

CSR in India: An Analysis of Sectoral and Overall spending Pattern by Selected Companies

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Abstract

Corporate Social Responsibility (CSR) has emerged as an important component of corporate governance and sustainable development in India, particularly following the implementation of Section 135 of the Companies Act, 2013. The present study examines the overall and sector-wise CSR expenditure patterns of three leading Indian companies, namely Infosys Limited, ITC Limited, and Hindustan Unilever Limited (HUL), during the financial years 2019–20 to 2024–25. The study aims to assess the differences between prescribed and actual CSR expenditure, compare the average CSR spending of the selected companies, and identify trends in their CSR investments. Data were analyzed using descriptive statistics, paired-sample t-tests, one-way ANOVA, Tukey's HSD test, and linear regression. The findings reveal statistically significant differences between prescribed and actual CSR expenditure for Infosys and ITC, whereas no significant difference was observed for HUL. The ANOVA results indicate significant differences in average CSR expenditure among the selected companies. Sector-wise analysis further reveals distinct priorities, with Infosys emphasizing healthcare and education, ITC focusing on rural development and healthcare, and HUL prioritizing livelihood enhancement. Regression analysis indicates significant upward trends in CSR expenditure for Infosys and HUL, while ITC exhibits an increasing but statistically insignificant trend at the 5% significance level. The study concludes that CSR spending patterns vary across companies in terms of expenditure levels, sectoral priorities, and growth trends, highlighting the importance of strategic CSR planning for sustainable development.

Keywords: *Corporate Social Responsibility, CSR Expenditure, Sectoral Analysis, Sustainable Development, Companies Act, 2013, Infosys, ITC, Hindustan Unilever Limited.*

Introduction

According to the United Nations Industrial Development Organization (UNIDO), "Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interaction with their stakeholders¹". While Corporate Social

Responsibility (CSR) was widely discussed in the last forty or so years of the twentieth century, the idea that business has societal commitments was palpable at least as early as the nineteenth century. Corporate Social Responsibility is gaining significance day by day. Sustainable Responsible Business is a relevant subject and it appears repeatedly in vast majority of academic and professional journals. It is considered as a new and improved management tool. The extent of social orientation among companies varies widely.

CSR in India is driven by the idea that corporations should operate ethically and contribute to societal well-being, fostering inclusive growth and sustainable development. Historically, Indian companies engaged in philanthropy and charitable activities, but it was only with the enactment of the Companies Act, 2013, that CSR was codified into law. The Act mandates that companies with a net worth, turnover, or profit above specified thresholds allocate at least 2% of their average net profits of the preceding three years towards CSR activities. This legal framework has standardized CSR practices across various sectors, encouraging corporations to integrate social responsibility into their core business strategies.

Section 135 of the Companies Act 2013, Schedule VII of the Act and companies (CSR Policy) Rules, 2014 wherein the criteria has been provided for assessing the CSR eligibility of a company, implementation and Reporting of their CSR policies. A company must comply with CSR provisions if it satisfies any one of the following conditions during a financial year. Eligible companies must spend at least 2% of the average net profits made during the three immediately preceding financial years on CSR activities.

Criteria	Threshold
Net worth	Rs. 500 Crores or more
Turn over	Rs. 1000 Crores or more
Net Profit	Rs. 5 Crores or more

Carroll's pyramid of Corporate Social Responsibility

It was developed by **Archie B. Carroll** in **1991**. It explains that businesses have four levels of responsibility toward society. These responsibilities are represented in a pyramid structure, with the most fundamental responsibility at the base and the most desirable at the top.



Besides Carroll's CSR pyramid several theories explain why companies engage in CSR like:

Tripple Bottom Line Theory by John Elkington (People- Social performance, Planet-Environmental performance, Profit-Economic performance)

Stakeholder theory by R Edward Freeman – Responsibility to all stakeholders

The concept of '**Pay back to society**' is strongly associated with **Dr. B.R. Ambedkar** and his vision of social responsibility. The pay back to society concept is closely related to CSR. Just as an individual should contribute to society, companies should also contribute. If society helped to rise, must help society rise to. The CSR ambit is getting bigger and for upcoming years it would turn as a unique knowledge base for analysing and achieving sustainability goals as among various large economies. India is a country which has assured .by mandating CSR through its legislative action

REVIEW OF LITERATURE

Sharmila Ramtane and Dr.MaheshThakur(2024) The study reveals significant differences in the Corporate Social Responsibility (CSR) spending patterns between pharmaceutical and IT companies across various sectors. In the education and environmental sustainability sectors, IT companies demonstrate significantly higher spending than pharmaceutical companies, as supported by the rejection of the null hypotheses for both sectors. However, in the social and healthcare sectors, no significant difference is observed between the two industries, with both sectors showing variability in their spending patterns. Furthermore, in the "Others" category, pharmaceutical companies show no expenditure, while IT companies have considerable spending, particularly in areas like central government funds, national relief and technology incubators. These findings underscore the differing CSR priorities and financial commitments of pharmaceutical and IT companies.

Dr. Swati (2024): Corporate Social Responsibility: A Study of Selected Indian Companies. CSR has become a core business practice and has attracted significant attention from the management of large multinational corporations. Today, Indian corporations are moving beyond mere philanthropy and are focusing more on the interests of all stakeholders. This research paper aims to analyse the CSR practices of companies operating in India. It will assist researchers and scholars in identifying effective CSR strategies and exploring what is most beneficial for India and its CSR needs.

H.B. Priyanka, Dr. Devarajappa. S (2020): Society and business go hand – in – hand. One cannot thrive without other. Business has its responsibility towards all the stakeholders apart from revenue generation for larger social good. In this light, Corporate Social Responsibility is a channel through which corporations address the issues of different stakeholders by integrating social, economic and environment aspects into business operations. CSR is the need of the hour; it enables dual benefits both to companies and also to the society in all respects. CSR holds a prominent place in shaping India's development. Hence, the above study specifies that companies are taking up CSR in an organized way and spreading out the fruits of it to the society which in turn leads to socio – economic development of a country.

Nithin Venugopal and Dr.Sreela Krishnan(2018) The study basically concentrated on two financial years that is 2015-16 and 2014-15 since the BRR requirement was made mandatory on from financial year 2012-13 and standardized data were available on CSR from 2014-15 period only; so lack of data regarding CSR spending was a major hurdle while doing this study and hence the results of the study cannot be assumed to extend to different study periods. The study has a scope of further research where the CSR performance of banks can be related to financial performance of banks.

The study also reveals that though the Indian Banks are making efforts in CSR areas more emphasis is to be put on the initiatives. Most of the banks are not even meeting the regulatory requirements. The current cap for annual donation of 1% (0.75% for Normal donations and 0.25% for National Donations) of previous year's published profit set by RBI on banks should be reconsidered to be in line with Section 135 of Companies Act, 2013. RBI should be more stringent in issuing guidelines pertaining to setting apart of funds for CSR initiatives by banks. The banks have focused on the community welfare and farmers' welfare programs but the efforts for women welfare and education are not sizeable. This study might be useful for understanding the position of Indian commercial banks in CSR activities are concerned.

Shounak Das and Priyajit Ray(2013) The study reveals there lays significant variation in CSR spending being undertaken among different activities. Highest spending is done for educational development, health related matters, in fulfilling basic social needs, environmental development and for rural development. Whereas spending for art, culture and heritage protection and for development of sports and sports infrastructure is the most neglected area. India being a developing country with a large-scale population lying under Below Poverty Level, the areas which directly come under the ambit of social and economic welfare for unprivileged sections get the most importance both on the part of governments and companies, hence those areas received maximum allocation under CSR expenditure. Among the other areas environment is most important in terms of CSR receipts as environmental degradation is directly related to poverty and health impairment. Areas which are not contributing highly in fulfilling basic economic and social needs are always neglected.

Research Gap

The existing literature on Corporate Social Responsibility (CSR) in India primarily focuses on CSR compliance, implementation, stakeholder engagement, and its impact on business sustainability.

There is a lack of studies comparing sector-wise CSR expenditure patterns after the implementation of the mandatory CSR provisions under Section 135 of the Companies Act, 2013.

Hence, in the present study the author has analyzed the CSR spending patterns of Infosys Limited, ITC Limited, and Hindustan Unilever Limited during the period 2019–20 to 2024–25 and examining the shift towards sustainable development initiatives.

Limitations of the Study

The present study is based on secondary data collected from the National CSR Portal and the ESG/Annual Reports of the selected companies.

The study is limited to three leading Indian companies, namely Infosys Limited, ITC Limited, and Hindustan Unilever Limited, for the period from 2019–20 to 2024–25.

The analysis focuses on CSR expenditure and sector-wise allocation of CSR funds and does not evaluate the actual social, economic, or environmental impact of the CSR projects.

Therefore, the findings should be interpreted within the scope and limitations of the selected sample and study period.

OBJECTIVES OF THE STUDY 1.5

To examine the CSR practices followed by selected Indian companies

To examine whether there is a significant difference between the prescribed CSR expenditure and the actual CSR expenditure of the selected companies.

To compare the mean actual CSR expenditure of Infosys, ITC, and HUL.

To examine whether CSR expenditure exhibited a significant increasing trend over the period 2019–20 to 2024–25.

HYPOTHESES OF THE STUDY

The following hypotheses are formulated for the study:

Null Hypothesis (H_0):

H_0 : There is no significant difference between the prescribed CSR expenditure and the actual CSR expenditure.

Alternative Hypothesis (H_1):

H_1 : There is a significant difference between the prescribed CSR expenditure and the actual CSR expenditure.

Research Methodology

The present study is descriptive in nature and the required data sources are drawn from National CSR Portal and ESG reports of respective companies. The study focuses on analyzing CSR expenditure for the period from 2019–20 to 2024–25 and sector wise CSR allocation for the period 2023–24.

For the analysis, three major Indian companies were chosen because they consistently rank among India's leading CSR spending companies and represent three different industry

sectors like Infosys(IT), ITC (diversified FMCG) and HUL (FMCG). Their inclusion provides sectoral diversity and sustainability priorities across industries.

DATA ANALYSIS AND INTERPRETATION

Paired Sample t-test (Prescribed vs. Actual CSR Expenditure)

Hypotheses

H_0 : There is no significant difference between the prescribed CSR expenditure and the actual CSR expenditure.

H_1 : There is a significant difference between the prescribed CSR expenditure and the actual CSR expenditure.

Results

Company	t-value	p-value	Decision
Infosys	3.282	0.0219	Reject H_0
ITC	3.836	0.0122	Reject H_0
HUL	1.590	0.1727	Fail to Reject H_0

Interpretation

The paired sample t-test revealed statistically significant differences between prescribed and actual CSR expenditure for Infosys ($t = 3.282$, $p = 0.0219$) and ITC ($t = 3.836$, $p = 0.0122$).

However, HUL did not exhibit a statistically significant difference ($t = 1.590$, $p = 0.1727$).

These findings suggest that while Infosys and ITC showed deviations between the prescribed and actual CSR expenditure during the study period, HUL maintained expenditure levels that were statistically consistent with its prescribed CSR obligation.

The collected data were analyzed using descriptive statistical techniques such as table, charts, mean, and median, standard deviation, Paired Sample t-Test, one way ANOVA, Post-Hoc Tukey HSD and Linear Regression to identify trends and compare CSR spending among the selected companies.

Infosys Limited

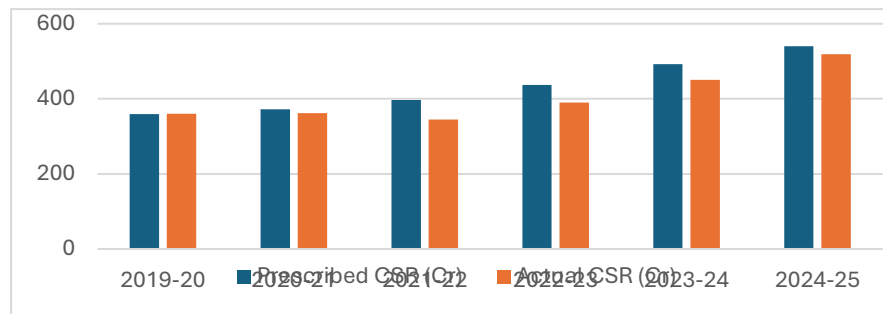
Infosys Limited is one of India's leading multinational information technology (IT) services and consulting companies, founded on 1981 and it provides digital transformation, consulting, cloud, artificial intelligence (AI), Engineering and business process management services to clients worldwide. The **prescribed and actual CSR data** is given below

Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Prescribed CSR (Cr)	359.56	372.39	396.69	436.84	492.17	539.85
Actual CSR (Cr)	359.94	361.82	344.47	390.17	450.76	518.94

Source: National CSR portal, Govt.

Interpretation:

Infosys recorded average CSR expenditure of 404.35 crore during 2019–20 to 2024–25. CSR



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spending showed an overall increasing trend despite a decline during 2021–22.

The relatively high standard deviation (67.43 crore) indicates noticeable year-to-year variation due to increasing profitability and expansion of CSR programmes.

Company wise CSR Report for Infosys Limited from FY 2023-24			
S.No	CSR Project(s)	Development Sector(s)	Amount Spent
1	Total CSR spent on Art and Culture with different activities.	Art And Culture	9.37
2	Total CSR Spent on Education Sector with different activities across India	Education	166.42
3	Total CSR spent on Environmental Sustainability	Environmental Sustainability	75.07
4	Total CSR Spent on Health Care Sector with different activities across India	Health Care	196.02
5	Total CSR spent on Rural Development Projects	Rural Development	3.92
	Grand Total (INR Cr.)		450.8

Source: National CSR Portal, Gol

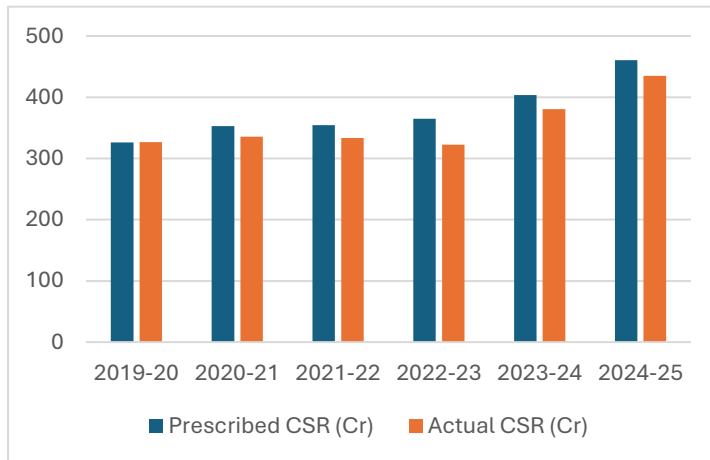
Above table depicts that Infosys Limited has spent highest CSR on Health care sector i.e., 196.02 Crores, followed by Education sector i.e., 166.42 Crores, Environmental sustainability got 75.07 Crores, Rural Development Projects got 3.92, Art and Culture got 9.37 Crores, and Rural Development Sector got 3.92 Crores.

ITC Limited

ITC Limited – is one of India’s leading diversified conglomerates with business spanning FMGC, hotels, paperboards and packaging, agri-business and information technology, established in 1910, the company has evolved from a tobacco manufacturer into a multi-business enterprise with a strong focus on sustainability and responsible business practices. The five year CSR data are below:

Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Prescribed CSR (Cr)	326.17	352.84	354.27	364.91	403.47	460.7
Actual CSR (Cr)	326.49	335.43	333.38	322.69	380.44	434.81

Source: National CSR Portal, Gol.



ITC spent an average of 355.54 crore on CSR during the study period. The company maintained comparatively stable CSR expenditure with moderate growth over time. The lower standard deviation 42.74 crore indicates greater consistency than Infosys.

Company wise CSR Report for ITC Limited for FY 2023-24			
S.No	CSR Project(s)	Development Sector(s)	Amount Spent (INR Cr.)
1	Protection Of National Heritage, Art, Cul	Art And Culture	3.3
2	Soil & Moisture Conservation	Conservation Of Natural Resources	66.59
3	Total CSR spent on Education	Education	45.91
4	Total CSR spent on Environment Sustainability		11.13
5	Women Empowerment	Gender Equality	19.14
6	Health & Sanitation	Health Care	68.57
7	Total CSR Spent on Livelihood Enhancement		4.82
8	Research In Science, Technology, Engineering And Medicine	Other Central Government Funds	1.25
9	Improved Agriculture Practices	RD Projects	104.45
10	Solid Waste Management	Sanitation	20.67
11	Promotion Of Sports	Promote Sports	2.09
12	Vocational Training	Vocational Skills	32.52
	Grand Total (INR Cr.)		380.44

Source: National CSR portal, Gol.

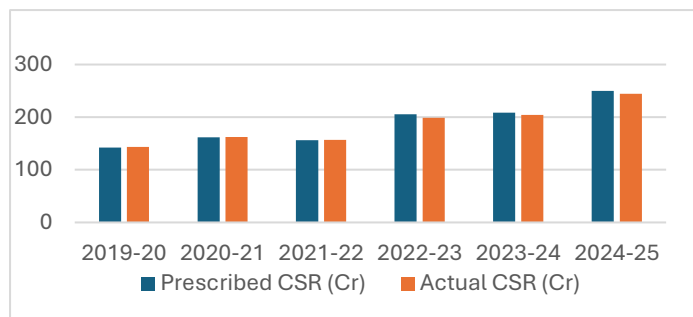
Above table depicts that the ITC Limited has spent highest CSR on Rural Development projects i.e., 104.45 Crores, followed by health care sector, conservation of natural resources, education sector, sanitation, Gender equality, Environmental sustainability, vocational skills, livelihood enhancement projects and training on promoting sports.

1.11 HindustanUnileverLimited:

.Hindustan Unilever Limited (HUL) is India's leading FMCG company and a subsidiary of Unilever Established in 1933, serves consumers across more than 20 product categories through a .portfolio of trusted brands and five year CSR data are below

Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Prescribed CSR (Cr)	142.20	161.70	156.28	205.26	208.76	250.12
Actual CSR (Cr)	143.74	162.19	156.77	199.14	204.5	244.56

Source: National CSR portal, GoI



HUL recorded an average CSR expenditure of **185.15 crore** over the six-year period. CSR spending increased gradually with only a slight decline in 2022–23. The standard deviation **38.11 crore** shows relatively stable CSR spending compared with Infosys and ITC.

Company wise CSR Report for Hindustan Unilever Limited for FY 2023-24			
S.No	CSR Project(s)	Development Sector(s)	Amount Spent (INR Cr.)
1	Water Conservation Project	Conservation Of Natural Resources	23.53
2	Total CSR spent on Education	Education	3.07
3	Total CSR spent on Environmental Sustainability	Environmental Sustainability	14.05
4	Total CSR spent on Health Care	Health Care	2.04
5	Total CSR spent on Livelihood enhancement projects	Livelihood enhancement projects	128.99
6	Total CSR spent on Poverty, hunger and malnutrition	Poverty, hunger and malnutrition	22.13
7	Suvidha Sanitation Facility	Sanitation	7.28
8	Ashadaan	Senior Citizens Welfare	0.13
9	Women In Cricket	Training To Promote Sports	3.28
	Grand Total (INR Cr.)		204.5

Above table depicts that Hindustan Unilever Limited has spent highest CSR on Livelihood enhancement projects i.e., 128.99 Crore, followed by conservation of natural resources, Environment sustainability, poverty, eradicating hunger and malnutrition, sanitation, training to promote sports, education, health care and senior citizen welfare.

Comparative Summary from 2019-2025 (In terms of Cr's)

Company	Mean	SD	Maximum	Minimum
Infosys	404.35	67.43	518.94	344.47
ITC	355.54	42.74	434.81	322.69
HUL	185.15	38.11	244.56	143.74

Source: Ministry of Corporate Affairs

One-Way ANOVA (Comparison of CSR Expenditure Among Companies)

Objective

To compare the mean actual CSR expenditure of Infosys, ITC, and HUL.

Hypotheses

H_0 : There is no significant difference in the mean CSR expenditure among Infosys, ITC, and HUL.

H_1 : At least one company's mean CSR expenditure differs significantly.

ANOVA Table

Source	SS	df	MS	F	p-value
Between Groups	160390.66	2	80195.33	30.008	0.000006
Within Groups	40086.27	15	2672.42		
Total	200476.93	17			

Interpretation

The One-Way ANOVA revealed a statistically significant difference in the mean CSR expenditure among the selected companies ($F(2,15) = 30.008$, $p < 0.001$). Therefore, the null hypothesis was rejected, indicating that CSR expenditure varied significantly across the companies during the study period.

Post-hoc (Tukey HSD)

Comparison	Mean Difference (₹ Cr.)	p-value	Result
Infosys vs ITC	48.81	0.259	Not Significant
Infosys vs HUL	219.20	<0.001	Significant
ITC vs HUL	170.39	0.0001	Significant

Interpretation

The Tukey HSD post-hoc analysis indicated that Infosys and HUL differed significantly in their average CSR expenditure, as did ITC and HUL. However, no statistically significant difference was found between Infosys and ITC, suggesting that these two companies maintained comparable CSR spending levels over the study period.

Linear Regression (Trend Analysis)

Objective

To examine whether CSR expenditure exhibited a significant increasing trend over the period 2019–20 to 2024–25.

Model

$$\text{CSR Expenditure} = \beta_0 + \beta_1(\text{Year})$$

Regression Results

Company	Regression Equation	R ²	p-value	Interpretation
Infosys	CSR = 293.60 + 31.64(Year)	0.767	0.0222	Significant upward trend
ITC	CSR = 288.95 + 19.03(Year)	0.652	0.0522	Upward trend, not significant at 5%
HUL	CSR = 117.81 + 19.24(Year)	0.906	0.0034	Strong significant upward trend

(R² is the square of the correlation coefficient.)

Interpretation

Regression analysis indicates that Infosys experienced a statistically significant upward trend in CSR expenditure over the six-year period ($R^2 = 0.767$, $p = 0.0222$), with an average annual increase of approximately ₹31.64 crore. HUL showed the strongest upward trend ($R^2 = 0.906$, $p = 0.0034$), with CSR expenditure increasing by approximately ₹19.24 crore per year. ITC also demonstrated an increasing trend (approximately ₹19.03 crore per year), but the relationship was not statistically significant at the 5% level ($p = 0.0522$), although it was very close to significance.

Summary of Statistical Findings

Test	Result
Paired Sample t-test	Significant differences between prescribed and actual CSR expenditure for Infosys and ITC; no significant difference for HUL.
One-Way ANOVA	Mean CSR expenditure differed significantly among the three companies ($F = 30.008$, $p < 0.001$).
Tukey HSD	HUL differed significantly from both Infosys and ITC, while Infosys and ITC did not differ significantly.
Linear Regression	Significant upward CSR spending trends for Infosys and HUL; ITC showed an increasing but not statistically significant trend.

Overall Interpretation

Infosys recorded the highest average CSR expenditure and the greatest variation over time, reflecting continuous expansion in CSR investments.

ITC demonstrated consistent CSR spending with moderate variability, indicating a stable CSR strategy.

HUL reported the lowest average CSR expenditure among the three companies but maintained a steady upward trend with relatively low variability.

Conclusion

The study concludes that CSR in India has evolved from a philanthropic activity to a strategic tool for the purpose of sustainable development. The selected companies have progressively increased their CSR investments while adopting different sector-specific priorities aligned with their business strategies. The paired sample t-test revealed statistically significant differences between prescribed and actual CSR expenditure for Infosys. However, HUL did not exhibit a statistically significant difference. These findings suggest that while Infosys and ITC showed deviations between the prescribed and actual CSR expenditure during the study period, HUL maintained expenditure levels that were statistically consistent with its prescribed CSR obligation. The One-Way ANOVA revealed a statistically significant difference in the mean CSR expenditure among the selected companies. Therefore, the null hypothesis was rejected, indicating that CSR expenditure varied significantly across the companies during the study period. The Tukey HSD post-hoc analysis indicated that Infosys and HUL differed significantly in their average CSR expenditure, as did ITC and HUL. However, no statistically significant difference was found between Infosys and ITC, suggesting that these two companies maintained comparable CSR spending levels over the study period.

Regression analysis indicates that Infosys experienced a statistically significant upward trend in CSR expenditure over the six-year period with an average annual increase of approximately ₹31.64 crore. HUL showed the strongest upward trend with CSR expenditure increasing by approximately ₹19.24 crore per year. ITC also demonstrated an increasing trend (approximately ₹19.03 crore per year), but the relationship was not statistically significant at the 5% level ($p = 0.0522$), although it was very close to significance.

CSR has become an integral part of corporate governance, contributing to social welfare, environmental sustainability, and long-term value creation. Further research covering more companies and sectors can provide broader insights into the effectiveness and impact of CSR initiatives.

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Website:

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