SECTION 135 · RULE 4(1) · CSR AFFORESTATION

Direct implementation: the simpler path to CSR afforestation.

Your company can implement CSR afforestation **directly** — hiring Gardenia Eco Forestry as a commercial vendor under Rule 4(1) of the Companies (CSR Policy) Rules 2014. No CSR-1 registered agency required. No intermediary. Full project control. Your CSR-2 filing simply marks “Direct = Yes.”

What this means: You hire Gardenia the same way you hire any vendor — commercial contract, GST invoice, scope of work. You count the spend as CSR expenditure. You report it in your CSR-2 as direct implementation. No registration, no intermediary, no fund transfer to a third party.

WHY DIRECT IMPLEMENTATION

Four advantages over the agency model.

2-4	**100%**	**Full**	**Contractual**
WEEKS TO DEPLOY	OF BUDGET TO PROJECT	PROJECT CONTROL	SURVIVAL WARRANTY
Sign a contract and start. No agency due diligence or fund transfer delays.	No agency overhead. Every rupee goes to soil, saplings, labor, and monitoring.	You own the project. Modify scope, timing, or species directly with the vendor.	85%+ survival at 12 months, 80%+ at 24 months. Replacement planting included.

DIRECT VS. AGENCY MODEL

Side-by-side comparison.

The choice between direct implementation and the agency model is the company's — not the vendor's. Here's how they compare across the factors CSR teams care about.

Factor	Direct Implementation (with Gardenia as vendor)	Through Implementing Agency
Registration	None — standard commercial contract	Agency must have CSR-1, 12A, 80G; 3-year track record
Speed to deployment	2-4 weeks (contract + start)	2-3 months (due diligence + MoU + fund transfer)
Control over project	Company controls all aspects; vendor executes to spec	Agency controls execution; company monitors
Cost efficiency	100% of budget goes to project work	Agency may charge 5-15% overhead
Reporting	Company reports in CSR-2 as “Direct = Yes”	Company reports in CSR-2 with agency CRN
Flexibility	Company can modify scope directly with vendor	Changes require agency agreement
Survival guarantee	Contractual: 85%+ at 12 months, 80%+ at 24 months	Agency may or may not guarantee survival
Species diversity	616-species library, 200+ species per project	Typically 15-80 species per project
BRSR reporting	BRSR Principle 6 aligned data included	Agency may or may not provide BRSR data
Risk	Company bears CSR compliance risk; vendor bears delivery risk	Company bears partner risk; agency bears implementation risk

HOW CSR-2 CAPTURES DIRECT IMPLEMENTATION

One field. That's it.

Form CSR-2 (annual CSR report filed with MCA) includes a field: **“Mode of Implementation — Direct (Yes/No)”** for each project. When you select “Direct = Yes”: no implementing agency CSR Registration Number is required. The project is reported as self-implemented. Vendor payments are captured under project expenditure. Your Board report describes the project, methodology, and outcomes.

CSR-2 Field	What to Enter
Project name and description	e.g., “Miyawaki afforestation at [site], [area] acres”
Schedule VII item	Item (iv) — environmental sustainability, ecological balance
Mode of implementation	Direct = Yes
Project amount	Total spent, including vendor payments to Gardenia
Amount through implementing agency	0 or N/A
Project location	Site address / GPS coordinates

COMPLIANCE CHECKLIST

Pre-project compliance: what your team needs to do.

Share this checklist with your CSR team and company secretary. It covers everything needed before, during, and after the project.

1	Company qualifies under Section 135(1) (net worth >= Rs 500Cr, turnover >= Rs 1,000Cr, or net profit >= Rs 5Cr)
2	CSR Committee constituted (if obligation > Rs 50L) with >= 3 directors including 1 independent director
3	CSR Policy approved by Board and displayed on company website
4	Annual Action Plan formulated by CSR Committee, approved by Board, includes afforestation under Schedule VII Item (iv)
5	Project listed in Annual Action Plan with: name, execution modality (Direct), fund utilization plan, monitoring mechanism
6	Board approves engagement of Gardenia Eco Forestry as vendor for afforestation project
7	Service agreement/MoU executed with Gardenia (commercial contract, not CSR funding agreement)
8	Project aligns with Schedule VII Item (iv): environmental sustainability, ecological balance, agroforestry
9	Project does NOT benefit the company's business or employees (per MCA FAQ)
10	Project is within India (CSR activities outside India not eligible)

DURING IMPLEMENTATION

11	Vendor executes project per service agreement scope
12	Quarterly progress reports received (survival data, growth, photos, maintenance log)
13	CSR expenditure recorded in company's books as CSR spend (not business expense)
14	Administrative overhead kept within 5% of total CSR expenditure
15	Fund disbursement per milestone schedule in service agreement

POST-PROJECT / ANNUAL COMPLIANCE

16	Annual CSR report prepared for Board's Report (Annexure per Rule 9)
17	Form CSR-2 filed with MCA; Mode of Implementation marked “Direct = Yes”
18	BRSR disclosure includes afforestation under Principle 6 (if applicable)
19	Impact assessment by independent agency (if project outlay >= Rs 1Cr and avg CSR obligation >= Rs 10Cr in 3 years)
20	Unspent CSR amount transferred to Unspent CSR Account within 30 days (ongoing) or Schedule VII fund within 6 months (one-time)

KEY LEGAL REFERENCES

Companies Act 2013, Section 135 · Companies (CSR Policy) Rules 2014, Rule 4(1) · Schedule VII, Item (iv) · Form CSR-2 (Rule 12(1B)) · MCA General Circular No. 21/2014 · MCA FAQ Circular (January 12, 2016) · Companies (CSR Policy) Amendment Rules 2021 & 2025

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