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# EFFECTIVENESS OF CORPORATE SOCIAL RESPONSIBILITY POLICIES IN PROMOTING SOCIAL WELFARE AND CULTURAL HERITAGE: AN EMPIRICAL STUDY OF JHARSUGUDA DISTRICT, ODISHA

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## I. ABSTRACT

*Corporate Social Responsibility (CSR) has emerged as an important instrument for achieving sustainable development and promoting social welfare in India. With the enactment of Section 135 of the Companies Act, 2013, CSR has transformed from a voluntary philanthropic activity into a statutory obligation for eligible companies. The present study examines the effectiveness of CSR policies in promoting social welfare and preserving cultural heritage in Jharsuguda District of Odisha, with special reference to the CSR initiatives undertaken by Mahanadi Coalfields Limited (MCL) and other industrial establishments. The research adopts a socio-legal and empirical methodology. Primary data were collected through interviews with officials and employees of MCL and other stakeholders, while secondary data were gathered from statutory provisions, government reports, company documents, journal articles, and judicial pronouncements. The study analyses the legal framework governing CSR under the Companies Act, 2013 and examines the implementation of CSR projects relating to education, healthcare, livelihood generation, environmental sustainability, and cultural development in Jharsuguda district. The findings reveal that CSR initiatives have made significant contributions to social welfare and community development. However, several challenges, including lack of transparency, inadequate public participation, limited awareness, and deficiencies in impact assessment, affect the overall effectiveness of CSR policies. The study concludes that while CSR has emerged as a valuable mechanism for inclusive development, greater stakeholder*

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*engagement, transparency, and continuous monitoring are essential to ensure that CSR initiatives produce sustainable and long-term benefits.*

## II. KEYWORDS

Corporate Social Responsibility, Companies Act, 2013, Social Welfare, Cultural Heritage, Jharsuguda District.

## III. INTRODUCTION

Corporate Social Responsibility (CSR) has emerged as an integral component of contemporary corporate governance, reflecting the changing relationship between business enterprises and society. In the era of globalization and sustainable development, corporations are no longer perceived merely as profit-generating entities but are increasingly expected to contribute to the social, economic, and environmental well-being of the communities in which they operate. The concept of CSR embodies the principle that corporate entities have responsibilities extending beyond their legal obligations and financial interests, encompassing ethical conduct, environmental sustainability, and community welfare.[3]

Historically, corporate philanthropy in India was predominantly voluntary and motivated by charitable considerations. However, with increasing industrialization and growing concerns regarding environmental degradation, social inequality, and inclusive development, the need for a statutory framework governing corporate responsibility became imperative. Recognizing this necessity, India became the first country in the world to mandate Corporate Social Responsibility through Section 135 of the Companies Act, 2013. [4] Under the statutory framework, companies satisfying the prescribed financial thresholds are required to spend at least two per cent of their average net profits on activities specified under Schedule VII of the Act. [5] These activities encompass education, healthcare, poverty alleviation, environmental

[3] Howard R. Bowen, *Social Responsibilities of the Businessman* 6 (Harper & Brothers 1953).
[4] Companies Act, No. 18 of 2013, § 135, INDIA CODE (2013).
[5] Companies Act, No. 18 of 2013, sched. VII, INDIA CODE (2013).

sustainability, protection of national heritage, promotion of culture, and rural development.

Corporate Social Responsibility has become an effective mechanism for achieving the Sustainable Development Goals (SDGs) by facilitating collaboration between the corporate sector and local communities. The Ministry of Corporate Affairs has emphasized that CSR should not be confined to philanthropic donations but should constitute a sustained commitment to inclusive growth and equitable development. [6] Consequently, corporate entities have increasingly invested in projects relating to education, healthcare, skill development, sanitation, environmental conservation, and cultural preservation.

Jharsuguda district of Odisha, characterized by rapid industrial growth and the presence of major public and private sector enterprises such as Mahanadi Coalfields Limited (MCL), Vedanta Aluminium Limited, and Bhushan Power and Steel Limited, provides a significant context for examining the effectiveness of CSR policies. Industrial expansion has undoubtedly generated employment opportunities and economic development; however, it has simultaneously posed challenges relating to displacement, environmental degradation, and socio-cultural transformation. In this context, Corporate Social Responsibility assumes greater significance as a means of ensuring that economic development is accompanied by social welfare and preservation of cultural heritage.

Although substantial amounts are allocated annually towards CSR activities, questions remain regarding the actual effectiveness of such initiatives in addressing the developmental needs of local communities. Mere expenditure of CSR funds does not necessarily translate into meaningful social impact. Therefore, there is a need to critically evaluate whether CSR policies have succeeded in promoting social welfare and preserving the cultural heritage of industrial regions like Jharsuguda.

The present study seeks to examine the legal framework governing Corporate Social Responsibility in India and empirically evaluate the effectiveness of CSR initiatives

[6] Ministry of Corporate Affairs, *National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business* 1 (2011).

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implemented in Jharsuguda district, with special reference to Mahanadi Coalfields Limited and other industrial establishments. By analyzing statutory provisions, judicial pronouncements, and stakeholder perceptions, the study attempts to assess the extent to which CSR policies have contributed to inclusive development and sustainable community welfare. The study further identifies the challenges associated with the implementation of CSR projects and proposes measures to enhance their effectiveness and long-term impact.

### A. Research Objectives

The present study has been undertaken with the objective of examining the legal framework governing Corporate Social Responsibility (CSR) in India and analysing the CSR policies adopted by industries operating in Jharsuguda district. It further seeks to evaluate the effectiveness of various CSR initiatives in promoting social welfare and preserving cultural heritage in the region. The study also aims to identify the challenges and constraints associated with the implementation of CSR projects by industries and other stakeholders.

Finally, the research endeavours to suggest appropriate measures and policy recommendations for enhancing the effectiveness, sustainability, and long-term impact of CSR activities, thereby ensuring inclusive development and meaningful corporate participation in the socio-economic progress of the district.

### B. Research Questions

The present study seeks to address several pertinent research questions concerning the implementation and effectiveness of Corporate Social Responsibility (CSR) initiatives. It examines whether the existing legal framework under the Companies Act, 2013 effectively regulates CSR activities in India and explores the extent to which CSR initiatives have contributed to social welfare and the preservation of cultural heritage in Jharsuguda district. The study further investigates whether the CSR projects undertaken by industries have adequately responded to the developmental needs and expectations of local communities. In addition, it seeks to identify the major challenges and impediments affecting the effective implementation of CSR policies and programmes. Finally, the study aims to ascertain the measures that can be adopted to enhance transparency, accountability, and stakeholder participation, thereby ensuring the effective and sustainable execution of CSR activities.

## C. Research Methodology

### 1. Research Design

The present study adopts a socio-legal and empirical research design to examine the effectiveness of Corporate Social Responsibility (CSR) policies in promoting social welfare and cultural heritage in Jharsuguda district of Odisha. While the doctrinal aspect of the study focuses on the statutory framework governing CSR in India, the empirical component seeks to assess the actual implementation and impact of CSR initiatives undertaken by industries operating in the region. The study combines both qualitative and analytical approaches to evaluate the relationship between CSR policies and community development.

### 2. Universe of Study

The universe of the study is confined to Jharsuguda district of Odisha, with particular emphasis on the CSR activities undertaken by Mahanadi Coalfields Limited (MCL), Lakhanpur Area. The study focuses on stakeholders who are directly or indirectly involved in the planning, execution, monitoring, and implementation of CSR projects. These include senior officials of MCL, Area Personnel Managers, employees of MCL, and representatives associated with the implementation of CSR programmes. The choice of Jharsuguda district is justified because of its significant industrial presence and the existence of numerous CSR initiatives relating to social welfare and cultural preservation.

### 3. Sources of Data

The study is based upon both primary and secondary sources of data.

- **Primary Sources**

Primary data were collected through structured and semi-structured interviews conducted with officials and employees of Mahanadi Coalfields Limited (MCL), Lakhanpur Area, Jharsuguda. Interaction with stakeholders facilitated an

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understanding of the practical aspects of CSR implementation and its impact on the local community.

- **Secondary Sources**

Secondary data were collected from:

- The Companies Act, 2013 and allied rules;
- Ministry of Corporate Affairs notifications and circulars;
- Judicial pronouncements of the Supreme Court of India;
- Annual reports and CSR reports of MCL and other companies;
- Books, journals, articles, and research papers;
- Government reports and official websites.

**4. Sampling Technique**

The study employs purposive sampling and judgmental sampling techniques. These techniques were adopted because the respondents were selected on the basis of their direct involvement and familiarity with CSR activities. Such non-probability sampling methods enabled the researcher to obtain information from knowledgeable individuals capable of providing meaningful insights regarding the implementation and effectiveness of CSR projects.

**5. Method of Data Collection**

Primary data were collected through personal interviews with officials and employees associated with CSR programmes. Secondary information was gathered through extensive review of statutes, judicial decisions, books, journals, reports, and online databases. The data thus obtained were classified, organized, and interpreted to facilitate systematic analysis.

**6. Method of Analysis**

The study primarily adopts qualitative and thematic methods of analysis. Information collected through interviews and documentary sources was analyzed to identify recurring themes relating to social welfare, cultural preservation, stakeholder

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participation, transparency, and implementation challenges. The findings were interpreted in the light of the statutory framework and judicial principles governing Corporate Social Responsibility.

## IV. LEGAL FRAMEWORK OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

India is the first country in the world to make Corporate Social Responsibility (CSR) a statutory obligation through the enactment of Section 135 of the Companies Act, 2013. The legal framework governing CSR aims to institutionalize corporate accountability and ensure that economic growth is accompanied by social and environmental development. The statutory framework is supplemented by the Companies (Corporate Social Responsibility Policy) Rules, 2014, various amendments, circulars issued by the Ministry of Corporate Affairs (MCA), and judicial pronouncements that collectively shape the implementation of CSR in India.[7]

### 1. Section 135 of the Companies Act, 2013

Section 135 of the Companies Act, 2013 mandates that every company having a net worth of ₹500 crore or more, or a turnover of ₹1,000 crore or more, or a net profit of ₹5 crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board. [8] The Committee is entrusted with the responsibility of formulating and recommending a CSR policy, recommending the amount of expenditure to be incurred on CSR activities, and monitoring the implementation of such policies.[9]

The Board of Directors is required to ensure that the company spends at least two per cent of its average net profits earned during the three immediately preceding financial years on CSR activities. [10] In case the company fails to spend the prescribed amount, the Board is required to specify the reasons for such failure in its report and transfer the unspent amount in accordance with the statutory provisions.

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[7] LEGAL FRAMEWORK OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA
[8] Id. Section 135(1).
[9] Id. Section 135(3).
[10] Id. Section 135(5).

### 2. Schedule VII of the Companies Act, 2013

Schedule VII of the Companies Act, 2013 specifies the activities that qualify as CSR activities. These include eradication of poverty and hunger, promotion of education, gender equality and women empowerment, environmental sustainability, protection of national heritage, art and culture, contribution to government relief funds, rural development projects, and disaster management activities.[11]

The Ministry of Corporate Affairs has clarified that Schedule VII should be interpreted liberally to promote the broad objectives of social welfare and sustainable development. [12]Such a liberal interpretation facilitates greater flexibility for companies in designing and implementing CSR projects according to local needs.

### 3. Companies (Corporate Social Responsibility Policy) Rules, 2014

The Companies (Corporate Social Responsibility Policy) Rules, 2014 were framed to provide procedural guidance regarding the implementation and monitoring of CSR activities. These Rules prescribe the constitution of CSR Committees, formulation of CSR policies, reporting obligations, and modalities of execution through registered trusts, societies, or Section 8 companies.[13]

The Rules emphasize transparency and accountability by requiring companies to disclose their CSR policies and annual reports on their official websites and in their Board's Reports.[14]

### 4. Companies (Corporate Social Responsibility Policy) Rules: Subsequent Amendments and Reporting Framework

The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 introduced significant reforms aimed at strengthening transparency, accountability, and impact assessment mechanisms. Under these amendments, entities implementing CSR projects are required to register with the Central Government by filing Form CSR-

[11] Companies Act, No. 18 of 2013, sched. VII, INDIA CODE (2013).

[13] Ministry of Corporate Affairs, General Circular No. 21/2014, June 18, 2014.
[14] Companies (Corporate Social Responsibility Policy) Rules, 2014, Gazette of India, Extraordinary, Part II, § 3(i), Feb. 27, 2014.

1 in accordance with Rule 4(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The amended Rules also defined "ongoing projects," restricted administrative overheads to five per cent of total CSR expenditure, and mandated impact assessment for companies having an average CSR obligation of ₹10 crore or more in the three immediately preceding financial years, in respect of CSR projects having outlays of ₹1 crore or more and completed not less than one year before undertaking the impact study.

Thereafter, the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 further modified the CSR compliance framework. The 2022 amendments required companies having any amount in their Unspent CSR Account under Section 135(6) of the Companies Act, 2013 to constitute a CSR Committee and comply with the relevant obligations under Section 135. This amendment is significant because it ensures continued board-level supervision over unspent CSR funds until such funds are properly utilized for ongoing CSR projects.

The CSR reporting framework was also strengthened through the introduction of Form CSR-2 as a separate report on Corporate Social Responsibility. Form CSR-2 requires disclosure of material CSR particulars, including the company's net worth, turnover, net profit, CSR applicability criteria, constitution and meetings of the CSR Committee, CSR obligation, amount spent, unspent CSR amount, details of ongoing and other CSR projects, mode of implementation, implementing agency details, administrative overheads, and impact assessment expenditure. This reporting obligation is particularly relevant to the present study, as systematic disclosure through Form CSR-2 directly addresses concerns relating to lack of transparency, inadequate monitoring, and weak public accountability in CSR implementation.

The Companies (Accounts) Amendment Rules, 2023 further provided that, for the financial year 2022–2023, Form CSR-2 was to be filed separately on or before 31 March 2024 after filing Form AOC-4, AOC-4 NBFC (Ind AS), or AOC-4 XBRL, as applicable. Thus, CSR reporting has moved beyond general board-report disclosures and now operates as a structured annual compliance requirement for CSR-eligible companies,

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including public sector and industrial companies undertaking CSR activities in regions such as Jharsuguda.

Most recently, the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025 substituted the existing e-Form CSR-1 with a revised e-Form CSR-1 for registration of entities undertaking CSR activities, with effect from 14 July 2025. The revised CSR-1 framework strengthens scrutiny of implementing agencies by requiring more detailed registration information and professional certification. This development is important for ensuring that CSR projects are implemented through credible, traceable, and compliant entities. Accordingly, the present CSR regulatory framework consists not only of the spending obligation under Section 135 and Schedule VII, but also of a broader compliance architecture involving CSR Committees, Unspent CSR Accounts, CSR-1 registration of implementing entities, CSR-2 annual reporting, and impact assessment requirements.

### 5. Role of the Ministry of Corporate Affairs

The Ministry of Corporate Affairs plays a crucial role in regulating and facilitating CSR implementation. Prior to the statutory recognition of CSR, the Ministry issued the Corporate Social Responsibility Voluntary Guidelines, 2009, which were later revised and replaced by the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011.[15]

These Guidelines are founded upon nine principles relating to ethical governance, employee welfare, human rights, environmental protection, stakeholder engagement, and inclusive development. Although non-binding in nature, they laid the foundation for the statutory CSR framework introduced under the Companies Act, 2013.[16]

### 6. Judicial Interpretation of Corporate Responsibility

Indian courts have significantly contributed to the development of corporate responsibility jurisprudence. In *M.C. Mehta v. Union of India*, the Supreme Court evolved the doctrine of absolute liability and emphasized that industries engaged in

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[15] Ministry of Corporate Affairs, Corporate Social Responsibility Voluntary Guidelines, 2009.
[16] Ministry of Corporate Affairs, National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (2011).

hazardous activities owe a non-delegable duty to ensure the safety and welfare of the public.

Similarly, in *Indian Council for Enviro-Legal Action v. Union of India*, the Court applied the Polluter Pays Principle and held industries accountable for environmental degradation caused by their operations.

However, after the enactment of Section 135 of the Companies Act, 2013, corporate responsibility has also acquired a statutory compliance dimension. In *Peregrine Guarding Pvt. Ltd. & Ors. v. Registrar of Companies*, the company and its directors sought compounding under Section 441 for non-compliance with Section 134(3)(o) read with Section 135(2). The matter concerned failure to disclose in the Directors' Report the details of the CSR policy developed and implemented during the year, along with the requirement relating to constitution of a CSR Committee. This illustrates that CSR compliance is not confined to expenditure alone but also extends to proper board-level disclosure and governance obligations.

The National Company Law Tribunal has also considered CSR defaults relating to non-disclosure of CSR policy and reasons for unspent CSR amount. In *Shree Sagar Estates Private Limited*, the NCLT Mumbai Bench noted that the company had failed to disclose details of its CSR policy and the reasons for unspent CSR amount in the Board's Report for FY 2014–15, although it was required to spend ₹9,34,908 towards CSR activities. The Tribunal treated the default as a violation of Section 134(3)(o) read with Section 135 and considered the matter for compounding under Section 441.

Similarly, in another NCLT Mumbai compounding matter, the Tribunal considered violation of Section 134(3) read with Section 135(5), where the company had not spent the required CSR amount and had also failed to explain the reasons for non-spending in the Board's Report. The Tribunal compounded the offence by imposing compounding fees on the company and its directors, observing that the amount would serve as a deterrent against repetition of the default.

These company-law adjudication and compounding matters are particularly relevant to the present study because they demonstrate that transparency, disclosure of CSR policy, explanation of unspent CSR amounts, constitution of CSR Committees, and monitoring of CSR expenditure are enforceable statutory obligations. They also support the empirical finding that lack of transparency and inadequate monitoring can weaken the effectiveness of CSR initiatives. Accordingly, CSR should be understood not merely as a voluntary welfare activity but as a statutory governance obligation requiring expenditure, disclosure, supervision, and accountability.

## V. EMPIRICAL FINDINGS AND DISCUSSION

### 1. Corporate Social Responsibility Initiatives in Jharsuguda District

Jharsuguda district is one of the major industrial hubs of Odisha, housing several public and private sector enterprises, including Mahanadi Coalfields Limited (MCL), Vedanta Aluminium Limited (VAL), and Bhushan Power and Steel Limited (BPSL). These industries undertake various Corporate Social Responsibility (CSR) activities in areas such as education, healthcare, livelihood generation, environmental sustainability, rural infrastructure, and preservation of cultural heritage. The present empirical investigation primarily focuses on the CSR initiatives undertaken by Mahanadi Coalfields Limited (MCL), Lakhanpur Area, and their impact on the local community.

The study reveals that MCL has implemented several welfare-oriented projects relating to educational infrastructure, healthcare services, sanitation facilities, drinking water supply, livelihood enhancement, and support to traditional cultural activities. The company has also extended financial assistance for community development programmes and rural infrastructure projects in the operational areas.

### 2. Findings from Interviews with MCL Officials

Interviews conducted with the Area Personnel Manager and senior officials of MCL indicate that CSR policies are formulated in accordance with the provisions of the Companies Act, 2013 and are executed with the objective of promoting inclusive development. The officials stated that CSR activities are selected after identifying the needs of the local population and are implemented through a participatory approach involving local stakeholders and public representatives.

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According to the respondents, emphasis is given to projects relating to education, healthcare, drinking water facilities, and skill development. The officials further emphasized that CSR activities are designed not merely to comply with statutory obligations but also to maintain harmonious relations with the communities residing in the vicinity of mining operations.

### 3. Findings from Interviews with Employees

Interviews with employees of MCL revealed that CSR initiatives have contributed significantly to the welfare of local communities. Most respondents expressed satisfaction regarding the developmental activities undertaken by the company. The respondents identified educational assistance, medical camps, provision of drinking water, road construction, and infrastructure development as some of the most visible benefits arising from CSR initiatives.

However, some respondents pointed out that there exists a lack of awareness among members of the community regarding the objectives and scope of CSR programmes. They also indicated that periodic evaluation and greater public participation are necessary to maximize the impact of CSR projects.

### 4. Thematic Analysis

- **Promotion of Social Welfare**

The findings indicate that CSR activities undertaken by MCL have positively influenced social welfare in Jharsuguda district. Investments in education, healthcare, sanitation, drinking water supply, and livelihood generation have improved the quality of life of the local population. Educational support programmes and healthcare facilities have emerged as major areas of intervention contributing to human development and social inclusion.

- **Preservation of Cultural Heritage**

The study reveals that CSR initiatives have also contributed to the promotion and preservation of local culture and traditions. Financial assistance for cultural programmes and support to traditional festivals have strengthened community identity and cultural continuity. Such initiatives are consistent with Schedule VII of the Companies Act, 2013, which specifically recognizes the protection of national heritage, art, and culture as permissible CSR activities.

- **Environmental Sustainability**

The empirical findings demonstrate that industries have undertaken activities relating to environmental conservation, afforestation, and ecological protection. Such measures contribute towards sustainable development and reflect corporate commitment towards environmental stewardship.

- **Stakeholder Participation**

The study reveals that stakeholder participation is essential for the effective implementation of CSR policies. Active involvement of local communities, public authorities, and implementing agencies enhances transparency and ensures that CSR projects correspond to the actual needs of beneficiaries. However, inadequate awareness among local communities often limits meaningful participation in planning and monitoring processes.

5. **Challenges in Implementation**

Despite the positive impact of CSR initiatives, several challenges were identified during the study.

- **Lack of Public Awareness:** Many beneficiaries possess limited knowledge regarding the objectives and scope of CSR activities. This affects community participation and prevents effective utilization of available resources.
- **Lack of Transparency and Monitoring:** Although substantial financial resources are allocated for CSR activities, the absence of regular monitoring and impact assessment sometimes affects the effectiveness of projects. There is a need for stronger accountability mechanisms and periodic evaluation.
- **Limited Community Participation:** The study found that community participation in identifying and prioritizing CSR projects remains

inadequate. The absence of participatory mechanisms may lead to mismatch between community needs and CSR interventions.

- **Absence of Standardized Evaluation Mechanisms:** There is no uniform framework for measuring the social impact of CSR initiatives. Consequently, assessment of long-term outcomes becomes difficult, thereby affecting the sustainability of development programmes.

## 6. Discussion

The empirical findings indicate that Corporate Social Responsibility has emerged as an effective instrument for promoting social welfare and preserving cultural heritage in Jharsuguda district. The initiatives undertaken by Mahanadi Coalfields Limited have contributed significantly towards improving educational facilities, healthcare services, infrastructure, and community welfare. These initiatives are broadly consistent with the objectives embodied under Section 135 and Schedule VII of the Companies Act, 2013.

However, the effectiveness of CSR policies depends not merely upon financial expenditure but also upon transparency, stakeholder participation, impact assessment, and sustainability. The findings demonstrate that while CSR has generated substantial developmental benefits, challenges relating to public awareness, monitoring, and community participation continue to hinder its full potential.

Therefore, CSR should be viewed not merely as a statutory obligation but as a collaborative mechanism for achieving inclusive and sustainable development. Effective implementation, coupled with periodic evaluation and stakeholder engagement, is essential to ensure that corporate resources contribute meaningfully to social welfare and cultural preservation.

## 7. Limitations of the Study

The study is confined to Jharsuguda district with particular reference to Mahanadi Coalfields Limited. Owing to constraints of time, financial resources, and accessibility of respondents, the empirical investigation could not be extended to all industries operating within the district. Further, the study relies upon the responses of selected stakeholders and publicly available information, which may limit the generalization of findings.

## VI. SUGGESTIONS AND RECOMMENDATIONS

On the basis of the empirical findings and the challenges identified in the study, the following suggestions are proposed to enhance the effectiveness of Corporate Social Responsibility initiatives in Jharsuguda district:

1. First, companies should conduct mandatory pre-project community needs assessments before selecting CSR activities. Such assessments should involve local residents, panchayat representatives, beneficiaries, and civil society organisations so that CSR projects correspond to the actual developmental needs of the community. This would reduce the mismatch between corporate interventions and local expectations.
2. Secondly, greater transparency and monitoring mechanisms should be introduced at every stage of CSR implementation. Companies should publicly disclose project details, sanctioned budgets, implementing agencies, timelines, and completion status in an accessible manner. Periodic monitoring by CSR committees, local authorities, and independent evaluators would strengthen accountability and ensure effective utilisation of CSR funds.
3. Thirdly, CSR impact assessment should be made more systematic and outcome-oriented. In line with Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, companies falling within the prescribed threshold should undertake independent impact assessment of eligible CSR projects. Even where such assessment is not mandatorily applicable, companies should voluntarily adopt measurable indicators relating to education, healthcare, livelihood, environmental protection, and cultural preservation to evaluate the long-term impact of CSR activities.
4. Fourthly, community participation should be institutionalised through consultative forums at the district or project level. These forums may include

representatives of industries, local administration, community leaders, beneficiaries, and non-governmental organisations. Regular consultation would enable beneficiaries to participate in the planning, prioritisation, and evaluation of CSR projects.

5. Fifthly, companies should establish grievance-redressal mechanisms for CSR beneficiaries. A simple and accessible complaint system would allow local communities to report delays, deficiencies, exclusion, or ineffective implementation of CSR projects. Timely resolution of such grievances would enhance public trust and improve the responsiveness of CSR programmes.
6. Finally, special attention should be given to the preservation of local cultural heritage. CSR funds may be utilised for supporting traditional festivals, folk art, community cultural centres, documentation of local heritage, and preservation of indigenous cultural practices, as such activities fall within the broader scope of Schedule VII of the Companies Act, 2013. These measures would ensure that industrial development in Jharsuguda district remains socially inclusive, culturally sensitive, and sustainable.

## VII. CONCLUSION

Based on the findings of the study, it can be concluded that Corporate Social Responsibility has emerged as an important mechanism for promoting inclusive and sustainable development in India, particularly after the enactment of Section 135 of the Companies Act, 2013. The empirical analysis of CSR initiatives undertaken by industries in Jharsuguda district, with special reference to Mahanadi Coalfields Limited, reveals that corporate interventions have contributed significantly towards social welfare through programmes relating to education, healthcare, livelihood generation, environmental protection, and preservation of cultural heritage. These initiatives have enhanced community development and improved the quality of life of beneficiaries.

However, the study also reveals that the effectiveness of CSR policies is constrained by several factors, including inadequate stakeholder participation, lack of transparency and awareness, insufficient impact assessment mechanisms, and

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challenges in identifying the actual needs of local communities. Therefore, while the existing legal framework has provided a strong foundation for corporate accountability and social responsibility, the realization of the true objectives of CSR requires greater community involvement, effective monitoring, transparency, and long-term sustainability of projects.

A collaborative approach involving industries, government authorities, local communities, and civil society organizations is essential to ensure that CSR initiatives generate meaningful and lasting socio-economic and cultural benefits. Consequently, Corporate Social Responsibility should not merely be viewed as a statutory compliance requirement but as a continuous commitment towards equitable development, social justice, and sustainable nation-building.

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