

**FROM COMPLIANCE TO COMMUNITY IMPACT:
ENHANCING CSR & NGOS GOVERNANCE AND COMPLIANCE**

CSR ROUND TABLE - BENGALURU

3RD DECEMBER 2025 | IBIS CENTER CITY, BENGALURU



BRIEF REPORT

INTRODUCTION

ISDM, in collaboration with the Grassroots Research and Advocacy Movement (GRAAM), organized a CSR Round Table Discussion in Bengaluru on 03 December 2025, bringing together key stakeholders from the corporate CSR ecosystem and the non-profit sector. The round table witnessed participation from over 25 representatives, including CSR professionals from corporate foundations, leaders of non-governmental organizations (NGOs), social sector practitioners, and governance experts. The objective of the discussion was to reflect on prevailing challenges in CSR implementation, compliance, funding predictability, transparency, and partnership dynamics between corporates and NGOs, while also exploring practical pathways to strengthen trust, accountability, and effectiveness within the CSR ecosystem. The discussion enabled candid sharing of experiences from both the funding and implementing sides, making it a valuable platform for mutual learning and systemic reflection.

Key Highlights and Major Discussion Points

1. CSR Compliance, Regulatory Ambiguity, and Policy Alignment

One of the major concerns raised during the discussion was the increasing complexity and ambiguity surrounding CSR compliance requirements. Participants highlighted that CSR fund utilization timelines often clash with rigid financial year deadlines, leading to situations where unspent funds must be returned, creating compliance risks for both corporates and NGOs. It was suggested that CSR compliance could be streamlined if aligned more closely with existing

regulatory mechanisms such as Income Tax registrations (e.g., 80G renewals), especially since both fall under the purview of the Ministry of Finance. Such alignment could reduce duplication, enhance donor confidence, and encourage smoother fund flow to compliant organizations.

Additionally, participants emphasized that corporates increasingly seek reassurance that NGOs are financially sound, audited, and compliant with statutory norms. However, much of this information remains privately held and not easily accessible through existing CSR reporting formats. Greater transparency through standardized disclosures could significantly reduce due diligence burdens and foster trust.

2. Transparency, Due Diligence, and Fund Utilization Concerns

Transparency emerged as a central theme throughout the discussion. Several corporate representatives shared experiences where extensive due diligence was conducted, including on-site verification, invoice-level scrutiny, and even donor-specific expense tagging. These practices, though demanding, stem from concerns around fund mismanagement and the potential diversion of resources between multiple donors.

Participants acknowledged instances where donor funds were allegedly used interchangeably, underscoring the urgent need for clearer systems that earmark expenses donor-wise. Strengthening financial tracking mechanisms and adopting robust internal controls were identified as essential steps for NGOs to maintain credibility and long-term partnerships with corporates.

3. Social Stock Exchange: Opportunities and Risks for NGOs

The discussion also focused on the emerging role of the Social Stock Exchange (SSE). Participants noted that NGOs listed on the SSE are subject to higher disclosure and compliance standards, making them more transparent and attractive to corporate donors. However, concerns were raised that mandatory linkage of CSR funding to SSE-listed organizations could disadvantage smaller NGOs that lack the capacity to meet stringent compliance requirements.

There was a collective call for capacity-building support to help NGOs transition to SSE frameworks, while also urging regulators to make the platform more inclusive, flexible, and user-friendly. Without such balance, participants cautioned that the sector risks marginalizing grassroots organizations that play a critical role in community-level impact.

4. Leadership Costs, Salaries, and Organizational Sustainability

A significant point of debate revolved around NGO leadership salaries and administrative costs. While the law permits NGOs to pay salaries, the absence of clear guidelines on what constitutes a “reasonable amount” creates uncertainty. Participants observed stark contrasts between small NGOs and large organizations managing multi-crore budgets, noting that professional leadership is essential to manage scale, complexity, and accountability.

Corporate representatives, however, admitted discomfort in funding founder salaries or core organizational costs, often categorizing them as overheads rather than impact expenses. This disconnect was identified as a structural challenge, calling for clearer norms that recognize human resources as critical to effective social impact.

5. Funding Predictability and Project Continuity Challenges

Several NGO leaders highlighted the unpredictability of CSR funding commitments. While corporates may promise multi-year funding, disbursements are often delayed, reduced, or discontinued due to internal changes or shifting priorities. This unpredictability forces NGOs to initiate projects based on verbal assurances, exposing them to financial risk and operational disruptions.

Participants shared experiences where funds were released late in the financial year, yet utilization certificates and audited statements were demanded by March 31, creating undue pressure and administrative strain. Such practices were identified as counterproductive to long-term impact and sustainable program planning.

6. Documentation Burden and Reporting Fatigue

Both NGOs and CSR professionals acknowledged that documentation requirements have increased significantly over the years. NGOs are expected to produce multiple reports, impact assessments, audits, and monitoring documents—often within unrealistic timelines. CSR representatives, on the other hand, admitted that internal reporting structures and varying formats across organizations add to the confusion.

There was a strong recommendation to develop standardized reporting templates that balance compliance needs with practical implementation realities. Participants also stressed that impact assessment should be time-bound and context-sensitive, rather than driven by arbitrary reporting deadlines.

7. Access, Communication Gaps, and Power Dynamics

Another recurring theme was the difficulty NGOs face in accessing the right contact persons within corporate CSR teams. While networking events and conferences provide initial engagement, follow-up communication often goes unanswered, leading to frustration and missed opportunities. Participants emphasized that NGOs must strategically align their proposals with corporate focus areas, while corporates should establish clearer communication channels and feedback mechanisms.

Power imbalances between funders and implementers were acknowledged, with calls for partnerships rooted in trust, mutual respect, and shared accountability rather than transactional engagement.

Summary and Way Forward

The CSR Round Table organized by ISDM and GRAAM provided a critical platform for honest dialogue between corporate CSR practitioners and NGO leaders. The discussions highlighted systemic challenges related to compliance complexity, funding unpredictability, excessive documentation, leadership sustainability, and transparency expectations. At the same time, the round table underscored the shared intent across stakeholders to strengthen the CSR ecosystem through better alignment, standardization, and capacity building.

Participants emphasized the need for policy-level clarity, especially around CSR timelines, leadership costs, and reporting norms. There was also a strong consensus on promoting trust-based partnerships, simplifying compliance processes, and ensuring that emerging mechanisms like the Social Stock Exchange remain inclusive. The round table concluded with a collective commitment to continued dialogue and collaboration, recognizing that sustainable social impact requires not only financial resources, but also empathy, transparency, and systemic reform.







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GRAAM is a development research and public policy engagement initiative (think-and-act tank) in India. GRAAM's extensive expertise spans over policy research, program evaluation, community engagement, policy engagement, impact consultation and academic engagements. GRAAM works in collaboration with all the four key stakeholders of development i.e. Government, Citizenry, Civil Society Organizations and Corporate. Complementing strengths of each sector is essential to achieve the development goals. GRAAM aims to ensure the 'voices' of the communities at the grassroots are significantly accounted for in the process of development.

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