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Nishi Tuli
Department of Commerce, Ch. Ishwar Singh Kanya Mahavidyalaya Dhand-Dadwana, Kaithal, Haryana, India

Sunit Sharma
Department of Commerce, IB (PG) College, Panipat, Haryana, India

Arushi
Research Scholar, School of Management Studies, Punjabi University, Patiala, Punjab, India

Ajaypal Singh
Department of Commerce, IB (PG) College, Panipat, Haryana, India

Correspondence Author:
Ajaypal Singh
Department of Commerce, IB (PG) College, Panipat, Haryana, India

Corporate social responsibility in India: Sectoral trends and societal impact of top NIFTY performers

Nishi Tuli, Sunit Sharma, Arushi and Ajaypal Singh

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Abstract
Corporate Social Practices adopted by the Indian corporate sector play a significant role for the sustainable development of the country. This inquiry aims to evaluate the CSR efforts of the top 10 Nifty-listed companies based on their market capitalization in FY2024-25 with a certain application on their sectorial endeavors and leading programs. The study has focused on the sector wise accomplishments by the major nifty companies particularly on environmental sustainability, healthcare, education, and rural development. Despite the efforts, corporates face hindrances in the planning, application, and appraisal of corporate social responsibility initiatives, regardless the supervisory mandates of Companies Act of 2013. The study is based on secondary data from various authorized reports and financial statements of companies. The discoveries of the study give valuable insights into the technique by which prominent Indian companies are incorporating social responsibility into their central corporate strategy.

Keyword: Corporate social responsibility, sustainable development, sectoral initiatives, companies act 2013

Introduction

Corporate Social Responsibility is the moral obligation of an organization to society that transcends its primary business objectives. It incorporates various assortments of endeavors that are legally authorized or voluntary and are planned to stimulate the economic, environmental and social well-being. Carroll and Shabana (2010) [18] define corporate social responsibility (CSR) as the commitment of businesses to improve the standard of life of their employees, local communities, as well as society as a whole by engaging in ethical behavior while contributing to sustainable development. It endeavors to establish long-term stakeholder value by reconciling profit-making with social responsibility (Porter & Kramer, 2006) [19].

The history of corporate social responsibility is extensive, dating back to the philanthropic endeavors of industrialists such as Andrew Carnegie in the United States and Jamshedji Tata in India during the 19th and early 20th centuries. In the Western world, the post-World War II era witnessed a change in public expectations regarding corporations, which resulted in the formalization of CSR. The initial formal work that established the foundation CSR is frequently considered to be Howard Bowen's seminal work "Social Responsibilities of the Businessman" (1953). During the 1970s, the concept was further developed by Archie Carroll, who introduced the CSR Pyramid. This pyramid posits that businesses have economic, legal, ethical, and philanthropic responsibilities (Carroll, 1991) [20]. In the 21st century, corporate social responsibility has expanded to include concepts such as sustainability for businesses, ESG (Environmental, Social, and Governance), as well as inclusive business models.

Industrialists were considered trustees of societal prosperity in the Indian context, where corporate social responsibility was initially an informal practice that was rooted in the principles of trusteeship that Mahatma Gandhi promoted. Following India's independence, significant contributions were made by Indian corporations, such as Tata Group, the Birla Group, and Bajaj Group, in humanitarian initiatives, with a particular emphasis on healthcare, education, and rural development. On the contrary, those efforts were voluntary and lacked a structured framework.

Section 135 of the Companies Act, 2013, which required CSR expenditures for Indian organizations, represented a substantial transformation (Ministry of Corporate Affairs, 2013) [21]. Due to this legislative action, India became the first nation in the world to legally require corporate contributions to charitable activities.

Under the Companies Act of 2013, corporate social responsibility has been legally defined and institutionalized. Companies that generate a net profit of ₹5 crore or more during any fiscal year, have a turnover of ₹1,000 crore or more, or have a net worth of ₹500 crore or more are subject to the Act. Companies of this nature are required to allocate a minimum of 2% of their average net profits from the previous three years to corporate social responsibility initiatives, as stated in Schedule VII of the law. The company's CSR policy has to be revealed in the board's report and on its website, and it must be overseen by a dedicated CSR committee. The scope of operations that are permissible is extensive, as delineated in Schedule VII. The eradication of malnutrition, the promotion of education, gender equality, environmental sustainability, the preservation of national heritage, and rural development are among the activities.

Corporate social responsibility has developed from a volunteer, benevolent endeavor to a obligatory and planned business function. The Indian legal system provides an exclusive paradigm in which corporate social responsibility roles as both a business obligation and a countrywide developmental instrument.

Literature Review

Howard Bowen (1953) [22] has been considered as the "Father of CSR" for their opinion that companies should consider the social significances of their decisions. Keith Davis (1960) [6] modernizes this concept by stating that social obligations are derived from social supremacy, which emphasizes the significance of companies sustaining a proper balance between power and obligation. Carroll (1979) [13] proposed a four-part model of corporate social responsibility -economic, legal, ethical, and philanthropic that remains a critical reference point in the discipline. Concurrently, Freeman's Stakeholder Theory (1984) [7] shifted the focus from the interests of shareholders to a broader stakeholder perspective, emphasizing the importance of businesses being answerable to all parties affected by their actions. This theoretical expansion facilitated a more comprehensive understanding of corporate social responsibility.

In the 1990s, empirical evidence of corporate social responsibility research began to emerge. Wood (1991) [15] presented a comprehensive framework of business social performance that encompasses performance outcomes, processes of responsiveness, and principles of social responsibility. Waddock and Graves (1997) [13] shortly thereafter provided one of the first scientific confirmations of the CSR-financial performance link, arguing that socially conscious firms are also financially robust as a consequence of improved stakeholder relationships. McWilliams & Siegel (2001) [11] elucidated the CSR-performance relationship at the start of the 2000s, proposing that it is contingent upon firm-level strategies and contextual variables. At the same time, Porter and Kramer (2002) [12] introduced the concept of "Strategic CSR", arguing that CSR should not be secondary but central to a firm's competitive advantage. In 2006, they elaborated on this concept with the publication of "Creating Shared Value".

Diversification in corporate social responsibility research has been noted during the 2000s. Maignan and Ferrell (2004) [10] conducted a study on corporate social responsibility from the point of view of consumers, with a particular emphasis on its impact on corporate image and brand equity. Brammer and Millington (2005) [2] conducted a study on the influence of corporate social responsibility expenditures on a company's reputation, underscoring the importance of external perception. In the meantime, Luo and Bhattacharya (2006) [9] added consumer satisfaction as a mediator in the CSR-financial performance relationship, thus further deepening our comprehension of the impact pathways of CSR. Aguilera *et al.* (2007) [1] developed a system with multiple levels in the institutional domain that illustrates the motivation behind firms' commitment to corporate social responsibility. This framework considers individual, organizational, and institutional factors. Simultaneously, Wang and Choi (2010) [23] investigated the effectiveness of corporate social responsibility investment and its impact on firm performance, with an emphasis on the optimal level of CSR expenditure.

Two decades back witnessed the growth of sustainability concerns with non-monetary reporting, which recognized a novel viewpoint on corporate social responsibility. Glavas (2016) [8] recognized the micro-CSR by investigating the impact of CSR on employee engagement and satisfaction.

Some investigations on CSR have broadened into digital fields. Yoon and Chung (2021) [16] assumed an investigation on CSR communication on social media, with a focus on authenticity. By examining the customers to corporate social responsibility posts on Instagram and Twitter, Wang *et al.* (2022) [24] verified this by showing a correlation between visual aesthetics, emotional tones and consumer credibility. Liu *et al.* (2024) [25] explored the means in which Artificial intelligence and data analytics are reforming CSR reporting.

Scholars are increasingly analyzing CSR from an interdisciplinary perspective, incorporating perspectives from environmental science, marketing, law, and psychology. CSR is no longer perceived as a philanthropic activity that is optional; rather, it is a strategic, stakeholder-centric, and sustainability-driven imperative that impacts societal impact, employee behavior, reputation, and performance.

Objectives of the study

- To evaluate the main CSR initiatives of the top 10 Nifty companies, as well as to identify the major sectors they contribute to and to analyze the total Corporate Social Responsibility expenditure.
- To investigate the obstacles associated with the execution of corporate social responsibility initiatives by corporations

Findings of the study

The following companies are considered to investigate the total Corporate Social Responsibility expenditure of top 10 Nifty companies and to identify the main sectors to which they contribute.

HDFC Bank led CSR spending with ₹945.31 crore. HDFC Bank's flagship initiative, Parivartan, has reached over 10.19 crore individuals in more than 9,000 villages, across 28 states and 8 Union Territories. The program is structured around five core pillars rural development, education, skill training, healthcare, and financial literacy. Highlights include the establishment of 3,500 SMART classrooms, the awarding of 25,000 scholarships, and the goal of achieving fundamental education outcomes for 20 lakh students by 2025. On the energy front, the bank has installed more than 61,655 solar streetlights in 22 states and is on track to transition 1,000 villages to pure, renewable power by 2025. This initiative includes Solar Shiksha awareness seminars in over 450 communities. Parivartan has conducted over 7,000 health programs and constructed over 24,000 domestic toilets in the health and hygiene pillar, which has benefited approximately 1.87 lakh individuals. Significantly, skill-development statistics indicate that 3.25 lakh youth, notably young women from marginalized backgrounds.

Reliance Industries, through the Reliance Foundation, contributes ₹900 crore to corporate social responsibility. The rural programs of the organization, including the Bharat-India Jodo and farmer empowerment initiatives, have benefitted 20.3 million individuals in 55,500 villages and empowered 346,000 women entrepreneurs in the fields of dairy, goat-rearing, non-farm activities, and digital literacy. Over 500,000 women have been impacted by partnerships with USAID's Women Connect. Reliance Foundation's healthcare operations include a 345-bed hospital in Mumbai to reach 9.3 million people. It includes Scholarships for over 23,000 youth, foundational literacy through LiftEd, teacher training for 48,000 educators. Their environmental and disaster-response mechanisms have provided assistance to more than 20 million individuals, in addition to supporting cultural heritage and conducting extensive tree-planting campaigns.

Bharti Airtel spent 12.9 crore on CSR. Education is a key focus, with the Bharti Foundation impacting over 3.7 million children and 2.5 lakh teachers through programs like the Satya Bharti School and scholarships. In 2024, 282 students received scholarships, with plans to support 4,000 annually. Airtel has also supported sanitation by funding rural toilets under the Swachh Bharat Mission. In sustainability, it reduced diesel and grid emissions by 61% and 43% respectively, used over 223,000 MWh of renewable energy, and recycled 3,859 tons of e-waste. Nearly 494 million paper sheets were saved through digital initiatives.

Tata Consultancy Services allocated ₹827 crore to its corporate social responsibility initiative, targeting women, adolescents, and marginalized communities, reaching a total of 7 million individuals. Its Literacy as a Service (LaaS) program equipped 20,342 learners, primarily women, with functional, digital, and financial literacy. The Youth Employment Programme, which encompassed 24 states, provided training to 19,900 adolescents and facilitated employment for approximately 2,845 individuals in the IT and allied sectors. The BridgeIT initiative has established 1,735 women entrepreneurs in rural areas, with expansion plans that encompass 1,400 new female entrepreneurs. 312,966 students and 6,209 educators are impacted by global STEM programs such as go IT and Ignite My Future.

ICICI Bank invested approximately ₹517.99 crore in CSR, benefiting over 12 million people. Through the ICICI Foundation, its CSR arm, the bank focused on four key areas: healthcare, environmental sustainability, financial inclusion, and livelihood development. In healthcare, it funded cancer, cardiac, eye-care, dialysis, ambulances, and mobile medical units, and pledged ₹1,200 crore to Tata Memorial Centre’s new cancer facilities. Environmental initiatives included watershed management (25.8 billion L water harvesting), afforestation across 53 forest reserves, and solar installations in schools. In financial inclusion, it supported over 10.5 million rural women via SHG-linked loans, and uplifted 80,000 farmers through value-chain and climate smart agriculture programs.

The State Bank of India (SBI) allocated ₹502.32 crore to CSR managed via the SBI Foundation across 173 initiatives in 80 aspirational districts, reflecting its strategic, impact-driven approach. Key investments included upgrading 232 primary schools, 355 Anganwadi’s, 158 primary health centers, 75 old-age homes, and 57 orphanages. Its environmental efforts included planting 9 lakh trees in the Cauvery basin, 2 lakh in Tamil Nadu, and promoting clean energy via e-vehicles and plastic recycling. Overall, SBI’s CSR focuses on education, healthcare, sustainability, and community development, positively impacting over 5 million beneficiaries across India.

Infosys collaborated with a total of 404 crore with the ICT Academy to establish Centers of Excellence in over 450 colleges, train 48,000 students in technical and soft skills, and establish rural healthcare infrastructure, including cardiac diagnostics at Sri Jayadeva Institute and diabetes-reversal centers in Pune and Nagpur. The Infosys Foundation provides funding for initiatives that promote rural upliftment, education, health, the arts, and indigent care.

Bajaj Finance Ltd devoted ₹179.52 crore to CSR against a target of ₹185.70 crore, with ₹6.19 crore carried forward in unspent funds. Under its Bajaj Beyond initiative, the company is part of the group's ₹5,000 crore, five-year social-impact pledge. Its CSR priorities include youth skilling, child education and health, protection of children, and inclusion of persons with disabilities. The flagship CPBFI program operates in 410 colleges across 22 states, training over 99,000 youth. Health initiatives, such as the ‘Maha Smiles’ cleft-care project, have benefited 33,537 children.

Hindustan Unilever Limited spent approximately ₹233.7 crore on CSR, significantly surpassing its mandated obligation. Through the Hindustan Unilever Foundation, HUL’s water-focused programs have conserved over 3.9 trillion liters across 15,500+ villages since 2010 The Suvidha community hygiene centers, serve around 500,000 people with safe sanitation, clean water, and laundry The Prabhat initiative reaches nearly 10 million people, addressing livelihoods, health, nutrition, and agricultural resilience. Moreover, HUL supports gender inclusion via Project Shakti, empowering over 200,000 rural women micro-entrepreneurs.

ITC Ltd invested ₹404.05 crore in CSR. Notable environmental initiatives include watershed development over 14.7 lakh acres, afforestation of 10.4 lakh acres, and sustainable agriculture. ITC is plastic-neutral, FSC-certified, and leading in water stewardship and green buildings. It also supports over 60 lakh sustainable livelihoods and 50 lakh rural women, leverages its brands for public health, and promotes scientific research.

These Nifty companies collectively account for nearly one-third of India's total CSR expenditure. Their initiatives are indicative of a strategic transition towards long-term sustainability, measurable results, and convergence with national development objectives, including education, health, environment, women's empowerment, rural infrastructure, digital literacy, sports development, and disaster response.

Many of India's most prominent companies, including top nifty companies, encounter systemic obstacles in effectively implementing their CSR initiatives, despite their substantial CSR budgets and ambitious social objectives.

Misalignment with fundamental business objectives is one of the most significant challenges. According to research, nearly 40% of organizations encounter difficulties in integrating CSR into their strategic core, which leads to fragmented endeavors that are devoid of scope and influence. For instance, Parivartan initiative of HDFC bank has extensive reach; critics argue some interventions like rural skill training are not well-integrated, leading to limited scalability and business alignment.

A second significant disparity is the unequal focus on sectors and geographic regions. The distribution remains skewed: 66% of companies concentrate on only four areas, primarily education and health, with affluent industrialized states receiving nearly 70% of the funds, while aspirational districts receive only 2-4%. Even SBI Allocates significant CSR to education and sanitation, but 80% of funds go to projects in 8 states, largely ignoring aspirational districts despite being the country's largest public-sector bank with national presence. Despite large-scale CSR spending of Reliance, a heavy focus remains on healthcare and rural development in Maharashtra and Gujarat only.

Third, the absence of stakeholder engagement and capacity-building continues to be a persistent vulnerability. Numerous corporate social responsibility initiatives are supply-driven, with the majority of them being initiated by corporate headquarters without any local involvement. Additionally, 86% of nongovernmental organizations (NGOs) report insufficient capacity-building support. Like ITC's e-Choupal has earned praise, certain projects in watershed development have seen weak local NGO collaboration, making replication difficult due to the absence of bottom-up design and continuous training.

Fourth, quantifying the impact is an indispensable obstacle. There is minimal accountability for outcomes that extend beyond initial investments in the absence of rigorous metrics. SBI Foundation Runs hundreds of CSR programs, but many are difficult to track beyond output data with little evidence on long-term socioeconomic gains.

Fifth, implementation challenges are exacerbated by regulatory ambiguities and compliance complexity. The Companies Act of 2013 requires a 2% net profit expenditure on Schedule VII areas; however, the guidelines are unclear regarding the counting of ongoing engagements and multi-year grants, which has resulted in disputes. For instance, Infosys and other organizations encounter challenges in adapting to changing disclosure standards, frequently failing to provide timely impact assurances.

Collectively, India's leading corporations are making significant investments in CSR to achieve strategic impact. However, these initiatives may result in dilution without addressing the underlying issues. In order to introduce systemic change, the divergence between intention and effect can be reconciled by integrating corporate social responsibility into business strategy.

Conclusion

The investigation of corporate social responsibility midst India's top Nifty corporations exemplifies a vigorous, developing landscape in which businesses are progressively distinguishing their role beyond earnings. Also, The Companies Act commands that businesses to distribute funds to significant sectors in addition to generous contributions that frequently exceed the 2% threshold limit. Nonetheless, regardless the considerable financial commitments, a number of hindrances persist. Even the utmost prominent businesses face encounters in fulfilling their corporate social responsibility intents are in congruence with their core strategy.

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