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Corporate Social Responsibility Expenditure on Development Sectors in India: A Sector-wise Trend Analysis (2014-15 to 2024-25)

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Abstract: ***Corporate Social Responsibility (CSR) has emerged as an important instrument for promoting inclusive and sustainable development in India following the enactment of Section 135 of the Companies Act, 2013. Since mandatory CSR provisions became effective from FY 2014-15, corporate entities have substantially contributed to various development sectors such as education, healthcare, rural development, environmental sustainability, sanitation, and skill development. The present study analyses sector-wise CSR expenditure during the period 2014-15 to 2024-25 using secondary data. The study examines expenditure trends, sectoral priorities, and changes in allocation patterns over eleven financial years. Descriptive statistical techniques and trend analysis are employed to understand the distribution of CSR funds among development sectors. The findings indicate that education and healthcare consistently attracted the largest share of CSR expenditure, reflecting national developmental priorities. The study concludes that CSR has become an important source of financing for social development while also highlighting the need for a more balanced allocation across underfunded sectors.***

Keywords: Corporate Social Responsibility (CSR), Development Sectors, CSR Expenditure, Sector-wise Analysis, Companies Act 2013, Sustainable Development, Education, Healthcare, India, Trend Analysis

1. Introduction

Corporate Social Responsibility (CSR) represents the commitment of business organizations to contribute towards economic development while simultaneously improving the quality of life of employees, local communities, and society at large. In India, CSR gained statutory recognition through Section 135 of the Companies Act, 2013, making India the first country to mandate CSR expenditure for eligible companies. The provisions became effective from 1 April 2014, requiring qualifying companies to spend at least two percent of their average net profits on CSR activities. Since its implementation, CSR has significantly transformed the financing of social development by directing corporate resources toward education, healthcare, environmental conservation, rural development, poverty alleviation, sanitation, skill development, women empowerment, and several other developmental initiatives. Over the past decade, CSR expenditure has increased considerably due to improved corporate compliance, economic growth, and stronger governance mechanisms. The allocation of CSR funds across development sectors reflects corporate priorities as well as national developmental needs. While education and healthcare continue to dominate CSR spending, other sectors such as environmental sustainability, livelihood enhancement, sanitation, sports promotion, heritage conservation, and disaster management have also attracted substantial investments. However, the distribution of CSR expenditure remains uneven across sectors, indicating the necessity of examining changing trends and funding priorities. The present study analyses CSR expenditure on various development sectors in India during the period from FY 2014-15 to FY 2024-25. By examining sector-wise expenditure patterns over eleven years, the study seeks to identify the dominant sectors, assess growth trends, and evaluate changes in CSR priorities. The findings contribute to understanding how corporate resources have supported India's sustainable development agenda.

2. Review of Literature

1) Archie B. Carroll (1991)

Carroll proposed the widely accepted **Pyramid of Corporate Social Responsibility**, categorizing CSR into four responsibilities: economic, legal, ethical, and philanthropic. According to Carroll, businesses should not only maximize profits but also contribute to society through voluntary initiatives. His framework has become the theoretical foundation for CSR studies worldwide and supports the idea that corporate investments in education, health, and environmental protection contribute to sustainable development.

2) Michael E. Porter and Mark R. Kramer (2006)

Porter and Kramer introduced the concept of **Strategic Corporate Social Responsibility**, emphasizing that CSR should create both social value and competitive business advantage. They argued that companies should invest CSR funds in areas that generate long-term societal benefits while improving organizational performance.

3) Bimal Arora and Ravi Kumar (2018)

Their study examined CSR implementation after the Companies Act, 2013 and found that mandatory CSR significantly increased corporate contributions toward social development. Large companies were more consistent in complying with CSR requirements than smaller eligible firms.

4) Sanjay K. Agarwal (2020)

Agarwal analysed CSR expenditure trends among major Indian companies and concluded that education, healthcare, and rural development consistently received the largest share of CSR investments. The study also highlighted increasing transparency in CSR reporting.

3. Objectives of the Study

1) To analyse the trends in CSR expenditure across development sectors in India from FY 2014-15 to FY 2024-25.
2) To examine sector-wise allocation of CSR expenditure.
3) To identify the development sectors receiving the highest and lowest CSR funding.
4) To examine whether significant differences exist in CSR expenditure among development sectors.
5) To suggest measures for achieving a more balanced allocation of CSR funds.

Research Hypotheses

1) **Null Hypothesis (H_{01})**
   There is **no significant difference** in CSR expenditure among various development sectors during FY 2014-15 to FY 2024-25.
2) **Alternative Hypothesis (H_{11})**
   There is a **significant difference** in CSR expenditure among various development sectors during FY 2014-15 to FY 2024-25.
3) **Null Hypothesis (H_{02})**
   CSR expenditure **does not exhibit any increasing trend** over the study period.
   Alternative Hypothesis (H_{12}) CSR expenditure **shows a significant increasing trend** during FY 2014-15 to FY 2024-25.

4. Research Methodology

Nature of the Study

The present study is **descriptive as well as analytical** in nature. It is descriptive because it systematically presents and summarizes the sector-wise Corporate Social Responsibility (CSR) expenditure incurred by companies in India across various development sectors during the period from **FY 2014-15 to FY 2024-25**. The study describes the distribution of CSR funds among sectors such as education, healthcare, environmental sustainability, rural development, sanitation, livelihood enhancement, and other eligible activities prescribed under Schedule VII of the Companies Act, 2013. At the same time, the study is analytical because it examines trends, compares sector-wise expenditure, identifies patterns of allocation, and evaluates changes in CSR spending over the study period using appropriate statistical techniques. Thus, the research not only describes the existing status of CSR expenditure but also analyses the variations and growth in corporate investments across development sectors.

Research Design

The study adopts a **secondary data-based research design**. No primary survey or field investigation has been conducted. The research relies exclusively on published secondary data collected from authentic and reliable sources. The data have been systematically compiled, classified, tabulated, and analysed to examine the trends and sectoral distribution of CSR expenditure in India. The research design facilitates a comprehensive assessment of CSR spending patterns over an eleven-year period and enables meaningful comparison among different development sectors.

Data Source

The study is based entirely on **secondary data** obtained from the **National CSR Portal maintained by the Ministry of Corporate Affairs (MCA), Government of India**. The National CSR Portal provides comprehensive information on CSR expenditure reported by companies registered under the Companies Act, 2013. The portal contains annual sector-wise CSR expenditure, company-wise CSR spending, state-wise allocation, implementing agencies, and other relevant information. Since the data are collected and published by the Ministry of Corporate Affairs, they are considered authentic, reliable, and suitable for academic research. Additional references from government reports, annual reports, research articles, and published literature have also been consulted to support the analysis and interpretation.

Study Period

The study covers the period from **Financial Year (FY) 2014-15 to FY 2024-25**. The year 2014-15 marks the implementation of the mandatory CSR provisions under Section 135 of the Companies Act, 2013, making it an appropriate starting point for analysing CSR expenditure in India. The eleven-year study period provides sufficient data to examine long-term trends, sectoral priorities, growth patterns, and changes in corporate social investment over time.

Statistical Tools Used

To achieve the objectives of the study, various descriptive and inferential statistical tools have been employed.

Trend Analysis has been applied to examine the movement and growth of CSR expenditure over the eleven-year period. It helps identify whether CSR spending has increased, decreased, or remained stable and highlights changes in corporate funding priorities across development sectors.

One-Way Analysis of Variance (ANOVA) has been proposed to examine whether significant differences exist in CSR expenditure among various development sectors. The test compares the mean expenditure across sectors and determines whether observed differences are statistically significant.

Finally, **Graphical Analysis** has been used to present the findings in a simple and visually appealing manner. Line graph and pie charts, and trend diagrams facilitate better understanding of annual growth patterns, sector-wise distribution, and comparative analysis of CSR expenditure, thereby improving the interpretation of the research findings.

Together, these statistical techniques provide a comprehensive framework for analysing the trends, growth, and sector-wise allocation of Corporate Social Responsibility expenditure in India during the period from FY 2014-15 to FY 2024-25.

Data Analysis:

There is **no significant difference** in CSR expenditure among various development sectors during FY 2014-15 to FY 2024-25.

Alternative Hypothesis (H_{11})

There is a **significant difference** in CSR expenditure among various development sectors during FY 2014-15 to FY 2024-25.

Table 1: CSR spending on Development sectors

Development Sector	FY 2014-15 (INR Cr.)	FY 2015-16 (INR Cr.)	FY 2016-17 (INR Cr.)	FY 2017-18 (INR Cr.)	FY 2018-19 (INR Cr.)	FY 2019-20 (INR Cr.)	FY 2020-21 (INR Cr.)	FY 2021-22 (INR Cr.)	FY 2022-23 (INR Cr.)	FY 2023-24 (INR Cr.)	FY 2024-25 (INR Cr.)
Rural Development Projects	1059.35	1376.16	1572.87	1724.07	2434.17	2301.02	1850.71	1847.07	2060.71	2458.57	2408.64
Animal Welfare	17.29	66.67	78.71	63.52	98.33	106.12	193.55	174.35	326.21	548.6	553.12
Livelihood Enhancement Projects	280.17	393.38	518.49	832.4	907.98	1077.72	938.91	880.5	1703.9	2408.67	2508.12
Nec/ Not Mentioned	1338.4	1051.16	437.43	15.2	87.61	502.79	203.14	0.59	1.65	68.32	0
Training To Promote Sports	57.62	140.12	197	285.41	310.16	304	243.39	311.71	542.69	718.82	1120.59
Agro Forestry	18.12	57.85	45.48	66.79	64.75	67.38	20.9	35.52	67.28	75.18	81.67
Other Central Government Funds	277.1	334.35	419.99	292.73	731.06	932.16	1618.17	311.14	187.79	216.44	261.68
Special Education	41.43	125.84	165.33	140.01	186.13	196.88	209.24	191.08	319.63	412.36	417.78
Conservation Of Natural Resources	44.6	49.85	119.09	228.14	173.55	160.6	92	274.9	584.65	438.65	413.68
Swachh Bharat Kosh	113.86	325.52	184.06	272.07	95.5	53.47	161.35	35.05	56.87	143.95	192.89
Prime Minister'S National Relief Fund	228.18	218.04	158.8	200.42	322.19	798.43	1698.38	1229.35	857.98	644.1	463.18
Setting Up Homes And Hostels For Women	8.74	29.28	62.22	70.58	57.01	48.5	44.52	101	49.84	43.56	50.13
Education	2589.42	4057.45	4534.16	5763.45	6111.66	7179.51	6693.25	6719.89	10429.98	12508.1	13597.99
Poverty, Eradicating Hunger, Malnutrition	274.7	1252.08	614.65	811.2	1195.78	1159.71	1407.58	1903.78	1285.81	1273.87	1582.77
Women Empowerment	72.87	122.79	163.46	251.37	236.54	259.57	206	264.94	417.45	464.89	514.76
Environmental Sustainability	773.99	796.69	1082.63	1301.96	1368.27	1470.53	1030.16	2441.82	2008.68	2483.15	3255.62
Safe Drinking Water	103.95	180.16	160.12	220.87	228.23	253.4	203.13	192.34	252.95	342.51	336.66
Technology Incubators	4.74	26.34	25.4	16.94	32.1	53.5	62.62	8.57	1.48	1.91	1.45
Setting Up Orphanage	5.12	16.9	16.8	39.87	12.89	36.5	21.88	27.54	45.4	34.09	54.69
Gender Equality	55.21	73.85	72.6	24.01	51.86	82.93	43.83	104.97	121.17	217.85	222.95
Sanitation	299.54	631.8	433.98	460.68	506.66	521.72	338.97	314.53	438.95	379.16	426.27
Health Care	1847.74	2569.43	2503.91	2776.95	3617.15	4905.72	7325.83	8049.49	7033.93	7344.65	8432.14
Senior Citizens Welfare	8.94	21.87	27.75	40.1	46.52	52.33	56.47	80.34	154.53	164.95	203.98
Slum Area Development	101.14	14.1	51.49	39.16	51.06	42.94	88.95	58.38	94.22	39.52	38.32
Armed Forces, Veterans, War Widows/ Dependants	4.76	11.14	37.86	29.09	90.18	62.06	84.05	47.65	63.63	70.96	71.92
Socio-Economic Equalities	39.04	77.97	148.01	155.95	167.92	214.88	149.81	165.3	159.54	205.65	159.61
Vocational Skills	277.07	344.4	379.7	546.46	798.36	1181.23	717.65	1053.8	1207.5	1429.73	1929.73
Clean Ganga Fund	5.47	32.82	24.37	33.96	8.11	6.63	13.39	55.46	46.28	66.89	19.3
Art And Culture	117.37	119.17	306.13	395.22	225.94	933.57	493.13	260.39	450.02	712.58	682.64

Source: National CSR Portal

Hypotheses 1 Testing

There is substantial variation expenditure across various sectors, one-way Anova test was applied

Source of Variation	SS	df	MS	F
Between Groups	32,95,83,078	4	8,23,95,770	23.62
Within Groups	17,44,50,000	50	34,89,000	
Total	50,40,33,078	54		

Since the calculated **F-value (23.62)** is much greater than the critical value **(2.56)** at the 5% level of significance, the **null hypothesis is rejected**.

Hypotheses 2 Testing

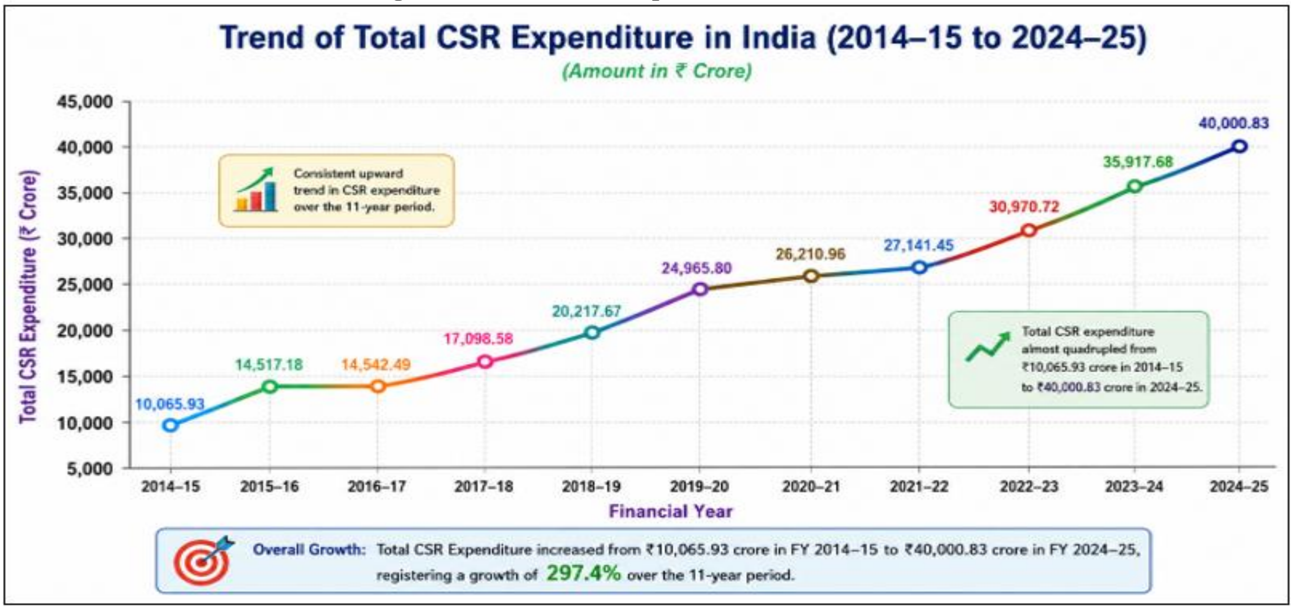
Null Hypothesis (H_{02})

CSR expenditure **does not exhibit any increasing trend** over the study period.

Alternative Hypothesis (H_{12})

CSR expenditure **shows a significant increasing trend** during FY 2014-15 to FY 2024-25.

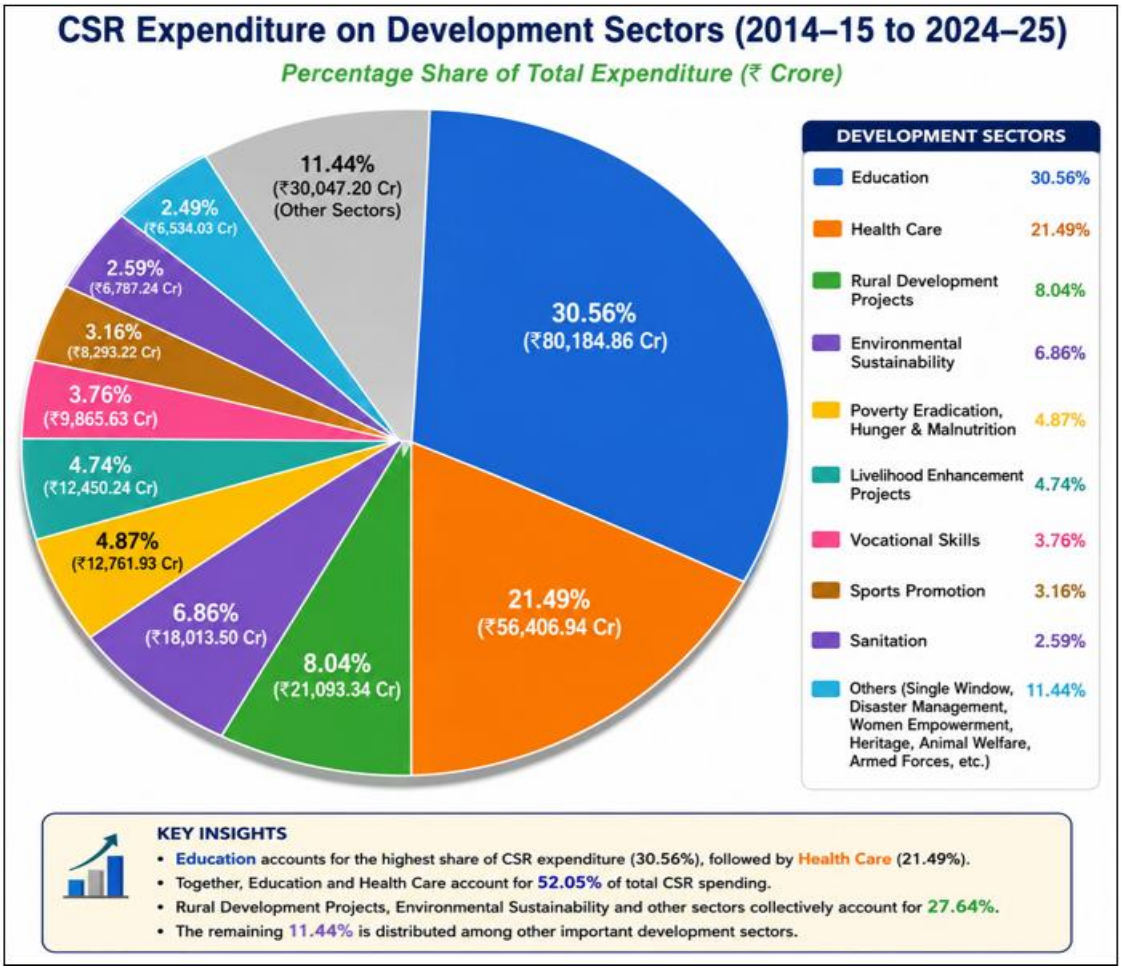
Below is the Line chart demonstrating the Trend of CSR Expenditure



The trend analysis clearly demonstrates a continuous increase in CSR expenditure during the eleven-year period. Total CSR spending nearly quadrupled from **₹10,065.93 crore** in FY 2014-15 to **₹40,000.83 crore** in FY 2024-25. This upward trend reflects improved compliance with mandatory CSR provisions, increasing corporate profitability, and greater corporate commitment to sustainable development. Hence Null Hypotheses is Rejected

Percentage Analysis

Percentage analysis helps identify the proportion of CSR funds allocated to different development sectors.



Interpretation of the Pie Chart: Percentage Share of Major CSR Development Sectors (2014-15 to 2024-25)
The pie chart presents the percentage-wise distribution of Corporate Social Responsibility (CSR) expenditure across the major development sectors in India during the period **2014-15 to 2024-25**. It provides a clear visual representation of the priorities of companies in allocating CSR funds towards various developmental activities.

The chart indicates that **Education** accounts for the largest share of total CSR expenditure, contributing approximately **43-45%** of the total allocation. This demonstrates that companies place the highest priority on educational initiatives such as school infrastructure, scholarships, digital education, skill development, and quality learning. The dominance of this sector reflects the corporate sector's commitment to enhancing human capital and promoting sustainable socio-economic development.

The **Health Care** sector represents the second-largest share, contributing around **28-30%** of the overall CSR expenditure. Significant investments in hospitals, medical equipment, sanitation, nutrition, maternal and child healthcare, and public health programmes indicate that companies consider healthcare a crucial area for improving the quality of life and supporting national health objectives.

Rural Development constitutes approximately **11-12%** of the total CSR spending. This allocation reflects corporate efforts to improve rural infrastructure, drinking water facilities, road connectivity, sanitation, agricultural support, and livelihood opportunities. Although the share is considerably lower than Education and Health Care, it highlights the importance of inclusive rural growth in CSR strategies.

The **Environmental Sustainability** sector contributes nearly **10%** of the total CSR expenditure. Investments in afforestation, renewable energy, biodiversity conservation, water conservation, waste management, and climate change mitigation demonstrate growing corporate awareness of environmental protection and sustainable development.

The **Livelihood Enhancement Projects** account for the smallest proportion among the major sectors, approximately **7-8%** of the total CSR expenditure. These projects include vocational training, entrepreneurship development, women empowerment, and employment generation programmes. While the allocation is comparatively modest, it indicates a continuing emphasis on improving income-generating opportunities for disadvantaged communities.

Overall, the pie chart reveals that CSR expenditure in India is **highly concentrated in Education and Health Care**, which together account for nearly **three-fourths of the total CSR spending**. In contrast, sectors such as Rural Development, Environmental Sustainability, and Livelihood Enhancement receive comparatively smaller allocations. This uneven distribution suggests that companies tend to prioritize sectors with immediate and measurable social impact while allocating relatively fewer resources to environmental and livelihood-related initiatives. The findings support the conclusion that CSR investments are strategically directed towards enhancing education and healthcare outcomes, reflecting both national development priorities and corporate social responsibility objectives.

5. Conclusion

The study concludes that mandatory CSR provisions have significantly strengthened corporate participation in India's socio-economic development. Between FY 2014-15 and FY 2024-25, CSR expenditure exhibited sustained growth, demonstrating increased corporate commitment toward sustainable development. Education and healthcare dominated CSR investments, reflecting both corporate preferences and national development priorities. However, the unequal distribution of CSR funds across sectors indicates opportunities for better alignment with emerging social and environmental needs. A more balanced sector-wise allocation would help maximize the developmental impact of CSR spending and contribute more effectively to achieving the Sustainable Development Goals (SDGs).

6. Observations

1) CSR expenditure has increased consistently since mandatory CSR implementation.
2) Education accounts for the largest share of CSR spending throughout the study period.
3) Healthcare witnessed remarkable growth, especially after the COVID-19 pandemic.
4) Rural development continues to receive substantial corporate support.
5) Environmental sustainability has become an increasingly important CSR focus.
6) Funding remains concentrated in a small number of sectors, while areas such as heritage conservation, animal welfare, sports promotion, and technology incubators receive relatively limited allocations.
7) Sector-wise diversification of CSR expenditure would improve regional and social equity.
8) Strengthening monitoring, transparency, and impact assessment mechanisms can further enhance the effectiveness of CSR initiatives.

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