India CSR
Outlook Report 2023
(10 Years of CSR Compliance in India and Envisioning the Next 10 Years)

October 2023
www.csrbox.org
Introduction

The introduction of Section 135 of the Companies Act of 2013 marked a pioneering step in India, introducing a mandate for Corporate Social Responsibility (CSR) among large companies.

Over the years, the CSR landscape has transformed, shifting its focus from mere compliance to striving for a more profound societal impact, all while emphasizing the importance of transparency in reporting and disclosing CSR activities by companies.

About the Report

The India CSR Outlook Report (ICOR) 2023, is a flagship research publication, jointly presented by CSRBOX and NGOBOX. This report offers major insights on CSR spent by large companies in India while highlighting the dynamic evolution of the CSR landscape within the country.

Unlike the earlier editions, ICOR 2023 is an outcome of primary and secondary research wherein we have captured inputs from major CSR decision-makers of a few large companies. Additionally, the report also captures major trends in CSR over the past 9 years within the country.

Key Highlights

Section I
The Board Room Perspective on CSR Priorities, provides insights from boardroom discussions of prominent CSR companies capturing requirements, challenges and prioritization of their CSR projects.

Section II
CSR Portfolio of Large 301 Companies
provides insights on CSR compliance of the companies in FY 2022-23. The section also highlights correlation in the presence of women in CSR committees and its influence on prioritizing gender equality initiatives.

Section III, CSR Trend Analysis of Past 9 Years (FY 2014-15 to FY 2022-23)
of the report offers a thorough exploration of the CSR trend since CSR became mandatory in India. It analyses the CSR compliance trend, distribution in major sectors and geographical areas.
Section I
The Board Room
Perspective on CSR
Priorities
We conducted a survey among CSR Leadership of large companies, aimed at understanding current challenges and future priorities to advance the CSR landscape in the country. The analysis reflects primary research findings and insights from boardroom discussions, emphasizes key indicators for enhancing impact, and showcases the need for data-driven practices.

**CSR Priority Areas**

26% of the companies have Healthcare and WASH as their first CSR priority. Followed by Environment and Sustainability with 23% and Promotion of Education with 23%.

Environment and Sustainability has emerged as the second and third CSR priority area with more than 1/3rd and 1/4th of the companies respectively.

Source: CSRBOX’s survey of major CSR funders
Preference for Government Partnerships

55%

Companies prefer Government Partnerships as criterion for initiation of CSR projects.

Ideal Duration of a CSR Project

<table>
<thead>
<tr>
<th>%age of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a year</td>
</tr>
<tr>
<td>1 to 3 years</td>
</tr>
<tr>
<td>More than 3 years</td>
</tr>
</tbody>
</table>

Almost 2/3rd of the companies prefer more than 3 years duration of CSR project for better outcome and impact.

Preferred Modality of Implementation

<table>
<thead>
<tr>
<th>%age of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Implementation</td>
</tr>
<tr>
<td>CSR Foundation</td>
</tr>
<tr>
<td>Implementing Agencies</td>
</tr>
</tbody>
</table>

More than 50% of the companies prefer execution of their CSR projects through Implementing Agencies.

Source: CSRBOX’s survey of major CSR funders
Key CSR Areas in Board Room Discussion in Past 3 Years

1. **91%** of the companies delved into the impact of the past projects.

2. More than **40%** of the companies pondered on strategic business linkages of CSR projects.

3. **59%** of the companies discussed about ESG and environment and allied projects.

4. More than **1/3rd** of the companies conversed about credibility of the NGO partners.

Source: CSRBOX’s survey of major CSR funders
Not So Good Experiences of CSR Funders with Implementation Partners

<table>
<thead>
<tr>
<th>Percentage of Companies</th>
<th>Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>14%</td>
<td>Limited NGO-Community Connect</td>
</tr>
<tr>
<td>18%</td>
<td>Incapacitated Financial Management System</td>
</tr>
<tr>
<td>23%</td>
<td>Inability to Meet Project Timelines</td>
</tr>
<tr>
<td>27%</td>
<td>Constrained Relationship with Government Agencies</td>
</tr>
<tr>
<td>41%</td>
<td>Insufficient Technical Expertise</td>
</tr>
<tr>
<td>45%</td>
<td>Lack of Sustainability Plan in Intervention</td>
</tr>
<tr>
<td>59%</td>
<td>Insufficient Reporting and Impact Communication</td>
</tr>
</tbody>
</table>

1/4th of the companies experienced that the implementation partner have constrained relationship with government agencies.

Almost 60% of the companies have experienced that the implementation partners does not have adequate capacities for impact communication and reporting.

Source: CSRBOX’s survey of major CSR funders
ESG and EVP Priorities

78%
Companies perceive that ‘The push towards net zero and ESG policies has led to more projects in the Environment and allied areas’

82%
Companies look at embedding Employee Volunteering with CSR projects

Preferred Intervention Areas in Environment Sustainability

<table>
<thead>
<tr>
<th>%age of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Conservation Projects</td>
</tr>
<tr>
<td>Afforestation &amp; Plantation</td>
</tr>
<tr>
<td>Climate Change Adaptation Projects</td>
</tr>
<tr>
<td>Renewable Energy Solutions</td>
</tr>
<tr>
<td>Waste Management</td>
</tr>
<tr>
<td>Wildlife &amp; Biodiversity Conservation</td>
</tr>
<tr>
<td>Nature Based Solutions</td>
</tr>
<tr>
<td>Technology for Climate Change</td>
</tr>
</tbody>
</table>

Source: CSRBOX’s survey of major CSR funders
Towards Better Impact Ecosystem

73%
Companies suggest better use of technology in CSR project management.

Almost 60%
Companies recommend capacity building of NGO partners.

There is an increased focus and expectations of funders towards better project planning and execution using the continuum of need assessment, baseline, M&E, and Impact Assessment.

Source: CSRBOX's survey of major CSR funders
Section II

CSR Portfolio of Large 301 Companies (FY 2022–2023)
This section comprehensively presents the CSR portfolio of 301 large companies, encompassing their spending pattern, composition of CSR committee, and project prioritization.

Criteria for Selecting Large 301 Companies

1. Prescribed CSR of INR 1 Cr. or more in FY 22-23
2. Listed on BSE/NSE
3. Availability of the CSR data in disclosures as per the Section 135 of the Companies Act, as on 15 September 2023

Actual vs. Prescribed CSR Budget

Prescribed CSR:
INR 13,426 Cr.

Actual Spent CSR:
INR 12,890 Cr.
Proportion of Companies Meeting Respective CSR Compliance Requirements

- More than Prescribed CSR Budget: 55%
- Less than Prescribed CSR Budget: 23%
- Exactly as Prescribed CSR Budget: 22%

Source: CSRBOX Research Desk

Type of Companies and Contribution to CSR Spent

- Representation of Companies:
  - PSU: 7%
  - Non-PSU: 93%

- Contribution to CSR Spending:
  - PSU: 21%
  - Non-PSU: 79%

Source: CSRBOX Research Desk
Women’s Representation in CSR Committee

<table>
<thead>
<tr>
<th>3 Female members</th>
<th>2 Female members</th>
<th>1 Female members</th>
<th>No Female members</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>15%</td>
<td>50%</td>
<td>45%</td>
</tr>
<tr>
<td>1%</td>
<td>10%</td>
<td>25%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Represents Total Number of Committee Members

Gender Equality Prioritization & Women’s Participation in CSR Committee

- **No Female CSR Committee Member**
  - Companies with Gender Equality as one of their Top 3 Priority Thematic Areas: 18%
  - Companies with Other Priority Thematic Areas: 82%

- **1 Female CSR Committee Member**
  - Companies with Gender Equality as one of their Top 3 Priority Thematic Areas: 19%
  - Companies with Other Priority Thematic Areas: 81%

- **2 Female CSR Committee Member**
  - Companies with Gender Equality as one of their Top 3 Priority Thematic Areas: 31%
  - Companies with Other Priority Thematic Areas: 69%

- **3 Female CSR Committee Member**
  - Companies with Gender Equality as one of their Top 3 Priority Thematic Areas: 29%
  - Companies with Other Priority Thematic Areas: 71%

Higher representation of women members in the CSR committee increases the prioritization of Gender Equality projects.

Source: CSRBOX Research Desk
**Going Beyond CSR Compliance**

**Top 10 Companies with Highest CSR Spending**

<table>
<thead>
<tr>
<th>Company</th>
<th>Actual CSR Amount Spent in FY 2022–23 (INR Cr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDFC Bank Ltd.</td>
<td>821</td>
</tr>
<tr>
<td>Tata Consultancy Services Ltd.</td>
<td>783</td>
</tr>
<tr>
<td>Reliance Industries Ltd.</td>
<td>744</td>
</tr>
<tr>
<td>Tata Steel Ltd.</td>
<td>481</td>
</tr>
<tr>
<td>ONGC Ltd.</td>
<td>476</td>
</tr>
<tr>
<td>ICICI Bank Ltd.</td>
<td>463</td>
</tr>
<tr>
<td>Infosys Ltd.</td>
<td>392</td>
</tr>
<tr>
<td>ITC Ltd.</td>
<td>366</td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>322</td>
</tr>
<tr>
<td>NTPC Ltd.</td>
<td>315</td>
</tr>
</tbody>
</table>

Source: CSRBOX Research Desk
Section III

CSR Trend

Analysis of Past 9 Years
(FY 2014-15 to FY 2022-23)
This chapter delves into a decade of CSR compliance, exploring the evolution of key trends in the CSR arena.

**Comparison of CSR Spent**

*n = 250 Companies*

<table>
<thead>
<tr>
<th>Year</th>
<th>Prescribed CSR Amount (In INR Cr.)</th>
<th>Actual CSR Spent (In INR Cr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>7,040</td>
<td>5,563</td>
</tr>
<tr>
<td>2015-16</td>
<td>7,143</td>
<td>6,157</td>
</tr>
<tr>
<td>2016-17</td>
<td>9,275</td>
<td>8,446</td>
</tr>
<tr>
<td>2017-18</td>
<td>9,543</td>
<td>8,875</td>
</tr>
<tr>
<td>2018-19</td>
<td>10,866</td>
<td>10,904</td>
</tr>
<tr>
<td>2019-20</td>
<td>10,595</td>
<td>11,564</td>
</tr>
<tr>
<td>2020-21</td>
<td>11,660</td>
<td>12,180</td>
</tr>
<tr>
<td>2021-22</td>
<td>12,119</td>
<td>12,260</td>
</tr>
<tr>
<td>2022-23</td>
<td>13,426</td>
<td>12,891</td>
</tr>
</tbody>
</table>

**Trend Analysis of CSR Compliance by Companies**

*n = 250 Companies*

<table>
<thead>
<tr>
<th>Year</th>
<th>%age of companies spending exact or more than prescribed CSR amount</th>
<th>%age of companies spending less than prescribed CSR amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>2015-16</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>2016-17</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>2017-18</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>2018-19</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>2019-20</td>
<td>81%</td>
<td>19%</td>
</tr>
<tr>
<td>2020-21</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td>2021-22</td>
<td>71%</td>
<td>29%</td>
</tr>
<tr>
<td>2022-23</td>
<td>77%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Majority of the companies rolled over unutilized funds from the previous fiscal year to the next year’s CSR budget. This amount was accounted as their actual CSR expenditure for the forthcoming fiscal year. The amendments in FY 2019–20, by the Ministry of Corporate Affairs has enabled companies to effectively implement this practice, and it continues to be adhered in the broader ecosystem.

Source: CSRBOX Research Desk

CSR funds have primarily focused on Education & Skills, and Healthcare & WASH projects over the years, in line with the categories specified in Schedule VII of the Companies Act, 2013. The other significant areas of funding include Rural Development, Environment, and Gender Equality.

Source: CSRBOX Research Desk
**States Receiving the Highest CSR Funding**

13%  
6%  
5%  
5%  
4%  

Maharashtra  
Karnataka  
Odisha  
Gujarat  
Rajasthan  

*Average of CSR fund received from FY 2014-15 to FY 2021-22*

**Year-wise Ranking of States on CSR Funds Received**

Source: CSRBOX Research Desk
About CSRBOX

CSRBOX is India’s leading CSR knowledge and impact intelligence driven platform for the development sector, enabling collaboration and partnerships among CSR stakeholders. Serving over three million professionals, the platform offers a range of CSR-centric services to corporate organisations, NGOs and social enterprises. CSRBOX bridges the information deficit by enhancing organisational capacities, conducting research, planning interventions and publishing knowledge resources for greater impact amplification.

About the 10th India CSR Summit and ESG Forum 2023

Curated by CSRBOX and NGOBOX, the India CSR Summit and ESG Forum is Asia’s largest CSR and Sustainability Forum, that brings together leaders from across the social impact spectrum to explore and discuss the evolving landscape of corporate social responsibility (CSR), sustainability and social impact. The two-day event features insightful panel discussions, informative keynote speeches, interactive workshops, and engaging networking opportunities, making it a must-attend event for anyone interested in CSR and sustainability space.

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