been prepared by Ms. SHUDHATA SUDHIR, A0319324016, a student of Amity Institute of Advance Legal Studies, Amity University, Uttar Pradesh under my supervision and guidance. I recommend it for evaluation.

Place: Noida **Dr. Mishal Qayoom Naqshbandi Date:**
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SHUDHATA SUDHIR

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LIST OF ABBREVIATIONS

- AIR: All India Report
- ALT: Andhra Law Times
- ALD: Andhra Law Digest and Financial Reconstruction
- AAIFR: Appellate Authority for Industrial
- AOA: Association of Articles
- ARCs: Asset Reconstruction Companies
- BIFR: Board for Industrial and Financial Reconstruction
- CDR: Corporate Debt Reconstructing
- CSR: Corporate Social Responsibility
- CPC: Civil Procedure Code
- DRO: Debt Relief Orders
- DRT: Debt Recovery Tribunal
- EC: European Union
- FSDC: Financial Stability and Development Council
- HC: High Court
- NCLAT: National Company Law Appellate Tribunal
- NPL: Non-Performing Loans
- OPC: One Person Company
- SC: Supreme Court
- SCC: Supreme Court Cases

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LIST OF CASES

ABSTRACT

In an era where sustainability has become a core component of corporate identity, the rise of *greenwashing*—misleading portrayals of environmental responsibility by businesses—poses a serious threat to genuine sustainable development. Within the Indian context, this practice not only erodes stakeholder trust but also weakens the true intent behind Corporate Social Responsibility (CSR). As India intensifies its focus on environmental governance, deceptive sustainability claims by companies compromise both policy objectives and public faith in corporate ethics.

The Companies Act, 2013, mandates certain companies to undertake CSR initiatives. However, the dual pressure to remain profitable and comply with legal requirements has led some corporations to manipulate sustainability narratives, exploiting regulatory gaps to mask environmentally harmful activities. This research critically investigates whether existing legal instruments—particularly the Companies Act and the Securities and Exchange Board of India's Business Responsibility and Sustainability Reporting (BRSR) guidelines—are robust and effective enough to curb such deceptive practices.

By analyzing real-life examples and case studies of greenwashing in Indian businesses, this dissertation identifies the systemic shortcomings in current enforcement and oversight mechanisms. It further evaluates how such practices impact consumer perception, investor decision-making, and India's progress toward the Sustainable Development Goals (SDGs).

The study proposes practical legal and policy reforms aimed at improving transparency, strengthening accountability, and enhancing the reliability of sustainability disclosures. It also emphasizes the crucial roles played by consumers, investors, regulators, and civil society in ensuring authentic CSR implementation. Through a multi-stakeholder lens, the research underscores the importance of collaborative action to safeguard environmental integrity while supporting responsible economic growth.

Ultimately, this dissertation seeks to contribute meaningfully to the dialogue on corporate sustainability in India, offering strategic recommendations for bridging the gap between stated intentions and actual impact in corporate environmental responsibility.

KEYWORDS: *Greenwashing, Corporate Social Responsibility, Sustainability, Indian Corporations, Legal challenges.*

CHAPTER 1: INTRODUCTION AND CONCEPTUAL FRAMEWORK

1.1 Introduction to Greenwashing in CSR

Corporate Social Responsibility (CSR) means the sustainable and ethical business practices that corporations adopt to make a constructive contribution to society, the environment, and their stakeholders. CSR initiatives can take various forms, such as environmental sustainability programs, community development efforts, fair labor practices, and transparent corporate governance. At its core, CSR is about businesses taking responsibility for their impact on the world beyond profit generation, aiming to create a balance between economic, social, and environmental factors.[1]

CSR has evolved significantly over time. In the past, it was seen merely as philanthropic efforts, such as donations or charity work. However, today it is increasingly integrated into the business strategy, with companies striving to align their operations with the United Nations' Sustainable Development Goals (SDGs), focusing on issues like climate change, poverty alleviation, gender equality, and human rights. CSR is thus a critical element in fostering sustainable business practices, promoting ethical conduct, and enhancing a company's public image.

However, with the growing emphasis on CSR and sustainability, some companies have resorted to greenwashing as a way to gain the benefits of appearing socially responsible without committing to genuine change. Greenwashing involves making exaggerated or false claims about a company's environmental practices, often using misleading marketing or branding to appear eco-friendly. For example, a company

[1] Anita Roddick, Cheryl Rickman, "The Small Business Start-up Workbook: A step-by-step guide to starting the business you've dreamed of", 227, Hachette UK (2005).

might advertise a product as "green" or "sustainable" without providing verifiable evidence or making actual changes to reduce its environmental footprint.[2]

The connection between CSR and greenwashing lies in the fact that greenwashing undermines the true intent of CSR. While CSR encourages companies to adopt authentic sustainable practices, greenwashing distorts these goals by allowing businesses to exploit CSR initiatives as mere marketing tools. Rather than focusing on real environmental or social improvements, greenwashing companies use CSR rhetoric to attract environmentally conscious consumers, boosting profits without making meaningful contributions to sustainability.[3]

Greenwashing not only compromises a company's integrity but also harms consumer trust and confidence. As consumers become more aware of environmental issues, they seek brands that align with their values. When companies engage in greenwashing, they risk eroding this trust and making it more difficult for genuinely sustainable businesses to stand out. Thus, while CSR can be a powerful force for positive change, greenwashing poses a significant challenge to ensuring that CSR practices have a real, lasting impact on society and the environment.[4]

1.1.1 Definition and Concept of Greenwashing

It refers to the deceptive practice in which businesses overstate or fabricate their environmental initiatives to give the impression that they may be more responsible than they actually are. The term is a combination of "green," symbolizing environmentalism, and "whitewashing," which implies misleading or covering up the truth. Companies use greenwashing to capitalize on the growing consumer

[2] Sundar Pushpa, "Business and community: the story of corporate social responsibility in India" 3 *SAGE Publications* 2 (2013).

[3] Panda, Sanjay Kumar, "Corporate Social Responsibility in India", 5 *CPPL* 6(2018).
[4] U Varottil, "Analysing the CSR spending requirements under Indian company law" 5 *Springer* 12 (2018).

demand for eco-friendly products, often by making vague or misleading claims about their environmental impact without substantiating them.

Greenwashing can take several forms, such as using ambiguous terms like "eco- friendly" without clear definitions, promoting irrelevant or outdated claims, or focusing on one small eco-friendly aspect of a product while ignoring broader harmful practices. For example, a company might label a product "biodegradable" but fail to disclose the harmful manufacturing processes involved.[5]

In the context of Corporate Social Responsibility (CSR), greenwashing undermines the authenticity of CSR initiatives. While CSR should promote genuine sustainability, companies sometimes use it as a marketing tool, pretending to engage in responsible practices without making meaningful changes. This is a growing issue in India, where businesses, under the pressure of competition and consumer demand for sustainable products, may use greenwashing tactics in the absence of strong regulatory enforcement.

Legally, greenwashing can lead to consumer deception, regulatory penalties, and reputational damage. It also reduces trust in environmental claims, making it harder for consumers to differentiate between businesses that are genuinely sustainable and those that are not. Ethically, it perpetuates environmental harm by encouraging companies to maintain harmful practices while masking them with misleading claims. Thus, greenwashing not only misguides consumers but also hinders real progress in environmental sustainability.[6]

1.2 STATEMENT OF PROBLEM

Greenwashing has emerged as a pressing concern within India's corporate sector, especially at a time when environmental and social obligations are receiving increased attention. Despite the legal mandate for Corporate Social Responsibility

[5] KR Srivats 'Ministry Keeps New CSR Amendments on Hold' (*The Hindu Business Line*, 18 August 2019).
[6] Dr. V. Balachandran, S. Saranya, "CSR towards Sustainable Development under the Companies Act, 2013" 4 IJARMSS 15 (2019).

(CSR) under the Companies Act, 2013, the authenticity of corporate claims remains questionable. This issue is multidimensional and rooted in several core challenges:

Widespread Greenwashing Tactics:

Numerous companies exaggerate or falsely advertise their environmental efforts to build a sustainable brand image, while continuing environmentally harmful practices behind the scenes. This deceptive conduct distorts the purpose of CSR, diminishing its credibility and misleading stakeholders. For instance, firms may highlight eco-friendly packaging as a sustainability milestone, even though their overall operations contribute significantly to environmental degradation.

Weaknesses in Legal and Regulatory Oversight:

Current regulatory mechanisms, such as the CSR mandate under the Companies Act, 2013, primarily emphasize financial outlays rather than verifying the authenticity of the initiatives. Additionally, although SEBI's Business Responsibility and Sustainability Reporting (BRSR) offers a framework for sustainability reporting, inconsistent enforcement reduces its effectiveness. The absence of stringent penalties further allows non-compliance to flourish.

Misinformation Among Consumers and Stakeholders:

Greenwashing misleads consumers and stakeholders who often lack the expertise to discern between legitimate and exaggerated environmental claims. This not only erodes consumer trust but also distorts market fairness by giving deceptive companies an undeserved competitive advantage.

Obstruction to Sustainable Development Goals (SDGs):

False environmental claims delay actual progress toward national and global sustainability objectives. When companies divert attention and resources to superficial initiatives, the broader goals—such as climate action and responsible consumption under the SDGs—are compromised. This results in tangible environmental setbacks and reduced momentum toward genuine sustainability.

Enforcement and Accountability Challenges:

The ability of regulatory bodies to monitor and assess CSR practices remains limited. A lack of transparency in corporate reporting, coupled with the absence of independent audit mechanisms, prevents meaningful scrutiny. This creates a loophole that companies exploit to avoid accountability.

This dissertation aims to dissect the underlying factors contributing to greenwashing in India, offering a critical analysis of current policies while suggesting reforms that encourage transparency, accountability, and authentic CSR practices. By adopting a human-centric lens, the study emphasizes how misleading environmental claims affect consumers, investors, and the environment, ultimately making the case for robust and systemic reform.

1.3 RESEARCH OBJECTIVES

This research aims to bridge the disconnect between environmental sustainability and corporate accountability by critically examining the phenomenon of greenwashing in the Indian context. The objectives outlined below serve as the foundational pillars for this inquiry:

Critical Examination of Legal Provisions Governing Greenwashing in India This objective seeks to assess the existing legal and regulatory mechanisms that address corporate environmental responsibility, with a focus on Section 135 of the Companies Act, 2013, and SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework. The research will analyze the effectiveness of these instruments in curbing deceptive environmental claims, highlight their key limitations, and evaluate whether the penalties imposed are adequate to deter non- compliance and dishonesty in CSR disclosures.

Assessment of Greenwashing's Impact on CSR Integrity and Stakeholder Confidence
The second objective involves evaluating how greenwashing undermines authentic CSR activities and affects stakeholder trust. It will investigate the implications of misleading sustainability claims on consumer confidence, investor behavior, and public perception of corporate responsibility. Through case studies and empirical

data analysis, the study will examine the extent to which greenwashing distorts corporate reputations and CSR outcomes in India.

Identification of Enforcement Gaps and Suggestion of Legal and Policy Reforms
Despite the presence of legal provisions, gaps in implementation often allow greenwashing to flourish. This objective aims to pinpoint the enforcement challenges and procedural shortcomings that weaken regulatory oversight. The research will propose practical reforms to enhance the effectiveness of compliance mechanisms—such as stricter disclosure norms, third-party verification protocols, and the introduction of more rigorous punitive measures—to promote greater accountability and transparency.

Exploration of Stakeholder Roles in Combating Greenwashing
Effective mitigation of greenwashing requires multi-stakeholder engagement. This objective focuses on the roles of various actors—businesses, regulators, investors, and the general public—in identifying, challenging, and reducing the prevalence of greenwashing. The research will explore strategies such as ethical investment practices, consumer-driven accountability, and policy advocacy. It will also emphasize the need for awareness campaigns to empower individuals to recognize and respond to misleading environmental claims.

1.4 RESEARCH QUESTIONS

1. In what ways can artificial intelligence (AI) and blockchain be utilized to identify and curb greenwashing among Indian companies?

This question investigates how cutting-edge technologies can be applied to enhance the credibility of sustainability claims, improve corporate transparency, and strengthen monitoring systems to hold companies accountable for misleading environmental messaging.

2. How do India's cultural and societal values influence consumer awareness and reactions toward greenwashing?

This explores how India's diverse cultural fabric and social norms shape consumer understanding and attitudes, and how these elements impact the public's capacity to recognize and respond to deceptive environmental claims by corporations.

3. What impact do social media platforms and consumer-led activism have on addressing greenwashing by Indian businesses?

This question focuses on the power of digital platforms and grassroots movements to challenge corporate greenwashing, encouraging ethical business practices and more sincere CSR initiatives through public pressure and viral accountability.

4. **How can Indian corporations restructure their CSR frameworks to ensure genuine, transparent, and sustainable practices?**

Here, the goal is to explore practical and forward-looking approaches that businesses can adopt to restore trust, reinforce the integrity of their sustainability commitments, and avoid the pitfalls of performative or misleading CSR strategies.

1.5 HYPOTHESIS

H1: Greenwashing undermines stakeholder confidence.

False or exaggerated sustainability claims by corporations lead to a significant loss of trust among key stakeholders such as consumers, investors, and regulatory authorities. This erosion of credibility hampers stakeholder participation and obstructs meaningful progress toward authentic Corporate Social Responsibility (CSR) practices.

H2: Current legal and regulatory frameworks are inadequate to tackle greenwashing.

Although India has implemented statutory provisions like those under the Companies Act, 2013, and SEBI's sustainability-related guidelines, these frameworks fall short in comprehensively addressing the intricate nature of greenwashing. Gaps in enforcement and vague legal definitions create opportunities for misuse and non-compliance.

H3: Active stakeholder participation is essential for addressing greenwashing.

An inclusive strategy that engages all relevant stakeholders—including the public, corporate entities, investors, and policy enforcers—is crucial for effectively combating greenwashing. Encouraging collective vigilance, demanding clarity in environmental claims, and promoting corporate accountability are key to mitigating deceptive practices.

H4: Enhanced legal oversight and greater transparency can significantly reduce greenwashing.

Implementing mandatory, independently verified sustainability disclosures, along with the imposition of stricter penalties for false claims and improved public access to corporate environmental data, can play a vital role in curbing greenwashing and fostering genuine CSR efforts.

1.6 RESEARCH METHODOLOGY

This dissertation employs a **doctrinal research approach**, concentrating on the legal examination of frameworks governing Corporate Social Responsibility (CSR) and greenwashing within the Indian context. The study will critically analyze statutory provisions such as the Companies Act, 2013, and regulatory instruments like SEBI's sustainability and CSR reporting guidelines. To understand the practical application and enforcement of these regulations, case studies of Indian corporations involved in greenwashing allegations will be scrutinized to uncover recurring patterns and systemic loopholes.

In addition to doctrinal analysis, the research will incorporate a **qualitative empirical component**. Surveys and structured interviews will be conducted with stakeholders including legal professionals, corporate executives, environmental experts, and consumers. This will offer real-world perspectives on the implementation challenges and regulatory inefficiencies surrounding greenwashing. The research will also draw upon scholarly articles, official government publications, and corporate sustainability disclosures to evaluate the adequacy of the current legal landscape. Based on the findings, the study aims to recommend well-informed and pragmatic legal reforms to improve corporate transparency and accountability in India.

1.7 STUDENT LEARNING OUTCOMES

1. **Analytical Understanding of Legal Frameworks**

Acquire the ability to critically assess the legal and institutional mechanisms governing CSR and environmental responsibility in India, identifying both their strengths and limitations.

2. **Policy-Oriented Problem Solving**

Build the capacity to detect regulatory shortcomings in corporate practices and develop well-structured, solution-oriented recommendations to strengthen CSR frameworks.

3. **Cross-Disciplinary Insight**

Enhance your ability to synthesize knowledge across legal, environmental, and business domains, allowing for a comprehensive understanding of the interplay between corporate conduct and sustainable development.

4. **Effective Stakeholder Communication**

Learn to engage meaningfully with diverse stakeholder groups—ranging from policy-makers to consumers—and advocate for ethical and sustainable corporate behavior.

5. **Advanced Research and Legal Advocacy**

Refine your research skills, with a focus on qualitative legal research, and utilize these skills to support informed advocacy for legislative and policy reforms.

6. **Innovative Policy Development**

Gain the competence to formulate original and impactful policy recommendations that respond to contemporary challenges such as greenwashing, corporate transparency, and environmental accountability in India.

1.8 Historical Evolution of Corporate Social Responsibility

A business is characterized by the continual creation of things or the buying and selling of goods aimed at amassing riches and making profits by fulfilling the needs of others. The organization advanced through five pivotal phases during its evolution. The primary and most essential phase was linked to the initiative of local enterprises, which evolved from a barter system to a village economy and then to an urban economy. The regional enterprise, which grew due to national collaboration to achieve its aims, is linked to the second phase. The third stage concentrates on the organization of the national business, encompassing the firm's nationwide presence. International trade, entailing operations across various nations, is linked to the fourth stage. The concluding epoch of commerce included the entire globe as a singular, expansive market, subsequently termed global business.

The notion of societal responsibility pertains to organizations that function similarly to individuals. To be considered socially responsible, individuals and organizations must act ethically and remain attuned to social, cultural, economic, and environmental concerns. Both individuals and corporations derive advantages from upholding a sense of societal responsibility, which concurrently fosters excellent outcomes for business and development. Moreover, it exerts a positive influence on society at large. Moreover, it creates a scenario in which all stakeholders can gain, therefore enhancing the company's profitability. The connection between individuals and society can be concisely articulated as follows, as said by George Bernard Shaw: "I believe that my life belongs to the entire community, and it is my privilege to contribute to it in any manner I can for the duration of my existence." I aim to be completely fatigued at the time of my demise, as greater investment will enhance my appreciation of life."[7]

1.8.1 Beginning of Industrialization

India commenced its journey towards industrialization in the mid-19th century. This incident led to the formation of several company dynasties, which continue to be among the most affluent commercial entities today. It produced wealth that

[7] Mishra, S., & Suar, "Does Corporate Social Responsibility Influence Firm Performance of Indian Companies?" 12 JBE 601 (2015).

substantially exceeded that created by traditional economic activity. It swiftly delineated a division between industrialists and merchants, sometimes known as marketers. The former exhibited more conventional commercial practices and social engagements, including philanthropy, while the latter adopted a more liberal and Western-oriented approach. The former predominantly engaged in traditional philanthropic activities, while the latter refrained from doing so. The industrialists of Bombay were the pioneers in the realm of modern charity.

The Western area was the forerunner in industrialization, which transpired at disparate rates across various regions. The cotton textile industry was the inaugural sector to emerge in the area comprising Bombay and Ahmedabad. The Bombay Spinning and Weaving Company, the inaugural mill in the area, was established in 1851 by a Parsi named Cowasjee Nanabhoy Davar (1814-1874). Davar was an exporter of cotton, a financier, and a broker.

Traditional merchants in Ahmedabad did not promptly acknowledge the promise of contemporary industry. In 1861, Ranchodlal Chotalal, a Nagar Brahmin, founded the inaugural cotton textile plant. Ranchodlal Chotalal, a former civil servant hired by Karamchand Premchand's banking institution during the creation of the Ahmedabad Spinning and Weaving Company, was schooled in English. The Ahmedabad Spinning and Weaving Company was founded by Ranchodlal Chotalal. The Sarabhais and Lal Bhai were the most prominent figures who succeeded Ranchodlal. At the beginning of the 20th century, these individuals acquired ownership of the two largest textile conglomerates in Ahmedabad. For centuries, their family enterprises had prevailed in the Ahmedabad commercial sphere. Ranchodlal was the first of these individuals to appear.

Mafatlal Gagalbhai, a member of the Kanbi Patel community, a peasant caste, was one of the pioneers. After leaving school at thirteen, he commenced a career as a fabric vendor in the neighboring regions of Ahmedabad. In his latter years, while working as a mill hand in a newly built English textile factory in Nadiad, he recognized that industrialization would profoundly impact the economic landscape. In 1905, he established the Shorrock spinning and manufacturing firm with the assistance of Collinson Shorrock, an Englishman. He moved to Bombay following the conclusion of the First World War and had established himself as a leading manufacturer in the city by 1930.

The indigenous industry in Calcutta began to flourish only after the conclusion of the First World War. The cause of this was the pronounced economic territorial separation between the British and the Indians. By 1848, Bengali entrepreneurs had been completely eradicated from the modern commercial sphere due to the unethical and discriminating actions of Europeans. The substantial inheritance received by their ancestors was not invested in industry; instead, it was designated for their residences, properties, garden, zamindars, silver, [G]old, and jewellery. Following [t]he First World War, the Marwari's business group of elite of Calcutta, comprising the Singhanias, Kotharis, Bagris, Poddars, Mundhras, Dalmias, Jalan, and Jaipurias, opted to persist in trade and indigenous banking or to partner with British export-import enterprises. They refrained from industrial operations till subsequent to the battle.

In the province of Madras, the British capital exerted significant control over the industry, hindering the participation of Indian enterprises in the provincial market. The standing of commercial carriers was inferior to that of the antiquated Varna scheme, as they were positioned low within the British-Indian social order. This was especially evident in the South, where it was more widespread than in other sections of the nation. The principal issue in nineteenth-century Madras society was not the inclusion of a businessman, whether British or Indian, among "respectable people" at Government House, as noted by Milton Singer in his examination of South Indian industrial leaders. The singer affirms this claim in his investigation. Civil servants, military leaders, clergy, and service-oriented professionals received dinner invitations at Government House; however, representatives from commercial organizations were excluded. Moreover, the Chettiars, recognized as one of the most enterprising mercantile groups in the South, had developed significant financial and commercial operations in Burma, Malaysia, and Ceylon.[8]

[8] Ibid.

1.8.2 Impacts of Industrial Revolution

The Revolution, which began in the 18 century, [l]ater spread to the continents in the next centurie. Its significant effect profoundly affected practically every facet of human existence. It not only enabled the shift from an agrarian society to an industrial civilization, but also instigated alterations in ownership, production techniques, and several socio-economic domains. The formation of structured commercial enterprises, trade, and commerce ensued directly from this. Knowledge transmission was traditionally inherited from father to son and perpetuated through several generations in an agrarian society. It was deemed unnecessary for those beyond the royal family to seek external travel for the purpose of acquiring knowledge and expertise. Members of the royal family constituted the only exception to this standard. In contrast, formal education, necessitated to be undertaken in institutions, became compulsory throughout the industrial revolution. Moreover, essential attributes required to attain market-relevant skills encompass the ability to participate in trade and commerce, alongside active involvement in production. Individuals allowed access to the facility could engage in the market's activity and exploit the opportunities available to them. In contrast, persons lacking these amenities lived in poverty and remained employed in low-wage, low- productivity jobs. The notion of socioeconomic exclusion is centered on this particular type of deprivation.

Scientific and technological breakthroughs have significantly improved commercial output, ultimately leading to the formation of organized industries and commerce, generally termed "corporate." The corporation swiftly extended its activities by utilizing developing technologies to exploit favorable conditions. They skillfully coordinated the distribution of finance during the shift from one site to other to accomplish their goal of promoting goods. These enterprises which were commercial in nature, involved in the manufacture and delivery of goods and services, have developed significant global impact over centuries. This event occurred slowly.

Corporation[s] have substantially advanced societal development by earning revenue and offering employment possibilities. The heightened competitiveness required the exploration of new markets for product distribution due to the firm's expansion. The recurrent disputes in the region were directly linked to opposing commercial interests. Ultimately, economic activity transcended national borders, leading to political engagement and colonization. Exploitation resulted from the execution of inequitable trade practices, which subsequently affected the economy of the nations that facilitated the trade. Moreover, the emergence of global conflicts was somewhat affected by variables related to economic connections.

The post-World War II revival of business and commerce was directly linked to subsequent rehabilitation and development endeavors. This facilitated the corporation's operational expansion and expedited its growth pace over the later half of the twentieth century. The widespread adoption of contemporary technology has directly led to a notable rise in unemployment, as it often substitutes human labor with automation. The excessive focus on profit maximization led to a reduction in the workforce. Notwithstanding the assurances that surplus labor would have opportunities for capacity-building, training, and placement in new occupations, these obligations were infrequently honored. The unemployed workers could not find job possibilities and were forced to endure dire circumstances, including poverty, starvation, and suffering. Consequently, feelings of discontent and social turmoil inevitably arose.

Since the late 1800s and extending into modern times, scientific and technological advancements have grown at an exceptional and uninterrupted pace. The efficiency of moving raw resources and finished products was enhanced by the acceleration of land, maritime, and aerial transportation. This resulted from the increased velocity of various transit modalities. The notion of globalization emerged as a result of several information technology projects, notably the World Wide Web (WWW) and the Internet. This led to a direct reassessment of the notions of space and time. These entities have become fundamentally embedded in the nature of global human existence due to their evolutionary progress. By utilizing this unique technology, the organization successfully expanded its activities both nationally and worldwide. This allowed the firm to gain significant economic power. Business entities enhanced their influence on society and government by gaining control over significant production, distribution, and wealth resources. This also facilitated the accumulation of their fortune. This allowed them to exercise dominion over a broad spectrum of human experiences.[9]

1.9 Greenwashing and its impact on CSR Practices

The benefits derived from advancements in science and technology were inequitably spread throughout society. Access to the benefits was conferred upon a select group of individuals who possessed the necessary experience, skills, and resources. Furthermore, a larger cohort of persons who were deficient in certain talents faced disadvantages. One of the most pressing issues of the twenty-first century is the widening gap between the rich and the poor. This disparity is deepened by poverty-related problems such as suffering, disease, hunger, lack of education, and inadequate nutrition. Today's world appears divided into two starkly different realities. On one side, billions of people struggle to meet their basic needs, while on the other, a small fraction of the population consumes resources in a manner that is both environmentally unsustainable and harmful to the well-being of others. The disparity is apparent when we note that the worldwide poverty rate stands at approximately 1.2 billion, yet the wealthiest one percent of the population possesses an income comparable to 56.7 percent of the populace. Therefore, it is essential to adopt a comprehensive, multidimensional, and integrated approach to maximize the benefits of technical breakthroughs and global integration while concurrently alleviating human suffering. It is essential to implement a thorough, diversified, and cohesive strategy. Economic deprivation is a global issue, however it is particularly pronounced in poorer nations. [10]

1.9.1 Environmental Degradation

The rapid depletion of natural and physical resources is an inevitable result of swift industrialization, exceeding their potential for renewal. It is impossible to avert this conclusion. The atmosphere, air, and water were polluted due to the expansion of industrial operations, commercial enterprises, and trade. This poisoning produced both immediate and enduring adverse impacts on the general population.

[9] U Varottil, "Analysing the CSR spending requirements under Indian company law" 5 *Springer* 12 (2018).
[10] Ibid.

The growing economic inequality between the wealthy and the poor is inherently connected to environmental deterioration. Individuals with constrained financial means are particularly vulnerable to environmental deterioration due to their reliance on the natural environment for economic sustenance. This renders them more vulnerable to environmental degradation issues. The research investigating the effects of climate change on women in agriculture revealed that female cultivators and farm laborers are the demographic most negatively impacted. This is especially significant considering that women are progressively taking charge of the business. Women encounter a combined disadvantage in agriculture: an augmented load due to male migration from the village in reaction to disruptions in agricultural production induced by climate change, and limited access to resources including land, financing, and information. Women face a dual disadvantage due to these two circumstances. The intrinsic inequities within home structures restrict women's ability to obtain adequate nutrition and nourishment due to prevailing societal norms. Women find themselves in a more vulnerable position and are at an increased risk of abuse when fuel, water, and feed are scarce and must be sourced from a significant distance. The findings demonstrate that males and females have divergent viewpoints on adapting to the effects of climate change, attributable to several factors that lead to these differences. As time progresses, the allocation of decision-making tasks becomes increasingly equitable, although males frequently assume a more significant role in the short term during crises. In terms of enduring strategies for adjusting to climate change, males and females exhibit differing preferences. This occurs because women are more inclined to obtain jobs in the local wage labor market, whereas men are more prone to travel for work opportunities.

The sustainability of the current economic development model is a matter of considerable concern due to the enormous exploitation of natural resources and widespread poverty and misery among the population. The company must ensure the perpetuation of the corporate entity, as it is an essential component of society. By undertaking the obligation of producing and supplying goods and services, it can efficiently meet its duty of satisfying social demand for these objects. The corporation will persist in its business activities as long as it can successfully achieve its commercial goal of meeting client demands and aspirations. If a corporation fails to satisfy the expectations and demands of its stakeholders, including investors and customers who symbolize society, it will cease operations and become obsolete. Research into the business process has revealed that a segment of the profit earned by a corporation from its commercial activity can be ascribed to internal causes. The allocation of financial resources, the engagement in entrepreneurial activities, and other comparable elements are included among these features. External variables contributing to an increased profit % encompass knowledge asymmetry, monopolistic practices that inhibit competition, and adverse living conditions. The delivery of inadequate or insufficient information to investors and customers leads to information asymmetry. Besides financial profit, the corporation derives non-monetary advantages from society, such as social capital and reputation, which enhance its commercial activities. The corporation's overall success is affected by these advantages. Optimizing the value of these advantages becomes a significant challenge. All of these attributes of commerce serve as indications of the social demand crucial for the business sector's survival. The organization is fundamentally connected to the duty of safeguarding the community's well-being, and it is essential that this duty be met to operate the business. Milton Friedman's claim that a company's foremost obligation is to produce profits for its shareholders warrants examination within the framework of modern society, particularly regarding developing nations. This is necessitated by the aforementioned circumstances that require action.

For corporations to function effectively within society, it is essential that they give due consideration to the needs and well-being of all stakeholders, not just shareholders. Stakeholders in this context include consumers, workers, suppliers, and the broader community. However, in many cases, corporate strategies and decision-making processes are primarily, and sometimes solely, guided by the financial priorities of shareholders. The interests of the general public are predominantly overlooked or, at best, just barely recognized, whilst the issues and well-being of consumers and employees receive some level of attention during the process. To sustain their operations within the community, firms must reassess their societal obligations considering the widespread socioeconomic effects of impoverishment and the rising discontent among youth. Thus, the concept that

"Profit" is the principal factor in a business's success has been expanded to include "Planet" (representing society) and "People" (representing the environment). As a result, the essential characteristics of a sustainable businesses were distilled into ‘three’ "Ps" instead of one. Consequently, the Triple Bottom Line (TBL) has arisen as the fundamental premise that delineates the societal obligations of corporations. Moreover, there is a growing acknowledgment and support for ethical, transparent, and egalitarian corporate practices globally, influencing both developed and developing countries. Corporate social responsibility has emerged as the paramount components of corporate governance worldwide due to the ethical, environmental, and societal considerations.

Gandhiji's notion of trusteeship effectively exemplifies the ethical responsibilities that corporations owe to society within the Indian context. This strategy is based on the premise that companies must persist in functioning within the realm of public accountability, since they are created by society. Moreover, their significant economic power should be utilized for the advantage of society, consumers, employees, and shareholders alike. This method is particularly suitable for addressing the contemporary challenges businesses face, as it is both pragmatic and relevant.

After gaining independence, India adopted a socialist approach to development, promoting the establishment of state-managed public sector undertakings to enhance efficiency in the industrial and service domains. However, this approach underwent a major transformation in 1991 with the introduction of a new economic policy centered around privatization, globalization, and liberalization. The growth of private businesses in the country was greatly supported by the introduction of fresh legislative measures. In the midst of a rapidly evolving global environment driven by technical breakthroughs, a supplementary movement advocating for economic liberalization has arisen. The aim of this initiative is to promote the growth of the private sector. Leveraging market potential both nationally and globally led to significant growth in the private sector. Indian enterprises have successfully entered global markets owing to the government's favorable policies. The success of firms established on information technology (IT) substantiates this claim. During that period, an unparalleled quantity of new firms was founded globally, including both domestic and international establishments. Simultaneously, notable organizations such as Infosys and Wipro achieved unparalleled success.

Nonetheless, India has experienced a multitude of violent episodes since the onset of the millennium. The order has been compromised, resulting in casualties, property loss, and damage due to these events. The feasibility of the development process has been questioned due to the accidents. In 2014, immediately before the latest legislative elections for the 16th Lok Sabha, the LWEs executed a heinous attack. This transpired in the subsequent years. Seven individuals were attacked while participating in a polling event. The unfortunate consequences of this occurrence resulted in the deaths of four individuals. The recurrence of these episodes, which have raised questions about the alleged progress of economic development, is attributed to various factors, including human misery. A multitude of issues has prompted these investigations. Moreover, with the socioeconomic and political variables that have shaped the situation, such incidents have hindered firms from launching creative ventures aimed at exploiting chances in existing markets. Both firms and society pay substantial expenditures when such initiatives are undertaken.

The proliferation of companies is not a phenomenon confined to India; instead, it impacts society universally. On September 17, 2011, New York City hosted the Occupy Wall Street (OWS) movement. A significant driver of this phenomena is the belief that firms have excessive influence over government, especially within the financial services sector. Greed, corruption, and social and economic disparity are all major factors. The distribution of wealth and income in the industrialized economy is marked by a significant gap between the top one percent of earnings and the rest of the population. This difference is characterized by a significant gap. The demonstrators' slogan, "We are the 99 percent," symbolically signifies the disparity. To attain their objectives, the protestors have established a consensus that emphasizes "direct action rather than petitioning authorities for redress." This tendency reflects the youth's discontent and highlights the pressing necessity of rapid issue resolution.

In India, the management of labor and the procurement of private land for industrial purposes are the two principal categories of difficulties affecting enterprises that have significantly influenced society in recent decades. The aforementioned corporation requires land for the development of facilities related to the manufacturing and sale of products and services. The overall land resource is being limited due to the development of physical infrastructure (including railways, highways, airports, and ports), escalating urbanization, and land utilization for residential purposes. Moreover, there has been a significant reduction in the amount of land available to corporations. The State Government is mandated to supervise the procurement of private land, designated as State Land in conformity with the Constitution. The Land Acquisition Act of 1894 governs this duty. Consequently, the exclusive means by which businesses can get property for their own utilization is through the procurement of private land or the repurposing of forestland for alternative uses. This statute was enacted before the nation's independence. The early years were characterized by an abundance of land resources, and the availability of such necessities was exceptionally rare. This was a distinctive feature of the early years.

The remuneration obtained by private landowners for expropriated land has generally been somewhat insignificant. Consequently, they were dissatisfied with the remuneration they obtained. This perspective has transformed due to the rapid growth of the service economy, the increase in housing complexes, and urbanization processes. The affluent progeny and youths born into the landowner's lineage grasped the importance and worth of a limited resource, such as land. The modern youth, unlike his father and ancestors, is discontented with the inadequate remuneration he received for relinquishing his private land. Moreover, there were occasions when the enterprise's land requirements were exaggerated, leading to the procurement of private land that exceeded the real construction needs. A segment of the property bought for the aforementioned project was repurposed following the initial proposal to facilitate the construction of residential units, a commercial complex, and real estate. This alteration occurred after the first proposal. The acquired land underwent a significant appreciation in value due to the development, exceeding the initial compensation provided to the original proprietor. The company achieved a significant financial benefit through this strategy, while the original landowner felt misled. The owners suffered from heartburn and cultivated a feeling of pessimism as a direct result of the circumstances.

The conversion of forest land to non-forestry development is another instance of a similar phenomenon. To guarantee the land conversion process runs smoothly and as mutually agreed, it is essential to protect and acknowledge the interests of the forest inhabitants. The Forest serves as the principal source of income for the local population, the majority of whom belong to Scheduled Tribes. The conversion of forest land not only leads to the loss of houses and belongings but also eliminates their means of livelihood. There are many cases where the financial compensation granted is inadequate to fulfill the fundamental necessities of the injured individuals and their families.

Recent instances of private land acquisition for corporate projects highlight the need for a considerate and compassionate approach. This is particularly evident in cases like the land acquisition for the POSCO Steel Plant in Odisha, the Nano car project in Singur, West Bengal, the steel plant in Kalinga Nagar, and the way displaced individuals are treated as key stakeholders in development. It is important to consider alternatives to mere financial compensation, such as the rehabilitation of those displaced and their inclusion as partners in the development process. Achieving this goal requires meaningful dialogue with key stakeholders. All three projects are located in Odisha. Offering the original landowners a share of the developed land for other purposes could enable them to benefit from the enterprise and its economic activities. Another subject to which enterprises should allocate adequate attention is employment-related issues, especially those with social ramifications. Occasionally, the adoption of innovative technologies may be required due to unforeseen events, including technology developments and quality enhancements. Consequently, these technologies diminish the manpower necessary to sustain competitive performance. The recurrent loss of a livelihood that such actions cause requires a careful and empathetic approach. The circumstances behind the October 2008 dismissal of approximately 1900 Jet Airways employees were managed insensitively and precipitously. This decision ultimately caused considerable unrest, requiring a reversal.

The adoption of novel technology and the optimization of personnel are often essential to ensure the market's sustainability. Considering that this relates to the workers' livelihoods and subsequently impacts society, corporations are obligated to remain cognizant of the workforce's needs, go beyond the mere pursuit of profit, and equip surplus labor with innovative skills applicable to alternative employment or entrepreneurial endeavors. In specific circumstances, the business foresees the need for supplementary labor, invests in skill enhancement to render the excess labor employable, and later reallocates the labor to various roles within the same project or to another organization. In such circumstances, labor forces generally endure the workforce reduction without encountering substantial hardship. Conversely, surplus labor is abandoned, leading to considerable suffering and distress when a firm disregards this vital issue and neglects to offer the necessary attention and care. Consequently, societal unrest and agitation occurred. In the current sociocultural setting, it is essential for firms to practice prudence in employee management, particularly regarding separation programs. This entails recognizing employees as distinct individuals deserving of dignity and offering them sufficient opportunity for consultation.

Historically, economically disadvantaged individuals were more likely to acknowledge and accept their poverty in regard to the aforementioned events. However, this has transformed due to the widespread acceptance of reading and education, together with the awareness-raising initiatives led by mass media platforms such as television. Historically, the impoverished were largely oblivious to the affluence of the wealthy, owing to the limited number of affluent persons. In contrast, the previous decade has experienced significant alterations in conditions. The expectations of the general public, especially the youth, about these product categories have been profoundly shaped by advertising campaigns designed to enhance demand for consumer and luxury items. The disparity between possibilities and expectations generates dissatisfaction, which subsequently intensifies into anger, and this anger further escalates into acts of violence. Unattainable expectations are the origin of this harmful loop.

The sociopolitical ramifications of these individual-level advancements were experienced at regional, state, and national levels, among others. The serenity and advancement of the planet have been influenced by the proliferation of this phenomenon beyond national boundaries due to the globalization of affairs. I am presently reflecting on this specific facet of human deprivation and its impact on psychological development. Wangari Maathai, a Nobel Peace Prize laureate, underscored the significance of prudent resource management and fair distribution to avert the fundamental causes of conflict and warfare. An analysis of regional or global conflicts indicates that they are waged for control and access to resources. Marginalized individuals, those facing discrimination and denied access to justice, are striving diligently to attain it. Addressing issues related to resource management, governance, and equity—core components of peace—is vital for coexistence in a harmonious world, irrespective of the labels assigned to individuals as terrorists, thieves, or militants.

It is becoming clear that economic development should not prioritize short-term benefits, as the socioeconomic deprivations resulting from fast industrialization become more pronounced. Long-term sustainability and the consideration of future generations' welfare and concerns are crucial for substantive progress. The essential importance of sustainable development for the preservation of life on Earth is effectively summarized by the preceding statement from George Bernard Shaw. The individual asserted, "Life is not a fleeting buttered candle to me. I perceive it as a magnificent torch entrusted to me, and I strive to ensure it burns with the utmost brilliance before bequeathing it to future generations." The necessity of industrialization and economic advancement is manifest in global developments. The sustainability of these improvements can be improved by the adoption of inclusive policies that address both social and economic aspects. This criterion demands the creation of capabilities that may efficiently promote social integration and environmental conservation.

In emerging countries like India, the sociocultural effects of industrialization and economic advancement are especially significant. India faces considerable limitations regarding its natural resources, as it must supply resources to almost one-sixth of its population while possessing merely one-sixteenth of the world's natural resources. The development process is exceptionally challenging since it must meet the ever-growing ambitions of the world's greatest youth demographic.

To combat human deprivation specifically and expedite economic development broadly, it is essential to harness financial, human, and material resources in an innovative and effective manner. The problem of human deprivation necessitates a comprehensive treatment owing to its intricate nature. The government is tasked with safeguarding the welfare of the underprivileged; yet, the corporate sector must also engage proactively in this initiative to aid the disadvantaged and foster the restoration of global harmony. This is essential for the organization's development and to maximize its potential. By incorporating a human element, the firm must remain attuned to the evolving demands of society and advance in parallel with it. It is imperative to emphasize assistance for the economically disadvantaged and really underprivileged, rather than perceiving it merely as a financial matter solvable through monetary recompense. This is essential for the corporation's continuous operations and the progress of business within society. The benefits of diversion and alternative land usage must be deliberated with the landowner or forest inhabitant, if applicable. Furthermore, it is imperative to minimize the project's land requirements. Success may alone be attained by this methodology— securing land, surmounting resistance, and instituting the initiative.

Charitable giving and generosity have been deeply embedded in the cultural and traditional fabric of India since antiquity. Over several years, this has grown progressively polished and concentrated, as certain firms have integrated social concerns into their internal operating practices, including the provision of education and healthcare. India has set a precedent for innovation by enacting a required corporate social responsibility policy, effective April 1, 2014, after a decade of discussion. The compulsory CSR has been in effect for over seven years since its inception. Corporate enterprises surpassing the established level for net worth, turnover, or profit must allocate two percent of their profits to officially recognized social activities, as mandated by the new law. The corporation has been provided full liberty to create and execute projects in strict accordance with the specified overall criteria. The only need is to deliver a detailed report on the corporate social responsibility projects financed by the authorized annual budget, accompanied by a rationale if the funds cannot be utilized. The corporation should diligently implement the mandated corporate social responsibility provision to address the concerns of the average individual, displaced families, and those specifically affected by its operations. The corporation will support inclusive growth and positively influence society while simultaneously achieving an optimal return on investment through this strategy. The forthcoming task is to secure acknowledgment from stakeholders in civilized society regarding the comprehensive nature of corporate social responsibility. Moreover, securing corporate backing to tackle pressing societal issues, including health, education, and the capacity for all citizens to maintain a livelihood, presents a significant challenge, with the overarching aim of fulfilling the objectives outlined in the Constitution. Numerous Indian firms have attained economic success and profitability while also making substantial contributions to social causes. One example is Infosys, a highly successful information technology company. The Infosys Foundation has used new initiatives for corporate social responsibility. This foundation is committed to providing nutritious meals, fostering emerging talents, and improving educational standards in partnership with the Akshaya Patra Foundation. Furthermore, it has sought the previously described aims alongside its growth into a leading information technology conglomerate and its commitment to elevated ethical standards. These tailored projects, done under the mentor's active supervision and support, offer essential insights to other firms about the effectiveness of corporate social responsibility (CSR) as a mechanism for societal accountability.

In India, corporate responsibilities to society have significantly evolved from traditional philanthropy activities. Presently, there are structured programs that require a percentage of corporate revenues to be designated for social purposes, as dictated by the Triple Bottom Line principle. The implementation of obligatory Corporate Social Responsibility (CSR) is presently in progress. Nonetheless, ambiguities and concerns over the society in question persist. Corporate social responsibility is simply a public relations strategy and a superficial endeavor to project social awareness. It is essential to address the matter with neutrality and assess it objectively, taking into account multiple dimensions from a holistic and pragmatic perspective. Without harmony, advancement is impossible. It is imperative that no enterprise extends or evolves to achieve tranquility. The relationship between the future of business and societal harmony is apparent. The corporation relies on society to sustain its business activities. Furthermore, it is imperative to establish and maintain societal tranquility and order to ensure the long-term viability of a firm. Furthermore, for the development process to be sustainable, it must integrate social inclusion. A shift from a "charity-based" to a "empowerment-based" strategy has become necessary due to the changing socio- economic environment. This innovative approach highlights the empowerment and support of the underprivileged in their ability to participate in the market. It recognizes the role and obligation of enterprises concerning society. This development has prompted a fundamental adjustment in perspective. Expanding corporate social responsibility to encompass all stakeholders, rather than solely shareholders and management, yields benefits for everyone involved.

It is essential to understand and evaluate the role of corporate social responsibility in the Indian setting to promote a balanced relationship between businesses and society, ensuring a fair distribution of the benefits arising from economic growth in a globalized world. This task must be executed with consideration of pertinent aspects. These variables are essential for the advancement of both the economic sector and society, as they enable the resolution of social turmoil and the establishment of concord. This should be acknowledged as an essential prerequisite for achieving corporate success, rather than simply a moral concern. The economy of the nation transitioned from a closed system to an open one due to the enactment of economic reforms and liberalization in the 1990s. As a result, the country experienced substantial growth in its gross domestic product (GDP). At the same time, the Indian corporate sector adopted unethical and biased business practices, which led to a decline in public trust. This made it necessary for both public and private organizations to focus on meeting stakeholder expectations. The government has enacted legislation and provided voluntary guidelines for the private sector regarding corporate social responsibility. Thus, India emerged as the inaugural country to mandate corporate social responsibility spending with the enactment of the Companies Act in 2013.

1.10 Literature Review

1. **Act, 2013.The, Ramco (2019),** in his article on **"Consumers' Knowledge On Corporate Social Responsibility of Select FMCG Companies in Chennai District"**[11] The study's results demonstrate that consumers have a sufficient comprehension of the legal, ethical, and financial obligations of fast-moving consumer goods (FMCG) businesses regarding their corporate social responsibility (CSR) policies. However, knowledge is not consistent across categories due to the varied disparities influenced by social, economic, and demographic factors. This may also affect the desire for particular companies that manufacture personal care goods. Consumers are increasingly predisposed to support FMCG companies because of their awareness of corporate social responsibility activities.

2. **Act, 2013 The , Ramco(2019)** in his article on **"Customers Perception of CSR Impact on FMCG Companies–An Analysis"**[12] illustrates that corporate social responsibility (CSR) predominantly focuses on enabling the company to operate sustainably to guarantee equity for all stakeholders, particularly as CSR has attained a notable status in India. Conversely, several entities have difficulties in altering the current social structure of the nation. In contrast, organizations persist in upholding their strategic planning, technological proficiency, human resources, and financial backing to execute socially acceptable initiatives for society. To accelerate social change within a reduced timeframe, collaboration between corporations and non-governmental organizations (NGOs) is essential.

3. **Ashish Bagola (2018)** Corporate social responsibility (CSR) employs a distinct methodology to guarantee the integrity of its practices in India; it must also extend support to diverse communities, in addition to the assistance already provided for sustainable development, to foster the most prosperous Indian economy. Furthermore, he emphasized the necessity of collaboration to ensure India's sustainable development through the

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[11] .C, Vethirajan & C.Ramu, Dr. (2020). CONSUMERS' KNOWLEDGE ON CORPORATE SOCIAL RESPONSIBILITY OF SELECT FMCG COMPANIES IN CHENNAI DISTRICT.

[12] .C, Vethirajan & C.Ramu, Dr. (2019). IMPACT OF CSR ON FMCG COMPANIES - CONSUMERS' PERSPECTIVE. Journal of Interdisciplinary and Multidisciplinary Research. 12. 454-475.

enhancement and execution of a variety of corporate social responsibility programs in India.

4. **Angel A Juan (2014)** in her article on "**Promoting Corporate Social Responsibility in Logistics throughout Horizontal Cooperation"** [13] clarifies the approaches via which firms employing horizontal cooperation (HC) tactics in the logistics and transportation (L&T) industry can foster corporate social responsibility (CSR). L&T faces difficulties in maintaining its viability due to the ever-evolving market and environment in which it functions. This article provides a comprehensive overview of recent developments and trends in the corporate social responsibility (CSR) sector, along with examples of how organizations can positively contribute to society by reducing distribution costs and minimizing their environmental impact.

5. **Kumar, Sachin (2015)** in entitled that **"Linking Green Marketing with Corporate Social Responsibility: A Critical Analysis of Home Appliances"** The research focuses on analyzing the vision and mission statements of the top eight home appliance companies in India in relation to corporate social responsibility (CSR). Furthermore, the paper explores the details shared about green marketing and its execution by these companies.

6. **Anupam Singh and Rd. Priyanka Verma (2014)** It is plausible to claim that India is an extensive country with a substantial population, and the chasm between the affluent and the destitute is insurmountable for our government to address. This is not the only alternative, as it is indeed unfeasible. He asserts that now is the ideal time for firms to engage in societal contributions by instituting a compulsory 2% corporate social responsibility policy and executing a variety of activities. Corporations must

[13] Raúl León & Angel A. Juan, 2014. "Promoting Corporate Social Responsibility in Logistics throughout Horizontal Cooperation," Managing Global Transitions, University of Primorska, Faculty of Management Koper, vol. 12(1 (Spring), pages 79-93.

engage with society in a sustainable and comprehensive manner, rather than only fulfilling legal obligations.

7. **Deepika Dhingra and Rama Mittal(2014)** The majority of banks have not engaged in socially responsible practices, despite numerous financial organizations offering various forms of CSR support to society to attain sustainability. Therefore, they propose the implementation of the triple bottom line framework to elevate engagement in these activities by providing employees with training on the significance of diversity in society and the environment.

8. **Prakash Jagadeesh and Naresh Suvarna (2014)** is discussed that **"Public Relations and Corporate Identities: Corporate Social Responsibility- Genuine Concernor Mere Image Building?"** They have raised several concerns, such as:

a. Whether corporate social responsibility is truly implemented with genuine intent or merely used as a tool for building brand identity.

b. To what degree CSR enables businesses to stand out from their competitors, and how effectively it is being utilized for this purpose.

9. In their 2014 article, "Corporate Social Responsibility in India**," Clinandria P. presents** a theoretical analysis of the developing concept of CSR and the importance of implementing it. The paper examines the CSR practices of various companies in India and offers recommendations for corporations on how to design effective CSR initiatives.

10. **Praveen [K]umar's (2014)** article on **"Corporate Social Responsibility in India"** examines the current condition of the corporate social responsibility in India & the challenges that are common within this setting. India is currently confronting two of its most critical challenges: 1) the general public's ignorance and 2) a deficiency in transparency. The lack of an appropriate governmental policy. The media does not allocate much emphasis to corporate social responsibility. The general populace typically undervalues corporate social responsibility (CSR) programs. They are

reluctant to allocate resources for corporate social responsibility. The corporate social responsibility guidelines in India are insufficient. The educational achievement is insufficient. The stringent control of corporate social responsibility is not mandated by law.

11. **Benjamin James Inyang(2013)** entitled that **"Defining the Role Engagement of Small and Medium-Sized Enterprises (SMEs) in Corporate Social Responsibility (CSR)[14]"** has analyzed the many corporate social responsibility (CSR) efforts undertaken by small and medium-sized firms (SMEs), along with their involvement in CSR implementation and its effects on economic growth. Small and medium- sized firms (SMEs) were observed to concentrate their corporate social responsibility (CSR) efforts on environmental actions, employee initiatives, community development, consumerism, and supplier chain obligations. The paper contended that the government ought to provide the necessary incentives and support services to effectively involve small and medium- sized firms (SMEs) in corporate social responsibility (CSR).

12. **Gao, Jingju (2013)** discussed that the "C**orporate social responsibility andthe balanced scorecard".** This study examines the influence of two variables, Psychological Distance and Level of Peer Participation, on the outcomes attained by managers in their investments in Corporate Social Responsibility (CSR) programs. This thesis seeks to assess the feasibility of the balanced scorecard as a strategic performance management system for the integration of corporate social responsibility (CSR) into a company's overarching strategy and the improvement of CSR investment decisions. Research indicates that managers exhibit a diminished inclination to invest in corporate social responsibility (CSR) initiatives under two conditions: 1) when the outcomes of CSR projects are anticipated to manifest in the distant future, or 2) when there is minimal engagement from peer companies within

[14] Defining the Role Engagement of Small and Medium-Sized Enterprises (SMEs) in Corporate Social Responsibility (CSR), Vol. 6, No. 5; 2013 ISSN 1913-9004 E-ISSN 1913-9012

the same industry. Two hypotheses have been established with this consideration. 1. To investigate the relationship between

13. **Ghosh, Debian; Guru Nathan, L. (2013)** concluded that "An **Empirical Study on Corporate Social Responsibility, Intention to Quit and Job Embeddedness"** At the cognitive level, has analyzed employees' viewpoints on corporate social responsibility efforts. This study aimed to investigate the association between employee attrition rates and the relationship between two categories of perceived corporate social responsibility. The first pertains to corporate social responsibility (CSR) towards society, while the second concerns CSR towards consumers via the mediation of employment embeddedness. The study involved 501 managers from 19 different financial institutions in India. The evaluation of hypotheses indicated that a highly successful strategy for diminishing staff turnover is the implementation of corporate social responsibility (CSR) towards society and customers.

14. **Chopra, Abhay; Mariyah Shruti (2013)** discussed **on "Corporate Social Responsibility and Education in India"** Corporations have emphasized corporate social responsibility programs aimed at the education sector. To tackle the challenges faced by the education sector, such as standardized testing, constrained budgets, instructor retention, and global labor competitiveness, companies have focused on the specific facets of education that align with their corporate goals.

15. **Wesley, A. Et.al. (2013)** concluded that the" **Corporate social responsibility : A governable space "** The author believes that corporate social responsibility should be reassessed considering several considerations, including political, institutional, economic, and social elements. They assert that this viewpoint can enhance the understanding of the impact of global social dynamics on corporate social responsibility (CSR). The aspiration for global accumulation and the dominant neoliberal ideologies are two instances of these global social dynamics.

CHAPTER 2: COMPARITIVE ANALYSIS OF LEGAL FRAMEWORK

One of the Sanskrits' sloka "Sarve Bhavantu Sukhinah, Sarve Santu Niramayah..." exemplifies significance of the universal happiness & well-being in the way of Indian culture and tradition. This is the custom which has been very significant because of its charitable and selfless nature. Numerous successful businesspeople, Nobel laureates, and monarchs have demonstrated considerable generosity by supporting a wide range of philanthropic initiatives. This is seen as essential prerequisites to achieve moksha, or salvation, and has it's constituting the primary component of all Hindu rituals. The term "Daan" refers to the act of offering support to the impoverished and needy through financial, material, and nutritional assistance.

There exists a reference to any equivalent concept within the Islamic faith. The philanthropic entity referred to as wakf, founded by wealthy individuals, is based on donations of land and property made in the name of Allah. The organization's principal objective is to offer support to persons facing poverty, orphanhood, or displacement. An other example of institutionalized generosity is observable in Sikhism. Gurudwaras are responsible for providing "Langar," which encompasses free lodging and meals. This is accomplished via the commitment of individuals to the cause. A defining trait of India's heterogeneous society is the multitude of commonalities among its various religions. These projects not only assist disadvantaged persons but also promote the active involvement of civil society, charity contributions, and social cohesion.

The Arthashastra, authored by Kautilya, illustrates that wealthier persons display authentic sympathy towards those who are descending into greater poverty. Several verses indicate that a primary duty of the monarch (State) is to support families experiencing loss, especially those in vulnerable positions, such as the elderly, the frail, the defenseless, or laborers. This was further aggravated by the affluent elite, comprised of individuals who lived beyond their financial capabilities. In India,

corporate social responsibility (CSR) has developed in reaction to social and economic transformations, while concurrently preserving its historical foundations.
[15]

2.1 Corporate Social Responsibility in India before Independence

At first, the idea of corporate social responsibility was confined to acts of charity and goodwill. The business community's approach was shaped by the dominant religious views, societal expectations, and cultural values of the time. A common practice among affluent merchants is to allocate a portion of their wealth to charitable causes, such as providing financial support to public institutions like temples and assisting those in need.

Commercial operations in India were initiated by the British East India Company during the 18th century, which ultimately resulted in the foundation of modern companies within the country's context. The firm prioritized the interests of the British proprietors over the welfare of the Indian society, even during challenging periods such as drought, famine, and diseases. A comparatively small group of Indian corporations controlled the majority of the corporate sector in the years preceding India's independence. In the commercial sector of India, British companies played a paramount role. A few Indian corporations demonstrated aggressive support for the independence movement, despite the ongoing uncertainty and the limited number of businesses that participated in the movement. This action placed their financial interests at risk. It is anticipated that the corporate sector in modern India will draw inspiration from the documentation of examples of this nature. [16]

Around this time, Mahatma Gandhi promoted the notion of "trusteeship" in relation to the obligations and functions that enterprises had toward society. His vision for

[15]Du, S. and Bhattacharya, CB., (2010) ‘Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication’, International Journal of Management Reviews, Vol. 12, No. 1, p. 56
[16] Du, S. and Bhattacharya, CB., (2010) ‘Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication’, International Journal of Management Reviews, Vol. 12, No. 1, p. 56

a free India was founded on the principles of "simple living and high thinking" and the belief that the earth has ample resources to meet the requirements of all individuals, but not their excessive ambitions. The concept of trusteeship is based on the idea that companies, which are institutions established by society, must operate within the public domain and leverage the significant economic power they possess to benefit all stakeholders, including consumers, employee, and societies as whole, rather than just the shareholders. He argued in the past that the company or corporations' importance was not limited to its proprietors. In particular, he contended that society, employees, and consumers were all of equal importance. Indian enterprises were motivated to advance education, science, and technology by establishing trusts, constructing educational institutions such as hospitals, colleges, and schools, and overseeing their operations.[17]

Moreover, these institutions endeavored to eradicate the practice of untouchability, promote the empowerment of women and other marginalized groups, and advance development in rural areas, all in accordance with Gandhiji's ideology. Mahatma Gandhi held a deep admiration for the significance of commerce and its role in the creation of prosperity for the nation's development. His family had a longstanding heritage of involvement in the business sector. He recognized the substantial contributions of the commercial factions and encouraged them to assume control of Congress in a speech he delivered to the Federation of Indian Chambers of Commerce and Industry (FICCI) in April 1931. In addition, he extended an offer to relinquish control of Congress with a smile. He underscored the importance of conducting business in an ethical manner and exhibiting benevolence toward the general public during his speech. There are methods to enhance the efficiency of your task. In order to assume responsibility for the situation, it is imperative that you regard yourselves as stewards and servants of the indigent. In order to protect the rights of those who exert considerable effort, it is imperative that you promote regulatory oversight of your organization.[18]

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[17] Rajput, N., Batra, G. and Pathak, R. (2012) 'Linking CSR and Financial Performance: An Empirical Validation', Problems and Perspectives in Management, Vol. 10, No. 2, p. 56

[18] Anita Roddick, Cheryl Rickman, "The Small Business Start-up Workbook: A step-by-step guide to starting the business you've dreamed of", 227, Hachette UK (2005).

The principle that enterprises should maintain a connection to the requirements of society was advocated by Swami Vivekananda, a prominent Indian philosopher. He underscored that we can fortify ourselves by fulfilling our current obligations. Through consistent self-improvement, it is feasible to attain a status that renders the assumption of significant responsibilities in society and one's life an honor. He underscored the significance of keeping societal sensitivity in business in order to meet the needs of society. The act of faithfully fulfilling one's responsibilities is the most revered form of devotion to God, and each and every obligation is considered sacred.

The commercial sector was under the jurisdiction of governments from other countries before India achieved independence. In the immediate aftermath of India's independence, a substantial number of foreign merchants departed the country. During that period, the textile, jute, and tea industries were the most significant sectors, with approximately 25 enterprises monopolizing each sector. The business environment was not particularly stimulating both before and after the country acquired its independence. This was primarily due to the fact that industrialists experienced a decrease in production and business following the partition. Despite the fact that it required some time for the general public to become acquainted with this sensation, the attainment of independence elicited a significant quantity of excitement from all, including the corporate sector. The industrial sector experienced a modest development rate during the initial years, and the overall business environment only slightly improved.

Corporations shifted their focus from maintaining ethical standards to providing assistance to individuals living in poverty in close proximity to their facilities in order to uphold their societal obligations. This transformation transpired in a deliberate manner. G.D. Birla, the originator of the Birla Group of Industries, demonstrated a profound concern for the underprivileged through his charitable endeavors. Aditya Birla, his successor, implemented a significant transformation in these charitable endeavors by emphasizing the development of sustainable income streams and the empowerment of individuals to achieve self-sufficiency, as opposed to dependence on charitable contributions. In order to engage in social programs that offer support to impoverished individuals, private sectors have implemented additional initiatives. The communication of JRD Tata is a prominent example of the private sector's involvement in national-related concerns. He expressed his concerns and requested that the Prime Minister of the time, Pandit Jawaharlal Nehru, intervene and regulate the accelerated population growth. .[19]

2.2 Corporate Social Responsibility in India after Independence

The nation attained independence in 1949, and the Preamble to the Constitution, which proclaims "Justice—Social, Economic, and Political, Liberty, and Equality for all citizens," was ratified. The Welfare State constituted the foundation of state policy, as outlined in the Directive Principles of State Policy. The Indian government must formulate policies that safeguard the social framework and welfare of its populace, as mandated by Article 38 of the Constitution of India. This matter is elucidated in Article 39 of the Indian Constitution. To comply with this item, the Indian government must implement measures that inhibit wealth concentration and guarantee that the Indian population has access to sufficient resources. The five-year plans for socio-economic development were formulated and executed, with the principal objective of ensuring equal distribution and fostering growth, guided by established principles. The evolution of the corporation and its societal responsibilities can be categorized into two main classifications following the company's acquisition of autonomy. [20]

The government primarily followed the Directive Principles of State Policy in the formation of a socialist society. The government's principal objective was to ensure that the advantages of progress were fairly allocated throughout all sectors of society, as stipulated in the Constitution. Historically, the government has executed a variety of projects and programs, all of which have received substantial funding. The aim of these projects has been to ensure that the most disadvantaged individuals in society have access to essential resources and may maintain their well-being. The eventual result of this was a reduction in the significance of corporate participation in social activities.

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[19] Panda, Sanjay Kumar, "Corporate Social Responsibility in India", 5 *CPPL* 6(2018).
[20] Sundar Pushpa, "Business and community: the story of corporate social responsibility in India" 3 *SAGE Publications* 2 (2013).

The second aspect focuses on the establishment of Public Sector Enterprises (PSEs), which are government-managed organizations involved in the production and distribution of goods and services at the national and state levels. Public-private partnerships (PSEs) were introduced and extensively supported as catalysts for growth in various industries, modeled after the Soviet approach to planned development. Moreover, the PSEs were founded with a social purpose, albeit their principal aim was to create cash. The Industrial Policy Resolution of 1956 advocates that important industries, classified as public utility services, should remain under public sector management to ensure national welfare and facilitate rapid, strategic development. Strict laws and regulations were established to govern the private sector. The objective of these regulations and guidelines was to safeguard the environment and ensure the protection of personnel. Industrial licensing, taxes, and restrictions stifled private initiatives, while also fostering unethical business practices and unhealthy competition within the corporate sector. The term "Era of command and control" is often used to describe the period when these factors constrained the competitiveness and growth of the Indian business environment.

Public sector employees were eager to engage in commercial activities and were optimistic about potential job creation. Additionally, it was anticipated that Public Sector Enterprises (PSEs) would comply with affirmative action policies, offering preferential employment opportunities to individuals from the Scheduled Castes and Scheduled Tribes. Peripheral Service Organizations (PSEs) established Peripheral Development Programs (PDPs) to provide nearby communities with access to resources for education, healthcare, and skills training. To accomplish this goal, educational institutions and medical facilities were constructed beyond the region. Educational and medical facilities were established by utilizing the existing infrastructure to deliver enhanced services to employees and workers. Moreover, to satisfy the plant's internal need, PSEs advocated for alternative products, leading to the generation of employment prospects in the region.[21]

[21] Ministry of Corporate Affairs Report of the High-Level Committee on Corporate Social Responsibility 2018 (Ministry of Corporate Affairs 2019) ch. 6.

The Parliamentary Committee on Public Undertakings (CoPU) conducted an inquiry into the public accountability and social duties of state-controlled businesses within the public sector from 1991 to 1992. The committee emphasized the advantages provided to the affected individuals (PAPs) and the surrounding area. According to the report, public companies have an ethical obligation to fulfill social responsibilities within a welfare state, as long as they are financially capable of doing so. A significant amount of financial resources has been designated for the development of public enterprises, according to the Committee. Despite this, the macro and micro aims and responsibilities related to social responsibility remain a source of considerable uncertainty. This has led to ambiguity over the social duties that public entities are required to uphold. Businesses ought to engage with local leaders, prominent social workers, and non-governmental groups prior to choosing social responsibility programs that correspond with the needs of their respective regions, as per the committee's recommendations. The profitability of public companies should be exactly proportional to their commitment to social responsibility.[22]

2.3. Corporate Social Responsibility in India under the New Economic Policy

The rapid expansion of international trade and industry, the collapse of the Soviet Union, and the rise of information and communication technology (ICT) are some of the factors that have contributed to the enormous changes that have taken place in the business climate in India as a result of political and economic circumstances. In order to confront the issues that were brought about by globalization, the economic strategy that was put into effect in 1991 was founded on the concepts of privatization and liberalization. The policy was put into effect in order to bring about a resolution to the problems that were recently recognized. In order to achieve the objective of fostering general development and supporting the private sector in particular, the decision was made to prioritize the loosening of rules and regulations. Through the implementation of this legislation, the private sector was supposed to

[22] Mishra, S., & Suar, "Does Corporate Social Responsibility Influence Firm Performance of Indian Companies?" 12 JBE 601 (2015).

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be boosted. Nevertheless, this economic policy does not directly address the social responsibility requirements that the corporation is obligated to fulfill.[23]

2.4 Corporate Social Responsibility Practices in United States

The importance of Corporate Social Responsibility (CSR) is increasing as firms in the United States become more aware of their duty to positively influence society and the environment. In the United States, corporate social responsibility (CSR) policies are shaped by voluntary initiatives and legislative frameworks designed to encourage ethical and responsible corporate action. The Sarbanes-Oxley Act (SOX) of 2002 is a crucial piece of legislation that has shaped corporate social responsibility practices, established in reaction to corporate accounting scandals. The Sarbanes-Oxley Act (SOX) requires transparency and accountability in financial disclosures. This legislation mandates that chief executive officers and chief financial officers confirm the accuracy of financial reports (Section 302) and perform internal control assessments (Section 404) to guarantee that companies uphold adequate oversight and risk management protocols.[24]

The Dodd-Frank Act The Wall Street Reform and Consumer Protection Act, adopted in response to the 2010 financial crisis, is a significant piece of law that impacts corporate social responsibility programs in the United States. Conflict minerals are addressed in Section 1502 of the Dodd-Frank Act. The legislation implemented to bolster financial stability and safeguard investors also encompassed these limits. Companies must reveal the source of particular minerals obtained from conflict-affected areas. This law enhances openness in corporate procurement processes and prudent supply chain management. The Foreign Corrupt operations Act (FCPA), adopted in 1977, forbids bribery of foreign authorities and mandates the implementation of internal controls and accurate record-keeping to foster ethical worldwide business operations.

[23] Upendra Baxi, "Beyond Business: From Merchant Charity to Corporate Citizenship" 25 *JILI* 211 (2018).
[24] KR Srivats 'Ministry Keeps New CSR Amendments on Hold' (*The Hindu Business Line*, 18 August 2019).

American businesses are augmenting their spending in ecologically advantageous initiatives to mitigate their carbon footprint and environmental impact, concerning the matter of environmental sustainability. This category encompasses activities such as implementing recycling programs, minimizing trash, and employing renewable energy sources. Businesses must comply with environment standards, like Clean Air Act and the Clean Water Act. These regulations delineate standards for emissions and discharge restrictions, thereby fostering ecologically responsible and sustainable practices. Businesses must adhere to these regulations. Moreover, corporate philanthropy is vital for the execution of corporate social responsibility (CSR) projects. To tackle social concerns and assist communities, commercial entities in the United States participate in charitable endeavors. A variety of causes, including poverty alleviation, education, and healthcare, receive support through donations from corporations, volunteer initiatives, and foundation awards. [25]

In the United States, ethical business conduct is paramount, emphasizing integrity, honesty, and fairness in transactions. Organizations often establish codes of conduct, protocols for whistleblowers, and ethics training initiatives to cultivate a culture of integrity and deter unethical practices. Adhering to ethical standards not only preserves the company's reputation but also enhances the trust that stakeholders and the general public have in the firm. The corporate social responsibility (CSR) policies of the United States are shaped by a combination of voluntary efforts and governmental requirements designed to promote social responsibility, environmental sustainability, and ethical business practices. In the United States, enterprises exhibit their dedication to societal and environmental enhancement by complying with legislation such as the Sarbanes-Oxley Act (SOX), the Dodd-Frank Act, and environmental regulations. Moreover, they exhibit their commitment through participation in corporate philanthropy and projects promoting ethical conduct.[26]

[25] Mishra, S., & Suar, "Does Corporate Social Responsibility Influence Firm Performance of Indian Companies?" 12 JBE 601 (2015).
[26] Ibid.

2.5 Corporate Social Responsibility Practices in Germany

German corporate social responsibility initiatives are influenced by a combination of legal requirements and voluntary actions focused on encouraging sustainable business practices and social responsibility. These norms and actions are collectively termed "corporate social responsibility." A multitude of activities has been executed to advance sustainability and corporate social responsibility. The legal framework governing corporate social responsibility in Germany is profoundly shaped by the German Stock Corporation Act (AktG). This regulation mandates that corporations must take into account the interests and welfare of stakeholders alongside shareholders in their decision-making processes. The stakeholders include representatives from the community, staff, and clients. In Germany, corporate governance is mostly dictated by this approach, which emphasizes the interests of stakeholders. It indicates a commitment to societal improvement.

Germany has implemented various laws and policies to promote environmentally sustainable practices and ethical business conduct within the corporate sector. The Renewable Energy Act (EEG) offers financial incentives to support the growth and integration of renewable energy sources, facilitating the country's shift toward a low-carbon economy. The Packaging Act (VerpackG) regulates the packaging sector, mandating companies to follow strict waste management and recycling protocols to ensure responsible environmental practices and efficient resource use.

Additionally, Germany has developed a robust set of labor laws designed to protect workers' rights and ensure companies adhere to fair labor standards. The Works Constitution Act (BetrVG) allows employees to have a role in the decision-making processes of their companies, promoting a cooperative and harmonious work environment. The Minimum Salary Act (MiLoG) aims to avert exploitation, guarantee decent working conditions, and institute a legally mandated minimum salary for all employees.[27]

[27] Upendra Baxi, "Beyond Business: From Merchant Charity to Corporate Citizenship" 25 *JILI* 211 (2018).

The German company Governance Code (DCGK) outlines the concepts of transparent and accountable company management in Germany. These concepts may be applied within the domain of corporate governance. The Code of Conduct advocates for firms to adopt optimal practices in CEO compensation, risk management, and board diversity. The present is established on ideals of sustainability, integrity, and accountability.[28]

The comprehensive legal framework in Germany significantly influences corporate social responsibility (CSR) practices. These principles emphasize stakeholder engagement, environmentally sustainable operations, and fair labor practices. German organizations have demonstrated a substantial commitment to voluntary efforts aligned with corporate governance and environmental objectives. This issue transcends the mere development of legal standards that underpin obligations pertaining to corporate social responsibility. German enterprises endeavor to attain two goals: maintaining economic competitiveness and offering positive contributions to society and the environment. This is achieved by active participation in the business community and compliance with legal requirements.[29]

2.6 Corporate Social Responsibility Practices in Japan

company social responsibility (CSR) policies in Japan are shaped by governmental mandates, cultural standards, and company philosophies that emphasize social accountability and sustainable economic operations. These components collectively impact corporate social responsibility initiatives. Although Japan lacks a particular legislative framework for corporate social responsibility (CSR), it possesses various policies and guidelines that substantially influence company governance and conduct.

The corporate legislation in Japan is a crucial legal framework that impacts corporate social responsibility. This Act specifies the responsibilities associated

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[28] R.K. Nayak, "Corporate Social Responsibility Through An Economic Lens" in D.C. Jayasuriya, R.K. Nayak*et.al.* (eds.), *Global Drugs Law* 70 (2017).

[29] KR Srivats 'Ministry Keeps New CSR Amendments on Hold' (*The Hindu Business Line*, 18 August 2019).

with corporate governance and shareholder rights. In 2014, the Companies Act was revised to mandate that companies adhere to several stipulations, including the appointment of independent directors to their boards and the disclosure of their corporate governance policies. The execution of these strategies would allow firms to enhance their accountability, transparency, and interaction with diverse stakeholders.

Japan has implemented numerous environmental laws and regulations to encourage sustainable practices and mitigate the harmful environmental impacts of human activities. Enterprises are required to provide information about their environmental operations and to set specific goals for reducing greenhouse gas emissions in compliance with the Basic Act on Global Warming Countermeasures, enacted in 1998. Organizations must comply with responsible waste management practices and endorse recycling activities to fulfill the 2013 Act on the Promotion of Recycling of Small Waste Electrical and Electronic Equipment.[30]

Japan has laws that governs labor practices and safeguards the rights of workers. The Labour Standards Act encompasses restrictions on remuneration, working hours, and safety regulations. The stated minimal requirements for working conditions include the following stipulations. The 2015 Promotion of Women's Advancement and Participation in the Workplace Act was introduced to encourage gender equality and diversity within the workplace. It achieves this by mandating that major organizations establish targets for the inclusion of women in leadership positions.

The Japanese business sector is dedicated to a series of voluntary initiatives and standards aimed at advancing sustainability and corporate social responsibility. This text, known as the company Governance Code, presents an explication of the essential principles and optimal practices that define effective company governance. It was first released in 2015. The code prioritizes the principles of transparency, equity, and accountability for acts taken. Moreover, numerous

[30] U Varottil, “Analysing the CSR spending requirements under Indian company law” 5 *Springer* 12 (2018).

Japanese enterprises participate in industry-specific initiatives and partner with other firms within their sector to tackle social and environmental issues. Addressing the reduction of carbon emissions, the conservation of natural resources, and the support of local communities through charitable donations and volunteer efforts are imperative tasks to confront. [31]

In Japan, corporate social responsibility (CSR) practices are shaped by various variables, including governmental mandates, cultural conventions, and voluntary initiatives. These activities promote social responsibility, environmental sustainability, and ethical corporate practices. The conduct of corporations and the establishment of a culture that emphasizes and ensures the execution of ethical business practices are profoundly shaped by key legislative measures. The conduct of firms is profoundly shaped by particular provisions within Japan's legal system, which underpins corporate social responsibility (CSR) initiatives. Japan's cooperative strategy, encompassing enterprises, government bodies, and civil society, underpins its efforts to create a more sustainable and inclusive future globally. Japan has achieved considerable progress in corporate social responsibility (CSR) due to this practice.[32]

2.7 Corporate Social Responsibility Practices in Australia

In Australia, corporate social responsibility (CSR) practices are influenced by a combination of laws, industry guidelines, and voluntary initiatives focused on encouraging ethical business behavior, environmental sustainability, and social responsibility. These practices are collectively referred to as Corporate Social Responsibility (CSR). Several important laws and regulations in Australia regulate corporate social responsibility (CSR) activities, impacting organizational behavior and encouraging responsible business practices.

The Corporations Act 2001 is a crucial statute governing corporate governance and transparency requirements in Australia. This statute mandates that firms publish

[31] Prathima, D.S. (2015): The 10 Companies with Best CSR Reputations. Proceedings of the Second European Academic Research Conference on Global Business, Economics, Finance and Banking (EAR15 Swiss Conference), Paper ID: Z5100.
[32] Berghe, L. V. D. & De Ridder. L, "International Standardisation of Good Corporate Governance; Best Practices for the Board of Directors" 12 Kluwer Academic Publishers 45 (1999).

significant information pertaining to environmental, social, and governance (ESG) aspects that could influence their financial performance and operations. Section 299A mandates that annual reports include non-financial information, encompassing corporate social responsibility (CSR) programs. This provides stakeholders the opportunity to evaluate the degree of organizations' commitment to sustainability and social responsibility. [33]

Australia possesses legislation that pertains to particular aspects of corporate social responsibility, encompassing worker safety and environmental conservation. To avert adverse impacts on ecosystems and biodiversity, firms must secure environmental licenses for substantial projects and adhere to environmental protection regulations. The enactment of this legislation was essential to alleviate the effects of climate change.

The Work Health and Safety Act of 2011 (WHS Act) requires businesses to prioritize the health and safety of both their employees and those affected by their activities. This law was introduced to enhance worker safety by obligating companies to develop thorough risk management systems, offer adequate training and resources to employees, and ensure safe working environments to reduce accidents and health risks. Adhering to the WHS Act is crucial for organizations to show their dedication to the health and safety of their workforce and other stakeholders.

Furthermore, Australia is advancing efforts to foster sustainable practices and ethical business conduct. The Australian Stock Exchange (ASX) Corporate Governance Principles and Recommendations exemplify this effort. These principles, which set rules for publicly traded firms, control corporate governance operations, encompassing stakeholder engagement, board composition, and risk management. To bolster investor confidence, accountability, and openness, it is highly recommended that ASX-listed companies adopt these recommendations.

[33] KR Srivats 'Ministry Keeps New CSR Amendments on Hold' (*The Hindu Business Line*, 18 August 2019).

The formulation of corporate social responsibility policies in Australia is chiefly propelled by an extensive regulatory framework encompassing corporate governance, environmental protection, and occupational safety. Businesses must publish non-financial information, adhere to environmental regulations, and guarantee safe and healthy workplaces for employees in accordance with provisions of statutes such as the Corporations Act, the EPBC Act, and the WHS Act. Moreover, enterprises aiming to improve their corporate social responsibility (CSR) performance and demonstrate their dedication to sustainable and ethical business practices might gain from voluntary efforts, such as the ASX Corporate Governance Principles. Australian enterprises enhance corporate social responsibility (CSR) principles and fulfill societal and environmental goals through a blend of voluntary participation and legal adherence.

2.8 Corporate Social Responsibility Practices in China

The practices of Corporate Social Responsibility (CSR) in China are currently in the process of accelerated development, which is being driven by a combination of government regulations, market pressures, and international influences. Despite the absence of a comprehensive corporate social responsibility law in China, the country's CSR practices are influenced by a variety of significant regulations and initiatives. The government's dedication to sustainable development and responsible business conduct is demonstrated by these practices.

According to the Company Law, which is one of the fundamental laws that regulate corporate social responsibility in China, companies are obligated to fulfill their social obligations while concurrently pursuing profits. Businesses are required to comply with this legislation by adhering to ethical business practices, protecting the rights and interests of stakeholders, and contributing to the well-being of society. Additionally, the Company Law urges businesses to emphasize non-financial information, such as corporate social responsibility (CSR) initiatives, in their annual reports, thereby enhancing accountability and transparency.

Moreover, China has introduced targeted regulations to tackle environmental issues and encourage sustainable development. The Environmental Protection Law, revised in 2014, enforces strict rules on businesses regarding the conservation of natural resources, pollution control, and emission reduction. Furthermore, the Energy Conservation Law and the Renewable Energy Law offer businesses incentives to invest in renewable energy sources and employ more energy-efficient technology. These regulations are instrumental in China's endeavors to mitigate its carbon footprint and combat climate change. [34]

In an effort to strengthen corporate governance and transparency, China has implemented numerous initiatives in the past few years, such as the Corporate Social Responsibility Guidelines for Chinese Enterprises Overseas. The Ministry of Commerce and other government organizations have issued these recommendations, which are intended to motivate Chinese companies that conduct business overseas to comply with internationally recognized principles of corporate social responsibility, to honor local laws and customs, and to contribute to the sustainable development of the countries in which they operate.

Furthermore, China has implemented CSR standards and certification systems that are tailored to specific industries in order to promote responsible business practices. An organization that advocates for corporate social responsibility (CSR) among foreign-invested enterprises operating in China is the China Association of Enterprises with Foreign Investment (CAEFI). For example, the China Green Companies Alliance is an organization that certifies businesses that demonstrate sustainable practices and environmental responsibility.

Companies in China are increasingly recognizing the importance of corporate social responsibility (CSR) in enhancing their brand, attracting investors, and obtaining a competitive edge in the global market. This is in addition to the existing statutory requirements. A substantial number of Chinese businesses are voluntarily implementing corporate social responsibility (CSR) programs, including

[34] Berghe, L. V. D. & De Ridder. L, "International Standardisation of Good Corporate Governance; Best Practices for the Board of Directors" 12 *Kluwer Academic Publishers* 45 (1999).

environmental security, community participation, and philanthropy, in order to showcase their commitment to sustainable development and social responsibility.

The conclusion is that a combination of market forces, industry standards, and government restrictions influences corporate social responsibility (CSR) policies in China. China's current policies and initiatives prioritize environmental sustainability, social responsibility, and ethical business practices. These have been implemented, despite the absence of a comprehensive CSR law in China. The government's emphasis on sustainable development and the increasing awareness of corporate social responsibility (CSR) among Chinese enterprises have positioned China to play a more significant role in advancing CSR concepts and contributing to global efforts to address serious social and environmental concerns.

2.9 Corporate Social Responsibility Practices in Canada

In Canada, CSR policies governed by a blend of voluntary efforts, industry standards, and federal and provincial regulations. The aim of these activities is to foster social responsibility, environmental stewardship, and ethical corporate practices. Although Canada lacks a legislation governing corporate social responsibility (CSR), various substantial policies and initiative impact CSR practices across the country. Government's commitment to sustainable development and ethical corporate conduct is shown in these practices.

The Canada Business Corporations Act (CBCA) is a principal statute governing corporate social responsibility in Canada. This legislation establishes the legal foundation for corporate governance and transparency duties for federally formed enterprises. Under the Canada Business Corporation Act (CBCA), corporations must report information pertaining to environmental, social, and governance (ESG) aspects that could influence their financial performance and operations. Integrating details about corporate social responsibility (CSR) activities, environmental policies, and community engagement efforts into annual reports is a method to improve accountability and transparency.

Additionally, Canada has implemented sector-specific laws through regulatory actions to tackle environmental protection and sustainable development challenges.

The Canadian Environmental Protection Act, 1999 (CEPA) plays a key role in regulating activities that impact the environment, including resource conservation, waste management, and pollution control. The Fisheries Act and the Species at Risk Act were introduced to protect endangered species and aquatic ecosystems. These laws reflect Canada's commitment to environmental conservation and biodiversity.

In Canada, employment relationships are governed by laws and regulations that protect the rights of workers. These statutes and regulations pertain to labor practices. The Canada Labour Code includes stipulations for occupational health and safety, working hours, and compensation. These regulations constitute the minimal standards for working conditions that have been set. Provincial administrations possess distinct labor statutes and rules pertinent to enterprises functioning inside their domains. These laws and regulations ensure that enterprises comply with local statutes and promote the fair treatment of employees.

Furthermore, Canada offers industry standards and voluntary programs that encourage corporations to implement corporate social responsibility policies and demonstrate their commitment to sustainability and social accountability. An example is the Global Reporting Initiative (GRI), which sets forth requirements for reporting on economic, environmental, and social performance. These rules enable the efficient oversight and dissemination of corporate social responsibility (CSR) efforts by organizations. Additionally, entities such as the Canadian Centre for Corporate Social Responsibility (CCCSR) advocate for CSR education, research, and exemplary practices. These organizations also encourage the exchange of knowledge and collaboration among academic institutions, enterprises, and civil society organizations.

The corporate social responsibility (CSR) policies in Canada are shaped by a blend of voluntary initiatives, industry standards, and government requirements that promote ethical business practices, environmental stewardship, and social accountability. Voluntary initiatives and industry collaboration are crucial for the continuous advancement and innovation of corporate social responsibility (CSR) policies across many economic sectors, even if Canada's regulatory structure provides a foundational basis for CSR projects. Moreover, Canada is dedicated to promoting its corporate social responsibility (CSR) agenda and participating in global efforts to foster a more sustainable and inclusive future through a collaborative approach involving the government, corporations, and civil society.[35]

2.10 Comparative Analysis

In response to the increasing demand for more ethical and ecologically sustainable corporate practices on a global scale, the concept of Corporate Social Responsibility (CSR) has become an essential component of modern business practices. A diverse array of legal frameworks, regulatory systems, and corporate social responsibility programs are implemented by nations worldwide to promote responsible business practices and address environmental and societal issues. The objective of this study is to examine the legal frameworks and corporate social responsibility (CSR) activities of six distinct nations, namely Canada, the United States of America, Germany, Japan, Australia, and China, in relation to India. This research endeavors to illuminate the emerging trends, distinctions, and parallels that are presently being observed in the field of corporate responsibility.[36]

Legal Frameworks:

The Companies Act of 2013, implemented in that year, serves as a principal legal framework for corporate social responsibility (CSR) in India. Businesses that fulfill certain conditions must designate a specified percentage of their sales to initiatives categorized as corporate social responsibility (CSR). Businesses that meet the criteria for promoting activities that enhance environmental sustainability, community development, and societal welfare are legally obligated to comply. Entities that meet the criteria are bound by this commitment. The enactment of the Companies Act of 2013 has led to the increasing importance of corporate social responsibility (CSR) in India. This legislation mandates that firms meet their corporate social responsibility (CSR) obligations to enhance corporate accountability and social impact programs.

[35] Rajput, N., Batra, G. and Pathak, R. (2012) 'Linking CSR and Financial Performance: An Empirical Validation', Problems and Perspectives in Management, Vol. 10, No. 2, p. 56.
[36] Dubbink, W., Graafland, J.J. and Liedekerke, LV. (2008) 'CSR, Transparency and The Role of Intermediate Organizations', Journal of Business Ethics, Vol. 82, No. 2, pp. 391-406.

In contrast, the United States of America has no obligatory requirements for corporate social responsibility (CSR) spending; thus, most CSR programs are voluntary. A multitude of laws and regulations fosters accountability, transparency, and ethical behavior in corporate governance and financial reporting. Two instances of legislation governing the financial sector are the Sarbanes-Oxley Act (SOX) and the Dodd-Frank Act. Corporate social responsibility (CSR) initiatives are discretionary; yet, corporate behavior may be shaped and ethical business practices may be encouraged by complying with industry-specific regulations and standards.

An illustration of the German legal system's emphasis on stakeholder-centric corporate governance is the German Stock Corporation Act (AktG). Furthermore, these regulations balance the interests of stakeholders with those of shareholders. They also encourage the creation of sustainable value, employee involvement, and transparency as additional benefits. While Germany does not mandate businesses to allocate resources for corporate social responsibility, it encourages ethical conduct and responsible business practices through legal compliance and the provision of voluntary guidelines.

Japan's corporate social responsibility (CSR) policy is shaped by a blend of compulsory requirements and voluntary initiatives, aimed at promoting transparency, accountability, and sustainability. The Companies Act and supplementary optional recommendations, including the company Governance Code, have delineated a framework of principles and optimal practices to ensure effective company governance. These concepts drive firms to implement corporate social responsibility programs. In Japan, corporate social responsibility initiatives are shaped by industry norms and legislative requirements, even if there is no obligatory mandate for CSR expenditures.

In Australia, corporate social responsibility is regulated by a set of laws that encompass environmental protection, like the Environment Protection and Biodiversity Conservation Act (EPBC Act), along with corporate laws, including the Corporations Act, which requires the reporting of non-financial information. The implementation of corporate social responsibility efforts across diverse industries is driven by the promotion of ethical corporate conduct, environmental conservation, and transparency due to these regulations. The principal drivers of corporate social responsibility (CSR) initiatives in Australia are regulatory compliance and conformity to industry norms. These initiatives are mandatory.

To enhance corporate governance, environmental stewardship, and social welfare, China's corporate social responsibility policy amalgamates obligatory legislative requirements with discretionary governmental notions. Although China lacks comprehensive corporate social responsibility legislation, it has enacted particular rules to regulate environmental and labor rights. The adoption of frameworks like the Corporate Social Responsibility Guidelines for Chinese Enterprises Overseas aims to promote corporate social responsibility practices among globally engaged Chinese firms. Although the allocation of funding for corporate social responsibility (CSR) is discretionary, the execution of CSR in China is governed and guided by industry standards.

The Canada Business Corporations Act (CBCA) and other regulatory frameworks provide support for environmental sustainability and workplace safety. These principles form the basis of initiatives aimed at advancing corporate social responsibility in Canada.
Legislation, voluntary initiatives, and industry standards incentivize firms to engage in corporate social responsibility (CSR) efforts that emphasize environmental conservation, employee well-being, and community involvement. Although corporate social responsibility expenditures are voluntary, adherence to industry norms and regulatory regulations fosters ethical company practices in Canada. .[37]

CSR Practices:

India's corporate social responsibility (CSR) activities reflect the country's commitment to poverty reduction, education, healthcare, and environmental sustainability. Indian organizations continuously devote financial resources to foster community development, skill enhancement, and environmental preservation in alignment with national development program objectives. This highlights the

[37] Ibid.

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significance of stakeholder engagement and strong enforcement measures, as the effectiveness of these efforts differs. Corporations that fulfill certain criteria are mandated by law to allocate resources for corporate social responsibility (CSR); nonetheless, the efficacy of these initiatives is variable.

In China's corporate social responsibility activities, the promotion of social welfare projects, environmental protection, and poverty reduction are equally prioritized. To address socioeconomic and environmental issues, Chinese enterprises allocate resources to initiatives focused on pollution reduction, renewable energy utilization, and philanthropic activities. Businesses are increasingly aware of the significant benefits that result from investing in corporate social responsibility (CSR), even though it is optional. These benefits include the improvement of their reputation, the attraction of investors, and the advancement of sustainable practices.

Social entrepreneurship, corporate philanthropy, and innovation constitute three essential elements of corporate social responsibility practices in the United States. American businesses often exhibit their commitment to social responsibility through philanthropic contributions, employee volunteer programs, and environmental sustainability efforts. The allocation of resources to corporate social responsibility (CSR) projects has risen due to heightened stakeholder demand on corporations to tackle environmental and social concerns. Although corporate social responsibility (CSR) efforts are optional, firms remain subject to this pressure.

In Japan, the principal aims of corporate social responsibility (CSR) projects are community engagement, environmental conservation, and employee well-being. Japanese corporations emphasize stakeholder participation in promoting sustainable business practices. This is accomplished via employee training programs, environmental sustainability projects, and community development activities. In Japan, engagement in Corporate Social Responsibility (CSR) activities is encouraged by adherence to voluntary standards and regulatory requirements, even if these standards are strictly voluntary.

In Australia, the principal aims of corporate social responsibility efforts are to emphasize occupational safety, environmental stewardship, and community engagement. Australian enterprises demonstrate their commitment to sustainability and social responsibility by investing in renewable energy projects, promoting workplace diversity initiatives, and engaging in community partnerships. The principal drivers of corporate social responsibility (CSR) initiatives in Australia are regulatory compliance and conformity to industry norms. These initiatives are mandatory.

CHAPTER 3: COMPANIES ACT, 2013, CSR AND COMBATING GREENWASHING

3.1 The LEGISLATIVE AND EXECUTIVE HISTORY: MOVEMENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY

The Companies Act, 1956,[38] Enacted shortly after India gained independence in 1947, the Companies Act, 1956, served as the primary corporate law in the country for over five decades. The Act was established during a time when a shareholder- focused approach was dominant, reflecting the shareholder primacy model. The Companies Act, 1956, laid the groundwork for this model. Designed for a controlled economy, several attempts were made by lawmakers to revise the Act over the years, but none were successful.

3.1.1. First Steps towards Social Responsibility

The SEBI's corporate governance reform committees implemented a strategy that prioritized shareholders' interests prior to 1999. The Kumar Mangalam Birla Committee on Corporate Governance issued recommendations in 1999 with the objective of augmenting the value of the company's shareholders upon their implementation. The study acknowledged that all stakeholders play a role in corporate governance but emphasized that shareholders are the central focus of SEBI and the foundation of corporate governance. In other words, shareholders form the core of corporate governance. The paper also highlights that SEBI views shareholders as its most crucial stakeholders. Notably, the study is significant because it may represent the first instance in Indian corporate law where the interests of non-shareholders have been explicitly recognized, marking a potentially historic moment. In 2000, the recommendations of the Birla Committee were incorporated into the document through Clause 49 of the Listing Agreement. Additionally, the 2003 SEBI Committee on Corporate Governance report reaffirmed the primacy of shareholders as the main stakeholders.

[38] The Companies Act,1956,No.1 Acts of Parliament ,1956

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The disclosure of financial information was the primary focus of this report. The disclosures encompassed information regarding the salary of non-executive directors, transactions with connected parties, and earnings from initial public offerings. Clause 49 was amended in 2004 in direct accordance with the committee's recommendations. In 2004, the government developed a comprehensive concept document in response to its unsuccessful attempts to amend the Companies Act to include their responsibilities regarding corporate social responsibility (CSR). This draft was developed with the objective of incorporating the transition of the nation's economy from a socialist to a hybrid free-market economy into business law. Doctor J.J. Irani was appointed to the Expert Committee on Company Law by the Indian government after its establishment.

The 2005 report from the Expert Committee on Company Law played a pivotal role in advancing the concept of stakeholder involvement. It represented a significant step in a gradual process aimed at addressing the interests and welfare of a broader range of stakeholders, not limited to just shareholders. The report highlighted the crucial role of the regulatory framework in protecting the interests of investors and other stakeholders, incorporating perspectives from groups outside of the shareholder community. The significance of a framework that guarantees the legitimacy of business operations from the perspective of stakeholders is underscored in the report. The survey indicates that the most favorable conditions for legal compliance are those that are characterized by a group of stakeholders that is both knowledgeable and vigilant. The importance of disclosures is underscored in this statement. The report establishes a hierarchy of punishments to ensure that the severity of the consequence is proportional to the severity of the criminal offense. This regulation mandates that activities that result in the loss of shareholders' rights be treated with the utmost severity, while procedural infractions that do not irrevocably impact the interests of stakeholders must be addressed in a different manner.

The report acknowledges the concerns expressed by individuals who are not shareholders, but it is only the infringement of shareholder rights that is considered to warrant "serious" consequences. The Companies Act of 2013 included a penalty for failing to disclose corporate social responsibility (CSR) information; however, there was no penalty for failing to satisfy the CSR spend requirement. It is highly probable that this decision was deliberate. This report served as the foundation for a significant portion of the Companies Act of 2013.

In 2009, the Ministry of Corporate Affairs (MCA) released the Corporate Social Responsibility (CSR) Voluntary Guidelines alongside the Expert Committee on Company Law's Report. Salman Khurshid, the former Minister of State for Corporate Affairs, emphasized the growing wealth disparity in India, linking the rise of businesses to societal issues like poverty, unemployment, illiteracy, and malnutrition in the preface to the Guidelines. The CSR discussed in these documents goes beyond charity, as it aligns with broader standards. Unlike the focused approach in the Companies Act of 2013, which mainly addresses funding for CSR activities, the 2009 Guidelines take a more holistic view, incorporating both CSR initiatives and the ethical, sustainable practices of businesses. Additionally, the Guidelines provide an in-depth look at stakeholder rights and human rights, positioning CSR as an integral part of a company's marketing strategy and objectives.

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

Following the publication of the Voluntary CSR Guidelines two years earlier, the Ministry of Corporate Affairs introduced the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business. These guidelines emphasize the importance of ethical business practices, transparency, and accountability. They also require businesses to offer safe and sustainable products and services, prioritize the welfare of employees, and address the needs and concerns of all stakeholders, especially marginalized, disadvantaged, or vulnerable groups. The standards create a framework for documenting corporate accountability, requiring firms to declare the measures they have undertaken to adopt these principles internally. Annexure A to the Guidelines presents a "Business case" that clarifies the advantages of complying with the Guidelines, aimed at fostering equitable growth throughout the nation. The business case summary outlines advantages that surpass mere social responsibility. Social responsibility can significantly impact a company's financial performance, as demonstrated by these benefits.[39]

3.3 SEBI Circular on Business Responsibility Reports, 2012

In 2011, SEBI revised the listing agreement to include Clause 55. This decision aligns with the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs in 2011. The guidelines mandate that the top 100 companies on the list must include corporate responsibility reports within their annual reports, making it a binding obligation. Sunil Kadam, General Manager of the Securities and Exchange Board of India (SEBI), has emphasized that listed companies must provide detailed and continuous disclosures regularly. This is due to their receipt of cash from the general people, serving the public interest. He noted that companies are increasingly acknowledged as essential elements of the social structure. Companies must file annual reports detailing their corporate social responsibility (CSR) spending, as mandated by the listing agreement. These expenses are estimated as a percentage of the company's post-tax income. The reports must provide a thorough summary of the corporate social responsibility (CSR) actions undertaken by the companies. The Securities and Exchange Board of India (SEBI) has acknowledged that a substantial proportion of the top 100 companies listed in India are concurrently listed in international marketplaces. This necessitates that these firms comply with the specific listing rules established by the international exchanges. The amendment exempted enterprises that had previously submitted sustainability reports to regulatory bodies or stakeholders in other nations from this obligation. Organizations can meet stakeholders' expectations by disclosing the requisite information for the business responsibility report within their sustainability report.[40]

3.4 Passage of the Companies Act, 2013

The inclusion of the Corporate Social Responsibility provision was very contentious in the years leading up to the ratification of the Companies Act in 2013. The Ministry of Corporate Affairs included a provision in the Act that delineated

[39] Ibid.
[40] Circular from the Sunil Kadam ,GM, SEBI, to All Stock Exchanges (August,14,2019),available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1344915990072.pdf

corporate responsibilities to their communities, prompted by the influence of the Standing Committee on Finance. The provision was problematic, and former secretaries of the Ministry of Corporate Affairs recognized the discussion about the government's potential imposition of mandates. The Ministry of Corporate Affairs resolved to enact the clause following careful deliberation. The provision's problematic nature was clearly apparent in this situation. The secretary addressed an inquiry from the Chairman of the Standing Committee concerning the oversight of Corporate Social Responsibility, indicating that the Act primarily emphasizes the method of disclosure.

To strengthen the requirement, the CSR section was amended in later editions. The board was required to "make every effort to ensure" that the requisite amount of funds was allocated to corporate social responsibility, according to the draft created in 2009. This provision, included in the 2011 iteration of the statute, has become a non-negotiable condition that the board cannot waive. The clause included in the bill was defended by Shri Sachin Pilot, the Minister of State for Corporate Affairs, during the debate in the lower house of Parliament. He observed that it will tackle the increasing inequality between the affluent and the disadvantaged. The minister asserts that achieving this purpose depends on businesses exhibiting accountability, sensitivity, and readiness to contribute to society through proactive actions.

At last. In 2013, reformers engaged in a lengthy and complex process to secure the successful passage of legislation through Parliament. Notwithstanding various conflicting demands, the Ministry of Corporate Affairs remained resolute. The definitive iteration of the Companies Act in 2013 abolished the obligatory corporate social responsibility (CSR) clause present in section 135; yet, it was not completely eradicated.

3.5 Corporate Social Responsibility under Statutory Provision

For a business to function efficiently and succeed, it is essential that it fulfills its obligations to society and relevant stakeholders. The ongoing shifts in economic, social, and political factors have led to a continuous evolution in the nature and scope of these responsibilities. There is no one-size-fits-all solution for societal challenges across different nations. To effectively meet the ever-changing demands of society, it is important to retain a flexible approach.

Corporate Social Responsibility (CSR) was made compulsory starting April 1, 2014, through an amendment to the Companies Act of 2013, which introduced a specific legal mandate under section 135. This amendment obligated larger companies with significant profits to participate in CSR activities. The change followed extensive discussions.

The criteria for companies that fall under this legal provision, as outlined in sub- section (1) of section 135, are those with:

- A net worth of Rs. 500 crore or more, or
- A turnover of Rs. 1000 crore or more, or
- A net profit of Rs. 5 crore or more in any given financial year.

The statutory responsibilities of these companies, which are subject to the provisions, are categorized into four main areas.

i) "Constitution of a board-level CSR committee consisting of three or more directors, out of which at least one director shall be independent [under Sub-section(1) of section135"].

ii) "The CSR committee should formulate and recommend a CSR policy indicating the activities to be undertaken by the company. Activities. Which can be undertaken under these provisions, are specified in schedule 7 of the Act. Schedule 7 was first notified on the 27th of February 2014 and amended subsequently from time to time. The updated schedule is annexed in the last of this work".

iii) "Expenditure of at least two percent of the average net profit of the company during the immediately preceding financial years, on these activities in pursuance of the CSR policy, The committee shall recommend the amount of expenditure to be incurred on activities and monitor the implementation of the CSR policy".

iv) "Disclosure and reporting on CSR activities-disclosing constitution and *composition of the CSR committee, activities were undertaken during a year in the annual report, along with reasons in case the stipulated* *amount of two percent of average net profit could not be spent in a particular year.[under the second proviso of Sub-section (5) of section 135]".*

The Companies (CSR) Policy Rules, 2014 were issued on February 27, 2014, outlining the procedures for the enforcement of the aforementioned provision. This is included at the end of this document.

3.5.1 Penalty for Failure in Compliance

A company that falls under the specified legal provision is accountable for any contraventions of the Companies Act, 2013, such as failing to establish a CSR Committee or develop a CSR policy, along with other violations, as per the relevant regulations governing such offenses. The examination addresses both the legal obligations for expense declaration and the reasons for noncompliance about the failure to satisfy the mandated expenditure level of two percent of the average earnings over the preceding three years. No penalty is incurred for failing to meet the required quantity if no funds are expended. The corporation will incur a penalty if it does not disclose the grounds outlined in paragraph 134(8) of the Act. The organization has contravened the law by failing to include justifications in its annual report, as required by paragraph 8 of section 134.

Section 450, along with Section 451, which addresses residual provisions, will regulate any omissions that are not explicitly detailed. In February 2015, a high- level committee (HLC) was formed to evaluate the application of ambiguous legal provisions. The HLC has reviewed its suggestions for updating the Schedule and Rules to align with legislative mandates. The government has provided comprehensive clarifications on various aspects related to the enforcement of the legal requirements in the circular released on June 18, 2014. A detailed appendix is included at the end of this thesis, providing an in-depth examination of the provisions outlined in section 135 of the Companies Act, Schedule VII. The Ministry of Corporate Affairs has released clarifications regarding the CSR contractual responsibilities and the activities deemed eligible for CSR. Furthermore, these regulations delineate the processes for execution. The legislative clause in question was intended to incentivize corporations to support social causes rather than to impose a legal obligation for compliance. The benchmark for corporate social responsibility expenditures is determined by the average profit accrued over the preceding three years. This section has a provision that offers an exception for organizations who have incurred losses. The strategies utilized by Central Public Sector Enterprises, governed by regulatory oversight, evidently indicated that the choice to designate two percent of earnings for corporate social responsibility initiatives was affected.

The organization possesses full authority to define the extent of corporate social responsibility initiatives, along with their design and execution. An official accord with a corporate social responsibility committee at the board level is necessary for firms of this type. To ensure optimal utilization, this committee must comprise at least one independent director.

Furthermore, to ensure the sustainability of the influence, it is essential for such firms to have a corporate social responsibility policy. The corporation can expand its project portfolio to include the regions surrounding its business unit due to this opportunity. Individuals obliged to vacate their residences or impacted by the firm's conduct are deemed affected. To guarantee the significance and sustainability of interventions, it is essential for firms to develop efforts that illustrate the correlations among variables.

The required submission of yearly reports by all firms has led to the regulation of the indirect execution of corporate social responsibility (CSR). These reports offer a detailed overview of the particular CSR initiatives executed during the year. The details encompass an itemization of expenses and a compilation of accomplished tasks for your convenience. The requirement to allocate two percent of earnings is maintained to ensure total openness concerning the exact expenditure amount. An explanation must be provided if the expenditure is below two percent, detailing why it fails to meet the threshold. The aim of this methodology is to improve the comprehension of corporate social responsibility (CSR) and related regulatory frameworks among the organization's stakeholders, including consumers, investors, employees, and society at large. This solution adheres to the Constitution and democratic principles. It is imperative that both consumers and the market acknowledge and value the contributions of a particular firm in the domain of

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corporate social responsibility (CSR) in accordance with the guiding principles. The brand's value and the company's market reputation will be augmented due to the influence on consumer behavior.

The provision was reintroduced due to the lack of specific characteristics. As a result, a company is not deemed to have violated the law if it fails to spend the designated two percent of its income, provided it outlines its CSR activities and explains why it did not allocate the required two percent. A penalty is only imposed if the required information is not provided within the given deadline. In this particular circumstance, the company neglecting its responsibilities and the individual tasked with overseeing the matter would be deemed liable for the mistake. A provision in the corporate social responsibility (CSR) legislation compels firms to contribute financial resources to CSR projects and to publicly disclose these expenditures. The statute includes this provision. Corporate social responsibility (CSR) is a statutory program established in 2013 under the New Companies Act. This explanation provides a thorough review of the legal background. It would be acceptable to dedicate an entire chapter in the next part to the analysis of the judicial technique related to Corporate Social Responsibility. This would be an advantageous concept.

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CHAPTER 4: JUDICIAL RESPONSE TO CSR IN INDIA

The researcher aims to elucidate the judicial approach to Corporate Social Responsibility in this chapter. The researcher has endeavoured to accomplish this in the current chapter.

4.1 The Judicial Transition: From Shareholder Centricity to Stakeholder Consideration

Indian corporate law has transitioned from being solely focused on shareholders to now considering a broader range of stakeholder interests. This chapter explores the development of the judicial system from before the Companies Act of 1956 to the latest judicial rulings. Pre-1956 Indian legal decisions were based on the idea that directors act as agents for shareholders and sometimes for creditors. The decisions were justified by this principle.

Justice Scott's statement, "in the interests of the public, therefore, whether shareholders or creditors..." may not have been unexpected when it was made, as it asserted that only shareholders and creditors should be prioritized in matters concerning the corporation.

Dikshit & Co.Ltd.v Mathura Prasad. [41]is another example. The Allahabad High Court declared that “directors, as representatives of the company and its shareholders, possess the same authority as agents of the principal. This statement implied that directors act as representatives of the organisation. The focus remains on the agency theory, where directors are viewed as the agents of shareholders. The position remained unchanged due to the implementation of the Companies Act of 1956”.

Justice P. Mallick cited various English cases in the ***Albert Judah v. Rampada Gupta & Anr. case***[42], which concluded that “directors are accountable for supervising the company's activities in a way that benefits the shareholders. With a few rare exceptions, most cases interpreting the 1956 Act followed this pattern. An

[41] AIR 1925 (All,)71 at p.7.
[42] AIR 1959 (Cal.)715

example of such an exception is the legal conflict between Moti Films (p) Ltd. and Harish Bansal et al.[43] The Delhi High Court cited a section from a committee report on the Monopolies and Restrictive Trade Practices Act regarding allowing parties other than creditors and contributories to voice their concerns in a petition for the dissolution of a company. This excerpt was cited in the petition for the corporation's liquidation".

Although the case concerned a petition for the liquidation of the company, the court recognized the social responsibility of corporations, with the statements being considered obiter dicta. A 1986 court ruling brought to light the distinctive qualities of Harish Bansal, ***Amarjit Singh v. Punjab National Bank and Others***[44]. The court extensively discussed the "argument that the private sector is not responsible for promoting economic growth. Justice Anand differentiated the functions and incentives linked to the private sector and the public sector in the Indian economy". He believes that "Corporation gains" take precedence in the private sector over the "larger national purpose of accelerated development." Justice Anand also observed that the "private sector is primarily driven by profit. He also mentioned that there are no signs of the private sector taking on social responsibility or decreasing its activities for the public good, despite many encouragements. On the other hand, the general public must engage in the organization's basic activities".

The 1994 ruling in ***T.S. Arumugham v. Lakshmi Vilas Bank Ltd.*** [45]slightly diverged from the core principle of focusing on stakeholders. "The discussion focused on how employees are represented on the board. The petitioner suggested that there had been a significant change in the worldwide understanding of corporations. They used to view corporations as solely owned by shareholders, but now they see them as social entities deeply connected to the community. The Counsel referenced the conversation between Merrick Dodd and Adolf Berle. The former argued that directors represent shareholders, while the latter contended that directors serve as trustees for both shareholders and the broader community. The counsellor pointed out that Berle eventually agreed with Dodd's conclusion regarding modern business enterprise directors. The court clearly mentioned that it

[43] 25 (1984) D.L.T.92.
[44] (1987)61Comp.cases153 (Del.)p.16
[45] (1994)80 Comp.cases 814 (Mad.)

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is willing to consider this viewpoint, acknowledging that Counsel's argument about the significant development of the company's idea could be valid. On the other hand, the court decided to postpone resolving the issue and instead leave it to the government to address through legislation. The current laws will continue to be in effect until new legislation is enacted. The court ruled that once shareholders had approved a resolution under the 1956 Act, the board of directors had no additional authority to intervene in the matter".

However, subsequent legal proceedings further reinforced India's focus on the importance of shareholders. In the 1996 breach of trust case ***Shoe Speciality Ltd. v. Tracstar Investment Ltd.*** [46]et al., The Madras High Court cited a passage from Palmer's Company Law regarding the fraudulent transfer of shares. It explained that directors' duties are primarily owed to the company and can be enforced by the company itself, rather than by individual shareholders. In equity, the company is typically viewed in terms of the shareholders as a unified group, rather than as an entity separate from its members.

In the case of ***Rolta India Ltd. v. Venire Industries Ltd. et al***[47]., The court ruled that directors cannot relinquish their fiduciary duties. They are required to focus not only on enhancing shareholder value but also on promoting the corporation's interests, particularly in the event of a takeover. However, the court declined to offer further clarification on the nature of this concept.

In ***Sangramsinh P. Gaekwad & Ors v. Shanti Devi P. Gaekwad***[48], the Supreme Court of India determined that "directors are obligated to prioritise the interests of the organisation over those of individual shareholders. Similar to Rolta, the main issue in that specific case was a change in control. The change of control cases definitively establishes the differentiation between shareholder and company interests".

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[46] (1997) 88 Comp.cases 471 (Mad.)
[47] (2000)100 Comp.cas.19(Bom.)at p.24
[48] AIR 2005 SC 809.

Given the significant government funding allocated to numerous public sector organizations, it may not be surprising that the judiciary has not fully embraced the concept of social responsibility for businesses. Employees and shareholders of Indian Petrochemicals Corporation Limited contested a proposed merger, arguing that it was not in the public's best interest. The primary concern was that it would allow Reliance Industries, a private entity, to gain unauthorized control over the assets of a publicly listed company in a sector restricted to private players. This sector was designated as "strategic" due to its critical importance to the national economy. The Gujarat High Court referred to the T.S. Arumugham case and noted that through the merger, Reliance Industries Limited would gain control of a vital industry without any associated social responsibility. The ruling emphasized that focusing solely on societal concerns was insufficient; the interests of shareholders and employees also had to be considered. The judgment clarified that the expectation of social responsibility under Indian corporate law was applicable only to public sector companies, while private sector firms were free to engage in profit- driven activities without such obligations.

The Satyam Scam Saga

Following the Satyam scandal, where the promoter directors of Satyam Computers, a leading Indian software firm, confessed to falsifying the company's financial statements, Indian Corporate Law experienced stagnation until the Satyam incident disrupted the system. The Company Law Board (CLB) considered a petition from the Indian Central Government in the case of Union of India v. Satyam Computer Services Ltd, et al., requesting the dissolution of the board and authorization for the nomination of new directors to replace them. The CLB's ruling acknowledges the detrimental effects stemming from corporate fraud and the alteration of financial statements aimed at misleading stakeholders, employees, and the public. A significant deceit appears to have been executed against the entire global society. The Tribunal has determined that public confidence in the corporation has been compromised by the manner in which its affairs have been managed. The company's share price declined from 188 rupees to 38.40 rupees on January 7, 2009. Furthermore, the CLB noted that "the company's interests must be protected." The company ranks as the fourth-largest information technology organization in India, serving clients in over sixty countries, employing more than 53,000 individuals, and possessing around 300,000 stockholders.

The magnitude of the fraud motivated the protection of the rights of stakeholders beyond shareholders, including employees and customers. Moreover, the CLB emphasized that "[t]he pressing imperative is to cultivate confidence among all individuals affiliated with the organization in any capacity." The judge ultimately concluded that the proposed interim reliefs should be given ex-parte to serve the interests of the company's members, workers, consumers, and the wider public interest, thereby fulfilling the government's request for relief. This uncovered a new identification of interests not possessed by shareholders.

A similar situation occurred when the Supreme Court was afforded the chance to assess corporations and society at large in the context of a fraud case. In K.K. Baskaran v. State Rep., the Supreme Court of India asserted that the state, as the guardian of citizen welfare in its role as parens patriae, cannot passively observe without intervening in this matter. The Secretary of Tamil Nadu issued this statement. This lawsuit concerned the constitutionality of legislation intended to protect depositors from financial organizations engaged in Ponzi schemes. It was essential to adopt a firm position against financial fraudsters, who are inherently dishonest persons driven by the pursuit of easy profits through misleading promises of lucrative returns to gullible investors. These individuals exhibit a lack of social responsibility. The court appears to indicate that a significant amount of fraudulent financial activities come from firms neglecting their social responsibilities. Nonetheless, the court again turned to the legislative branch to tackle these fraudulent practices. The court chose to defer to the legislative branch instead of putting a duty on enterprises to behave in a socially acceptable manner.

4.2 Recent Judicial Recognition of Corporate Social Responsibility

The judicial system has shifted from merely recognizing the interests of non- shareholders to specifically addressing corporations' obligations to their communities. An illustration of this is seen in the case of Commissioner of Income Tax v. Modi Industries Ltd., which examined the tax ramifications of corporate facilities employed to accommodate employees with modest wages. The court emphasized the necessity of acknowledging employee concerns. The court currently considers these interests as a fundamental element of the concept of corporate social responsibility.

Tata Power Co. Ltd. (Transmission) submitted a lawsuit to the Maharashtra Electricity Regulatory State Commission over the tax classification of corporate expenditures. The court ruled that the company was liable for the expenses related to corporate social responsibility (CSR) and that these costs could not be transferred to the consumers.

The court determined that no formal framework exists to encourage and enable corporate donations during the initial stages of corporate social responsibility (CSR). The court ruled that "the State is obligated to cover the treatment expenses." Corporate social responsibility (CSR) is characterized as a mandated charity contribution or donation that firms must provide to guarantee public access to a range of services, according to this rule.

The National Green Tribunal recently approved the adoption of stakeholder-focused corporate governance and CSR provisions in the case of Aam Janta v. State of M.P. ors. Inhabitants of five separate villages, each led by their own village leaders, initiated legal action against Prism Cement Ltd., a publicly listed corporation operating a cement manufacturing facility. The case sought to compel the corporation to improve sanitation facilities and mitigate pollution in the designated region. The court mandated that the corporation foster constructive relationships with all stakeholders, particularly the local villagers living near its facility and mines, to ensure community benefits, based on assessments from the state pollution control board. Additionally, the court mandated the group to demonstrate its devotion by executing a variety of welfare activities. The court underscored that firms must prioritize their corporate social responsibility across all operations, rather than confining their efforts exclusively to profit maximization. The corporation was recommended to incorporate economic, environmental, and social goals into its operational framework. It is essential that they fulfill their responsibilities to avert any detrimental effects on the villagers' quality of life. This can be accomplished by maintaining a clean atmosphere and preventing discomfort and harm.

Although the court has substantiated its case under the Environment Protection Act of 1986, the terminology used to delineate corporate social responsibility (CSR) is significant and reflects an increasing acknowledgment of the considerable social obligations that corporations hold. This is especially significant given the criticism aimed at the CSR provision for favoring a charitable approach over a more inclusive stakeholder model. The Aam Janta case illustrates that courts can differentiate between corporate philanthropy and corporate social responsibility (CSR), despite the potential for ambiguity between the two terms.

4.3 Judicial Attitude towards Corporate Social Responsibility in India

Business operations are not performed in isolation; they occur within the context of a broader societal framework. A company's impact on society will invariably be either beneficial or detrimental, as no entity can function independently of its social context. A corporation is a social institution that, besides being owned by its shareholders, is required to meet specific obligations and commitments to the community in which it functions, as per modern socioeconomic theory. The Supreme Court of India examines the matter of corporate social responsibility (CSR), including the duties that corporations owe to the community. Article 297 of the Constitution of India confers upon the Union of India the power to control natural resources. The oil and gas sector complies with the provisions of Article 39(b) by implementing a standard business practice that allocates resources beneficially for the general populace. The judiciary is executing its duty as a guardian of the public interest and a steward of constitutional rights by affirming that the Preamble of the Constitution ensures economic and social justice for the citizens of India.

On September 22, 2011, the Madras High Court referred to several significant cases, including Bears Cave Estate v. the Presiding Officer of the Labour Court in Salempur and Kunal Singh v. the Union of India, among others, during its deliberations. The Supreme Court expressed its view that employers are strictly forbidden from dismissing or demoting an employee who acquires a disability during their employment, in accordance with Section 47. The aim of interpreting provisions of laws that benefit individuals with disabilities is to foster equal opportunities, safeguard their rights, and facilitate their full inclusion in society. Employers must offer protection to employees who develop disabilities while working, as outlined in Section 47. The challenges faced by disabled individuals are primarily due to the government's failure to effectively exercise its discretion to provide fair opportunities in the workforce. This conclusion followed an extensive review. It is essential that the provisions of the Disabilities Act of 1955 are implemented within the corporate sector and incorporated into the Corporate Social Responsibility (CSR) strategies of all businesses.

The Supreme Court's decision in National Textile Workers Union vs. P.R. Ramakrishnan challenged the traditional notion that a company is solely owned by its shareholders. In light of the evolving socio-economic landscape, a corporation is now recognized as a social entity that bears responsibilities to the community in which it operates.

The Goa High Court ordered Birla Zauri Agro Chemical Ltd. to immediately halt all operations due to the environmental damage caused by its effluents contaminating the maritime ecosystem. The judiciary expanded the scope of corporate responsibility by ruling that businesses that endanger society and natural resources must be held legally accountable.

The Bhopal Gas Tragedy, one of the most disastrous industrial accidents in history, occurred on the night of December 2nd and 3rd, 1984, when more than forty tonnes of the toxic gas methyl isocyanate leaked from the Union Carbide plant in Bhopal, Madhya Pradesh, India. This information was provided by the Supreme Court of India. This event is often regarded as one of the most atrocious in human history. Currently, direct gas exposure has caused around 20,000 deaths, adversely affecting over 500,000 individuals. Over 120,000 individuals are presently suffering significant health complications due to the accident and ensuing contamination. These difficulties are a direct result of the disaster. In 2001, Dow Chemical, a U.S.- based multinational business, completed the acquisition of Union Carbide, effectively assimilating the company's assets and liabilities. Conversely, it has persistently refrained from undertaking any of the following actions: supplying potable water, remediating the area, compensating affected individuals, or disclosing the constituents of the gas leak. This denial of recognition has endured throughout the entire process. Dow reaffirms that it has no responsibility for any previous violations associated with Union Carbide India Limited. Dow Chemical Corporation, which generates $28 billion in yearly revenue, is committed to the concepts of sustainable development, as stated on its website. The organization's about 50,000 employees endeavor to manage financial demands, environmental issues, and social responsibilities.

In 2001, Unilever was implicated in the improper disposal of three hundred metric tons of mercury in Codaikanal, Tamil Nadu. Unilever's official website states that the company is dedicated to operating with honesty, honoring stakeholder interests, enhancing environmental management, and aspiring to achieve sustainability. The previously indicated activity is apart from this statement.

The latest Vedanta instance exemplifies this. Vedanta, a corporation engaged in the extraction and refinement of bauxite, is located in Eastern India. The actions explicitly mentioned were conveyed to the Saxena Committee, formed by the Indian government in 2010. Between 2002 and 2006, Vedanta financed two Environmental Impact Assessments to get mining rights for bauxite in the Niyamgiri highlands of Odisha. This concession was awarded because to the government's permissive regulations, designed to promote corporate participation into the mining sector. The Saxena committee determined that the aforementioned studies were markedly substandard due to their neglect of the decline in water availability, the region's most vital resource. The Saxena committee advised rejecting the proposed lease for Vedanta because to the company's persistent and deliberate attempts to obscure and misrepresent material to obtain project clearance.

The Saxena committee's inquiry showed that Vedanta's aluminum refinery unlawfully occupies 26 hectares of forested land, contravenes pollution regulations, and relies on fourteen mines for bauxite ore. However, only three of these mines possess environmental permits. The refinery is in breach of the Ministry of Environment and Forests' requirement, which stipulates that bauxite must be obtained from mines approved by both the Environmental Protection Agency and environmental authorities. The national government denied Vedanta's request to mine the Niyamgiri highlands owing to significant opposition from the Dongria Kondhs and other local populations, along with the advice of the Saxena committee.[49]

Bilfinger Neo Structo Pvt. V. N/A [National Company Law Tribunal]

In this case, the compounding application was submitted to the Registrar of Companies in Mumbai. The National Company Law Tribunal (NCLT) in Mumbai later received the report from the Registrar of Companies along with the application after a period of time. The investigation suggests that the Bilfinger company may have violated Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and section 134(3)(o) of the Companies Act, 2013. The Director's Report submitted by the defaulting company to the NCLT (CP No.54/441/NCLT/MB/MAH/2018) failed to provide an explanation for the absence of Corporate Social Responsibility (CSR) expenditures in the fiscal year 2014-2015. In this case, both the petitioners and the defaulters did not adhere to the requirements outlined in section 134(3)(o) of the Act.

As a result, both the petitioners and the defaulters filed a compounding application to resolve the issue. In a letter dated December 19, 2017, the Registrar of Companies informed the company that its Board Report for the fiscal year ending March 31, 2015, must include details of the development and implementation of the CSR policy, along with a justification for the omission of CSR expenses from the report. The company provided the requested information in its Board Report for the fiscal year ending March 31, 2017.

The legal representatives for the petitioners and defaulters stated that as of March 31, 2014, the company had a net worth of 20.57 crores, a turnover of 137.55 crores, and a net loss of 94.13 crores. This financial data was incorporated into the analysis.

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[49] KR Srivats ‘Ministry Keeps New CSR Amendments on Hold’ (*The Hindu Business Line*, 18 August 2019).

The company's net worth, turnover, and profit did not meet the necessary criteria required for compliance with section 135(1). Based on this, the application is recommended for approval, with the possibility of waiving the compounding fee due to the lack of violations of the Companies Act, 2013 by both the petitioners and defaulters. This is the current status following the contributions received thus far.

The court has carefully reviewed the relevant legal documents and the arguments put forward by the legal representatives of both the applicants and the defendants. The Tribunal has determined that, in this instance, neither the applicants nor the defendants breached the provisions of section 134(3)(o) of the Companies Act of 2013. The Tribunal has also concluded that the violation is appropriately addressed under section 134(8) of the Act, as previously mentioned. After a thorough examination of the original intent of this section concerning CSR, as initially included in the Act, the bench has found that the company and its directors are unable to provide a clear explanation regarding the clause due to subsequent circulars issued.

Based on our analysis of the provided materials, we have determined that the organization did not engage in any wrongful conduct when requesting the compounding of a violation under section 134(3)(o) of the Companies Act of 2013. As a result, there is no need to impose a compounding fee on the loan applicants or individuals accused of default.

This pertains to the case of SML Finance Ltd. versus the Registrar of Companies in Kerala. A compounding application was recently filed with the Registrar of Companies (ROC) in Kerala. The National Company Law Tribunal in Kerala has received the application and the report from the Real Estate Commission. This application was submitted to the ROC due to the company's infringement of rule 8 of the Companies (CSR Policy) Rules, 2014, and section 134(3)(o) of the Companies Act, 2013. The organization's omission of a justification in the Director's report for the non-allocation of the CSR amount for the fiscal years 2014- 2015 constitutes a regulatory infraction.

The company was required to include specific information in the Board of Directors'

Report as outlined in the Kerala ROC report, such as details of the implemented corporate social responsibility (CSR) policy, the composition of the CSR Committee, the core principles of the CSR policies, and an explanation for the non- distribution of CSR funds. On November 15, 2018, the Registrar of Companies (ROC) in Kerala issued a notice regarding non-compliance with section 135 and section 134(3) of the Companies Act, 2013. This notification highlighted the failure to meet the regulatory requirements. Furthermore, the ROC had previously issued a show-cause notice to the company on November 23, 2016. The company's financial statement for the fiscal year 2014-2015 reflected non-compliance with sections 135(1) and 134(3)(b) of the Act, as amended by the Companies (CSR Policy) Rules, 2014. The organization violated both section 135(1) and section 134(3)(o) of the Act, leading to an inquiry into why the required actions were considered unnecessary.

The company asserted that certain details were excluded from the report due to its lack of familiarity with the relevant regulations in its inaugural year of operation. This document includes the compounding application submitted by the petitioners and defaulters. The defaulting corporation has filed the subsequent appeals to address this matter:

The corporation has inadvertently failed to comply with section 134(3)(o), despite its aim to adhere to the Act's provisions. This amounts to 2% of the average net profit over the preceding three fiscal years. The firm has determined the CSR liability to be Rs. 19,32,175. The organization designated a total of $71,950 to improve educational possibilities and $144,140 to facilitate medical treatment in the Kunnamkulam, Thrissur region.

The organization resolved to build housing for families residing below the poverty line as part of its initiative to fulfill its corporate social responsibility goals. The company has designated resources to guarantee the successful achievement of the specified goal. During the 2015–2016 fiscal year, it failed to finalize both the project and the related legal actions.

The Director's Report for the 2015–2016 fiscal year provides a detailed account of the expenditures as per the prescribed criteria. The annual report states that a total of 17,55,069 Indian Rupees was designated for corporate social responsibility projects in the 2016–2017 fiscal year. A total expenditure of $36,057,753 was designated in the budget for this specific purpose during the 2016–2017 fiscal year. The applicants rectified the default by utilizing the CSR money in succeeding fiscal years.
In this instance, the petitioners could not ascertain the exact location of the CSR expenditures due to the government's persistent issuance of circulars and announcements, which finally resulted in the infringement.

Considering the context of the applicants' actions, which do not seem to constitute deliberate breaches of the Companies Act of 2013, and their admission of the error prior to rectification, it is plausible that this application will be approved, possibly with a nominal compounding fee.

Moreover, the bench has considered the petitioners' arguments alongside the pleadings included in the record. The applicants have not complied with the stipulation specified in section 134(3)(o) of the Act, as found by the court after careful deliberation. The Companies Act of 2013 stipulates the consequences of contravening this regulation. Additionally, the organization documented the CSR amount in later fiscal years and partially refunded the defaulted payment. A significant concern is the organization's recurrent inability to deploy CSR monies in succeeding years. We have concluded that the applicants residing in this region are likely to incur the compounded penalty for the offense committed in contravention of the Companies Act, 2013, as specified in section 134(3)(o), based on the stated circumstances and facts.

A penalty of five lakh rupees from the company at fault, along with one lakh rupees from each of the directors on the company's CSR committee who are in default, should serve as a sufficient deterrent to prevent future violations. The total amount to be paid will be eight hundred thousand rupees. The payment must be made to the designated account officer at the Ministry of Corporate Affairs in Chennai within fifteen days of the order being issued.

In M/S Technicolor India Pvt. Ltd. v. The Registrar of Companies, Karnataka[50]

On January 10, 2018, a compounding petition was filed with the National Company Law Tribunal in Mumbai, addressing violations of section 135 and section 134(3)(o) of the Companies Act, 2013, and rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. The company in question had not made any corporate social responsibility (CSR) expenditures. Additionally, it failed to provide a valid explanation for omitting CSR details from the Board's Report for the fiscal year 2014-2015, as required by section 135(2) of the Companies Act, 2013.

The petitioners sought approval to amend the CSR section of the report submitted to the Board of Directors and requested any other orders deemed necessary. The petitioners had been registered with the Registrar of Companies in Tamil Nadu on July 6, 2004, before moving their registered office to Delhi and later shifting it again to Karnataka. The company's registered office is now situated in Bangalore, and its authorized capital amounts to Rs. 70,05,000,000, with a share value of Rs. 10 each. By March 31, 2018, the company's capital had reached Rs. 17,36,54,180, equating to seventeen crore thirty-six lakh fifty-four thousand one hundred eighty.

The company met the net profit requirement under section 135 of the Companies Act, 2013, by establishing and maintaining a CSR committee. However, in fiscal year 2017-2018, the company allocated a sum toward CSR, but it was insufficient as per the regulations outlined in section 135(5) and the Companies (Corporate Social Responsibility Policy) Rules, 2014. There was a discrepancy between the audited financial statements and the reported CSR expenses, which was attributed to errors by the department responsible.

The Board of Directors approved the preliminary Director's Report for the fiscal year ending March 31, 2018, on September 21, 2018, which included incorrect claims about CSR spending. The error was noticed during the initial evaluation of

[50] C.P. No.124/BB/2019

the financial statements, and corrective measures were subsequently taken. The company submitted an application to amend its report, in line with section 131, to address the discrepancies.

The Regional Director filed an affidavit on December 3, 2019, detailing various declarations, and after assessing the application, it was determined that the company had fulfilled the net profit requirement but had failed to meet the membership requirement for the CSR committee during 2017-2018. Furthermore, the company's CSR expenditure was below the mandated amount, and no convincing explanation was provided for not using the allocated funds.

The company's financial documents, approved by shareholders, included preliminary auditor's reports, draft financial statements, and a Director's report. These were submitted to auditors for further review. The Board could not issue the amended financial statements under section 131, as the draft reports did not comply with the required provisions.

For fiscal year 2017-2018, the company had planned to allocate Rs. 1,13,79,802 for CSR, but only Rs. 3,00,240 was spent, falling well short of the mandated amount. The Director's report did not provide any justification for the shortfall, despite it being required under section 135(5) of the Companies Act, 2013.

If the company does not form a CSR committee with the necessary members and fails to justify its non-compliance with CSR expenditure for fiscal year 2017-2018, it could face penalties under section 441 of the Companies Act, 2013. Additionally, any unspent CSR funds must be kept in a separate account. The company may seek to compound the violation under section 441. It is advised that the relevant body reject the plea due to the non-compliance and the need for corrective measures.

In Apurva Natvar Parikh & Co.Ltd. & ors. V. ROC, Mumbai[51]

[51] C.P.311(MB)/2018

A compounding petition was filed with the National Company Law Tribunal in Mumbai on January 10, 2018. The petition addressed a violation of section 135 of the Companies Act, 2013, section 134(3)(o) of the same Act, and rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. The company in question has not made any expenditures towards corporate social responsibility (CSR). Additionally, aside from the disclosures required under section 135(2) of the Companies Act, 2013, the company failed to provide an explanation for the omission of the CSR amount in the Board's Report for the 2014-2015 fiscal year.

The applicants and the defaulters are currently in violation of the requirements outlined in section 134(3)(o) of the Companies Act, 2013. Both parties have submitted a compounding application to the Mumbai Bench of the National Company Law Tribunal to address this issue. The company rectified the previous non-compliance by including the required information in the Board report, collaborating with the CSR committee, and implementing a corporate social responsibility (CSR) policy for the fiscal year 2015-2016, as mandated by the registrar of companies. This was done in accordance with the applicable provisions of the Companies Act, 2013. The company's report contained all relevant details. The registrar of companies issued a notice on December 8, 2017, indicating that the organization had violated the provisions of section 135 and section 134(3)(o) of the Companies Act, 2013, due to its failure to disclose the necessary information for the 2014-2015 fiscal year. The Ministry of Corporate Affairs had made the Board Report for the 2014-2015 fiscal year public, adhering to the guidelines of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, and General Circular 21/2014. There were concerns regarding the composition of the company's CSR committee and the unexplained underutilization of the CSR budget. The company responded to the Registrar of Companies on December 16, 2017, following the notice. The response included the Director's Report, issued on September 2, 2015, which detailed the company's activities for the 2014-2015 fiscal year. On January 3, 2018, the registrar issued a notification, delivered on February 1, 2018, instructing the company and the defaulting directors to submit an application to the Mumbai Bench of the National Company Law Tribunal to compound the violation as per the procedure outlined in the Companies Act, 2013.

For the 2015-2016 fiscal year, the company was required to allocate Rs. 5,26,047.30 for CSR purposes, as mandated by section 135 of the Companies Act, 2013. The company allocated Rs. 35,08,500 for CSR activities in the same year but failed to implement its CSR program despite the funds being available. The company notified the registrar of its violation of section 134(3)(o) of the Companies Act, 2013, in a letter dated February 9, 2018. On July 18, 2014, the Board of Directors began formulating the CSR policy to ensure compliance with Schedule VII of the Companies Act, 2013. To meet the requirements of the Companies Act, the company established a CSR committee, developed a CSR policy, and incorporated the necessary disclosures into the Board report for the fiscal year 2015-2016. These actions helped reinforce the previously established process.

The Company Law Board concluded that the applicants and defaulters had violated subsection (3.4) of section 134 of the Companies Act, 2013, after thoroughly reviewing the documents. In 2013, the Company Law Board amended Section 134(8) to specify penalties for the violation in question.

The company took steps to address the default by forming a CSR committee and incorporating a declaration in the Board report for the 2015-2016 fiscal year, completing these actions fully. Despite the rectification, the applicants and defaulters were required to apply for compounding the offense under section 134(3)(o) of the Companies Act, 2013, based on the circumstances of the case. The judge conducted a detailed review of the documents, legal filings, and arguments presented during the hearing on August 21, 2019. The bench ruled that the company would be charged a compounding fee of one million rupees, with an additional one million rupees imposed on each director. This fee was to be deposited into the Prime Minister's National Relief Fund within three weeks of the judgment.

The applicants have already paid the compounding fee, as evidenced by receipts dated August 31, 2019, submitted on September 6, 2019. As a result, the petitioners' request for compounding has been denied because they had already paid the compounding fee determined by the Company Law Tribunal.

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4.4 Expenses under corporate social responsibility activities

In the case of Power System Operation Corporation v. Nrldc, the organization filed a petition seeking an exemption from the requirements of Regulation 12(3) of the Central Electricity Regulatory Commission (Fees of Regional Load Dispatch Center and Other Related Matters) Regulations, 2015. The petitioner requested that the LDC Development Fund be allocated for the training of system administrators from SLDCs to enhance their skills. The organization proposed an amendment to Regulation 12(3) of the RLDC fees regulations, 2015, to allow the National Power Training Institute (NPTI) access to the LDC development funds for capacity-building initiatives. These initiatives would support activities related to corporate social responsibility and the training of system operators at state load dispatch centers (SLDCs). Additionally, the term "depreciation" could be removed by amending Regulation 12(5), with depreciation calculations being allowed as per the requirements outlined in Regulation 19 of the RLDC Fees Regulations.

As per Section 28(4) of the Electricity Act, regional load dispatch centers are authorized to charge and collect fees from generating entities or licensees involved in interstate electricity transmission, based on the commission's evaluation. The authority for this has been granted to the regional load dispatch centers. The Central Electricity Regulatory Commission established the Fees for the Regional Load Dispatch Center and related matters in 2015, exercising its powers under section 28(4) and section 178 of the Electricity Act, 2003. These regulations were enacted in 2015.

The RLDC Regulation of 2015 specifies that the LDC development fund is designated for financing training programs conducted by state load dispatch centers (SLDC). Within POSOCO’s training role, the organization is tasked with guiding and supporting state-level load dispatch centers, which may include specialized training sessions and other related activities. On November 6, 2013, the Commission issued an amendment to Regulation 9(3) of the RLDC Fees Regulations in response to petition number 117/MP/2012. This change allowed for the inclusion of expenses related to the LDC development fund, covering activities such as training programs. The petitioner has actively requested financial assistance from self-governing development corporations (SLDCs) to train various system operators, in line with the Commission's directives from November 6, 2013. The LDC development fund can only be used for purposes outlined in Regulation 12(3) of the RLDC Fees Regulations, which include providing loans to financial institutions, managing funds from interest and dividends, acquiring new assets, and supporting research and development initiatives. Additionally, it cannot be used to finance the equity component needed for asset development. The proposed regulation does not include provisions for training system operators at SLDCs. It is recommended that the LDC development fund should be used to support training programs for SLDC system operators provided by NPTI. This initiative aims to enhance professional performance and provide special incentives to state administrators in economically underdeveloped regions. The approved guidelines were to be upheld during the thirty-first meeting of the POSOCO Board of Directors on February 13, 2014.

Adhering to the legal requirements set forth in the Companies Act of 2013 regarding Corporate Social Responsibility (CSR) is crucial. The Act mandates that companies allocate at least two percent of their average net profits from the past three fiscal years to CSR activities. The commission authorized the use of the LDC development fund to support CSR expenditures, as per petition number 200/MP/2011, following an order dated September 28, 2012. This decision was made by easing the restrictions imposed by Regulation 9(2) of the RLDC Fees Regulations, 2010. POSOCO and POWERGRID have traditionally included their CSR projects in the annual memorandum of agreement, following the guidelines established by the Department of Public Enterprises. However, from the fiscal year 2015-2016 onwards, the Memorandum of Understanding (MoU) no longer included CSR, due to the mandatory CSR requirements introduced by the Companies Act, 2013. Additionally, Regulation 12(3) of the RLDC Expenses Regulations, 2015, does not cover provisions for funding CSR activities. The petitioner is now requesting financial assistance from the LDC Development Fund for CSR-related expenses in light of the current circumstances.

Regulation 12(5) of the RLDC Fees Regulations, 2015 specifies that assets obtained by POSOCO using resources from the LDC development fund are excluded from depreciation, loan interest, and return on equity (ROE) assessments. This contrasts with grants, which are subject to similar calculations. This clause applies to all assets generated by POSOCO. The petitioner contends that the lack of depreciation on assets funded by the LDC development fund will lead to a reduction in available capital, hence hindering POSOCO's ability to fulfill its future CAPEX/REPEX commitments. The petitioner contends that the term "depreciation" need to be excluded from Regulation 12. (5) and that the calculation of this provision should adhere to Regulation 19 of the RLDC fees regulations.

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CHAPTER 5: CONCLUSION AND SUGGESTIONS

5.1 Conclusion

After a detailed examination of the impact of Corporate Social Responsibility in the previous chapter, it is important to proceed carefully. An effort has been made to advance the ongoing research related to this chapter. Social responsibility has been a fundamental aspect of societal functioning since its inception. Corporate social responsibility has been present since the earliest stages of human society.

Nonetheless, the shape we are disclosing was not augmented; instead, it retained its unrefined state throughout the entire process. The Bible, the Quran, the Vedas, and the Puranas, among other religious texts, contain numerous case references. The notion of moral responsibility was established, grounded in ethical ideals and aimed at benefiting society collectively. The establishment of laws in a specific geographical area has resulted from the significant volume of water flow experienced by the River Thames and the Ganga. India complies with this overarching idea. The notion of corporate social responsibility (CSR) gained prominence in the years subsequent to the enactment of the Companies Act in 1956. The introduction of the model Companies Act in 2013 significantly boosted progress by requiring companies to allocate up to two percent of their average profits towards the welfare of their employees. This resulted in an increase in resources dedicated to employee well-being. Failure to comply with this mandate will result in penalties for the company. Furthermore, the judiciary continues to maintain its position on this matter. The Indian business community has been entrusted with the responsibility of supporting the public during both crisis situations, such as epidemics, and in regular times, with the corporate sector frequently being assigned this role.

The Triple Bottom Line concept was created to rectify market inadequacies and promote sustainable advancement. It was specifically claimed that assessing a company's performance just based on its profitability would be an insufficient approach. Businesses must also evaluate their influence on environmental and social issues alongside profit generation. This manual aims to elucidate the concept

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of Corporate Social Responsibility, which involves the ethical conduct of enterprises concerning society.

The establishment of the 2030 Sustainable Development Goals, consisting of seventeen separate objectives, signified the culmination of an extensive period during which firms explored their social duty. This transpired around the conclusion of 2015. To attain these aims, the firm must collaborate closely with the government. Consequently, it is essential for the firm to extend its support. This understanding constitutes the foundation of this insight. This is particularly relevant in the context of emerging nations like India, which have faced considerable difficulties in addressing the demands of a substantial teenage population despite constrained physical resources. India is one of the leading nations in this project. The latest report released by the United Nations, "Better Business, Better World," clearly substantiates this claim.

In India, notwithstanding the nation's achievements across all sectors, certain sociocultural conditions have elicited apprehensions regarding the sustainability of the current growth trajectory. In the corporate realm, the generation of profits is as crucial as the sustained maintenance of growth over time. The notion of profit is generally associated with immediate and short-term advantages. Conversely, attaining sustainable growth necessitates the execution of a strategy that is more holistic and takes into account environmental, social, and economic factors to guarantee the prolonged continuity of operations. For corporations to operate within society, it is essential that they comply with state laws. Conversely, there are situations where rigid compliance with legal norms is insufficient. Developing nations like India possess significant untapped corporate expansion potential, which could be hindered by resistance from local populations affected by these commercial endeavors, commonly referred to as Project Affected Families (PAFs). On the contrary, this chance has not been fully actualized. The complexity and disorientation they experienced following the conclusion of the occupation may be the principal source of their displeasure. This is the primary cause of their discontent. This does not change the fact that they remain discontent with the revenues generated from the corporation's activities. The individual perceives that they have incurred more losses and gained fewer advantages, leading to sentiments of dissatisfaction and distrust regarding the company's conduct. This ultimately resulted in physical aggressiveness against the individual, accompanied by sentiments of anger and rage. Legal compliance issues are typically viewed as the most common problem in corporate decisions, especially regarding local citizens purchasing homestead and agricultural land. To quell demonstrations such as this, it is essential to implement the law by the application of force. Typically, police intervention would have adverse outcomes and intensify the intensity of the problem. Although the concept was both technically and commercially viable, it was not executed on multiple occasions. This resulted in the forfeiture of developmental potential for the region and the generation of employment prospects for its inhabitants.

The subversive actions of Left Wing Extremists (LWEs) raise concerns about the nation's advancement. Another issue that requires attention is the nation's expansion. The unlawful activities of the LWEs have led to recurrent incidents of violence, property destruction, and fatalities in more than one hundred districts spanning 10 states. Twelve men of the CRPF lost their lives in an incident on March 11, 2017. On April 24, 2017, in Sukma, Chhattisgarh, almost three hundred armed Maoists killed twenty-five personnel of the Central Reserve Police Force (CRPF). The unfortunate events can be ascribed to various factors, namely the paucity of essential amenities, insufficient healthcare facilities, and a lack of educational possibilities. These incidences have hindered the local population's capacity to benefit from progress by adversely affecting the execution of various development plans and programs. Current development initiatives require substantial enhancement to allow indigenous populations to engage fully in the development process and attain a life of dignity.

A thorough examination of current urban conditions reveals a concerning trend of dissatisfaction among young people, which, at times, extends to developed areas, disrupting the peace and tranquility in these regions. In Gujarat, the Patidars, in Rajasthan, the Jats, and the Gujjars in Rajasthan have launched protests seeking recognition as backward classes to qualify for job reservations in government and public sector roles. These protests highlight the limited opportunities young people face in the job market and their struggle to fulfill their aspirations. In tribal areas, those involved in Left-Wing Extremism were driven by extreme poverty and deprivation, while urban protests stemmed from relative hardship and unfulfilled expectations among the youth. The upheavals have entirely obliterated property and infrastructure in economically established and technologically advanced sections of the country, temporarily disrupting urban daily life. A consensus is emerging to augment the number of reserved individuals in government administration, given the scarcity of job opportunities in the private sector. The protests have led to property damage, loss of business prospects, and casualties. The demonstrations can be viewed as symbolic, resembling the tip of an iceberg that hides a substantial cohort of disenchanted youth endeavoring to secure a livelihood that is at least somewhat respectable.

Confronting the socioeconomic issues inherent in a developing nation such as India is a complex and varied undertaking. The government is widely recognized as having a primary responsibility to address the economic and social challenges arising from industrialization and economic growth. These challenges are also closely linked to the main issues faced by large corporations. In a well-functioning democracy, as Dr. APJ Abdul Kalam, former President of India, pointed out, the government cannot be the only entity responsible for bridging the gap. Corporations must play an active role in supporting government efforts. Corporate involvement is crucial in developing countries like India, where poverty and unemployment are urgent issues. Effective collaboration is key to achieving goals such as improving efficiency, fostering transparency, and demonstrating commitment to shared objectives. Companies must not take a passive stance on social issues they are involved in, given their significant role in society. To remain successful, a company must actively address major social challenges. Another important goal tied to this is improving market access for disadvantaged groups. This idea forms the foundation of corporate social responsibility (CSR) in India.

Indian corporations have a longstanding tradition of emphasizing social awareness and responsibility among their personnel. Certain individuals have made substantial donations to the establishment of educational and medical facilities for the general populace without anticipating any financial remuneration. In recent years, a growing number of firms have incorporated corporate social responsibility (CSR) into their business strategies. This area encompasses the discovery of economic opportunities in underdeveloped markets, the cultivation of skilled workers to tackle future industry difficulties, and related activities. The proliferation of corporate social responsibility initiatives has been enabled by the rise in employees participating in volunteer service activities. The aim of these therapies is to address issues associated with simultaneous shifts in perceptions and actions. The study found that long-established companies like the Tata Group have been addressing social issues for over a century, while newer enterprises like Infosys, Wipro, and Reliance Private Limited have shown similar dedication, enthusiasm, and substantial financial contributions to promote positive societal change. In the past four to five years, public sector enterprises (PSEs) owned by the government, including ONGC, NALCO, and SAIL, have significantly increased their corporate social responsibility (CSR) efforts. CSR practices in Indian companies are diverse, including both private firms and smaller PSEs that have not adopted CSR, as well as highly responsible corporations. Some firms have not embraced CSR at all. A large number of companies have limited their CSR involvement to a few high- profile events mainly for public relations purposes. Dr. APJ Abdul Kalam, former President of India, expressed concerns that are particularly relevant here. He pointed out that, although private firms have taken steps in recent years to reduce the gap between urban and rural India, these efforts have not produced any tangible results. Despite the significant earnings and growth of all companies contributing to a 20 - 25% annual rise in GDP, the initial hopes were unfulfilled, as no noticeable improvements were seen among rural populations.

In India, the future of corporate social responsibility (CSR) will focus on raising awareness and encouraging businesses to implement socially beneficial and exemplary policies. While it may take time for an industry or business to gain widespread acceptance, CSR initiatives are deeply linked to societal advancement. Consumers increasingly appreciate a company's commitment to CSR, which in turn enhances the brand's reputation, much like their preference for quality. Until recently, few consumers paid attention to the quality of products they purchased, allowing producers to sell goods without focusing on quality. However, over the past decade, consumers have become more attentive, discerning, and conscious of their purchasing choices. To retain their market position, manufacturers now recognize the importance of quality. Consumers are now seeking companies that demonstrate transparency, ethical practices, and strong CSR efforts. Investors' choices may increasingly depend on how well a company meets the "Triple Bottom Line" criteria, considering not only profit but also social and environmental factors. In the future, investors will favor businesses with robust CSR programs and ethical values when making investment decisions. Advanced information technology will play a key role in fostering transparency and the free exchange of information. These discerning investors and consumers will incorporate CSR into their branding strategies, valuing companies that demonstrate a solid commitment to social responsibility and ethical standards. This shift marks the beginning of a new phase for CSR implementation in India.

The enforcement of corporate social responsibility (CSR) became obligatory on April 1, 2014, pursuant to the Companies Act. This marked the commencement of a new epoch in which organizations will be responsible for meeting their social obligations. An analysis of the acts executed in accordance with the necessary rules from the standpoint of corporate social responsibility reveals the following:

The majority of enterprises have formed corporate social responsibility (CSR) committees at the board level, consisting of independent directors, due to the legal obligation to execute CSR policies.

A variety of organizations have dedicated resources to corporate social responsibility (CSR) programs. The schedule reveals that around two-thirds of enterprises have designated two percent of their net profits from the past three years to this year's corporate social responsibility projects. Businesses have been afforded total authority to choose, develop, and execute corporate social responsibility initiatives that span a wide range of activities and sectors in compliance with legal regulations. The situation is likely to improve soon. Every accountable enterprise must provide information regarding its corporate social responsibility (CSR) initiatives, including justifications for any shortfall in mandated expenditures. This failure requires a clear explanation. The degree of regulation done indirectly of CSR will be dictated by [h]ow businesses report their financial allocations for CSR, the detailing of expenditures linked to particular projects, and the rationales for any discrepancies in spending that surpass the designated budget. The only infraction that may lead to a penalty, according to the regulations, is the failure to furnish information. This pertains to the organization collectively and the individual executives accountable for corporate social responsibility. Noncompliance with the Act's stipulation for the allocation of at least two percent of a company's net earnings to corporate social responsibility is not deemed a violation. Businesses must allocate a maximum of two percent of their entire profits to these issues. The principal aim of this legislation is not to induce fear of the law or impose fines; instead, it is to provide business guidance.

Despite financial expansions in alignment with expenditures on corporate social responsibility (CSR) programs by state-owned public sector companies (PSEs), the quality of the outcomes produced remains markedly disparate. This is somewhat similar to the results that arise from the introduction of social legislation in India. To encourage companies to engage in and expand their corporate social responsibility programs, it is crucial to raise awareness, encourage action, and recognize exceptional contributions. During the transition period, it is important to ensure that the market, investors, and consumers can distinguish the positive actions of a socially responsible company from those of other businesses. Corporate social responsibility (CSR) will contribute to socioeconomic progress and reduce the burden on the government. Conversely, it will furnish financial resources for social work to be employed by civil society. The advancement and acknowledgment of corporate social responsibility (CSR) are substantially affected by several stakeholders, including the government and civil society. The success and impact of corporate social responsibility (CSR) in India will be greatly shaped by the collaborative efforts of the government, businesses, and civil society, stemming from the government's responsibility to ensure the effectiveness of CSR initiatives.

In India, the second phase of corporate social responsibility (CSR), known as "transformative CSR," is governed by statutory restrictions. Its major objective is to effectuate life-altering enhancements for individuals and society at large. The private sector has shown the most persuasive instances of how corporate social responsibility (CSR) funds have been utilized to enhance the lives of regular residents, even if public sector corporations have allocated and spent funding. The conclusions offered are substantiated by the findings of case studies conducted on certain organizations. A discrepancy has arisen over the allocation of skills vital for sustaining one's livelihood and enhancing educational and healthcare standards. The firm has partnered with government agencies multiple times to rectify last-mile connection problems. An illustration of this is the enhancement of cleaning initiatives through collaboration with corporations to guarantee that all public schools possess restrooms distinctly designated by gender. The Akshaya Patra Foundation's role in supplying warm meals from the central kitchen exemplifies how the corporate social responsibility project, focused on education and nutrition, may be expanded. It is essential to motivate company administrators interested in volunteering to commit their time to community service. The mobilization of corporate volunteers has begun; nonetheless, it is essential to motivate them to participate in volunteering. This component has the ability to significantly influence society, especially among disadvantaged groups, by enabling the fulfillment of their aspirations and inspiring confidence within the community. These approaches have been advantageous in fostering a more participative and inclusive development strategy.

The COVID-19 pandemic has caused fatalities in India and has necessitated the government's formulation of policies and measures to address the dire circumstances. Corporate entities have rendered their support in the continuous battle against the disease. Given the COVID-19 pandemic, businesses must demonstrate increased accountability and responsiveness to client needs. Corporate and organizational leadership globally has been necessitated to adopt proactive strategies to address significant problems given the current conditions. These steps include ensuring human safety, optimizing critical operations, and exhibiting agility in the face of change. Moreover, firms have engaged in problem-solving activities with substantial ramifications for the nation, alongside their attempts to assist those impacted by the attacks.

Businesses are implementing necessary measures to safeguard the health and safety of their personnel. Similarly, the CSR department has executed programs that exemplify this. Alongside other equality initiatives, it is essential that corporate social responsibility (CSR) dedicates resources to the promotion and facilitation of access to health insurance programs. This is a reply to the situation. The following list will focus on the topics that have attracted the greatest attention and interest from the healthcare community at large. A considerable amount of effort will be necessary across various sectors, such as water, sanitation, and hygiene (WASH), climate change, and socio-economic issues like hunger, poverty, and rural development. All individuals, including those working in corporate organizations, have pledged to actively contribute to the global effort to tackle the ongoing crisis. As health emergencies become more frequent, it is increasingly vital to create frameworks that promote the involvement of both employees and volunteers. To enhance understanding, evaluation, and assessment of the impacts of both short- term and long-term efforts, it is crucial to examine the corporate social responsibility (CSR) response in relation to risk management, resilience, preparedness, response, and recovery. This is a key element of the process.

The repercussions of the COVID-19 pandemic have imposed an unprecedented demand on corporate social responsibility. This is the exact pattern we have identified in our research, a phenomena evident in every crisis that offers a unique amalgamation of chances and hazards. Businesses in all sectors have seized the chance to become more deeply embedded in the social fabric of their operating communities. Corporate social responsibility (CSR) acts as a protector of employee loyalty, consumer reliance, and investor confidence and trust within this framework. A salient lesson that may be reaffirmed in crisis management is that corporate social responsibility initiatives can be as efficacious.

Recent advancements have generated fresh prospects for India, the most populous and democratic nation globally. The beginning of the twenty-first century has generated an unparalleled degree of optimism. The future of India's global importance will depend on its ability to leverage the demographic advantage of its youth, channeling their energy into positive pursuits that foster optimism, confidence, quality education, and skillfulness. The expectations of the younger demographic have been developing at an accelerating rate due to the heightened adoption of mobile-based digital applications and social media. The generation of opportunities is decelerating relative to the progress of mathematics, despite the concurrent implementation of various government initiatives, programs, and policies aimed at creating opportunities. The disparity between the opportunities accessible to young individuals and their goals has markedly and swiftly widened due to the prevailing circumstances. The failure to meet one's expectations may lead to irritation, which can grow into anger and occasionally culminate in aggressive conduct. This phenomena is widespread globally but is more typically noticed in developing or underdeveloped economies. In contrast, events like the recent Maratha mobilization in Maharashtra exemplify how the disappointments experienced by youth in their pursuit of chances are intensifying into violence and anger. Competent young individuals are actively pursuing employment that aligns with their abilities, provides a superior income, and ensures excellent working conditions. "Make in India," "Skill India," and "Digital India" are current initiatives adopted in India to deploy human resources and stimulate production. "Startup India" and "Standup India" are projects with a common goal: to promote the growth of entrepreneurial ventures emerging from marginalized areas. Companies, as major partners in society, are required to assist the growth of these initiatives. The firms involved would benefit from the implementation of this plan, as would society at large. It would concurrently establish a development process that is more inclusive and sustainable, ultimately benefiting society by enhancing output and profits. The course of corporate social responsibility (CSR) in India will be shaped by these events.

Shri Montek Singh Ahluwalia, an economist and ex-Deputy Chairman of the Planning Commission, has stated that the existing model of development is inadequate and requires a fundamental change. He asserted that there is an increasing global contempt for the elite and a rising belief that elitism inadequately supports people who lack equivalent privileges or chances. A thriving society cannot achieve complete development unless every community member perceives their potential contribution. Shri Ahluwalia made this forecast regarding his hopeful perspective on India's future. He forecasted that "youth will possess a more promising future." The per capita income growth rate is anticipated to be fivefold compared to the period immediately after independence. This represents a significant escalation from the prior growth rate. This opportunity may have arisen due to a confluence of events, including a decelerated population growth rate and an accelerated GDP increase over the preceding decade. Thus, the younger generation will recognize a paradigm shift that transpired forty-five years ago within a span of nine years, as observed by the prior generation. The life of the younger demographic will be profoundly impacted by such improvements.

The findings of the study indicate that corporate social responsibility (CSR) in India starts with a focus on philanthropy and gradually transitions into charitable initiatives. The most recent form of CSR, Systematic CSR, has the potential to formalize the practice and focus on the comprehensive and effective resolution of important national issues, thanks to its mandatory nature. This coincides with the initiation of Sustainable Development Goal 2030, a program designed to fulfill its objectives within the subsequent 15 years (2016-2030). The achievement of Sustainable Development Goal 2030 would be greatly enhanced by the relationship between the distribution of financial and management resources and the execution of corporate social responsibility (CSR) projects.

It is essential to ascertain the root reasons and execute corrective actions in a manner that is both intentional and ethical. Business competition will escalate as technology diminishes global distances, making it increasingly difficult for firms to compete in the marketplace. Technology diminishes the geographical distance between humans worldwide. The corporation must design new strategies that surpass mere compliance with legal laws to ensure its continued existence and sustain competitiveness. The consumer will be granted real-time access to all relevant information due to the empowerment fostered by the media, propelled by information technology. Consequently, students will be more adept at distinguishing among the several items and their manufacturers, thereby facilitating a well-informed decision-making process. In this context, firms with a stronger history of corporate social responsibility will possess a competitive edge. This will require the emergence of CSR as a recognized practice, characterized by lasting and substantial societal benefits, rather than a mere public relations tactic. In the twenty- first century, corporate social responsibility necessitates an evaluation of the following conditions:

Innovation and originality will be the essential components of corporate social responsibility in the imminent future. In the forthcoming years, innovations of growing importance will encompass mobile applications providing users with a wide range of solutions and mobile phones capable of executing financial transactions.

The second component will entail forming alliances among enterprises with shared beliefs, aimed at broadening the operation's reach to tackle challenges of national significance and common public interest. An example is the Akshaya Patra Foundation's delivery of nutritious meals to students, baked in a hot oven, exemplifying the corporate social responsibility (CSR) efforts of information technology firms. This initiative has successfully tackled the problems of hunger and malnutrition. The achievement is due to the successful application of suitable technology, continuous government funding via initiatives, the proficiency and commitment of non-governmental organizations (NGOs), and the cooperative endeavors of corporate social responsibility (CSR) initiatives. The aforementioned elements have mitigated hunger and malnutrition. India has often become the final resting place for numerous non-governmental organizations (NGOs) that performed effectively on a small scale but were unable to expand their reach, eventually leading to their decline. In the future, such instances are expected to be re-evaluated and adapted to align more closely with the principles of Corporate Social Responsibility (CSR).

The third section will examine how businesses can utilize their inherent strengths and surplus resources to achieve social impact goals. This will expand the scope of corporate social responsibility beyond its existing function as a financial asset. The Tata Group of Hotels exemplifies an effort that provides unemployed teenagers the opportunity to refine their hospitality industry abilities through the utilization of hotel facilities. This effort has imparted fresh importance to the notion of equipping youth with market-oriented skills, thus fostering inclusive growth.

The importance of environmental conservation will grow significantly in the coming decades. A recent ruling by the Uttarakhand High Court granted legal personhood to the Ganga and Yamuna rivers. Similarly, New Zealand’s Parliament has granted the Whanganui River legal rights as a living entity, highlighting the growing impact of social media in prompting corporations to take greater responsibility for environmental issues. This trend will likely lead to the adoption of globally recognized environmental standards. Regulations around waste management and greenhouse gas emissions are anticipated to become stricter in the near future, presenting a substantial challenge for businesses to meet these corporate social responsibility (CSR) obligations. Considering these advancements, the life cycle approach is expected to become increasingly important due to its ability to optimize the use of scarce resources. Corporations such as ITC have already taken steps in this direction by launching plantation initiatives and implementing production systems that are water-neutral, carbon-neutral, and generate zero waste. Gradually, such practices are likely to evolve into routine operational standards and form a core element of corporate social responsibility efforts.

An innovative element will be incorporated into the utilization of digital media, particularly social media, as an economical and immediate means of engaging with a broad consumer base, especially the youth population. This significant instrument must be utilized effectively to promote sustainable development and shift perspectives on many social concerns. Corporate Social Responsibility (CSR) will be advanced by information technology-driven social media platforms that are readily accessible online at no expense. Capacity building will grow in significance when corporate social responsibility programs are executed. This encompasses the cultivation of a constructive viewpoint, the acquisition of vital managerial competencies, and the deployment of suitable technical solutions. Moreover, corporate social responsibility will be integrated into the organization's core functions, including human resource management, marketing, production, and finance, instead of being overseen by a separate entity.

Corporate social responsibility (CSR) is poised to become an essential element of sustainable development, anticipated to influence many sectors and amalgamate social, environmental, and financial dimensions. India will present compelling instances of corporate social responsibility activities to both developed and developing countries to promote a more sustainable development process. This is noteworthy due to the multitude of advantages that India holds. Achieving this purpose requires the deployment of suitable technology and the cooperation of essential players, including the government, civil society, and corporations, in alignment with a constructive approach. The firm, the nation, and society together will attain optimal results through the implementation of this approach.

The essential factor for firms to attain and sustain global prosperity is the growing acknowledgment of societal harmony. This is the only criterion that allows the achievement to be realized. Numerous examples illustrate how a corporation can yield profits while concurrently benefiting society through the integration of innovations into its corporate operations. Socially responsible firms demonstrate a commitment to societal welfare that exceeds basic legal adherence and profit maximization. These firms have deployed their workers, resources, and managerial acumen to advance societal goals while also providing active support. These interventions have been carefully implemented, integrating creativity, commitment, and engagement to facilitate change, thereby affirming the effectiveness of corporate social responsibility (CSR) initiatives. These instances illustrate that it is possible to harmonize the seemingly conflicting economic and social goals of a corporation by acknowledging the complex interconnections among the corporation, the government, and society. This would result in a fundamental shift towards genuine sustainable development.

With Mahatma Gandhi's leadership, India gained political freedom in the twentieth century, inspiring the nation to unite around the values of truth and nonviolence. This success propelled India onto the global stage. The twenty-first century now offers a chance to achieve economic independence, overcoming poverty and stagnation, while also promoting the well-being of all. Empowering the majority is essential to achieving this goal. This purpose could be achieved by promoting collaboration among the government, corporate sector, media, and civil society. As a result, India would be emancipated from its impoverishment. A society of equals in social, economic, and political domains was developed in accordance with the Constitution to address starvation, malnutrition, and unemployment. This was the result of the Constitution's enactment. In the struggle for distributive fairness and economic progress, corporate social responsibility will assume a pivotal role.

5.2 Suggestions

- Organizations must uphold a high level of accountability to all their stakeholders, including the public at large. As long as issues like poverty, illness, human rights abuses, joblessness, and environmental harm persist, the concept of corporate social responsibility (CSR) will remain both relevant and necessary. Spreading awareness about CSR and its real-world implementation is vital. To effectively promote CSR, stakeholders should develop a comprehensive strategy, either independently or with the assistance of professionals.
- It is the duty of every individual to uphold ethical values and inspire others to follow the path set by those who have made sacrifices for the welfare of society and the nation. This responsibility is shared by all citizens.
- Customers are attended to via a three-step procedure. It is a mutually beneficial activity. Corporate Social Responsibility (CSR) is an obligation that both parties must satisfy. The stakeholders are responsible to the company in the same way the company is responsible to its stakeholders. The business sector would find it difficult to meet its social responsibilities unless all other stakeholders embrace a constructive mindset and recognize their mutual interdependence.
- Organizations may choose to become part of a consortium of businesses to collectively tackle major environmental challenges. Such collaborations also foster mutual learning and shared support among participants. It is crucial for all employees within a company to clearly comprehend their individual roles in promoting corporate social responsibility. Additionally, companies should offer broader opportunities for employees to enhance their professional development.
- Public-private partnerships have proven to be essential for the effective execution of corporate social responsibility (CSR) projects in several nations, and India has the ability to use this opportunity. A cooperative arrangement in which a government service is delivered and funded jointly by the government and one or more private companies represents a public- private partnership. The principal aims are to stimulate economic growth and to promote social development. Governments are progressively

outsourcing services formerly administered by the public sector or deemed governmental social responsibility to private enterprises. This trend is increasingly popular. The imperative for collaboration among diverse stakeholders has intensified due to the social and environmental concerns confronting India, alongside the advancement of a resilient private sector and economic liberalization. Key participants encompass the government, private enterprises, development organizations, non-governmental bodies, and various segments of civil society. The government's capacity for independent action is limited by restrictions. Public-private partnerships represent the most efficacious solution where the skills and experiences of the engaged parties are advantageous to both the government and the business sector. to achieve the goal specified in the Fourth Section of the Indian Constitution.

- A crucial research agenda item should be the formulation of novel methodologies to thoroughly assess the influence of corporate social responsibility (CSR) on factors such as remuneration, working conditions, and poverty alleviation.
- To promote the dissemination of this religious practice, it is essential for political parties to cooperate. This group can significantly contribute to the community's growth and development through active engagement. Political parties should include corporate social responsibility (CSR) in their electoral platforms and advocate for CSR principles in both theory and implementation once they come into power.
- Stakeholder[s] have the chance to promote the creation of a CSR Training Institute to improve the quality of corporate social responsibility (CSR) projects, programs, and initiatives. Higher education institutions may incorporate corporate social responsibility (CSR) courses into their undergraduate and graduate curriculum to deepen students' comprehension of their societal commitments. The execution of this project will significantly enhance the comprehension of the principles and practices related to corporate social responsibility (CSR).
- The government must implement strict actions to combat corruption, as a significant portion of public funds allocated for development is being

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misappropriated. As a result, this will increase the availability of financial resources for corporate social responsibility initiatives.

- The decision to allocate merely two percent of an organization's average profits has fallen short of public expectations. Given this scenario, a revision in the law is essential to mandate that companies contribute a minimum of five percent of their earnings towards social welfare.
- Studies reveal that, under normal circumstances and even during crises like the pandemic, only a small fraction of leading corporations are actively meeting their corporate social responsibility duties. It is crucial for the government to establish a robust framework to monitor and ensure the effective implementation of the Companies Act, 2013, which outlines the social responsibilities businesses have toward the communities in which they operate.

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