

THE WEEK IN CONTEXT

The week CSR took stock of itself

NCCSR 2026 asked Indian CSR to move from compliance to commitment. The week's own evidence showed how large that gap still is — and where the levers are.

The third National Conference and Exhibition on CSR ran 6–8 October in New Delhi under the Ministry of Corporate Affairs, themed "From Compliance to Commitment". It opened with IICA's CSR Day push for needs-based funding — companies were pointed to the CSR Exchange Portal's verified district needs, against a reported FY24 spend of nearly ₹35,000 crore that still clusters in familiar causes and regions. Panels recommended universal indicators, data integration on the CSR Exchange to identify credible implementing organisations, and a bigger role for AI in monitoring. MCA invited companies to back the PM Internship Scheme. Over 600 delegates attended; IICA released its Compendium of CSR Best Practices 2025.

Why does the theme matter now? Because the compliance era has done its work. A decade after Section 135 made CSR mandatory, the spending machinery runs — an estimated ₹40,794 crore in FY25 — but the week's own reporting supplied the exhibits for the other half of the story: budgeted money left unspent in a composite audit, an enforcement probe

into alleged routing of CSR funds, and evidence that even the most professionalised slice of corporate giving concentrates in the big cities and away from innovation.

Read together, the week's moves were about the pipeline, not individual projects. In the courts, the Supreme Court let the Bombay HC's Castrol ruling on 80G deductions stand. In the legislature, a bill to double the CSR entry threshold to ₹10 crore net profit awaited the Winter Session. In the markets, two ZCZP issues on the social stock exchanges ran their windows — one extended for thin demand, one closing this week. Each lever changes the rules that decide where money flows.

One discipline runs through this review: offers are not outcomes. This week brought a ₹20-crore letter of intent, a ₹5-crore offer, a 3-lakh-sapling target and several company-reported beneficiary counts. They are recorded here as what they are — commitments, targets and self-reported figures — because the distance between announcement and impact is exactly the gap the conference was talking about.

WHAT CHANGED - AND WHY IT MATTERS

1. Courts: 80G deduction on CSR donations stands

The Supreme Court dismissed the Revenue's SLP in DCIT v Castrol India on a 268-day delay, leaving the Bombay HC ruling — Section 80G deduction can apply to donations made from CSR funds — undisturbed, without deciding the merits.

Why it matters: companies in the Bombay HC's jurisdiction can keep structuring CSR-adjacent donations with 80G benefits, but with no apex ruling on merits, the national position stays open — and litigable.

2. Policy pipeline: CSR threshold may double

The Corporate Laws (Amendment) Bill 2026 — JPC-reported on 3 Aug, expected in the Winter Session — proposes raising the mandatory-CSR net-profit trigger from ₹5 crore to ₹10 crore. The FCRA Amendment Bill also sits with a JPC.

Why it matters: if passed, every company netting between ₹5 and ₹10 crore exits the mandate — the CSR pool shrinks just as the policy rhetoric asks for deeper commitment.

3. Enforcement: ED's ₹200-cr probe widens

Reporting through the week kept the alleged routing of ₹200 crore of CSR money from 40+ PSUs and banks through trusts in view. Searches were 1 Oct; still allegations, not court findings.

Why it matters: proven or not, the probe will harden vendor due diligence: expect boards to ask sharper questions about implementing partners and pass-through trusts.

4. Compliance data: unspent CSR in focus

A composite audit found only three of nine eligible J&K public enterprises spent on CSR in 2022–23, leaving ₹24.37 crore unspent. Separately, BEL moved ₹75.21 crore of its ₹107.79 crore FY26 obligation to the Unspent CSR Account for ongoing projects.

Why it matters: audit numbers like these are the ammunition for stricter enforcement of unspent-account rules — small nationally, symbolically large.

5. SSE: one extension, one live close

Grace Cancer's ₹1 crore ZCZP issue on NSE was extended from 7–9 Oct to 7–21 Oct. Lighthouse Communities' ₹58.86 lakh issue on BSE stays live to 14 Oct. Since May, ZCZP subscriptions count as CSR spend, capped at 10% of a company's annual CSR.

Why it matters: an extension usually means thin demand — the CSR-ZCZP route is still bedding in, and the two closes this week and next are the demand test.

Source: Companies (CSR Policy) Amendment Rules, 2026 — new Rule 4A and Schedule VII entry, in force 27 May 2026.

EDITORIAL • OPINION

Commitment needs plumbing, not slogans

NCCSR 2026 named the right problem. The week's evidence showed how far the sector still is from solving it.

An audit finds money budgeted for CSR lying unspent. Investigators allege CSR funds are being routed through trusts. Even the most professionalised slice of corporate giving keeps its money close to the big cities and far from innovation. These are not isolated failures. They are the predictable result of a system that has made spending mandatory but has not yet made direction and measurement mandatory.

The instruments that would make that judgement possible — verified district needs on the CSR Exchange, universal project indicators, and data that identifies credible implementing organisations — were recommended at the conference, not required. Until they are required for every company above the threshold, "commitment" remains a conference theme rather than an operating condition.

Against this background, the proposal to raise the CSR entry threshold from ₹5 crore to ₹10 crore net profit is the wrong move at the wrong time. It would shrink the pool of obligated companies precisely when the public conversation is asking those companies to do more, and to do it more carefully. Keep the net wide. Fix the plumbing. Make outcomes visible. Until the measurement is mandatory, the gap between compliance and commitment will remain exactly as large as this week showed it to be.

DR. HEMANT L. PATEL

INSIDE THIS REVIEW

- The landscape: where the week's money went
- The mechanisms, explained: ZCZP, 80G, unspent accounts, the ₹10-cr trigger
- By the numbers
- The week ahead
- In brief

₹40,794 cr

ESTIMATED ALL-INDIA CSR SPEND, FY25 — THE BASELINE EVERY DEBATE THIS WEEK IS ABOUT

FY25 estimate: Bharat CSR Performance Report 2026 (Fulcrum), Jul 2026. FY24 actual ₹34,909 cr: MCA National CSR Portal.

NEXT ISSUE - SUNDAY, 18 OCTOBER 2026

QUOTE OF THE WEEK

"Judge CSR by the difference it makes to lives, not the quantum it spends."

AJIT SETH, FORMER CABINET SECRETARY, AT NCCSR 2026

THE LANDSCAPE: WHERE THE WEEK'S MONEY WENT

Strip the week to its commitments and a pattern shows. Education and skilling drew the biggest money — regenerative farming across three Rajasthan districts, a centralised school kitchen in Telangana, STEM labs in Gujarat, an ITI block in Andhra Pradesh. Health followed: eye care for weavers, a district health programme in Odisha, ambulances in the Northeast. Environment and water came next — sapling targets, village ponds, groundwater recharge. Single commitments ran from a few crore to a ₹20-crore letter of intent.

Two readings stand out. First, geography: Gujarat, Telangana, Odisha and Maharashtra dominated, with single outings in West Bengal, Rajasthan, Andhra Pradesh and Nagaland — the underserved-district push the conference called for is not yet visible in where commitments land. Second, provenance: much of the week's volume is company-reported or at offer stage, which is why this review keeps Lols, offers, targets and audited outcomes in separate buckets.

THE MECHANISMS, EXPLAINED

ZCZP and the Social Stock Exchange

Both NSE and BSE run social-stock-exchange segments where non-profits list instruments. A Zero Coupon Zero Principal (ZCZP) issue pays no interest and returns no principal — it is a structured donation with exchange-grade reporting. Since May, ZCZP subscriptions count toward a company's CSR obligation, capped at 10% of its annual spend. Live examples: Grace Cancer Foundation (NSE, ₹1 crore, closes 21 Oct) and Lighthouse Communities Foundation (BSE, ₹58.86 lakh, closes 14 Oct).

80G meets CSR money

Section 80G gives donors a tax deduction on eligible donations. The Bombay HC's Castrol India ruling held that donations made from CSR funds can still carry 80G benefits — the mandatory nature of CSR spend does not bar the deduction. The Supreme Court dismissed the Revenue's appeal on delay grounds without deciding the merits, so the ruling stands where it was made, and the national question remains open.

Unspent CSR Accounts

Under the CSR rules, money allocated to an ongoing project but unspent at year-end must move to a special Unspent CSR Account within 30 days and be spent within three financial years; failing that, it goes to a Schedule VII fund. Unspent money not tied to an ongoing project goes to a Schedule VII fund within six months. BEL's ₹75.21-crore transfer this week is that machinery working as designed — the J&K audit shows what happens when it doesn't.

The ₹10-crore threshold proposal

CSR is mandatory for companies above size triggers in the Companies Act — one of which is net profit of ₹5 crore. The Corporate Laws (Amendment) Bill 2026, reported on by a Joint Parliamentary Committee on 3 Aug and expected in the Winter Session, would double that trigger to ₹10 crore. Companies that qualify on the profit test alone, below the other two triggers, would leave the mandate — 9,694 of them in FY25 by the MCA's own data to the committee, with ₹1,061 crore of CSR spent; the projection for FY26 is 11,204 companies.

Source: MCA data before the JPC on the Corporate Laws (Amendment) Bill, 2026.

BY THE NUMBERS

₹24.37 cr

CSR left unspent by nine J&K public enterprises, per a 2022–23 composite audit

₹200 cr

alleged CSR routing under ED investigation — an allegation, not a court finding

6.4×

growth in GCC CSR spend over a decade, to ₹3,661 crore in FY25

27,000

Telangana government-school children to get daily breakfast from one CSR-funded kitchen

1 million

weavers and artisans targeted for eye care by 2030 under a new national programme

73.61 mn litres

annual groundwater recharge potential of one company's rejuvenated village ponds — company-reported

THE WEEK AHEAD

14 OCT

Lighthouse Communities' ZCZP issue closes on BSE SSE. Subscription outcome and listing next.

21–22 OCT

Grace Cancer's extended ZCZP window closes 21 Oct; post-issue modification 22 Oct, 10 AM–1 PM.

WINTER SESSION

Corporate Laws (Amendment) Bill and FCRA Amendment Bill both expected to be taken up.

IN BRIEF

Malabar: ₹20 cr Lol earmarked for FY27 CSR in West Bengal — a commitment, not a disbursement.

AWL: ₹16 cr Sarson Sankalp regenerative mustard programme with SEA, Solidaridad and Bharatkhad Foundation — 15,000 farmers, scaling to 40,000 by FY31.

Delta Exchange: ₹4 cr centralised kitchen in Vikarabad to serve breakfast to about 27,000 Telangana government-school students daily.

Aditya Birla: ₹5 cr offer for a fully equipped block at the Government ITI in Sangam mandal, Nellore — an offer after a site visit, not a sanctioned disbursement.

AAI: 20 STEM labs for 10,000-plus Gujarat government-school students.

Vedanta Power: FY26 CSR report claims 87,000 beneficiaries and about 4 lakh cumulatively, 9 lakh trees planted — self-reported.

Jindal Stainless: Niramaya health programme in Jajpur, Odisha.

IOCL: ambulances for Dimapur, Nagaland.

Allcargo: Project Maitree FY27 expansion targets 3 lakh saplings across 81 Maharashtra villages for about 5,000 farmers — a target, not an outcome.

Tetra Pak: village pond rejuvenation in Khed, Maharashtra — recharge figures company-reported.

SKF + Ambuja: village development programme in Bavla, Gujarat.

Kotak + United Way: civil, electrical, classroom and sanitation upgrades in five Narayankhed schools, Telangana, for about 2,200 students.

Sightsavers: Looms & Lenses targets eye care for 1 million weavers and artisans by 2030 — 400,000 spectacles, starting in Odisha.

WCL: Tarunyabhan MoU with SEARCH Foundation — sports training, health education and nutrition for Gadchiroli tribal youth.

Impact Weekly is synthesised from the week's daily editions of 6–11 October 2026. Offers, targets and company-reported figures are not audited outcomes. SSE status as of this edition. Allegations remain allegations unless a court rules. causewave.in