

## **Corporate social responsibility in India: A trend analysis**

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### **Abstract**

This paper presents a comprehensive analysis of Corporate Social Responsibility (CSR) trends in India over five financial years, from 2013–14 to 2017–18. The study is based on secondary data sourced from government portals, journal articles, newspapers, and CSR reports. While the data for 2013–14 to 2016–17 are drawn from actual company disclosures, the figures for 2017–18 are based on projected estimates derived from prior trends and sample evaluations. The focus is on firms that were expected to allocate INR 1 crore or more toward CSR activities in FY 2017–18. When considering all eligible firms under the CSR mandate, the cumulative prescribed CSR expenditure over these years is estimated to surpass INR 56,000 crore. The analysis underscores CSR as a strategic avenue for businesses to foster societal development. As corporate entities function within the broader social framework, their sustained growth hinges on mutual cooperation with the communities they serve.

Corporate Social Responsibility (CSR) in India has significantly evolved over the past decade, transitioning from voluntary philanthropic efforts to a more structured and regulated aspect of corporate governance. Originally perceived as goodwill gestures, CSR initiatives are now deeply integrated into corporate strategies, aligning business objectives with societal and environmental responsibilities. The World Business Council for Sustainable Development (WBCSD) defines CSR as a company's continuous commitment to economic development while enhancing the quality of life for employees, their families, and the broader community—emphasizing the importance of sustainable and inclusive practices in corporate operations. To address growing socioeconomic and environmental challenges, the Indian government introduced mandatory CSR provisions through the Companies Act, 2013. Section 135 of the Act mandates that qualifying companies allocate at least 2% of their average net profit from the past three years to approved social initiatives. Public Sector Undertakings (PSUs) also adhere to specific CSR guidelines issued by the Department of Public Enterprises, which tailor spending obligations based on profit levels.

This study adopts a qualitative and descriptive approach using secondary data sources such as CSR reports, government portals, and academic literature, focusing on trends from FY 2013–14 to 2017–18. Key observations include rising CSR compliance, greater disclosure transparency, and increased investments in education, healthcare, and rural development. Additionally, collaborations with government schemes like Skill India and Ayushman Bharat are gaining momentum. The study concludes that India's regulatory CSR framework has fostered a culture of corporate accountability, with future success hinging on strategic, measurable, and impactful implementation.

**Keywords:** Corporate social responsibility, social impact, stakeholder engagement, sustainable development

### **Introduction**

Corporate Social Responsibility (CSR) in India has transformed significantly over the past decade, evolving from voluntary philanthropic activities to a strategic and regulated approach toward social development. Initially, CSR was largely seen as charitable donations or community outreach, driven by goodwill. However, with growing awareness about corporate ethics and sustainability, CSR has become an integral part of business strategy, aligning organizational goals with social welfare.

The World Business Council for Sustainable Development (WBCSD) defines CSR as a business's continuing commitment to contribute to economic development while improving the quality of life of employees, their families, and the broader community. This comprehensive definition highlights that CSR goes beyond charity; it involves integrating social and environmental concerns into day-to-day business operations and stakeholder interactions.

In India, CSR has taken on added significance due to widespread social inequalities and regional disparities. Companies, particularly those operating in rural or resource-sensitive areas—such as mining, oil, and gas—have a direct

and sometimes profound impact on local communities. These businesses must therefore ensure that their presence leads to inclusive growth and not merely resource extraction. CSR offers an avenue for companies to invest in the communities they affect, fostering mutual trust and sustainable coexistence.

Recognizing the need for structured corporate involvement in national development, the Indian government mandated CSR under the Companies Act, 2013. The law requires eligible companies to allocate a portion of their profits (at least 2% of their average net profit over the last three years) to approved social development activities. While the spirit of CSR should ideally remain voluntary, such legal mandates ensure accountability and consistent corporate participation in public welfare initiatives. These regulations reflect a growing acknowledgment that businesses have a shared responsibility toward the socioeconomic development of the country.

### **Data sources and methodology**

This study adopts a qualitative, descriptive approach relying on secondary data. Data sources include Ministry of

Corporate Affairs portals, research journals, newspapers, and CSR reports. Unlike traditional CSR efforts, which were largely charitable, modern initiatives are more holistic, emphasizing long-term impacts and stakeholder involvement. No econometric or statistical tools were used, as the research is exploratory and intends to analyze patterns and policy evolution rather than cause-effect relationships.

**CSR policy framework in India**

The introduction of the Companies Act, 2013, marked a significant development in corporate governance in India, particularly through the inclusion of mandatory Corporate Social Responsibility (CSR) provisions under Section 135. This section requires companies that meet specific financial criteria—namely, a net worth of INR 500 crore or more, an annual turnover of INR 1,000 crore or more, or a net profit of INR 5 crore or more—to spend at least 2% of their average net profit from the preceding three financial years on CSR activities.

Public Sector Undertakings (PSUs) operate under additional CSR guidelines issued by the Department of Public Enterprises (DPE). According to these directives, PSUs earning profits between INR 100 crore and INR 500 crore are expected to allocate 2–3% of their profit for CSR, while those earning less than INR 100 crore should allocate 3%. Moreover, if any allocated CSR funds remain unspent, they must be used within a stipulated timeframe. However, PSUs that are financially distressed or operating at a loss are exempt from this obligation.

This regulatory approach seeks to formalize corporate responsibility, encouraging businesses to actively contribute to societal welfare and align their CSR efforts with broader developmental goals of the country.

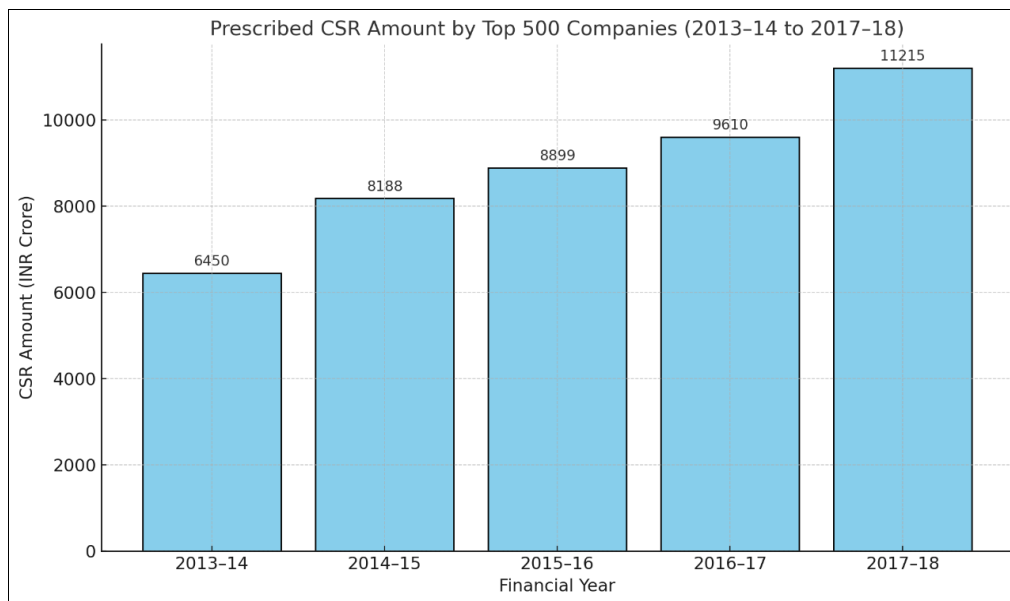
**CSR Trends (2013–14 TO 2017–18)**

CSR activities from FY 2013–14 to 2016–17 is based on disclosed data, while 2017–18 figures are projected estimates. The study encompasses 500 companies mandated to spend INR 1 crore or more in FY 2017–18.

**Table 1:** CSR Prescribed Budget by Top 500 Companies (INR Crore)

Financial Year	Prescribed CSR Amount (INR Crore)	Remarks
2013–14	6,450	Baseline year; initial implementation phase of CSR norms.
2014–15	8,188	First full year of mandatory CSR under Companies Act, 2013.
2015–16	8,899	Slight increase reflecting better compliance and growth.
2016–17	9,610	Continued upward trend as companies refine CSR strategies.
2017–18	11,215 (projected)	Estimated based on previous trends and sample analysis.

(Source: CSR Trend Analysis and Projections, FY 2013–14 to 2017–18)



**Emerging CSR Trends and Future Outlook in India**

Corporate Social Responsibility (CSR) in India is poised for continued growth and institutional maturity. One of the most notable trends is the increasing compliance of companies with the prescribed CSR spending mandates. By the financial year 2018–19, CSR compliance is projected to reach approximately 97% to 99%, indicating heightened awareness and alignment with regulatory expectations. Education remains the most preferred thematic area for CSR interventions, particularly among companies with moderate CSR budgets. This sector is expected to maintain its position as the top priority for CSR initiatives in the foreseeable future due to its long-term societal impact and alignment with national developmental goals.

Further, companies are increasingly engaging in detailed CSR disclosures within their annual reports. This trend signifies a shift towards greater transparency and accountability, and such comprehensive reporting is expected to become standard practice in corporate governance.

The average ticket size of CSR projects witnessed a decline between FY 2014–15 and FY 2016–17. However, projections suggest a reversal of this trend as companies move towards larger, more impactful, and strategically aligned initiatives.

Notably, CSR spending is highly concentrated, with the top 10 companies accounting for over one-third of the total CSR contributions in India. The top 20 companies collectively

control more than 45% of the national CSR pool. This concentration is anticipated to remain stable over the next three to four years, reflecting the disproportionate financial capacity of large corporate entities.

Government collaboration is gaining traction as a preferred mode of CSR execution. An increasing number of companies are aligning their CSR programs with national priorities and flagship schemes such as Ayushman Bharat, the Aspirational Districts Programme, the Skill India Mission, and the National Nutrition Mission. This alignment fosters greater synergy between corporate and public efforts, enhancing the effectiveness of social interventions.

Moreover, business-to-business (B2B) collaborations are emerging as a practical model for joint CSR project design and implementation. These collaborative approaches are receiving growing attention at the boardroom level and are likely to be more prevalent on the ground in the near future. Lastly, the practice of channelling CSR funds to implementing agencies or CSR foundations in the form of corpus funding is gradually diminishing. Instead, there is a visible shift toward direct project implementation and outcome-based funding mechanisms, ensuring better oversight and measurable social impact.

**Table 2:** CSR Allocation by Theme (2013–14 to 2017–18)

Project Area	Share (%)	Description
Education & Skill Development	32.2%	Highest CSR allocation, focusing on school education, vocational training, and employability initiatives.
Poverty Alleviation, Healthcare	29.4%	Includes health camps, sanitation drives, clean drinking water, and nutrition programs.
Rural Development	12.3%	Investments in infrastructure, livelihoods, and basic services in rural areas.
Environmental Sustainability	10.1%	Projects related to afforestation, renewable energy, waste management, etc.
Gender Equality & Women Empowerment	3.2%	Programs promoting women's education, safety, entrepreneurship, and rights.
Rural Sports and Paralympic Support	1.9%	Initiatives for promoting indigenous sports, athletes with disabilities, and youth participation.
Heritage & Art Preservation	1.7%	Support for restoration of monuments, cultural festivals, and traditional arts.
PM Relief Fund	1.5%	Direct contributions to national disaster relief and emergency support.
Armed Forces Veterans' Welfare	0.6%	Welfare schemes for ex-servicemen and their families.
Technology Incubation	0.3%	Support for start-ups, innovation labs, and research incubators.
Urban Slum Development	0.3%	Projects addressing housing, sanitation, and basic services in urban slums.
Miscellaneous / Administrative Expenses	6.5%	Includes administrative costs and miscellaneous expenditures not covered above.

This table outlines the thematic distribution of Corporate Social Responsibility (CSR) spending by top Indian companies from FY 2013–14 to 2017–18. The allocation reflects how businesses prioritized different social and developmental areas in line with national needs and legal mandates under the Companies Act, 2013. Here's a detailed explanation of each project area and its relative share:

- 1. Education & Skill Development (32.2%):** This area received the highest CSR allocation, indicating its critical role in national development. Companies invested in school infrastructure, digital learning, vocational training, scholarships, and skill-building initiatives to enhance employability and support inclusive growth.
- 2. Poverty Alleviation, Healthcare (29.4%):** This includes healthcare access through health camps, mobile clinics, sanitation drives, clean drinking water, and nutrition programs. The near-equal share to education suggests companies recognize the urgent need to improve public health and hygiene.
- 3. Rural Development (12.3%):** A significant portion was allocated to rural infrastructure such as roads, electricity, clean water, and sustainable livelihoods. This aligns with CSR objectives of uplifting underdeveloped regions and reducing urban-rural disparities.
- 4. Environmental Sustainability (10.1%):** Projects in this category focused on renewable energy, afforestation, biodiversity conservation, and waste management—emphasizing corporate responsibility in combating climate change and environmental degradation.
- 5. Gender Equality & Women Empowerment (3.2%):** Companies supported initiatives promoting girls' education, women's safety, skill development, and entrepreneurship to bridge the gender gap and encourage inclusive participation in development.
- 6. Rural Sports and Paralympic Support (1.9%):** This segment targeted the promotion of traditional rural sports, training for differently-abled athletes, and youth engagement through physical activity.
- 7. Heritage & Art Preservation (1.7%):** Firms contributed to preserving India's rich cultural heritage by supporting monument restoration, art festivals, and traditional crafts.
- 8. PM Relief Fund (1.5%):** Direct donations were made to national disaster relief efforts, especially during natural calamities or emergencies, showcasing corporate solidarity.
- 9. Armed Forces Veterans' Welfare (0.6%):** This area focused on the welfare of ex-servicemen and their families, including health, housing, and financial support.
- 10. Technology Incubation (0.3%):** Investment in start-ups, innovation hubs, and research incubators aimed to foster entrepreneurship and innovation-driven growth.
- 11. Urban Slum Development (0.3%):** Projects included housing, sanitation, and basic services in urban slums to address urban poverty and improve living conditions.

## 12. Miscellaneous / Administrative Expenses (6.5%):

These include overheads, monitoring and evaluation costs, and expenses that do not fall under the above categories but are necessary for implementing CSR programs.

### Conclusion

This research paper presents a comprehensive trend analysis of Corporate Social Responsibility (CSR) in India from FY 2013–14 to 2017–18, highlighting the evolution of CSR from a voluntary initiative to a legally mandated corporate obligation. The introduction of Section 135 of the Companies Act, 2013, was a pivotal moment in Indian corporate governance, ushering in a new era of structured and strategic CSR implementation. The data analysed in this study reveals a steady increase in prescribed CSR spending, with cumulative obligations crossing INR 56,000 crore during the period under review.

Key findings indicate a notable rise in CSR compliance, with major corporate players increasingly aligning their social responsibility programs with national development priorities. Education and skill development emerged as the most funded thematic area, followed by healthcare and rural development, reflecting companies' focus on long-term social impact. The active participation of the private sector in government schemes such as Skill India and Ayushman Bharat signifies a shift towards collaborative development models.

Furthermore, improved disclosure practices and strategic CSR integration suggest that companies are viewing CSR not merely as a compliance requirement but as an essential element of business sustainability and stakeholder engagement. However, challenges remain in ensuring that CSR funds translate into measurable, high-impact outcomes. The trend of declining corpus funding to third-party implementing agencies in favour of direct project execution indicates a growing emphasis on accountability and control. In conclusion, India's CSR framework has fostered a more responsible corporate culture, encouraging businesses to contribute meaningfully to socioeconomic development. As CSR continues to mature, its effectiveness will depend on transparent reporting, focused interventions, and synergistic partnerships. Future success lies in fostering scalable, inclusive, and impact-driven CSR strategies that align business objectives with the broader goals of national and community development.

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