

Effectiveness of Corporate Social Responsibility in Addressing Social Inequalities in India

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Abstract- Corporate Social Responsibility (“CSR”) in India is distinctive because it operates under a statutory mandate rather than solely voluntary philanthropy. Under Section 135 of the Companies Act, 2013, qualifying companies must spend at least 2% of the average net profits of the three preceding financial years on CSR activities, subject to statutory compliance and reporting requirements. CSR spending must align with activities listed in Schedule VII, which expressly includes measures for reducing inequalities faced by socially and economically backward groups, thereby embedding “inequality reduction” into the CSR design. Over time, the CSR framework has been strengthened through the Companies (CSR Policy) Rules, 2014 and subsequent amendments emphasizing governance, implementation through eligible entities, disclosure, and impact assessment norms.

This paper evaluates the effectiveness of CSR as a tool to address social inequalities in India between FY 2014-15 and FY 2023-24 by combining (i) doctrinal legal analysis of CSR law and its enforcement architecture, (ii) empirical review of national CSR outlays, and (iii) focused corporate case studies (Reliance Industries, Adani Group via Adani Enterprises, Infosys, HDFC Bank, ICICI Bank). Nationally, CSR expenditure increased substantially from ₹10,065.93 crore (FY 2014-15) to ₹34,908.75 crore (FY 2023-24), with notable expansion after FY 2021-22. This growth indicates stronger compliance and a larger pool of deployable social finance; however, effectiveness depends not only on spend but also on targeting, additionality (whether CSR complements rather than substitutes public welfare), outcome measurement, and rights alignment (non-discrimination, participation, and community consent).

Further, the Supreme Court’s environmental and community rights jurisprudence especially *Vellore Citizens Welfare Forum v. Union of India* (precautionary principle and polluter pays), *Indian Council for Enviro-Legal Action v. Union of India* (polluter pays and remediation responsibility), and *Orissa Mining Corporation v. MoEF (Niyamgiri)*

(community/tribal rights via Gram Sabha consent) creates a constitutional and public law context that influences corporate responsibility, stakeholder expectations, and “social license to operate.”

The paper concludes that CSR has meaningful potential to mitigate inequalities especially in education, health, livelihoods, and inclusion yet its impact is constrained by regional concentration, uneven project quality, limited long-term outcome evaluation, and risks of reputational CSR. Policy and practice recommendations include sharper inequality metrics, mandatory impact pathways for large projects, participatory design in marginalized communities, and transparent, comparable reporting aligned with Schedule VII objectives.

Keywords: Corporate Social Responsibility; social inequality; inclusive development; impact assessment; CSR governance; India; Supreme Court jurisprudence.

I. INTRODUCTION

Historical evolution of CSR in India

CSR in India transitioned from voluntary philanthropy to a structured governance-and-disclosure regime and finally to a legal mandate. Before Section 135 became operational, the Ministry of Corporate Affairs (MCA) promoted responsible business conduct through Voluntary Guidelines on CSR (2009) and later the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business (2011). These NVGs articulated principles such as ethics, stakeholder responsiveness, human rights respect, environmental stewardship, and inclusive growth creating a normative foundation later reflected in statutory CSR.

The Companies Act, 2013 made India one of the first jurisdictions to codify CSR obligations for qualifying companies, with Section 135 and Schedule VII providing the legal scaffold. The Act

became effective on 1 April 2014, and CSR obligations began operating from FY 2014-15 under the 2013 Act and CSR Rules. The CSR law is not a “tax”; it is a board-governed spending obligation with reporting duties and special treatment for unspent amounts, including transfers to specified funds or “Unspent CSR Account” for ongoing projects.

Definitions: CSR, inequality, and “effectiveness”

CSR (statutory sense): The CSR Rules define CSR as activities undertaken in accordance with the statutory obligation under Section 135 and the Rules, while also carving out exclusions (e.g., normal course of business, political contributions, employee-only benefits, and activities outside India with limited exceptions). The legislative approach thereby seeks to ensure CSR is socially oriented, additional, and non-partisan.

Schedule VII and inequality linkage: Schedule VII includes activities such as eradicating poverty, promoting education, health and sanitation, gender equality, environmental sustainability, and crucially “measures for reducing inequalities faced by socially and economically backward groups.” This explicit mention anchors CSR’s relevance to India’s inequality challenges (income, caste, gender, disability, rural–urban, and regional disparities).

Effectiveness (for this paper) means CSR’s ability to:

1. Reach marginalized populations (coverage, inclusion, geography),
2. Reduce inequality gaps (education outcomes, health access, livelihood resilience),
3. Sustain outcomes (multi-year capability building vs. one-time charity), and
4. Comply with governance norms (board oversight, eligible implementing agencies, transparency, and impact assessment where required).

Why CSR is studied as a legal instrument

CSR’s Indian model is a hybrid of corporate governance and social welfare policy. Section 135 requires board-level responsibility (CSR Committee and board report disclosures), which makes CSR a compliance subject and enables regulatory scrutiny. At the same time, CSR’s subject matter overlaps with constitutional social objectives education, health, equality, and dignity creating interdependence between corporate contributions

and public developmental goals. The Supreme Court’s jurisprudence on environmental justice and community rights strengthens the idea that business operations must internalize social and ecological costs, which complements CSR’s policy objectives even when not directly labeled “CSR.”

II. RESEARCH OBJECTIVES

1. To analyze the statutory CSR framework under Section 135, Schedule VII, and CSR Rules (2014-2025 amendments) and its intended link to inequality reduction.
2. To map the trend of CSR expenditure in India from FY 2014-15 to FY 2023-24 and interpret implications for inequality-focused development finance.
3. To evaluate the effectiveness of CSR initiatives of selected large corporates (Reliance, Adani, Infosys, HDFC Bank, ICICI Bank) in addressing social inequalities.
4. To examine how Supreme Court landmark judgments on corporate accountability and community/environmental rights shape CSR governance and social inequality outcomes.
5. To propose legal and policy recommendations to improve CSR’s targeting, accountability, and measurable social impact on inequalities.

III. RESEARCH HYPOTHESES

- H1: Statutory CSR under Section 135 has increased the quantum of social spending, but inequality reduction outcomes depend primarily on project design, targeting, and impact assessment rather than expenditure alone.
- H2: CSR expenditure shows growth over time, yet funds remain concentrated across certain states/sectors, limiting effectiveness in under-served regions and marginalized communities.
- H3: Companies with structured implementing arms and multi-year programs (foundations, partnerships, institutional building) demonstrate higher effectiveness on inequality indicators than companies emphasizing short-term or dispersed projects.
- H4: Supreme Court jurisprudence on environmental justice and community consent indirectly increases CSR’s relevance by tightening expectations of corporate accountability and equitable stakeholder engagement.

IV. RESEARCH METHODOLOGY

Research design

This paper uses a mixed-method legal research design:

1. Doctrinal/black-letter analysis of Section 135, Schedule VII, and CSR Rules (and amendments), focusing on statutory intent, definitions, governance, and compliance architecture.
2. Quantitative descriptive analysis of national CSR spending trends (FY 2014-15 to FY 2023-24) from MCA-linked datasets and portals.
3. Qualitative case study analysis of five major corporates, relying on their CSR reports/annual reports and credible compilations, assessed against inequality dimensions (education, health, livelihoods, inclusion, geography).
4. Case law analysis of three Supreme Court judgments relevant to corporate accountability, environmental justice, and community rights.

Data sources

- Statutes / rules: Section 135 text; Schedule VII text; CSR Rules amendment notifications and interpretive notes.
- CSR expenditure: MCA-linked totals (2014-22 compiled), CSR eXchange portal totals (2022-24), and parliamentary/official confirmations regarding data availability and reporting lag.
- Company CSR information: Reliance CSR report; Adani integrated report/CSR pages; Infosys CSR reporting sources; HDFC Bank annual report and CSR coverage; ICICI CSR and reporting sources.
- Judgments: Indian Kanoon reproductions for doctrinal accuracy.

Limitations

- CSR outcomes are difficult to compare due to heterogeneous metrics and lagged reporting; portals are disclosure-based and may contain verification caveats.
- For FY 2024-25, consolidated national expenditure is not yet reflected on the CSR portals as of the “as on” date visible in the portal interface, consistent with statutory reporting timelines.

Main Body

Law, statutory definition, and compliance architecture

Section 135 (Companies Act, 2013): scope and obligations

Section 135 applies to companies meeting threshold criteria (net worth/turnover/net profit) and requires a CSR Committee, a CSR policy, board oversight, and disclosure in the board’s report. It mandates spending of at least 2% of average net profits over the preceding three years on CSR activities aligned with Schedule VII. It also prescribes rules for unspent amounts, including transfers to specified funds or an Unspent CSR Account for ongoing projects within defined timelines.

Schedule VII: statutory alignment with inequality reduction

Schedule VII is not merely an illustrative list; it is the statutory compass for CSR activities. Besides education, health, and poverty reduction, Schedule VII explicitly includes gender equality and reducing inequalities faced by socially and economically backward groups, directly linking CSR to inequality outcomes. This is a critical interpretive point: CSR is legally designed to be more than charity; it is intended to address structural disadvantage.

CSR Rules (2014) and amendments (2021-2022): tightening governance

The CSR Rules operationalize Section 135 by clarifying implementation modalities, eligible implementing agencies, administrative overheads, reporting formats, and impact assessment requirements. Amendments (notably 2021 and 2022) strengthened compliance by:

- Clarifying eligibility and governance around unspent CSR accounts and CSR committee constitution,
- Specifying additional implementing entities (Section 8 companies, trusts, societies with defined tax registrations and track records),
- Refining impact assessment and reporting formats to capture outcomes and capital assets created through CSR.

Legal implication for inequality: Stronger governance and impact assessment norms are essential because inequality reduction is an “outcome problem.” Without measurement, CSR risks becoming compliance spending with limited distributive justice effect.

CSR Expenditure in India (FY 2014-15 to FY 2023-24): Table + Charts/Graphs

Year-wise national CSR expenditure (₹ crore)

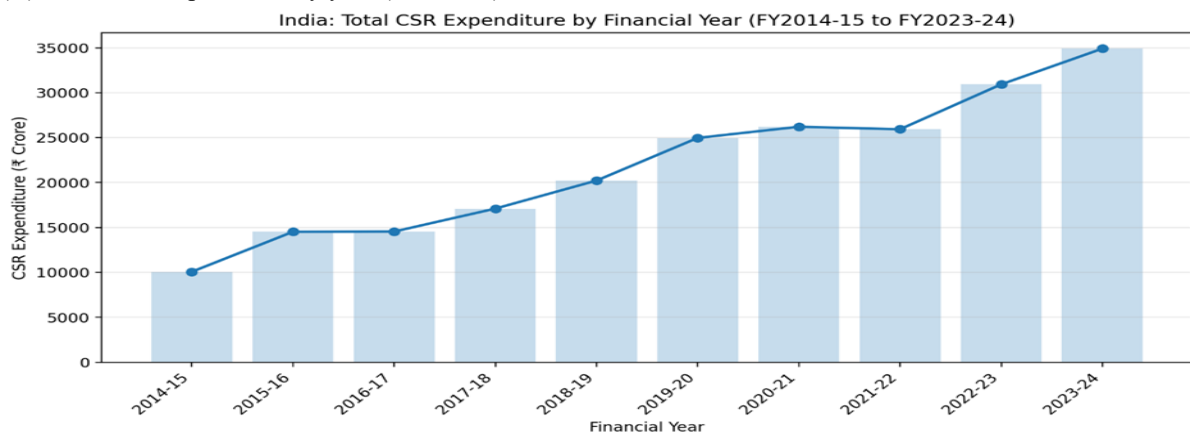
Financial Year	Total CSR Expenditure (₹ Cr)	Source
2014-15	10,065.93	MCA base data compilation
2015-16	14,517.21	MCA base data compilation
2016-17	14,542.51	MCA base data compilation
2017-18	17,098.58	MCA base data compilation
2018-19	20,217.66	MCA base data compilation
2019-20	24,965.82	MCA base data compilation
2020-21	26,210.95	MCA base data compilation

2021-22	25,932.80	MCA base data compilation
2022-23	30,932.08	CSR eXchange portal
2023-24	34,908.75	CSR eXchange portal

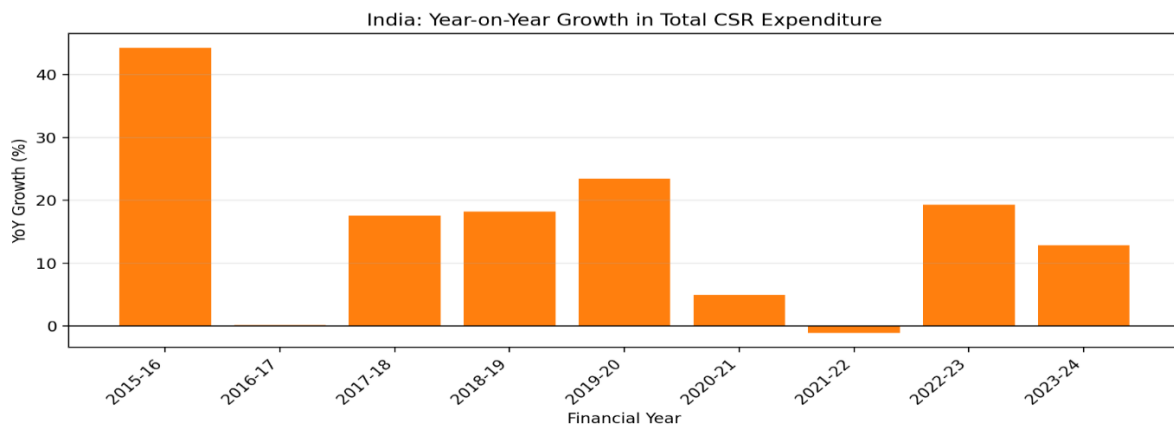
Why FY 2024-25 is not shown: the CSR eXchange portal banner indicates totals “As on 31st March 2025 (FY 2023-24),” reflecting publication and consolidation timelines rather than real-time FY 2024-25 totals.

Charts / graphs (generated from the table above)

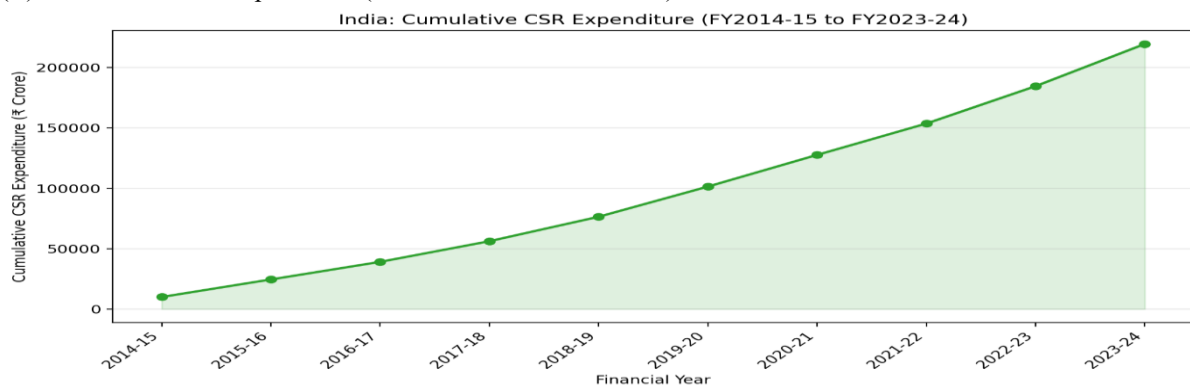
(A) Total CSR expenditure by year (line + bar)



(B) Year-on-year growth in CSR expenditure



(C) Cumulative CSR expenditure (FY 2014-15 to FY 2023-24)



Interpretation (inequality lens): The rise from about ₹10000 Cr to nearly ₹35000 Cr indicates a much larger resource pool for social interventions, but effectiveness depends on whether spending reaches low-capability regions and excluded groups and whether projects build durable capabilities (education/skills, health systems, financial inclusion).

Company Case Studies: CSR & Effectiveness in Addressing Social Inequalities

Analytical rubric used below: (i) Targeting (who benefits, inequality group), (ii) Sector fit (Schedule VII alignment), (iii) Scale and continuity (multi-year vs. one-off), (iv) Accountability (disclosure, governance, impact orientation).

Reliance Industries Limited (RIL): CSR and inequality reduction

Reliance Industries implements CSR largely through its philanthropic arm, the Reliance Foundation, and frames its approach as “Growth for All, Care for All, Access for All.” In FY 2023-24, Reliance reports CSR contributions of ₹1,592 crore across multiple thematic areas rural transformation, education, health, women empowerment, sports, disaster management, and arts/culture/heritage. These themes map closely to Schedule VII priorities such as education, health, sanitation, livelihood enhancement, and reducing inequalities for backward groups.

Effectiveness on social inequalities can be assessed along three principal channels:

1. Capability-building (education and skills): Reliance’s CSR report emphasizes expanded support for education “from early childhood to higher education and lifelong learning,” including large scholarship initiatives. Such investments can reduce inequality by enabling mobility for disadvantaged students (especially if targeted to low-income, first-generation learners). This aligns with Schedule VII’s education and vocational skills categories.
2. Health access and affordability: The report highlights healthcare efforts ranging from primary care outreach (e.g., mobile medical units) to advanced hospital care through Sir H. N. Reliance Foundation Hospital. Inequality in India often manifests in unequal health access (rural/urban, income-based). CSR investments that extend healthcare coverage and preventive

care in underserved areas can produce redistributive effects especially when services reach marginalized communities.

3. Women’s empowerment and livelihood resilience: Reliance reports women empowerment initiatives, including partnerships designed to support rural women entrepreneurs. Given that gender inequality is explicitly recognized in Schedule VII (gender equality, empowering women, inequality reduction for backward groups), women-focused livelihood programs are legally and socially salient.

Limitations / risks: Reliance’s scale is large, but effectiveness ultimately depends on measurable outcomes (learning levels, maternal health indicators, income gains) and transparent impact assessment an area that CSR Rules amendments increasingly emphasize. Another concern is geographic concentration of CSR funds, a systemic CSR issue in India; without deliberate targeting to low-spend regions, CSR can reinforce existing regional inequalities.

Overall assessment: Reliance demonstrates strong scale and thematic breadth, with direct relevance to inequality domains (education, health, women’s empowerment). Its effectiveness would be strongest where projects are multi-year, community designed, and backed by third-party impact assessments consistent with evolving CSR governance norms.

Adani Group (via Adani Enterprises & Adani Foundation): CSR and inequality reduction

Adani’s CSR approach is anchored in the “Growth with Goodness” philosophy, implemented primarily through the Adani Foundation, which operates across many states and villages. For the flagship Adani Enterprises Limited (AEL), reported CSR expenditure for FY 2023-24 is ₹26.06 crore, meeting its statutory CSR obligation. While AEL’s reported CSR spend is smaller than some mega-cap peers, the broader “Adani Group” CSR narrative emphasizes outreach scale through the Foundation, including operations across thousands of villages and millions of lives impacted (as stated in Adani’s CSR disclosures).

Inequality reduction effectiveness is most visible in the Foundation’s sectoral choices education, community health, sustainable livelihoods,

community infrastructure, and skill development which correspond directly with Schedule VII themes. These sectors target structural drivers of inequality: human capital deficits, poor health access, and livelihood insecurity in underdeveloped regions.

1. Education and inclusion: Adani's CSR descriptions highlight running free/subsidized schools and strengthening education infrastructure and delivery. Education-focused CSR contributes to intergenerational inequality reduction by expanding capability and employability, particularly where government schooling is constrained. This aligns with Schedule VII's education mandate.
2. Health and community well-being: Community health interventions reduce inequality by addressing preventable morbidity burdens among poorer households (who face higher out-of-pocket health risks). Health care and sanitation are prominent Schedule VII categories and are present in Adani CSR focus.
3. Sustainable livelihoods and skill development: Livelihood programs directly influence income inequality when they generate stable earning opportunities, especially for rural youth and women. Adani's CSR focus includes livelihood and skill development themes, consistent with Schedule VII's livelihood enhancement category.

Governance and legitimacy context: For resource-intensive and infrastructure companies, "effectiveness" is also shaped by how corporations respect community rights and environmental safeguards. The Supreme Court's *Niyamgiri (Orissa Mining Corporation v. MoEF)* judgment underscored the authority of Gram Sabhas to decide on community and religious rights impacts before mining proceeds. Although this is not a CSR case per se, it shows that corporate development in tribal regions is evaluated through rights-based participation, which has implications for CSR design (participatory planning, consent, grievance redressal).

Limitations / risks: The main challenge is ensuring CSR is not perceived as offsetting externalities CSR should complement, not substitute, compliance with environmental and social safeguards. Supreme Court "polluter pays" jurisprudence reinforces that

remediation responsibility cannot be replaced by CSR donations.

Overall assessment: Adani's CSR focus areas align well with inequality reduction; effectiveness is strongest where CSR is community led, outcome-measured, and integrated with rights based stakeholder engagement practices.

Infosys: CSR and inequality reduction

Infosys is often cited as a structured CSR actor due to its long-standing CSR ecosystem and institutional approach (including the Infosys Foundation and its programmatic focus). For FY 2023–24, reported CSR expenditure is ₹450.76 crore, with unspent amounts earmarked for ongoing projects consistent with CSR Rules requirements. Infosys' stated CSR focus areas include improving quality of education, healthcare and medical facilities, environment sustainability, women empowerment, destitute care and rural development, and art/culture all directly recognizable within Schedule VII categories.

Effectiveness against social inequalities is visible in three key dimensions:

1. Education as a mobility pathway: Infosys' CSR plan emphasizes educational infrastructure (classrooms, labs, libraries), scholarships, and online/offline education initiatives. Education spending has the highest inequality-reduction potential when it targets low-resource schools, first-generation learners, and underserved geographies, because it raises long-run earning capacity and social mobility. Schedule VII expressly prioritizes education and vocational skills.
2. Health systems strengthening: Infosys' CSR reporting mentions healthcare support including medical infrastructure and partnerships with medical institutions. Health inequality in India is partly driven by inadequate public infrastructure and the cost barrier to quality care; CSR that funds public medical infrastructure or improves access for the underprivileged can reduce inequality of opportunity and reduce catastrophic health expenditure risks.
3. Women empowerment and rural focus: Infosys' CSR plan includes women-focused interventions and rural development/destitute care. This is especially relevant because Schedule VII's inequality and gender equality

clause directly connects CSR to the needs of socially and economically backward groups and women.

Accountability and implementation: Infosys' approach appears programmatic and aligned with governance expectations projects are planned, funds are allocated with ongoing project treatment, and public disclosure is part of statutory compliance. CSR Rules increasingly emphasize impact assessment and reporting, pushing large CSR programs to demonstrate outcomes rather than inputs.

Limitations / risks: IT-sector CSR can drift toward urban-centric education/skills projects unless deliberate targeting addresses rural and marginalized groups. Further, digital education must account for the digital divide; otherwise, it can inadvertently widen inequality if benefits accrue mainly to already-connected populations. Schedule VII's inequality clause suggests policymakers expect CSR to correct, not reproduce, exclusion.

Overall assessment: Infosys shows strong alignment with inequality-relevant domains (education, health, women empowerment) and appears well-positioned to demonstrate effectiveness through structured programs and impact measurement consistent with evolving CSR rules.

HDFC Bank: CSR and inequality reduction

HDFC Bank's CSR is implemented under the umbrella brand "Parivartan", with a multi-theme model focused on rural development, education, skill development/livelihood enhancement, healthcare & hygiene, financial literacy & inclusion, and the environment. In FY 2023-24, HDFC Bank reported CSR expenditure of ₹945.31 crore, a significant increase over the prior year as reflected in CSR coverage and the Bank's own annual reporting.

Effectiveness on social inequalities is particularly strong in banking-sector CSR because the sector can address inequality not only through welfare spending but also through financial inclusion and livelihood finance ecosystems.

1. **Financial literacy & inclusion:** Parivartan includes extensive financial literacy programs and inclusion goals, which are critical in reducing inequality because lack of financial access increases vulnerability, reduces savings resilience, and restricts entrepreneurship. While

"financial inclusion" is not a standalone Schedule VII heading, it ties closely to livelihood enhancement and equitable development objectives.

2. **Rural development and livelihoods:** The program covers thousands of villages and aims to build sustainable rural ecosystems, including natural resource management and livelihood enhancement. If designed with participatory planning, such initiatives can reduce rural-urban inequality by improving productivity, employability, and community assets. This aligns with Schedule VII's rural development and livelihood enhancement orientation.
3. **Education and skill development:** Parivartan's education and skilling initiatives target structural inequality by improving quality of education, scholarships, teacher training, and vocational training. These interventions are directly covered by Schedule VII's education and vocation skill categories.
4. **Healthcare & hygiene:** Health camps, sanitation, and hygiene projects reduce inequality by addressing differential disease burdens and access gaps for underserved populations. These are core Schedule VII areas (healthcare, sanitation, safe drinking water).

Accountability and scale: HDFC Bank's high CSR spending and decade-long continuity increase the probability of durable inequality outcomes especially if funds are concentrated in multi-year, high-intensity districts (e.g., aspirational districts) rather than dispersed micro projects.

Limitations / risks: Scale can mask uneven depth: large beneficiary numbers do not always imply meaningful outcome improvements. CSR rules increasingly emphasize structured reporting and impact assessment for larger projects, making measurement central.

Overall assessment: HDFC Bank demonstrates high potential for addressing inequality especially via livelihoods and financial inclusion provided it reports and validates outcomes (income improvements, women entrepreneurship sustainability, learning outcomes, health access improvements) and targets underserved geographies.

ICICI Bank: CSR and inequality reduction

ICICI Bank’s CSR is driven through its philanthropic arm, the ICICI Foundation for Inclusive Growth, with focus areas including environment & ecology, healthcare, livelihood, and community development. For FY 2023-24 (fiscal 2024), ICICI Bank reportedly spent ₹517.99 crore on CSR, with environment and healthcare highlighted as major thematic areas.

Effectiveness on inequalities is best understood through “risk reduction” and “capability access” pathways:

1. Healthcare for the underprivileged: Health spending can reduce inequality by improving access where market pricing excludes poor households. CSR that supports public hospitals, diagnostics, or targeted disease programs reduces health-related inequality and can prevent impoverishment due to medical expenses. Schedule VII explicitly includes health care and preventive health and sanitation.
2. Livelihood and community development: Livelihood support addresses income inequality directly by improving employability, microenterprise stability, and rural earning opportunities. ICICI’s CSR emphasis includes livelihood and community development, aligning with Schedule VII’s livelihood enhancement and rural development categories.
3. Environment, ecology, and climate resilience: ICICI highlights large-scale tree plantation and water conservation initiatives (including millions of trees planted and water conservation capacity creation). Environmental CSR is inequality-relevant because climate shocks disproportionately affect poor and rural communities; ecological restoration can improve long-term livelihood security (water

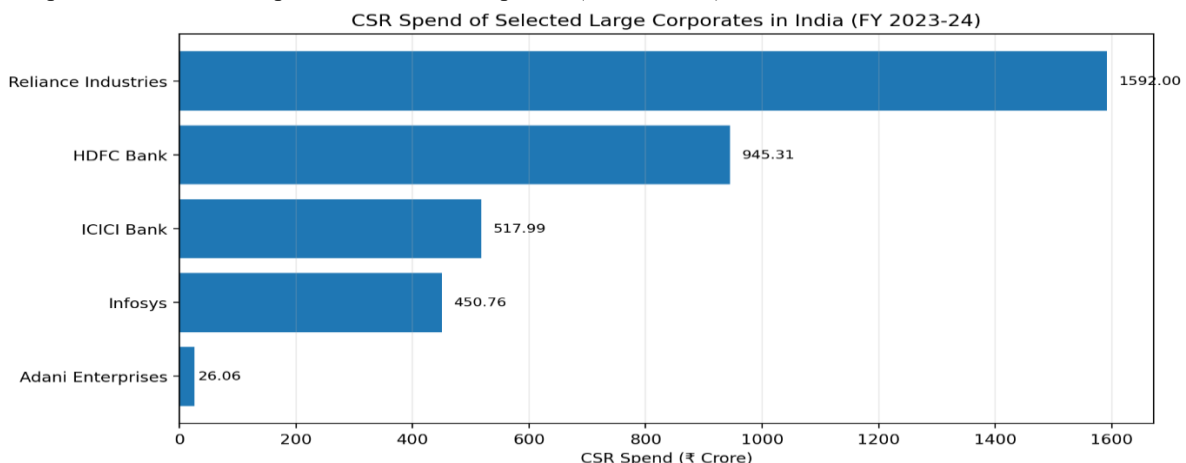
availability, agriculture resilience). Schedule VII includes environmental sustainability and conservation.

Legal and constitutional synergy: Supreme Court jurisprudence emphasizes that environmental harms and remediation duties are central to corporate accountability, not optional. In Vellore Citizens Welfare Forum, the Court addressed industrial pollution and embedded the precautionary and polluter pays principles in Indian environmental jurisprudence. Similarly, Indian Council for Environmental Legal Action strongly criticized contempt for law by polluting industries and addressed remediation responsibility. These decisions indirectly shape CSR expectations: environmental CSR should not be a substitute for compliance but may complement rights-based environmental restoration and community welfare.

Limitations / risks: Environmental CSR can become “green branding” unless linked to measurable community benefits (water table improvements, farmer income stability, reduced heat stress). CSR rule amendments emphasizing impact assessment provide the policy lever to ensure outcome accountability.

Overall assessment: ICICI’s CSR aligns with inequality reduction through healthcare, livelihood, and climate resilience. Its effectiveness improves when projects are community-participatory, geographically targeted to vulnerability hotspots, and measured against outcome indicators rather than outputs alone.

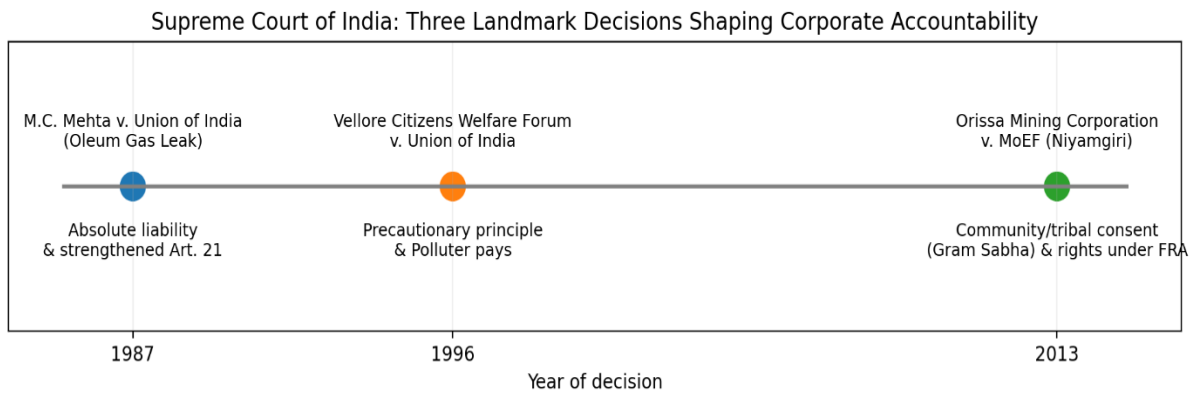
Comparative chart: CSR spend of selected companies (FY 2023-24)



Data points used (₹ crore): Reliance 1592; HDFC Bank 945.31; Infosys 450.76; ICICI Bank 517.99; Adani Enterprises 26.06.

Case studies of three landmark Supreme Court judgments

(A) Timeline chart (graph)



(B) Comparative table (legal principles and relevance to CSR/inequality)

Case	Citation / Date	Core holding / principle	Relevance to CSR & inequality
Vellore Citizens Welfare Forum v. Union of India	(1996) 5 SCC 647; 28 Aug 1996	Recognized industrial pollution as violating environmental governance; applied precautionary and polluter pays principles.	Reinforces that corporate responsibility includes internalizing social/environmental costs; CSR cannot substitute remediation/compliance; encourages preventive, risk-aware CSR (water, health).
Indian Council for Enviro-Legal Action v. Union of India	(1996) 3 SCC 212; 13 Feb 1996	Strong condemnation of law-disregarding polluting industries; affirms remediation responsibility and supports "polluter pays" logic.	Strengthens accountability baseline: CSR should be "additional" to legal compliance; links environmental harm to human welfare (often impacting poor communities disproportionately).
Orissa Mining Corporation Ltd. v. MoEF (Niyamgiri/Vedanta)	18 Apr 2013	Empowered Gram Sabha to decide if mining affects community	Embeds participation/consent as a governance norm—CSR in tribal/marginal areas must be

		y/tribal religious and cultural rights under FRA/PESA; required participatory decision-making.	community-designed and rights-respecting; CSR legitimacy depends on stakeholder consent.
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(C) Narrative analysis

These three Supreme Court judgments, though not "CSR cases" in the narrow statutory sense, profoundly shape the legal ecosystem of corporate responsibility in India and therefore influence CSR's capacity to address social inequalities.

First, Vellore Citizens Welfare Forum v. Union of India arose from severe industrial pollution by tanneries discharging untreated effluent into land and waterways, contaminating drinking water sources and harming agricultural livelihoods. The Court's acceptance of the precautionary principle implies that preventive action must be taken even under scientific uncertainty when public health and ecology are at risk. For CSR and inequality, this matters because environmental harm often disproportionately affects the poor: polluted water, soil degradation, and health impacts reduce the capabilities and livelihoods of marginalized groups. CSR initiatives in water, sanitation, and health must therefore be designed as risk-reducing and preventive, consistent with Schedule VII priorities.

Second, Indian Council for Enviro-Legal Action v. Union of India is a landmark articulation of corporate accountability where the Court criticized profit-driven disregard of law by certain industrial actors and addressed grave toxic pollution affecting village life. The case is closely associated with the polluter pays logic and remediation responsibility: polluting entities must bear the cost of restoring the environment and compensating affected communities. The inequality relevance is direct: environmental injustice is a form of inequality when poor communities bear harms without receiving benefits. CSR cannot be used as a moral shield—CSR must be additional to compliance and cannot replace restitution obligations that arise from unlawful harm.

Third, Orissa Mining Corporation v. MoEF (Niyamgiri) is a watershed for community participation and consent, particularly for Scheduled Tribes and forest dwellers. The Court required Gram Sabhas to determine whether mining would infringe community rights, including cultural and religious rights under forest rights protections. This case establishes that “development” cannot be purely extractive; it must be rights-respecting and participatory. From a CSR standpoint, especially for infrastructure, mining, and energy companies, the case implies that CSR projects in tribal and marginalized regions must move from top-down charity to participatory capability-building and respect for local priorities.

Collectively, these judgments create a jurisprudential environment where CSR is most credible and effective when it: (i) internalizes social/environmental costs (polluter pays), (ii) prevents harm (precaution), and (iii) respects the agency of marginalized communities (Gram Sabha participation). This alignment turns CSR from “corporate charity” into a rights-compatible social investment tool, improving the probability that CSR spending actually reduces inequality rather than merely reporting large expenditures.

V. RECOMMENDATIONS

1. Adopt inequality-focused metrics in CSR reporting: CSR disclosures should explicitly map each project to inequality dimensions (gender, caste/tribe, disability, region, rural/urban), building on Schedule VII’s inequality clause. This creates comparability

and discourages “easy-to-measure” projects that avoid hard-to-reach groups.

2. Mandatory impact pathways for large CSR projects: CSR Rule amendments already emphasize impact assessment and improved reporting formats. For large projects, firms should publish a theory of change, baseline, endline, and independent evaluation summaries (not only expenditure).
3. Geographic equity targets: National CSR data shows high concentration tendencies, and portal-based data is designed for state/district tracking. Regulators could encourage (or require) large CSR spenders to allocate a defined share to low-spend districts or aspirational districts, subject to project quality safeguards.
4. Participation and community consent models: Inspired by Niyamgiri’s Gram Sabha empowerment, CSR programs in tribal and marginalized areas should include participatory planning, grievance redressal, and community monitoring committees to ensure programs address real needs and avoid paternalism.
5. Ensure CSR additionality (no substitution for legal compliance): Drawing from polluter pays jurisprudence, CSR should not be used to offset or distract from environmental/social compliance failures. CSR committees should certify that CSR spending is not replacing remediation liabilities or statutory duties.
6. Strengthen implementing partner due diligence: CSR Rule amendments clarify eligible implementing agencies. Companies should go further by publishing partner selection criteria, governance checks, and outcome reporting requirements, reducing leakage and improving project quality.

VI. CONCLUSION

India’s CSR regime is a globally significant legal experiment: it converts corporate responsibility into a board-governed statutory obligation under Section 135, directing corporate resources toward public-benefit activities listed in Schedule VII, including explicit measures to reduce inequalities faced by socially and economically backward groups. Over the decade of implementation, CSR expenditure increased sharply from about ₹10,065.93 crore (FY 2014-15) to ₹34,908.75 crore (FY 2023-24) reflecting deeper institutionalization of CSR

spending and broader participation by eligible companies. This increase expands the available pool of social development finance and potentially strengthens interventions in education, health, livelihoods, inclusion, and environmental sustainability domains closely associated with inequality reduction.

However, the core finding of this research is that spend is necessary but not sufficient. Inequality reduction is outcome-intensive: it requires targeted interventions, inclusion of excluded groups, and long-term programmatic design supported by credible impact assessment. CSR law reforms and amendments increasingly recognize this by strengthening governance, implementation controls, and outcome reporting structures.

Corporate case studies show varied strengths. Reliance demonstrates large-scale multi-sector capacity building and nationwide reach, aligning strongly with education, health, and women empowerment themes. HDFC Bank demonstrates very high CSR spending with a cohesive inclusion-oriented platform (Parivartan) connecting livelihoods, education, healthcare, and financial literacy an architecture well suited to addressing structural inequality. Infosys displays structured focus on education and healthcare and appears well positioned for outcome measurement and long-term capability building. ICICI Bank highlights inequality-relevant interventions through healthcare, livelihood and environmental resilience, which can protect vulnerable communities against climate and health shocks. Adani (via AEL and Adani Foundation) aligns in theme with inequality reduction; its effectiveness depends heavily on rights-respecting, participatory implementation especially salient for infrastructure-intensive contexts.

Finally, Supreme Court jurisprudence forms an important normative backdrop. The principles emerging from Vellore Citizens Welfare Forum and Indian Council for Enviro-Legal Action highlight that corporate responsibility includes prevention, remediation, and accountability; CSR cannot replace legal compliance, but it can complement rights-based development. Niyamgiri underscores participation and community rights as prerequisites for legitimate development an insight CSR must internalize if it aims to address inequality credibly rather than cosmetically.

In sum: CSR in India is increasingly capable of addressing social inequalities, but its effectiveness

depends on governance quality, geographic and social targeting, and measurable outcomes consistent with the law's explicit inequality-reduction mandate.

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