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# Mapping CSR Practices in India: Regional Distribution, Public–Private Differences, and SDG Linkages

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**Abstract:** Corporate social responsibility represents a company's dedication to conducting its operations in an economically viable, socially responsible, and environmentally sustainable manner while addressing the interests of diverse stakeholders such as customers, employees, shareholders, communities, and the environment. CSR thus serves as a fundamental pillar in the pursuit of sustainable development. This paper examines the role of CSR in sustainable development in India and evaluates the sector-wise allocation of CSR funds, focusing on their alignment with sustainable development goals (SDGs) and the issues and challenges of CSR in India. This study based on secondary data. Data has been collected from various academic sources, such as websites, journal articles, and conference papers. This study revealed the necessity of implementing innovative and regionally sensitive CSR strategies that facilitate equitable resource allocation. By aligning CSR efforts with national priorities and SDG targets, India can strengthen its pursuit of sustainable and inclusive growth. The finding provides a comprehensive roadmap for researchers, policymakers, and managers to enhance collaboratively enhance corporate sustainability through improved CSR practices.

**Keywords:** Corporate Social Responsibility, Sustainable Development, Indian Companies.

## INTRODUCTION

CSR encompasses the voluntary actions undertaken by companies to address social, environmental, and ethical issues within their business operations and stakeholder's interactions. CSR initiatives are designed to extend beyond statutory obligations and profit-oriented goals to emphasise responsible governance, social development and ethical conduct. Under the provisions of the Companies Act 2013, all companies

with a net worth of 500 cr or more, a turnover of 1000 cr or more, or a net profit of 5 cr or more in any financial year are mandated to allocate atleast 2 per cent of their average net profit from the preceding three years toward CSR initiatives specified under Schedule VII. Sustainable development and corporate social responsibility share a close relationship. All organisations, whether small businesses, government agencies, multinational corporations, or non-governmental organisations, influence the natural or social environments, in which they

operate. Therefore, in addition to pursuing their immediate objectives, all organisations should consider their effects on social, economic, and environmental systems. Economic, social, and environmental goals, the idea, reflect the public's expectations and demands that ethical businesses consider these factors. Therefore, promoting and helping to achieve the goals of sustainable development is the ultimate goal of corporate social responsibility. Economic, social, and environmental are the three primary facets of sustainable development, and they are closely related. For example, promoting social justice, economic growth, and environmental preservation are all necessary for eradicating poverty. In 2000, state leaders attending the UN Millennium Summit adopted the "Millennium Declaration", which outlined eight global goals to be achieved by 2015, known as the Millennium Development Goals (MDGs). These goals addressed a wide range of global challenges, including poverty reduction, improved healthcare delivery (such as combating HIV/AIDS, reducing child mortality rates, and enhancing maternal health), environmental sustainability, easy access to education, and gender equality. In September 2015, during the UN Summit in New York, representatives from 193 states unanimously endorsed the 2030 Agenda for Sustainable Development. This agenda identifies 17 global goals for the next 15 years, collectively referred to as the Sustainable Development Goals or Global Goals. These 17 sustainable development goals, supported by 169 targets and 232 indicators, encompass social, economic, and environmental dimensions of sustainability. Collectively, the SDGs provide governments and organisations a unified and universally accepted strategic framework to address the most critical global challenges by 2030, focusing on issues such as poverty eradication, promotion of peace, justice and equality, environmental conservation and the advancement of sustainable economic growth, human well-being and long-term resilience.

### Review of the Literature

Corporate Social Responsibility has gained traction as a significant concept in promoting sustainable economic development through practical business practices that align with environmental, social, and governance (ESG) criteria. A review of existing literature indicates that CSR activities are particularly prevalent in developing countries, where they play a crucial role in fostering economic growth while simultaneously addressing inequality and environmental concerns (Carroll & Shabana, 2010). CSR should extend beyond the altruistic aspect of being a good corporate citizen; it should also involve integrating sustainability into mainstream management practices to facilitate long-term economic, social, and environmental progress (Porter

& Kramer, 2011). For instance, in support of the United Nations Sustainable Development Goals (UN SDGs), some companies invest in renewable energy, community development, and education through their CSR initiatives (Schaltegger et al., 2017). Additionally, CSR serves as a tool in combating climate change, as companies adopt green innovations and sustainable sourcing practices (Bansal & Song, 2017). However, some literature has identified weaknesses in the practical implementation of CSR, such as green washing, ethical obfuscation, and inadequate stakeholder engagement, which can hinder the realisation of CSR's potential in fostering development (Fernando & Lawrence, 2014). The role of public policy and regulatory mechanisms aligning in CSR with national and international sustainability agendas has been emphasised by (Matten & Moon, 2008). The integration of CSR with sustainable development is influenced by economic and social contexts and centred on specific industry dynamics, with sectors like fast-moving consumer goods (FMCG) and manufacturing demonstrating greater commitment and effectiveness (Visser, 2008). According to Amer Ait Sidhoum et al. (2017) CSR has become essential for the business community, shifting the focus from financial performance to a voluntary paradigm centred on economic performance, social welfare, stakeholder engagement, and resource conservation. Their findings indicate a strong positive correlation between environmental, social, and financial performance. Fallah Sayan et al. (2022) argue that the SDGs provide a structured framework for corporations to align their CSR activities with broader societal. Because the SDGs are interconnected, progress in one area often leads to improvements in others, reducing research costs and increasing overall impact. Kulkarni (2022) supports this view, noting that businesses can strengthen their CSR efforts by aligning them with social priorities, thereby enhancing their contribution to health, education, and environmental protection. Serpil Kahraman (2021) observes that CSR has evolved into a fundamental component of business strategy, driving long-term corporate sustainability. In addition, Firms are increasingly integrating sustainability considerations into operations and stakeholder engagement strategies. However, Kahraman (2017) highlights that many companies continue to limit their CSR expenditure to the minimum mandatory CSR spending of 2% of profits. In context of tourism sector, study revealed that CSR initiatives have demonstrated a strong link between responsible practices and sustainability, contributing to long-term- term business success. Despite the rise in, CSR investments Sai (2017) points out that, 20% of businesses remain confined to mandatory sectors, indicating reluctance to fully embrace voluntary CSR.

### Objectives of the study

- 1 To analyse state wise CSR contributions in India, highlighting regional disparities.
- 2 To compare CSR practices of public and private sector firms.
- 3 To examine sector-wise CSR funds allocation and its alignment with sustainable development goals (SDGs) .
- 4 To study the Issues and challenge for CSR in India.

### Research Methodology

The study adopts a comprehensive descriptive research design, relying primarily on secondary data, and this information has been analysed to prepare the paper. The data have been obtained from reliable

academic sources, including research journals, official websites and CSR disclosure information collected from the Ministry of Corporate Affairs website. This research examines CSR practices among Indian companies over the past nine years, highlighting CSR's role in sustainable development. It focuses on mapping CSR activities to the Sustainable Development Goals (SDGs) and analysing the practices of MCA-registered companies across sectors. The findings will provide insights into the evolving CSR landscape in India, addressing both progress and challenges in aligning CSR with the SDGs and guiding policymakers and corporate leaders toward a sustainable future.

### RESULT&DISCUSSIONS

**Table 1 CSR Activities Under Schedule VII and Corresponding SDGs**

CSR Focus Area (Schedule VII)	Details	Aligned SDGs
<b>Hunger, Poverty, and Malnutrition</b>	Efforts to eradicate hunger, malnutrition, and promote healthcare	SDG 1: No Poverty SDG 2: Zero Hunger SDG 3: Good Health and Well-being
<b>Promoting Education</b>	Supporting primary, secondary, and vocational education for underprivileged groups	SDG 4: Quality Education SDG 8: Decent Work and Economic Growth
<b>Gender Equality and Women Empowerment</b>	Supporting gender equality initiatives and empowering women	SDG 5: Gender Equality
<b>Environmental Sustainability</b>	Conservation of natural resources, biodiversity, and climate adaptation	SDG 6: Clean Water and Sanitation SDG 13: Climate Action SDG 15: Life on Land
<b>Healthcare and Sanitation</b>	Providing access to healthcare, sanitation, and safe drinking water	SDG 3: Good Health and Well-being SDG 6: Clean Water and Sanitation
<b>Rural Development Projects</b>	Infrastructure development and livelihood programs in rural areas	SDG 11: Sustainable Cities and Communities SDG 9: Industry, Innovation, and Infrastructure
<b>Combating Social Inequalities</b>	Uplifting marginalized communities and promoting social welfare	SDG 10: Reduced Inequalities
<b>Promotion of Arts, Culture, and Heritage</b>	Protecting national heritage and promoting cultural and traditional crafts	SDG 11: Sustainable Cities and Communities
<b>Support for Armed Forces Veterans and War Widows</b>	Welfare initiatives for veterans, war widows, and their dependents	SDG 16: Peace, Justice, and Strong Institutions
<b>Technology Incubators and Startups</b>	Supporting innovation and entrepreneurship through technology incubators	SDG 9: Industry, Innovation, and Infrastructure
<b>Disaster Relief and Mitigation</b>	Contributions to disaster relief and climate adaptation measures	SDG 11: Sustainable Cities and Communities SDG 13: Climate Action

**(Source: Complied by author)**

Corporate contributions play a vital role in advancing the 2030 SDGs. To fulfil their social obligations, companies must adapt to future demands and embrace transparency. In an ever-evolving and uncertain business landscape, the SDGs offer a reliable framework. The SDGs promote a broader and more progressive perspective than that of individual companies, leading to a more sustainable and socially conscious business environment. Companies not

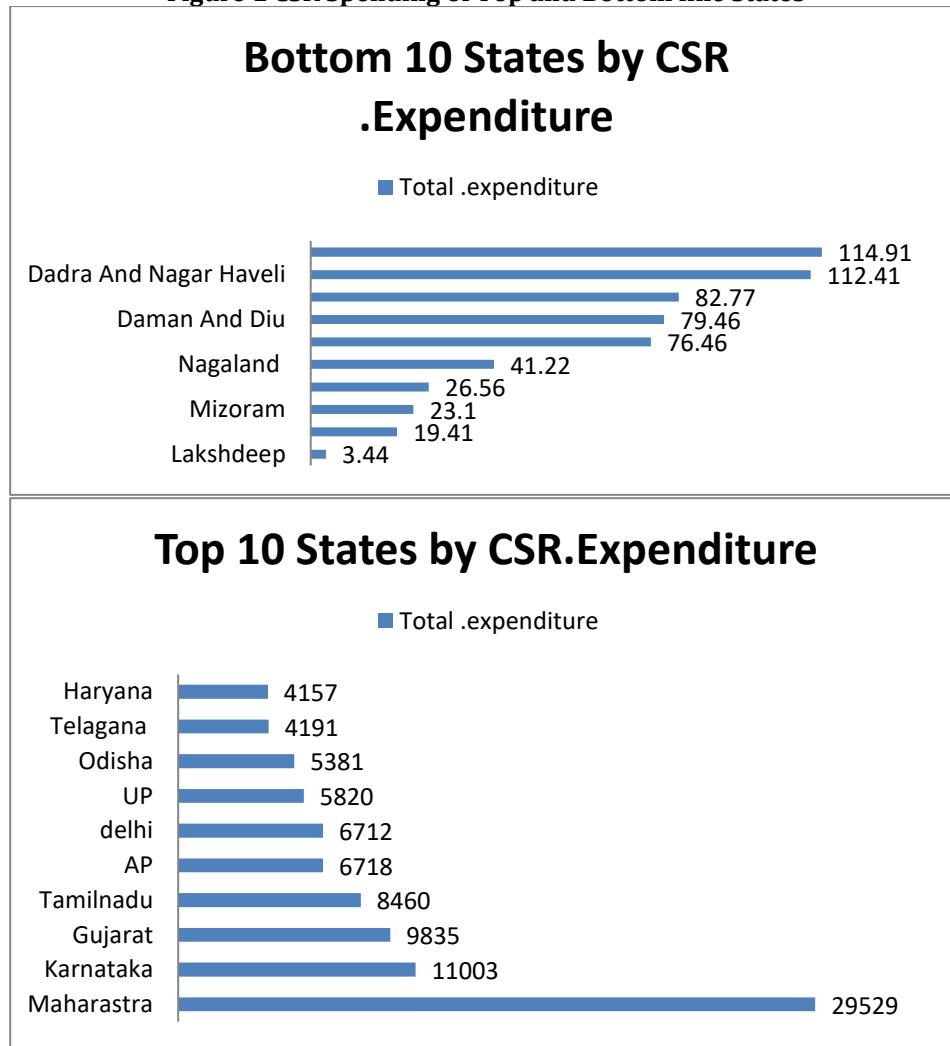
only support the SDGs but also actively influence them through their innovative ideas and actions, fulfilling societal expectations and promoting mutual accountability. The focus of CSR is primarily on stakeholders, the environment, society, volunteering, and ethical behaviour. Sustainable development provides a balance between addressing the immediate demands of businesses and safeguarding the future of people and the planet.

**Table 2 : To analyse state wise CSR contributions in India, highlighting regional disparities.**

Top 10 states by CSR expenditure		Bottom 10 states by CSR .expenditure	
State	Total .expenditure	State	Total .expenditure
Maharashtra	29529	Lakshadweep	3.44
Karnataka	11003	Andaman And Nicobar	19.41
Gujarat	9835	Mizoram	23.1
Tamilnadu	8460	Leh & Ladakh	26.56
AP	6718	Nagaland	41.22
Delhi	6712	Pondicherry	76.46
UP	5820	Daman And Diu	79.46
Odisha	5381	Tripura	82.77
Telangana	4191	Dadra And Nagar Haveli	112.41
Haryana	4157	Sikkim	114.91

(Source: [www.mca.gov.in.com](http://www.mca.gov.in.com))

**Figure 1 CSR Spending of Top and Bottom line States**



CSR expenditure trends across Indian states show significant regional disparities. Maharashtra leads with ₹29,529 crores, followed by Karnataka (₹11,003 crores) and Gujarat (₹9,835 crores). Other notable states include Tamil Nadu (₹8,460 crores), Andhra Pradesh (₹6,718 crores), and Delhi (₹6,712 crores). Conversely, the lowest CSR

spenders include Lakshadweep (₹3.44 crores), Andaman and Nicobar Islands (₹19.41 crores), and Mizoram (₹23.10 crores), indicating a lack of CSR investment in economically disadvantaged regions. This trend suggests a need for better targeting of CSR resources to promote balanced economic growth across India. This stark difference marks a trend where only states focusing on developing, for example, certain industries or only those regions with popular corporate headquarters expend efforts on CSR, leaving out the other smaller or relatively poor regions of the country. The information presented calls for more proper targeting of resources, or, as they are termed, CSR funds, to cater to these areas and spread developments within the country. Incentivising companies to focus more on underserved regions in India may decrease these voids and promote greater, blended economic growth across India.

**Table 3 : To compare CSR practices between public and private sector firms, identifying trends and differences.**

Year	PSU	Total Amount spent (Cr.)	Year	Non PSU	Total Amount spent (Cr.)
2014-2015	493	2816.82	2014-2015	16055	7249.11
2015-2016	533	4214.69	2015-2016	17759	10302.52
2016-2017	552	3444.15	2016-2017	19004	11098.36
2017-2018	541	3651.02	2017-2018	3444.15	13447.56
2018-2019	619	4224.46	2018-2019	24562	15993.2
2019-2020	483	5310.12	2019-2020	22502	19655.7
2020-2021	448	4486.27	2020-2021	20392	21724.68
2021-2022	361	4367.87	2021-2022	19527	22211.91
2022-2023	371	4095.78	2022-2023	24021	25891.15

(Source: [www.mca.gov.in.com](http://www.mca.gov.in.com))

**Figure 2 CSR Spending of PSU v Non PSU Companies**

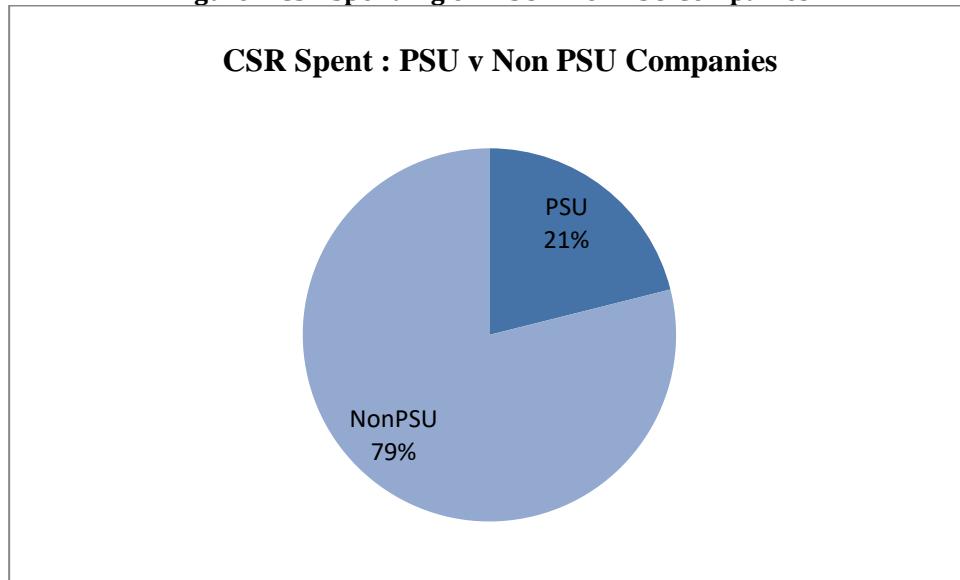


Figure 2 illustrates a significant difference in CSR spending trends between Public Sector Undertakings (PSUs) and Non-PSUs from 2014-2015 to 2022-2023. Non-PSUs have consistently outnumbered PSUs, with their numbers increasing considerably over the years, reaching 24,021 in 2022-2023 compared to only 371 PSUs. This difference is also evident in their CSR expenditures, as non-PSUs have steadily raised their spending from ₹7,249.11 cr in 2014-2015 to a high of ₹25,891.15 cr in 2022-2023. In contrast, PSU expenditures have varied, reaching a high of ₹5,310.12 cr in 2019-2020 before experiencing a decline in the following years. The steady increase in non-PSU spending indicates a strong commitment to CSR efforts, possibly fuelled by a larger number of companies and a variety of sectors. Conversely, the stagnation and subsequent drop in PSU spending may indicate financial limitations or a change in strategic focus. This contrast underscores the significant role non-PSUs play in enhancing CSR contributions in India, highlighting the necessity for a more in-depth examination of sectoral priorities, regulatory factors, and the effects of these investments on sustainable development.

**To evaluate the sector-wise allocation of CSR funds, focusing on their alignment with sustainable development goals (SDGs) .**

**Table 4 Average spent on CSR activity by Indian company from 2014-2015 to 2022-2023 (9 Years).**

S. N	Area of CSR	Average spent in CSR (cr.)	Rank	% of Total average spent
Schedule 1	Hunger, poverty, and healthcare	1942.01	1	21.80
Schedule 2	Education and vocation skills	1667.41	3	18.71
Schedule 3	Reducing Inequalities	516.58	6	5.79
Schedule 4	Environmental Sustainability	1597.66	4	17.93
Schedule 5	National Heritage	364.4	7	4.09
Schedule 6	Armed Force Veterans	47.62	10	0.53
Schedule 7	Sports	261.67	8	2.93
Schedule 8	PM's Relief Fund	628.34	5	7.05
Schedule 9	Technology Incubators	25.73	11	0.28
Schedule 10	Rural Development	1795.17	2	20.15
Schedule 11	Slum Development	60.95	9	0.68

(Source: Author's calculation)

**Figure 3 % of Total average spent on CSR activity by Indian company**

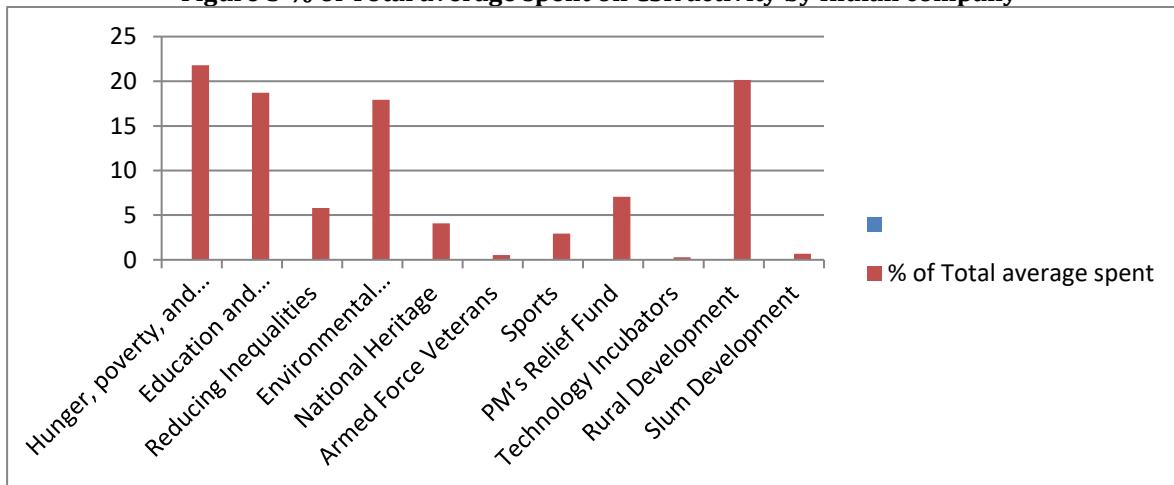


Figure 3 illustrates the average percentage of total expenditure over the past nine years. When ranked by the percentage of funds allocated, the primary areas of CSR intervention by Indian companies show that 21.80% of funds were directed toward Schedule 1 (hunger and poverty), and 20.15% was spent on Schedule 10 (rural development). In comparison, 18.71% was invested in Schedule 2 (education, employment generation, and skill development), 17.93% in Schedule 4 (environmental initiatives), and 7.05% in Schedule 8 (PM relief fund). As shown in Table 3, the top five schedules are 2, 1, 4, 10, and 8, indicating that businesses prioritize education, health, cleanliness, and social empowerment. Conversely, the lowest five schedules—7, 9, 6, 11, and 8—include incubators, slum development, support for armed forces veterans, sports, and national heritage, with less than 1% of total spending directed toward schedules 6, 11, and 9, highlighting their significant neglect.

### Issue and challenges for CSR in India

Corporate Social Responsibility has gained significant attention in India over the years as a means for companies to contribute positively to society while simultaneously achieving their business objectives. However, there are several issues and challenges associated with implementing effective CSR initiatives in the country:

- Regulatory Compliance:** The Indian Companies Act, 2013 mandates that eligible companies allocate a prescribed percentage of their profits to CSR activities. Although mandatory CSR promotes social responsibility, many smaller firms, perceive it as a burden,

resulting in window dressing, and inadequate disclosure of relevant information.

- Lack of Transparency:** CSR and Transparency closely linked. It is relevant to shareholders to get better insight into different issues. If society today, needs CSR then they also need CSR transparency. The present level of transparency by corporate houses is insufficient. Companies do not make adequate efforts to disclose relevant information. This arises conflict between the corporate houses and communities. Transparency is crucial for the success of any CSR initiative; therefore, lack of transparency is the biggest challenge faced by CSR.

3. **Measurement and Reporting:** Measuring the actual impact of CSR initiatives remains a significant challenge. Many Companies struggle to provide concrete evidence of the outcomes of their CSR activities, making it difficult to evaluate their effectiveness.
4. **Green -washing:** The level of inequality in India is extremely high. The Corporate Social Responsibility law does not adequately address the issue of inequality and does not have a mandatory enforcement mechanism. Corporate social responsibility is not sufficiently transparent, which gives the impression of progress. As a result, there is a tendency to engage in Green Washing at the national level. This is the major challenges for corporate social responsibility compliance and effectiveness.
5. **Lack of Participation by Community:** Communities for which CSR is to be implemented demonstrate less enthusiasm for the programs and initiatives planned by organizations. Furthermore, inadequate efforts are made to disseminate CSR activities among the communities, resulting in a lack of trust among the people. The lack of communication between organizations and communities is a major obstacle to CSR.
6. **Harmonize Company Goal with the interest of Shareholders:** The integration of social responsibility with economic performance is importance and presents a significant challenge. Establishing shared and sustainable value by reconciling the company's development objectives with the interests of stakeholders is a major obstacle in the process of corporate social responsibility.
7. **Lack of sufficient infrastructure and financial resources:** CSR may require large-scale investments. Companies need to carefully plan and prioritise their investments. They need to carefully plan the resources to be invested and the issues to be addressed before implementing initiatives. There is also a lack of local capabilities and proper infrastructure. Therefore, there are no good government organization and NGOs that can contribute to CSR. Therefore, there is an urgent need to build local capabilities and infrastructure for effective CSR.
8. **Lack of Consensus on Implementing's Issues:** The lack of coordination between various local agencies and corporations often leads to the duplication of CSR. This lack of alignment results in an unhealthy competition among companies, which are contrary to the primary purpose of creating value for society.
9. **Skewed Focus:** CSR activity are mainly focused in Certain sectors, such as education and

healthcare, while other critical areas like environment conservation, women's empowerment, and rural development received comparatively less attention.

## CONCLUSION

The analysis of India's Sustainable Development Goals (SDGs) Index rankings highlights the complex interplay between progress and ongoing challenges in achieving sustainable development, alongside trends in corporate social responsibility (CSR) spending and sector priorities. India has made significant strides toward the SDGs, but its global SDG index ranking reveals disparities in performance across states. CSR initiatives by Indian companies are crucial in supporting the SDGs, particularly in education, healthcare, poverty alleviation, and environmental sustainability. Notably, non-public sector undertakings (non-PSUs) have demonstrated exceptional commitment, often surpassing PSUs in overall CSR spending. However, this analysis uncovers critical gaps, including severe regional disparities in CSR resource allocation that favour economically developed areas while neglecting states in greater need of support. Additionally, there is insufficient funding for technological incubation, housing developments, and assistance for veterans, indicating a need for better alignment between CSR initiatives and national priorities. While CSR spending addresses significant issues, its uneven distribution and limited focus on innovative or underserved sectors underscore the necessity for a more inclusive and equitable approach. The findings suggest that although CSR efforts align with India's development objectives, a balanced strategy emphasising regional integration is essential for progress. Collaboration among the three key stakeholders—government, business, and civil society—is vital to achieving sustainable development goals. In India, mandatory CSR is a landmark law that encourages businesses to contribute their fair share toward the SDGs.

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