



Received: 10-03-2025  
Accepted: 20-04-2025

## International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

### Current Status of CSR in India: Challenges and Opportunities for *Viksit Bharat @ 2047*

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DOI: <https://doi.org/10.62225/2583049X.2025.5.2.4586>

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#### Abstract

Corporate Social Responsibility (CSR) has emerged as a transformative framework in India, evolving from philanthropic gestures to a structured and legislated mandate under the Companies Act, 2013. India became the first country in the world to mandate Corporate Social Responsibility (CSR) spending through legislative action. The Companies Act, 2013, which came into effect on April 1, 2014. The total CSR spending in India up to 2024 is estimated at approximately Rs 1.84 lakh crore, reflecting a notable increase in recent years. This plays a crucial role in driving Indian economy. This study examines the trajectory of CSR in India, its challenges, and its potential in contributing to the vision of *Viksit Bharat @2047*—a developed and self-reliant India. The paper explores how

CSR initiatives align with national development priorities, including sustainable economic growth, environmental conservation, and social equity. Key challenges such as lack of strategic alignment, inadequate impact measurement, and regional disparities in CSR spending are critically analysed. Simultaneously, the study highlights opportunities for innovation, and the integration of CSR with India's Sustainable Development Goals (SDGs). This paper proposes strategic pathways to harness CSR's potential as a catalyst for inclusive development, thereby contributing to India's journey toward achieving *Viksit Bharat* by 2047. This paper aims to provide actionable insights to foster an ecosystem where CSR becomes a cornerstone of India's socio-economic transformation.

**Keywords:** CSR Opportunities in India, CSR Challenges, *Viksit Bharat @ 2047*, CSR Trends

#### Introduction

Howard Bowen, known as the “father of CSR,” emphasized businesses' ethical responsibilities in his 1953 book *Social Responsibilities of the Businessman*. The concept gained traction in the 1970s when the Committee for Economic Development introduced the idea of a “social contract,” highlighting businesses' obligation to serve societal needs in exchange for public consent. Environmental social and governance was first coined in 2005 and after a few years later sustainability becomes a frequently used term in the field.

The Ministry of Corporate Affairs introduced the 'Voluntary Guidelines on Corporate Social Responsibility' in 2009, which evolved into the 'National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business' in 2011. These guidelines provide nine principles to help Indian businesses adopt responsible and sustainable practices and now India become the first country in the world to mandate CSR spending through legislative action.

#### CSR Legal Framework

India's Corporate Social Responsibility (CSR) framework is governed by Section 135 of the Companies Act, 2013, Schedule VII, and the Companies (CSR Policy) Rules, 2014. It mandates companies with a net worth of ₹500 crore or more, turnover of ₹1000 crore or more, or net profit of ₹5 crore or more in the preceding financial year to spend 2% of their average net profits from the past three years on CSR activities.

Eligible companies must form a CSR Committee (exempted if CSR obligations are below ₹50 lakh). The Committee formulates the CSR policy, and the Board oversees its implementation, ensuring compliance with activities listed in Schedule VII. CSR spending can be carried out directly or through approved implementing agencies.

Transparency is ensured through mandatory disclosures in Board reports and on company websites, including CSR policies, project details, and the Committee’s composition. The Chief Financial Officer must certify the utilization of funds, and statutory audits under CARO, 2020, monitor compliance and highlight unspent amounts.

For ongoing projects, the Board monitors progress, adjusts plans as needed, and reports details in the Annual CSR Report. While the government ensures adherence to the framework, it does not direct companies to specific spending areas or activities. Non-compliance is addressed through legal action.

The CSR framework emphasizes accountability, transparency, and flexibility, ensuring companies independently fulfil their CSR obligations while adhering to legal safeguards.

Current CSR Status of India

On the basis of MCA21 registry the CSR spent by all companies

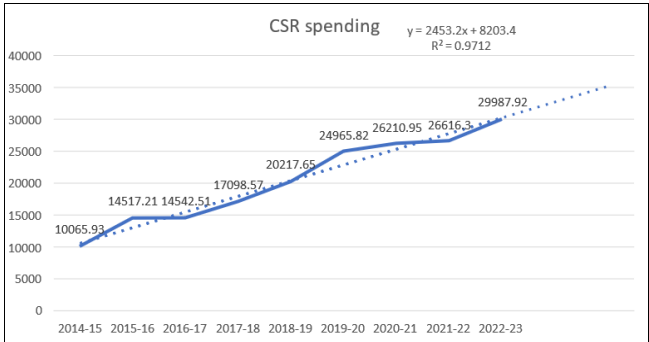
The data of table 1. shows a consistent upward trend in CSR spending in India from ₹10,065.93 crore in 2014–15 to ₹29,987.92 crore in 2022–23, indicating growing corporate commitment to social responsibility. Despite challenges like the COVID-19 pandemic, spending continued to rise, with only slight deceleration in the growth rate during 2020–21 and 2021–22. The total CSR expenditure over these nine years stands at ₹1,84,222.87 crore, reflecting the institutionalization of CSR under the Companies Act, 2013. This growth highlights increased awareness among corporations about ethical practices, stakeholder engagement, and sustainable development goals (SDGs), positioning CSR as a strategic and ethical imperative in business.

Table 1

Serial No	Financial Year	CSR Spending
1	2014-15	10065.93
2	2015-16	14517.21
3	2016-17	14542.51
4	2017-18	17098.57
5	2018-19	20217.65
6	2019-20	24965.82
7	2020-21	26210.95
8	2021-22	26616.30
9	2022-23	29987.92
Total		184,222.87

(Data up to 31.03.2024) (Source: Lok Sabha unstarred question no 2201)

Table 2



The equation implies that each year, CSR spending

increases by approximately ₹2453.2 crore  $y = 2453.2x + 8203.4$ , Goodness of Fit ( $R^2 = 0.9712$ ) An  $R^2$  value of 0.9712 indicates an excellent fit, meaning 97.12% of the variation in CSR spending is explained by this linear trend.

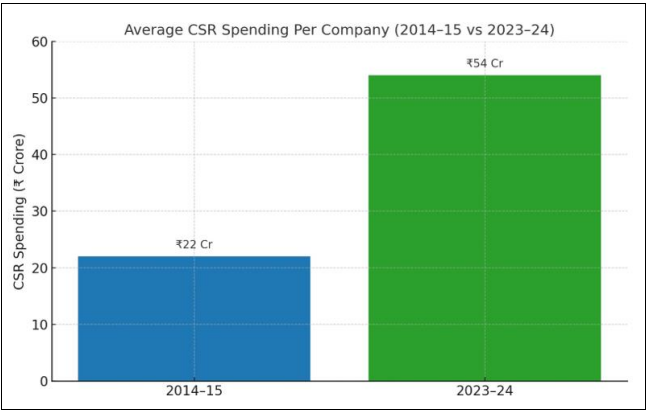


Image 1

Here is the bar graph showing the rise in average CSR spending per company from ₹22 crore in 2014–15 to ₹54 crore in 2023–24. This significant growth reflects the increasing commitment of Indian companies to corporate social responsibility over the past decade

Table 3: Top Priority Thematic Areas for CSR Projects

Promotion of Education	18%
Environment and Sustainability	13%
Vocational Skill Development	13%
Healthcare and WASH	12%
Livelihood Promotion	9%
Rural Development	4%
Women Empowerment	2%
Technology Incubators within Academic Institutions	1%

The CSR thematic priorities in India reflect a strong focus on education (18%), followed by environment and sustainability and vocational skill development (13% each). These areas align with long-term development goals and workforce readiness. Healthcare and WASH (12%) also received significant attention, especially post-pandemic. Livelihood promotion (9%) and rural development (4%) indicate ongoing efforts to uplift underserved communities. However, relatively lower emphasis on women empowerment (2%) and technology incubators (1%) suggests potential areas for increased investment.

Year-wise Analysis of Prescribed and Actual CSR Spending: Trends from FY 2014-15 to FY 2023-24

Table 4

Financial year	Prescribed CSR Amount (in INR Cr.)	Actual CSR Spent (in INR Cr.)	% change
2014-15	7040	5563	-20.98%
2015-16	7143	6578	-7.91%
2016-17	9275	8446	-8.94%
2017-18	9543	8875	-7.00%
2018-19	10866	10904	+0.35%
2019-20	10595	11564	+9.15%
2020-21	11660	12180	+4.46%
2021-22	12119	12260	+1.16%
2022-23	13426	12890	-3.99%
2023-24	14267	14003	-1.85%

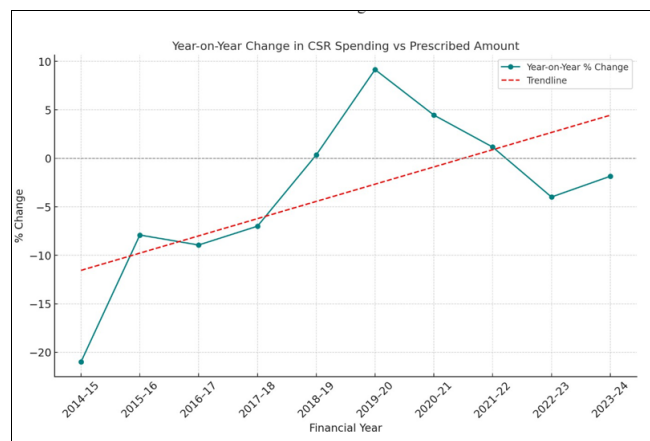


Image 2

Table 4. and image 2. The data show that initial years (2014–17) show significant shortfalls in CSR spending. From 2018–19 onward, spending aligned more closely with prescribed targets, even exceeding them in 2019–20 and 2020–21. The trendline (red dashed line) indicates a general upward correction over time, showing improved compliance and maturity in CSR implementation.

The India CSR Outlook Report 2024, developed by CSRBOX, provides an in-depth analysis of corporate social responsibility (CSR) trends among 301 leading companies in India. With the mandatory CSR framework established by Section 135 of the Companies Act, CSR spending in FY 2023-24 reached ₹14,003.1 Cr, nearly meeting the prescribed ₹14,266.5 Cr. Education and Environment & Sustainability emerged as the most prioritized sectors, reflecting their importance to corporates and implementing partners alike. Approximately 60% of CSR leaders and 67% of implementing organizations preferred long-term projects of two to three years or more. Collaborations with implementing agencies dominated project execution strategies, with 71% of companies relying on their expertise, while 69% sought government partnerships, especially in Education, Livelihood, and Health sectors. However, 68 companies reported unspent funds due to delays in approvals and partner identification. NGOs also faced barriers in monitoring and evaluation, with 62% citing funding constraints. Despite these challenges, CSR initiatives showed a strategic shift toward sustainability and social impact, fostering multi-stakeholder collaborations and emphasizing measurable outcomes.

### Objective

This research aims to explore the current status of Corporate Social Responsibility (CSR) in India and its potential to address key challenges and opportunities in achieving the vision of *Viksit Bharat @2047*. The study seeks to analyse how CSR can drive inclusive growth and contribute to India's long-term sustainable development goals.

### Methodology

The present study adopts a qualitative and descriptive research design and is primarily based on secondary data sources. The objective is to analyse the current status of CSR in and legal framework of Corporate Social Responsibility (CSR) in India, assess trends in CSR spending, and forecast future trajectories using visual and tabular analytical tools.

**Data Sources:** Annual reports and notifications from the Ministry of Corporate Affairs (MCA), Government of India. Data from official CSR portals (such as the National CSR Portal), Academic journals, policy briefs, and working papers, Reports from credible institutions such as NITI Aayog, CII, and India CSR. to systematically assess the implementation, and impact of CSR in India, the study applies the following analytical tools.

**Tabular Analysis:** Data on CSR expenditure over the years, and sectoral allocation.

**Trendline Analysis and Forecasting:** Year-on-year CSR spending data is plotted to identify trends and growth patterns. Forecasting techniques using trendline equations (linear or exponential) are applied to project future CSR spending under current legal mandates. And also used chart where necessary.

### Major challenges of CSR

The study found major loopholes and Malpractices in CSR implementation include misuse of funds, where money is diverted to personal or non-CSR activities, and lack of transparency in project selection, often favouring personal interests. Companies may engage in greenwashing, exaggerating their CSR efforts for image enhancement without real impact. Some channel funds through shell companies for tax evasion or money laundering. There is also favouritism in selecting vendors or NGOs for projects, resulting in inflated costs. Funds are sometimes redirected to political donations under the guise of CSR. Poor monitoring and evaluation lead to inefficiencies and fake reporting of outcomes. Hawala transactions and proxy foundations are used for siphoning funds. Overlapping or duplicate projects reduce efficacy. Insufficient engagement with stakeholders often leads to irrelevant initiatives. Lastly, lack of accountability, misuse of administrative overheads, and diversion for publicity stunts undermine genuine CSR impact. These practices erode trust and dilute the purpose of corporate social responsibility.

### CSR Opportunities

To achieve *Viksit Bharat @2047*, companies must prioritize overlooked CSR areas like women empowerment, art and culture, rural development, pollution control, eradicating superstitions, and promoting cleaning habits, because government already doing very well in health, education, infrastructure and other priorities sector. *Viksit Bharat* is nothing without human development so companies must prioritize human development. The table show the data of human burden on Indian economy but CSR mandate companies have opportunity to change them as human capital.

Indicator	NFHS 5 (2019-21)
Children under 5 years who are stunted (%)	25.4
Children under 5 years who are wasted (%)	21.2
Children under 5 years who are underweight (%)	30.3
All women aged 15-49 years who are anaemic (%)	44.3

**Source:** (Lok Sabha unstarred question no. 3125)

Child undernutrition and Anaemia among women aged 15 to 49 are two significant challenges for achieving the vision of *Viksit Bharat @ 2047*. These issues present a meaningful

opportunity for companies to contribute to India's development through impactful CSR initiatives. Women empowerment can be addressed through skill development, financial literacy, and support for women-led enterprises, fostering gender equality. Supporting art and culture, such as preserving heritage and promoting local artisans, can sustain India's cultural identity while generating livelihoods. Rural development initiatives, including improved education, healthcare, and sanitation, alongside sustainable agriculture, can uplift rural communities. Tackling pollution through renewable energy, waste management, and afforestation can ensure environmental sustainability. Promoting cleaning habits via hygiene and sanitation awareness campaigns can enhance public health and align with Swachh Bharat's vision. Additionally, eradicating superstitions through education and awareness can foster scientific thinking and societal progress. By integrating these areas into CSR strategies, companies not only fulfil their social responsibility but also contribute to inclusive growth, ensuring a prosperous, equitable, and sustainable India by 2047.

### Conclusion

Reliance is the biggest player in CSR spending during the financial year 2023-24, Reliance contributed 1592 crore across the country and as of March 2024 the total number of people reached is approximately 76 million, 595 districts including 55,500+ villages. Reliance, TCS, HDFC and other leading companies are doing very well while others are only fulfilling their CSR obligations. The current state of Corporate Social Responsibility (CSR) in India presents several challenges, including inefficiencies in certain activities like tree plantations, kitchen gardening, and training programs, which are often prone to data manipulation and over-reporting. These activities frequently fail to generate significant impact, as companies tend to overstate their effectiveness. Moreover, companies often neglect sectors already prioritized by the government, resulting in a duplication of efforts and inefficient use of CSR funds. The lack of detailed beneficiary information and inconsistency in annual reports further undermine the transparency and accountability of CSR initiatives. These issues hinder the potential of CSR to contribute meaningfully to national development and long-term sustainability.

### Recommendations

To address these challenges, it is recommended that companies discontinue activities prone to data manipulation, such as tree plantations and kitchen gardening, unless they can be thoroughly monitored and verified. Instead, CSR funds should be directed toward direct implementation of projects or funnelled through government channels that ensure transparency, proper allocation, and monitoring. This approach will not only enhance accountability but also ensure that CSR initiatives are more impactful and aligned with the long-term vision of Viksit Bharat @2047.

1. Stop programs and Activities Prone to Data Fabrication: Companies should discontinue activities like training programs unless they are backed by reliable and transparent monitoring mechanisms. Only verifiable activities with measurable outcomes should be encouraged.

2. Align CSR Efforts with Emerging Needs: Companies should avoid replicating government initiatives and focus CSR efforts on underserved areas or emerging challenges that require attention. This will ensure the optimal allocation of CSR resources and complement government priorities.
3. Enforce Strict Guidelines for Verifiable Activities: CSR activities should be restricted to those with clear, measurable, and verifiable outcomes. Robust data collection and monitoring systems must be in place to assess the actual impact of these activities.
4. Mandate Detailed Beneficiary Information: Companies must provide detailed information about beneficiaries, including addresses and profiles, to ensure transparency and accountability in the distribution of CSR benefits.
5. Standardize CSR Reporting: Develop a standardized format for CSR annual reports to ensure uniformity and transparency across companies. These reports should include clear objectives, financial details, timelines, and detailed beneficiary information to make it easier to evaluate CSR initiative.

By adopting these measures, CSR can be transformed into a more effective and impactful tool, ensuring that it supports sustainable development goals and contributes to the vision of *Viksit Bharat @2047*.

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