Ramanujan International Journal of Business and Research, 2025, 9(2), 87-98

doi: https://doi.org/10.51245/rijbr.v9i2.2024.1895
P-ISSN: 2455-5959
E-ISSN: 2583-0171

ARTICLE

The Landscape of Mandatory Corporate Social Responsibility in India over a decade (2013–2023): An Empirical Analysis

Lovleen Gupta [1, *], Priya Harjai [2, †] and Rashmi Goel [3, ‡]

[1]Department of Commerce, Hindu College, University of Delhi, India and [2]Department of Commerce, Swami Shraddhanand College, University of Delhi, India and [3]Department of Commerce, Shyama Prasad Mukherji College for Women, University of Delhi, India

[*]gupta@hinducollege.du.ac.in
[†] priyaharjai@ss.du.ac.in
[‡]rashmigoel@spm.du.ac.in

Abstract

This paper highlights the evolution of CSR after the mandated regulation under the Companies Act 2013. The varied techniques and parametric tests, such as regression, ANOVA, t-test, and visualisation approach have been applied to understand how CSR has fared from the year 2014 to 2023. In this study, a tremendous increase in CSR expenditure has been administered with a continuous compounding growth rate of 12.84% every year, and the non-PSU sector has contributed majorly than the PSU sector with a notion of long-term vision rather than merely adhering to compliance. The disparity in the allocation of CSR funds statewide and in the thematic area has been noticed, wherein developed states receive the highest allocation due to the presence of manufacturing hubs and offices. Also, companies try to invest their funds in activities that are beneficial for their reputation and aligned to their business. This paper suggests safeguarding multi-stakeholders' interests by creating an obligation for companies to invest in two activities every year, with a modification in the thematic area every three years.

Keywords: Corporate Social Responsibility, Companies Act, 2013, India, Allocation of funds.

1 Introduction

The concept of CSR stems from the time of globalisation and economic reforms. In India, the practice of companies voluntarily giving back to society after earning considerable profits was initiated in the 1950s (Garg & Agarwal, 2021). The traditions and values of Indian society initiated the concept of philanthropy-based social responsibility that has evolved over the years and is now termed CSR (Sharma & Aggarwal, 2022; Baxi & Prasad, 2005). Corporate Social Responsibility (CSR) is defined as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large" (World Business Council for Sustainable Development, 2000). It is advocated that companies' social responsibility complements government efforts in the economic and social upliftment of the country (Agrawal & Sahasranamam, 2016).

CSR is gaining popularity throughout business organisations as it strengthens companies' brand reputation. The discussions on making CSR a mandatory concept for companies are raging. Companies are required to disclose CSR or mandate expenditure through regulation in most nations (Gupta & Chakradhar, 2022; Thacker, 2021). Indonesia was the first country to make CSR mandatory and enacted it under the Limited Liability Partnership, 2012. However, its implementation was challenging due to a lack of proper norms and principles (Gayo & Yeon, 2013). Mauritius' mandatory law of CSR states 2% of profits must be allocated to CSR of all profitable companies regardless of the company's size. Unlike Mauritius, the mandatory provision of CSR in India made 2% profits on CSR mandatory for specific companies fulfilling certain conditions.

India made CSR mandatory through Section 135 of the Companies Act, 2013. Schedule VII of the Companies Act 2013 entails 12 parameters or activities classified as a CSR activity. Every listed company that fulfils the criteria of net worth of INR 500 crores or more or turnover of INR 1000 crores or more, or net profit of INR 5 crores or more during any financial year is mandated to incur atleast 2% of the average net profit of the three immediately preceding financial years as CSR.

Cheung et al. (2009) found that Indian companies do not showcase any significant positive outlook on CSR spending compared to globally accepted norms. This study is conducted to understand the growth and trend in CSR expenditure over the years after the mandatory norms, the complying behaviour of companies, and whether CSR spending is rightfully balanced among different states and activities stated under Schedule VII of the Companies Act, 2013, after the major shift from voluntary CSR practice to mandatory CSR. The novelty of the study lies in the empirical technique employed to glance at whether there is any difference in the amount spent by companies for CSR in different states and activities. The amount spent in different states, activities and PSUs and non-PSUs is rightfully balanced or not after regulatory changes. Further, simple mathematical functions such as percentages or absolute values were used in analysing the different aspects via visualization from April 2014 to March 2023.

The rest of the paper comprises a literature review section, and the third section states applied research method. The fourth section shows the findings of the study, and the fifth section culminates with the conclusion, implications, and way forward.

2 Literature Review

2.1 Background of the CSR Concept

The CSR concept has long been debated with mixed propositions, theories, and models in academic research. Friedman's *shareholder theory* (1962) proposed that the main aim of a corporation is to maximize shareholders' wealth. On the contrary, Freeman's *stakeholder theory* (1984) articulated that corporate performance does not rely independently on the increase in shareholder value but on its ability to satisfy all the stakeholders of the company, for instance, customers, shareholders, communities, etc. Accordingly, the *shareholder value theory* by Milton Friedman did not receive global acceptance and the stakeholder theory by Edward Freeman resonates with the corporate social responsibility premise. CSR emphasizes serving the interests of all stakeholders rather than just shareholders (Bowen, 1953; Rajput & Ahuja, 2016).

CSR is characterised as an approach used by the organization to exhibit its commitment to social and ethical practices. This resonates with the *legitimacy theory* (Suchman, 1995) that suggests an organisation should align its norms with societal expectations to maintain its reputation. Complementing this, institutional theory describes that the coercive, mimetic, and normative pressures define organisational behaviour, and provide a perspective to understand mandatory and regulatory-driven CSR in India as a compliance and social responsibility.

In addition to the foundational theories that motivate CSR engagement, advanced models of CSR have also been developed, offering nuanced insights. Carroll's *CSR Pyramid* (1991) is considered an important framework that contributes to CSR in business practices, comprising economic, legal, ethical, and philanthropic duties. The mandatory CSR has shifted the focus from philanthropic duty to legal duty. *The Triple Bottom Line* (Elkington, 1999) sheds light on sustainability by focusing on three subsets such as economic, social, and environmental, thereby broadening the CSR horizon. Similarly, Porter and Kramer's *creating shared value* (2011) progresses from a compliance-oriented approach to a strategic approach that integrates social and environmental actions with the long-term vision.

2.2 CSR Mandatory Norm in India

The voluntary CSR practice of charity and philanthropy was not advantageous for national development as apparent in the socio-economic issues of the society (Mitra & Schmidpeter, 2019). Furthermore, 64% of companies did not disclose a detailed overview of their CSR practice before 2014 (Kulkarni & Aggarwal, 2023). Generally, voluntary practice were employed to conceal the adverse operations of corporation. The unsubstantial consequence of social and environmental impact affected the shareholders' convention (Kulkarni & Aggarwal, 2023), paving the way for a shift in the norms from voluntary to mandatory.

The mandatory norm proposal of CSR applicable to companies that satisfy the threshold conditions, as stated previously, faced resistance by the corporate sector with the belief that the spending on CSR should be a company's decision rather than the government's (Bhattacharyya & Rahman, 2019). The critic pointed out that the enforcement might damage the company's and shareholders' interests (Frynas & Yamahaki, 2016), enforce control over CSR spending (Kavitha, 2018), decrease share price (Manchiraju & Rajgopal, 2017), and adversely affect firm performance (Garg & Gupta, 2020). Also, the spending on CSR should be a company's decision rather than the government's (Bhattacharyya & Rahman, 2019). The primary focus of CSR spending is on education, health, rural development, and addressing hunger, benefiting all, especially in developing countries like India. There is apprehension that the forced philanthropy could lead to "tick the box" parameter or chances of increased corruption to avoid compliance by the organisations (Carroll & Brown, 2018; Narayanan & Singh, 2024). While the supporters state that mandatory CSR builds organisation identity (Singh & Verma, 2018), strengthens companies' performance (Bhattacharyya & Rahman, 2019), and fosters employee engagement (Bapat & Upadhyay, 2021). Section 135 under the Companies Act, 2013 passed into law made it necessary for specified companies to show their CSR policies and actions, disclose the amount spent on CSR activities stated under Schedule VII of the Act, and report in the annual reports for the shareholders. The notion behind mandatory CSR was to reduce information asymmetry and social exclusion by corporates (Hung et al., 2013). The above law increased CSR spending by companies in India (Kulkarni & Aggarwal, 2023).

Further, the mandatory norm worked on the "comply or explain" notion in the real spectrum, wherein the specified companies either comply with the 2% of profit as CSR or in case of non-compliance, present the explanation under the responsibility statement of the said company. This rule was withdrawn in 2019. Currently, if the amount remains unspent by the corporations under any ongoing project, in that case, the same shall be transferred to a special account under any scheduled bank as *Unspent Corporate Social Responsibility Account* within thirty days of the end of the financial year. The corporation shall meet the obligation of such amount towards CSR within three years from the date of transfer. In case of non-compliance or default, the penalty of twice the required amount shall be transferred to the unspent CSR account or 1Cr, whichever is less, and every officer who is in default shall transfer $1/10^{th}$ of the required amount or Rs. 2 lakhs, whichever is less (Companies (Amendment) Act, 2019). While, in regard to spending more than the prescribed limit of 2%, the said amount can be set off in the next three years as CSR expenditure by the company

2.3 CSR Spending

The study on CSR in India was carried out in 1983 on public sector companies for the FY 1975-76 by Singh and Ahuja (1983) (Garg & Agarwal, 2022). It was deduced that less than 50% of companies spent on CSR expenditure. The concept gained prominence in the year 2000 and became a central topic in the business field. The studies in the 2000s (Bhati, 2001; Singh, 2005) showed that apart from meeting the profit motive of the business by producing goods and services, the corporation must focus its activities on a path that does not harm the environment.

The linkage between CSR spending and corporate performance has received mixed signals in the past literature. Krishnan (2018) found in his study that only a few companies of the BSE Sensex, comprising 30 companies spent 2% of their profit on CSR activities from 2001 to 2012 during the voluntary norm in India. Dharmapala and Khanna (2018) studied the CSR impact before and after the legislation rule, and it was found that the law has a significant positive impact with a rise in CSR spending. While Gupta (2013) presumed CSR as a corporate tax, Jain and Jamali (2016) projected it to impact the global competitiveness of the companies negatively. On the positive spectrum, Gatti et al. (2019) stated mandatory act of CSR as a strategic initiative and Karhu (2015) specified that the Indian CSR model performs better in responding to developmental needs than the Western model.

The past study points out the allocation of CSR spending in different dynamics such as states, zones, and activity (Das & Ray, 2020), sectoral trend shifts over the six years after the mandatory act (Kaushik & Kukrety, 2022) and compliance or non-compliance behaviour of companies in CSR spending (Narayanan & Singh, 2024), Maharatan Central Public Sector Enterprises CSR spending reach (KRA and Bhat, 2024). However, the previous study failed to provide a comprehensive outlay of CSR spending among distinct activities, states, compliance or non-compliance behaviour, PSU and Non-PSU companies' behaviour towards CSR spending using parametric tests and visualization for 9 years.

Therefore, this study postulates the following null hypothesis:

H1: The company's CSR spending has remained the same over the years

H2: The non-PSU companies' CSR spending is equivalent to the PSU companies.

H3: The CSR spending is evenly distributed across the states

H4: The CSR spending is evenly distributed across the CSR activities

3 Research Methods

This study aims to understand how mandating the Corporate Social Responsibility by Companies Act 2013 has fared from April 2014 to March 2023 in India. Though the Companies Act was passed in 2013, the applicability of CSR provisions commenced from FY2014-15; therefore, the analysis period starts from 2014-15 in this study. The data is collected from secondary sources. The authors relied on the data available from the Ministry of Corporate Affairs and the Indiastat software to understand the growth and trends in CSR spending. A parametric test and a visualization approach have been adopted to understand the trajectory of CSR by Indian companies. The authors employed regression analysis to understand the compounding growth rate per year in the CSR expenditure. Further, to understand if there is any significant statistical difference in the CSR spending among the (a) distinct states and (b) different CSR activities under Schedule VII of the Companies Act, single factor ANOVA has been applied. Moreover, a t-test was applied to understand CSR spending by private companies and public sector undertakings (PSUs).

4 Findings of the Study

The study presents a detailed view of the trajectory of corporate social responsibility in India from the year 2014 to 2023. The authors examined the landscape of CSR spending (a) yearwise (b) CSR compliance behaviour (c) CSR spending among PSUs and non-PSUs (d) CSR spending statewide (e) CSR spending across different focus areas activities as presented below:

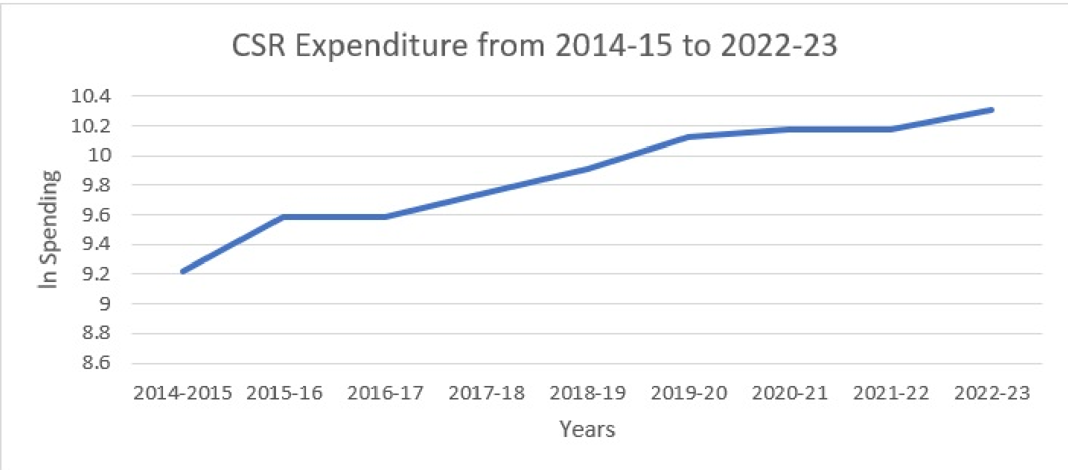
a) Year-wise

The increased CSR fund pool by companies depicted by figure 1 demonstrates rule-following and the vision of the company to gain benefits in the present and future (Gupta & Chakradhar, 2022). CSR is categorised as an investment rather than an expenditure (Sharma et al., 2020). Table 1 in the appendix shows the CAGR and logarithm of CSR spending from 2014 to 2023. The linear trend analysis in table 2 shows that CSR spending is growing at a continuous compounding growth rate of 12.84% per year. The tremendous increase in CSR expenditure from 2014-15 to 2015-16, at 44.22%, indicates the companies' fulfilment of the legal mandate requirements. It also highlights the development of policies and frameworks to adopt a more strategic approach. During 2014-15, majorly large-sized companies spent on CSR; however, by 2015-16 mid-sized companies began contributing significantly (Kulkarni & Aggarwal, 2023). The subtle increase in CSR expenditure at a decreasing rate in 2020-21 could be due to the COVID-19 pandemic, which led to an operational pause during that period (KRA and Bhat, 2024). Further, the increase in subsequent years is an illustration of the companies' understanding of the welfare importance of society.

Table 2: Trend Analysis of CSR expenditure over the years

Variable	Coefficients	Standard Error	t stat	p -value
Intercept	9.2281	0.068	134.907	0.000
Time	0.1284	0.012	10.562	0.000
Observations (n)	9			
R Square	0.941			
Adjusted R Square	0.933			
F -statistic	111.561			0.000

Figure 1: CSR Expenditure from 2014-15 to 2022-23

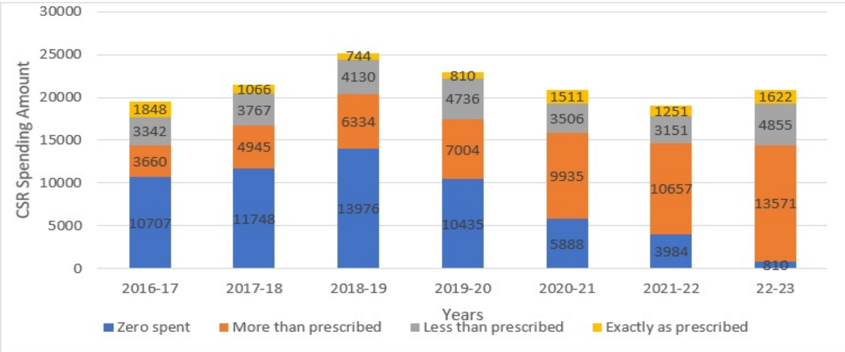


Source: Authors'

b) CSR compliance behaviour – CSR as a percentage of profit

Figure 2 shows the compliance behaviour of the companies over the years. The number of companies following the CSR legislation of the prescribed percentage has improved over the years. There has been a significant decrease in the number of companies that spent zero on CSR from 10707 in FY 2016-17 to 810 in FY 2022-23 and companies spending less than prescribed (2% threshold) have continued to do so and remained at the same level. The report reveals no sustainable plan, lack of technical expertise and knowledge of CSR operations, government restrictions, and difficulty in performing projects on time (The CSR Journal, 2023; Narayanan & Singh, 2024) as chief causes of non-compliance. Alongside, a major increase has been seen in companies spending more than the prescribed limit. It increased from 3660 companies in 2016-17 to 13571 in 2022-23. A major increase in more than the prescribed threshold has been seen from the FY 2020-21 when the amendment was notified on January 2021 to be applicable from the year April 2020. As per the amendment, the companies spending more than 2% of profit on CSR can adjust the amount in the next three years. During the initial years of mandatory CSR notification, the norms majorly focused on the minimum percentage to be met by the companies each year, with no advantageous position for companies spending more than the prescribed limit. However, now with amendments, the extra amount can be settled in the subsequent three years by the companies, thereby the number of companies following under this criteria has increased. Also, from COVID-19 years, the corporate sector played a prominent role via CSR spending in the health sector (CSRBOX 2024). During the COVID-19 years (FY 2019-20 to FY 2021-22), CSR spending went beyond compliance, as the corporate sector played a critical role in supporting pandemic relief efforts and health infrastructure.

Figure 2: CSR compliance behaviour from 2016-17 to 2022-23



Source: Author's

c) PSU and private companies

To understand the CSR spending by Non-PSU and PSU over the period, an independent t-test was conducted to compare the mean CSR spending between the two groups as shown in Table 3. The data shows that there exists a significant difference between CSR spending by non-PSU and PSU companies, as observed t-value exceeded the critical threshold (t =2.306) with a p-value less than 0.05. The non-PSU companies' CSR spending of Rs. 16397.13 crores outperformed the PSU companies' spending of Rs. 4067.909 crores. Hence, null hypothesis 2 is rejected. Figure 3 clearly shows that non-PSUs spend more than the PSUs sector each year. This shows the greater engagement of non-PSUs in CSR spending than the PSUs (Dash et al., 2020; Acharyya & Agarwala, 2022). It can be explained through Porter and Kramer's creating shared value (2011) framework, which suggests that non-PSU firms are focused on long-term vision and building reputation while PSU adhere to compliance-driven CSR. For instance, private sector banks are adopting measures with a strategic long-term impact vision while public sector banks are investing in sponsorship for NGO initiatives and welfare schemes such as donations and charity (Kriplani, 2021).

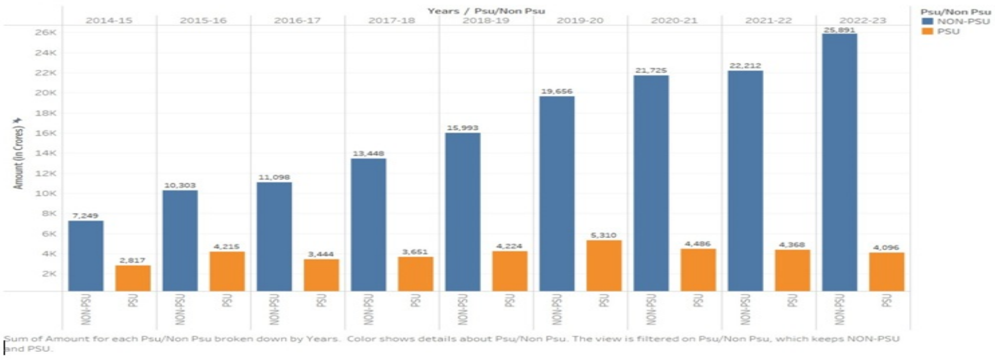
Table 3: t–test on CSR spending by PSU and Non- PSUs

	NON-PSU	*PSU*
Mean	16397.132	4067.909
Variance	40089972.096	497877
Observations	9.000	9
Df	8.000	
t Stat	6.274	
P(T<=t) two-tail	0.000	
t Critical two-tail	2.306	

d) Statewise Spending

The parametric test of ANOVA as depicted in table 4 shows that a calculated F statistic (F =58.96) is much greater than the critical value (F=1.45) and p-value < 0.05 demonstrates a disparity of CSR funds across different geographical states. Hence, null hypothesis 3 is rejected. The figure 4 reveals that the state of Maharashtra has received the highest CSR funding throughout 2014-15 to 2022-23 of Rs. 29529.04 crores. Other developed states that received more influx of CSR funding over the years are Andhra Pradesh, Delhi, Gujarat, Karnataka, Odisha and Tamil Nadu which is in line with findings of Gawande & Pathak (2023) and Nath (2017). This shows that the developed states are attracting the CSR funding while the underdeveloped and undeveloped regions are overlooked. These states are more industrialised with manufacturing hubs and offices and therefore able to attract large amount of CSR funds. This is in line with the stakeholder theory

Figure 3: CSR Spending by PSUs and Non-PSUs from 2014-15 to 2022-23



that demonstrates companies give preferences to those stakeholders who are salient (Freeman, 1984). There could be varied reasons for improper allocation of CSR funds, the Companies Act clause of preference to the local area can be a prevalent factor. In contrast, states with constrained economic growth, such as Andaman and Nicobar, Arunachal Pradesh, Lakshadweep, Leh & Ladakh, Mizoram, Nagaland, Manipur, Sikkim and Tripura received less funds. The other reason could be less trust of the corporate sector on NGOs to carry out social activities in terms of execution and professionalism (Rajeev & Kalagnanam, 2017). Further, the guideline emphasizing preference to local area is just indicatory not mandatory, also balance approach with national priorities can strengthen the geographical spread of CSR expenditure. Additionally, a large amount of CSR funds is invested in state sponsored schemes such as Prime Minister's Relief funds and PM Cares funds. For instance, a large amount of CSR funds is allocated to Pan India, i.e., Rs. 4620. 31 crores in 2014-15 to Rs. 7009.79 crores in 2022-23 which can be used in developmental work of any state than the state being decided by the organisation.

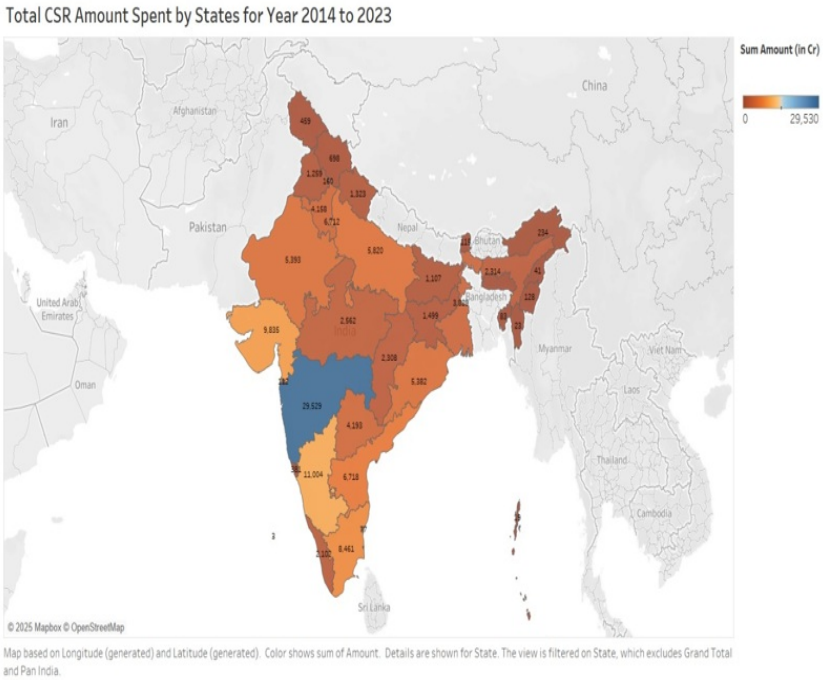
Table 4: ANOVA test on CSR spending among different states of India.

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	536369712	37	14496478.71	58.96093	0.000	1.450
Within Groups	74743217.4	304	245865.846			
Total	611112930	341				

e) Activity wise spending

The development sector data presented by Ministry of Corporate Affairs was segregated in this study into the twelve CSR activities stated under Schedule VII of Companies Act. The thematic name of the twelve CSR activities is presented in table 5. The parametric test of ANOVA in table 7 showed that a calculated F statistic (F = 41.75) is much greater than the critical value (F = 1.89) and the p-value less than 0.05 demonstrates a significant difference among twelve CSR spending activities. Hence, null hypothesis 4 is rejected. The table 6 reveals that over the years corporates allocated the highest CSR spending to the education sector (Rs.69033.2 Cr), followed by the health sector (Rs. 57037 Cr), rural development (Rs.16156.5 Cr) and PM CARES (Rs. 10748.9 Cr) which resonates to the legitimacy theory to align the expenditure to the societal expectation and government priorities (Suchman,1995) Figure 5 shows the transition of CSR spending after the Covid-19 pandemic. The percentage of CSR spending started increasing in the health sector while it decreased in the education sector for two consecutive years 2020-21 and 2021-22 (Kaushik & Kukrety, 2022). The CSR activities such as the Army, and sports received the least funds of CSR expenditure, while environmental sustainability has started receiving attention (Mathur et al., 2024). The importance to education, health sector and rural development shows breaking the poverty cycle of developing country, i.e., India. It also highlights the alignment of corporation goals towards sustainable development goals (Das & Ray, 2020). Further, the allocation of CSR funds towards different activities harmonize with society needs but also points the need for focusing on other impactful activities (The CSR Journal, 2023).

Figure 4: Total CSR Amount Spent by States for year 2014 to 2023.



Source: Author's

Table 5: 12 Focus areas of CSR activities under Schedule VII

CSR 1	**Healthcare**
CSR 2	Education
CSR 3	Gender Equality
CSR 4	Environmental Sustainability
CSR 5	National Heritage
CSR 6	Army
CSR 7	Sports
CSR 8	PM CARES, Socio- economic development for minority
CSR 9	Research and Development
CSR 10	Rural development
CSR 11	Slum development
CSR 12	Disaster Management

Source: Schedule VII of the Companies Act, 2013

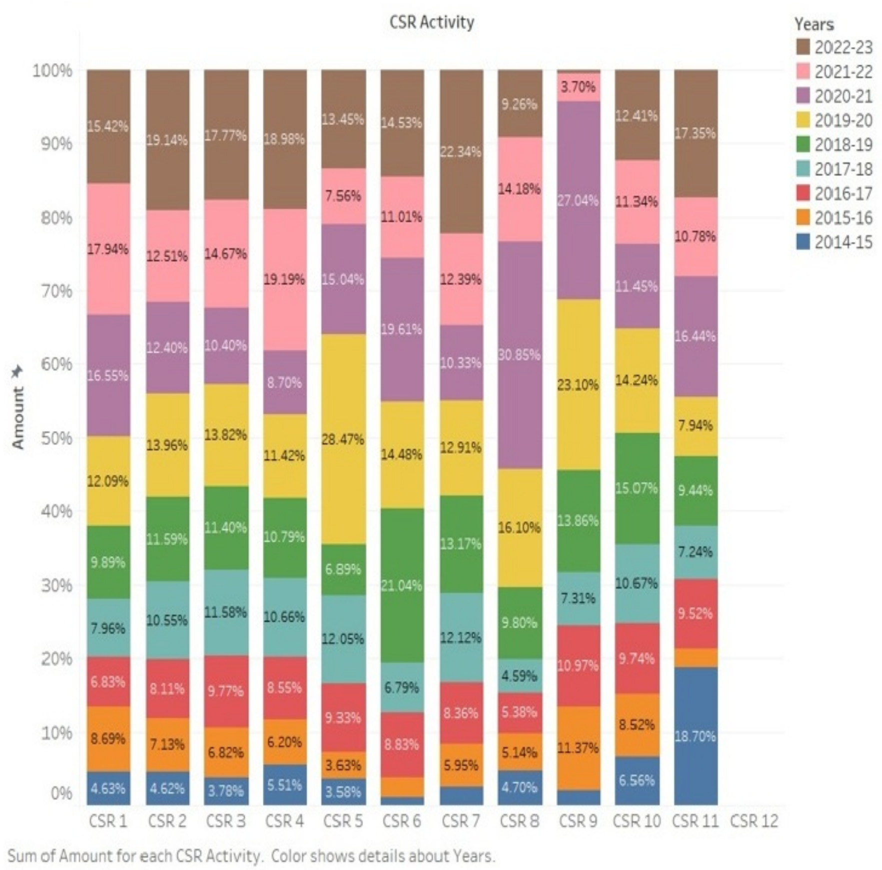
Table 6: Summary of CSR activities for year 2014 to 2023

Groups	***Count***	***Sum***	***Average***	***Variance***
CSR 1	9	57037.03	6337.44778	7043669
CSR 2	9	69033.17	7670.35222	8559128
CSR 3	9	5025.77	558.418889	43956.43
CSR 4	9	15269.05	1696.56111	569683.8
CSR 5	9	3279.64	364.404444	63075.32
CSR 6	9	428.62	47.6244444	896.0239
CSR 7	9	2355.59	261.732222	17060.38
CSR 8	9	10748.93	1194.32556	839652.7
CSR 9	9	231.59	25.7322222	447.2919
CSR 10	9	16156.54	1795.17111	185545.6
CSR 11	9	540.97	60.1077778	832.8838
CSR 12	9	0	0	0

Table 7: ANOVA test on twelve focus area of CSR activities

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	663044863.6	11	60276805.8	41.75271	0.000	1.8898
Within Groups	138591575.6	96	1443662.25			
Total	801636439.2	107				

Figure 5: Percentage of Amount Spent on CSR Activities as per Schedule VII for years 2014- 15 to 2022-23.



Source: Authors'

5 Conclusion

5.1 Conclusion

The introduction of the mandatory CSR under the Companies Act, 2013 for specified companies fulfilling the designated criteria has paved the way for societal betterment. The transition from voluntary to mandatory CSR has helped the GOI to collaborate with Indian corporations for social and environmental development. Given this context, this study examined the trajectory of CSR spending in India from 2014-15 to 2022-23.

The CSR spending by companies has increased over the years; earlier the CSR contribution was made by large-sized companies only, now mid-size companies are also contributing towards CSR. This depicts that companies are investing not only to meet the mandatory requirement but to make a substantial impact on various social factors for developed India. It also highlights the development of policies and frameworks to adopt a more strategic approach. Further, the 2021 amendment gave an advantageous position to companies, wherein if they invest more than the prescribed limit, the surplus amount can be settled in the following three years. This gives flexibility to companies to spend the required amount and execute a long-term project.

The substantial investment by non-PSUs over the PSUs denotes the strategic long-term approach and vision of non-PSUs than the standardized approach of investing in welfare initiatives of NGOs by PSUs that align with the creating shared value framework. The geographical disparity of CSR spending among the states of India can be seen for the years 2014 to 2023. The developed states attracted a larger amount of CSR funds than the underdeveloped or undeveloped states. The preference for the local area, as stated under the Companies Act clause, could be the reason for priority given to developed states, as it constitutes industrialised and manufacturing hubs and offices. The significant difference among twelve CSR activities over the years was identified. The highest allocation of CSR funds was observed in the education, health sector, and rural development. Although the study's spending data do not show the direct assessment of the impact, the prioritization in these activities demonstrates indirect contribution to human capital formation, improving public health, and overall skill enhancement. CSR activities such as the Army, sports received the least funds for CSR expenditure. Environmental sustainability has gained focus due to its prominent role in addressing global challenges such as climate change, deforestation, etc, which shows CSR plays a crucial role in the economic growth and empowerment of India.

5.2 Implication, Limitation and Way Forward

The mandatory act of CSR stipulates the Schedule VII list for spending on different activities. The advantageous position given to companies to select activity as per their discretion resulted in three or four standardized thematic areas as a core focus while paying less attention to other activities. This could be a strategy to incline their business activity with similar welfare activity. The disproportion of CSR activity towards certain activities such as Army forces, Veterans, War Widows/Dependants, and slum areas has been noticed. The armed forces activity encompasses strict regulations that dissuade the corporation from putting their efforts in the welfare area from their core business. The reformative step by the government to ease the procedure and rules can encourage companies to take action. Also, the government can utilise the funds of the unspent account collected as per the 2021 amendment towards those thematic areas that are given marginalized funds. An alternative approach to safeguard the interest of all stakeholders via CSR activities is to create an obligation for a company to bifurcate the amount in atleast two activities and progress with modification in the thematic area every three years. Moreover, a standardised CSR report by every company showcasing allocation of funds under the subheadings of thematic area can give a comprehensive picture of funds utilisation.

This study analyses the trend of CSR under different parameters since the Companies Act, 2013 mandatory norm of CSR. However, the data under the ministry was available from the year 2014. Hence, the current study showcased the trend for 9 years only. In future, a comprehensive study with a longer time horizon can be captured. Also, the study makes it imperative to explore in future research the allocation of CSR funds under the subdivision of thematic area and in what proportion in a particular state. Also, apart from the CSR expenditure, future research can show the outcome in the society and the development sector with more pronounced qualitative insights via corporate interviews or beneficiary perspective. The black swan event COVID-19 marked a critical point in the transition of funds allocation. An event study with COVID-19 as a focal year can be studied to delve deeper into how companies adjusted to their strategies during such a crisis. Moreover, a comprehensive survey of 500 BSE companies' CSR activity trends over a decade can provide valuable insight into financial performance and firm-specific and industry-wide effects of CSR spending.

Declaration of Conflicting Interests

The authors declared no potential conflicts of interest with respect to the research, authorship and/or publication of this article.

Funding

The authors received no financial support for the research, authorship and/or publication of this article.

References

Acharyya, M., & Agarwala, T. (2022). Relationship between CSR motivations and corporate social performance: a study in the power industry in India. *Employee Relations: The International Journal*, 44(3), 663-685.
Agrawal, A. and Sahasranamam, S. (2016). Corporate social entrepreneurship in India. *South Asian Journal of Global Business Research*, Vol. 5 No. 2, pp. 214-233, doi: 10.1108/sajgbr-12-2014-0098.
Bapat, S., & Upadhyay, P. (2021). Implications of CSR initiatives on employee engagement. *Social Responsibility Journal*, 17(2), 149-163.
Baxi, C.V. and Prasad, A. (2005), Corporate Social Responsibility: Concepts and Cases, Excel Books, New Delhi
Bhati, S. (2001).Corporate business: Social responsibility. Chartered Secretary, 31(12), 1560.
Bhattacharyya, A., & Rahman, M. L. (2019). Mandatory CSR expenditure and firm performance. *Journal of Contemporary Accounting & Economics*, 15(3), 100163.
Bowen, H. R. (1953). Social Responsibilities of the Businessman, Harper & Brothers. New York.
Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business horizons*, 34(4), 39-48.
Carroll, A. B., & Brown, J. A. (2018). Corporate social responsibility: A review of current concepts, research, and issues. *Corporate social responsibility*, 39–69.
Cheung, Y. L., Tan Ahn, W. H. J., & Zhang, Z. (2009). Does corporate social responsibility matter in Asian Emerging Markets? *Journal of Business Ethics*, 92(4), 407.

Corporate Social Responsibility Policy in India – Achievements, Challenges and Alternatives - The CSR Journal CSRBOX. 2024. India CSR Outlook Report. Ahemdabad:CSRBOX.

Das, S., & Ray, P. (2020). Empirical Study on Equity in CSR Spending: With Special Reference to India. *International Journal of Multidisciplinary Research (IJMR)*, 6(7), 367-373.

Dash, S. R., Mallik, B., & Sahu, D. (2020). CSR Expenditures by Top Private Sector Companies and PSUs in India: A Comparative Analysis.

Dharmapala, D., & Khanna, V. (2018). The impact of mandated corporate social responsibility: Evidence from India's Companies Act of 2013. *International Review of law and Economics*, 56, 92–104.

Elkington, J., & Rowlands, I. H. (1999). Cannibals with forks: The triple bottom line of 21st century business. *Alternatives Journal*, 25(4), 42.

Freeman, R. E. (1984). Strategic management: A stakeholder perspective.

Friedman, M. (1962). Capitalism and freedom (p. 133). University of Chicago Press

Frynas, J.G. and Yamahaki, C. (2016), "Corporate social responsibility: review and roadmap of theoretical perspectives", *Business Ethics: A European Review*, Vol. 25 No. 3, pp. 258-285, doi: 10.1111/beer.12115.

Garg, A., & Gupta, P. K. (2020). Mandatory CSR expenditure and firm performance: Evidence from India. *South Asian Journal of Business Studies*, 9(2), 235-249.

Garg, V., & Agarwal, S. (2021). An Empirical Study on the Corporate Social Responsibility Regime in India: Pre-COVID and COVID Times. *Review of Market Integration*, 13(2–3), 124–153.

Gatti, L., Vishwanath, B., Seele, P., & Cottier, B. (2019). Are we moving beyond voluntary CSR? Exploring theoretical and managerial implications of mandatory CSR resulting from the new Indian companies act. *Journal of business ethics*, 160, 961–972.

Gawande, A., & Pathak, A. A. (2024). Uncovering the geographical skew in CSR spending in India and opportunities for impactful allocations. *Development in Practice*, 34(3), 370–379.

Gayo, S. and Yeon, A.L. (2013), "Mandatory CSR law in Indonesia: new emerging policy", 7th Universiti Utara Malaysia International Legal Conference.

Gupta, A. (2013). Mandatory CSR in the Companies Bill, 2011: Are We There Yet. NALSAR Stud. L. Rev., 8, 37.

Gupta, R., & Chakradhar, J. (2022). The consequences of mandatory corporate social responsibility expenditure: An empirical evidence from India. *Business and Society Review*, 127(1), 49–68.

Hung, M., Shi, J., & Wang, Y. (2013). The effect of mandatory CSR disclosure on information asymmetry: Evidence from a quasi-natural experiment in China. In Asian finance association (AsFA) 2013 conference.

Jain, T., & Jamali, D. (2016). Looking inside the black box: The effect of corporate governance on corporate social responsibility. *Corporate governance: an international review*, 24(3), 253-273.

Karhu, J. (2015). Corporate social responsibility and the law: Ideas for developing dynamic elements in mandatory CSR. *Review of Market Integration*, 7(1), 62-74.

Kaushik, P., & Kukrety, N.(2022). Shifting Sectoral Trends in CSR Spending.

Kavitha, P. (2019). Trends and pattern of corporate social responsibility expenditure: a study of manufacturing firms in India. *International Journal of Multidisciplinary Research*, 9(3), 58-80.

KRA, B., & Bhat, P. K. (2024). Corporate social responsibility and sustainable development goals: evidence from responsible business leaders. *Journal of Global Responsibility*, 15(4), 409-435.

Kriplani, R. (2021). Comparative Analysis of CSR Inititiatives in Public VS Private Sector. *South Asian Law Review Journal*,7, 92–120.

Krishnan, A. (2018). Comparative analysis study on CSR expenditure in India: The case of manufacturing and service industries. *International Journal of Pure and Applied Mathematics*, 118(9), 421–443.

Manchiraju, H., & Rajgopal, S. (2017). Does corporate social responsibility (CSR) create shareholder value? Evidence from the Indian Companies Act 2013. *Journal of Accounting Research*, 55(5), 1257–1300.

Mathur, A., Singh, M., & Vikas, S. (2024). A Bibliometric Analysis from 2014–2024 to establish Correlation Between Green Human Resource Management (GHRM) and Environmental Performance (EP). *Ramanujan International Journal of Business and Research*, 9(1), 1–10.

Ministry of Corporate Affairs. (2013). Companies (Amendment) Act 2019. Section 135 of the Companies Act, 2013: Corporate Social Responsibility. Government of India. https://www.csr.gov.in/content/csr/global/master/home/aboutcsr/csr-legislation.html

Mitra, N., & Schmidpeter, R. (Eds.). (2019). Mandated corporate social responsibility: Evidence from India. Springer Nature.

Narayanan, S., & Singh, G. A. (2024). Will legalizing corporate social responsibility get businesses to participate in welfare activities–the case of India. *Society and Business Review*, 19(1), 1–22.

Porter, M. E., & Kramer, M. R. (2011). Creating shared value. H*arvard Business Review*, 89(1/2), 62–77.

Rajeev, P. N., & Kalagnanam, S. S. (2017). The difficulties in doing good: NGO preparedness for implementing mandatory Corporate Social Responsibility projects in India (No. 240).

Rajput, N., & Ahuja, R. (2016). Relationship between CSR and Financial Performance: Empirical Analysis. *Ramanujan International Journal of Business and Research*, *1*, 65–71.

Sharma, B., Sharma, B., & Kaushik, A. (2020). Cooperate social responsibility in India: Issues and challenges. *International Journal of Management (IJM)*, 11(5).

Sharma, R., & Aggarwal, P. (2022). Impact of mandatory corporate social responsibility on corporate financial performance: the Indian experience. *Social Responsibility Journal*, 18(4), 704–722.
Singh, A., & Verma, P. (2018). Driving brand value through CSR initiatives: An empirical study in Indian perspective. *Global Business Review*, 19(1), 85-98.
Singh, D. R., & Ahuja, J. M. (1983). Corporate social reporting in India. *International Journal of Accounting*, 18(2), 151–169.
Singh, R. I. (2005). Corporate environmental reporting practices in India. *The Indian Journal of Commerce*, 58(1), 139.
Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of management review*, 20(3), 571–610.
Thacker, H. (2021). CSR policies around the world. *The CSR Journal*.

Appendix

Table 1

Year	**Total Amount Spent**	**CAGR**	**ln(CSR Spending)**
2014-2015	10065.93		9.216911733
2015-16	14517.21	0.442212	9.583090121
2016-17	14542.51	0.001743	9.584831363
2017-18	17098.57	0.175765	9.746750113
2018-19	20217.65	0.182418	9.914311264
2019-20	24965.82	0.234853	10.12526297
2020-21	26210.95	0.049873	10.17393254
2021-22	26579.78	0.014072	10.17651438
2022-23	29986.82	0.128182	10.30851323