An Analysis of Corporate Social Responsibility(CSR) Spending Patterns across Districts and Development Sectors in Tamil Nadu, India

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A. Ebenezer Raja
Research Scholar, PG & Research Department of Management Studies
Bishop Heber College(Autonomous), Affiliated to Bharathidasan University, Trichy

Dr. R. Victor Lazarus
Associate Professor, PG & Research Department of Management Studies
Bishop Heber College(Autonomous), Affiliated to Bharathidasan University, Trichy

Abstract
Corporate Social Responsibility (CSR) can be described as a business firm's obligation to resolve social, environmental, economic, and ethical issues that exist in society. The purpose of this paper is to investigate what corporations spent on CSR activities in different districts of Tamil Nadu and which districts have been most and least involved in CSR activities. This study also investigates the most and least prioritized development sectors where CSR expenditures were distributed. This descriptive study is grounded on secondary data collected from the National CSR portal, Ministry of Corporate Affairs in India, for a span of ten years from April 2014 to March 2024. The results reflect that the expenditure incurred on CSR activities in Chennai was found to be the greatest compared to other districts in Tamil Nadu. Education was found to be the most funded of the development sectors, while slum development had the lowest amount of attention given to it in CSR activity. The paper provides suggestions to increase CSR expenditure in the districts and sectors that have hitherto been underfunded

Keywords: Corporate Social Responsibility (CSR), CSR Spending, Tamil Nadu, Education and Correlation.

Introduction

According to The World Business Council for Sustainable Development, the 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 of the local community and society at large". This research paper analyzed about Corporate Social Responsibility contributions of Indian companies in Tamil Nadu State of India.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is referred to as responsibility of an organization towards social, environmental, economic and ethical issues prevailing in the society. It is considered as act of giving back to the society in turn for the benefits and resources used from the society.

Companies (Corporate Responsibility Policy) Rules, 2014

According to sec 135 of Companies Act 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Schedule VII of Companies Act, 2013

This Schedule VII list the Activities which may be included by companies in their Corporate Social Responsibility Policies. Activities relating to eradicating extreme hunger and poverty; promotion of education; promoting gender equality and empowering women; reducing child mortality and improving maternal health; combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases; ensuring environmental sustainability; employment enhancing vocational skills; social business projects; contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments and such other matters as may be prescribed.

Review of Literature

Nalawade & Singh (2024) conducted a comprehensive analysis of sectoral and regional CSR spending patterns in India. The paper explored the geographical distribution of CSR funds across different states of India and highlighted the transformative impact of CSR initiatives on education and healthcare.

Garg & Gupta (2020) studied the relationship between mandatory CSR fulfillment and firms performance. The paper adopted the one way ANOVA and post-hoc test for analysis. The study suggested ways to the regulators, government agencies and firms to gain maximum benefits from the CSR expenditure.

Sharma (2019) analyzed the CSR expenditure of BSE Listed company in India. The paper showed the basis of grading the companies based on CSR spending. The paper categorized the companies with average CSR spending of more than 2% of net profit as Grade A, between 2 to 1% as Grade B, between 1 to 0.5% as Grade C and less than 0.5% as Grade D.

Majumdar (2015) in his a detailed report of India's CSR journey stated that most of the family run organizations in India, imbibed the quality of giving by nature of their religion. The paper described about the journey of Sec 15 of Companies Act, 2013 from the guidelines drafted in 2009. It was stated that creation of CSR committee and mandatory spending of 2% of net profit will merely make corporate to set funds aside, would lead to the hard back ideology of corporate altruism. It was argued that Land Acquisition, Rehabilitation and Resettlement Act, 2013 which provides facilities of the resettled affected people was opposed to the CSR provisions in Companies Act, 2013 in certain aspects. This paper suggested that independent agencies should do the examination of CSR activities and give the certifications, which in turn would benefit the companies to get many facilities like credit with the help of this certification or rating.

Bala (2015) have tried to identify the most preferred method adopted by Indian companies for CSR implementation. The paper specified that there are five methods through which companies can do CSR activities namely through separate CSR project management department, through NGO partnership, through establishing trust/foundation/society, through collaboration with other companies and through funding to government. It was found that most of the MNCs and Public Sector Companies prefer CSR implementation through separate CSR project management department. Partnering with NGOs is the second most preferred choice for CSR implementation.

Kabir (2016) investigated about CSR practices among Banks and Non Bank Financial Institutions(NBFIs) in Bangladesh. This study showed that banks and NBFIs have committed to spend their CSR funds on health, art and culture, education, disaster management and sports sector. The paper highlighted that the CSR activities are focusing on implementing business policy but not really fostering social intentions and accountability.

Narang (2017) highlighted the CSR activities of a Japanese company, Unicharm Corporation which involved in the manufacturing of disposable hygiene diapers for babies and adults. The company conducted CSR programs like educating girl students across many school in India about menstrual hygiene and building self esteem, promoting concept of safe menstrual management across rural communities and sharing expertise in child care with respect to baby diapering. The paper mentioned that across the globe, corporate have acknowledged the CSR as a way of accomplishment and survival in the business. Venugopal (2018) analyzed about the CSR spending pattern of Indian Commercial Banks. The objectives of the paper are to identify the major areas of CSR spending by banks and to find the difference between the perception of employees and people about the banks' CSR activities. The paper compared the CSR spending of Union Bank of India, State Bank of India, Federal Bank and HDFC Bank in the financial years 2014-15 and 2015-16 and found an increasing trend in CSR spending. But, only HDFC Bank have complied to the mandatory requirement of spending 2% of net profit on CSR activities.

From these research papers, we could find the following as research gap. The CSR spending of Corporate in Tamil Nadu was not studied in detail. Hence, this paper studied in detail about the Corporate CSR spending in Tamil Nadu state in India.

Objective of the Study

1. To study about Corporate Social Responsibility (CSR) spending of Indian companies in Tamil Nadu.
2. To identify most and least concentrated districts for CSR activities by Indian companies.
3. To know the most and least concentrated development sectors for CSR activities in Tamil Nadu.
4. To identify the relationship between the social-demographic details and the CSR spending in various districts of Tamil Nadu.

Research Methodology

This is a descriptive research conducted based on secondary data collected for National CSR portal of Ministry of Corporate Affairs, India. CSR spending of Indian corporate who involved in CSR activities in Tamil Nadu state are taken for the study. The period of the study is from 2014 to March 2024.

Techniques for Analysis

The secondary data collected were analyzed using percentage analysis and correlation analysis with the help of Statistical Package for Social Sciences(SPSS).

Scope of the Study

This study will help to identify the actual amount spent on CSR activities in various districts of Tamil Nadu. The most and least concentrated districts in Tamil Nadu in terms of CSR activities can be identified. This study attempted to find whether there is any correlation between the demographic factors of the district and the CSR spending.

Data Analysis

The ten years CSR amount spent by the corporate in various district of Tamil Nadu was analyzed using percentage analysis and Correlation analysis.

Table 1 Percentage of CSR funds spent in Tamil Nadu (in Crore)

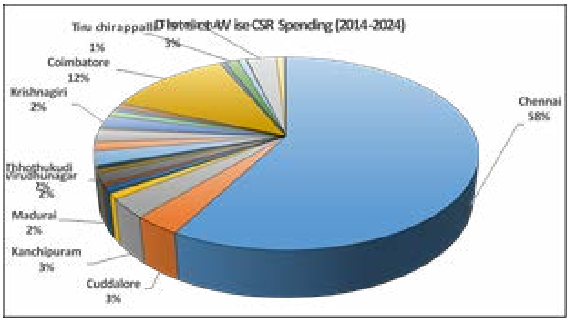
Year in which CSR Amount Spent	Total CSR Spending in India (Rs.)	Tamil Nadu	Percentage of Amount Spent in Tamil Nadu (%)
2014 -2015	10065.93	539. 63	5.36
2015 - 2016	14517.21	588.22	4.05

2016 - 2017	14542.51	548.28	3.77
2017 - 2018	17098.57	669.65	3.92
2018 - 2019	20217.65	877.08	4.34
2019 - 2020	24965.82	1072.26	4.29
2020 - 2021	26210.95	1174.07	4.48
2021 - 2022	27141.45	1441.03	5.31
2022 - 2023	30932.08	1637.12	5.29
2023 - 2024	34908.75	1968.76	5.64
Total	220600.92	9976.47	4.52

Source: National CSR Portal as on October 2025

From the above table no. 1, it shown that the amount spent on CSR activities in Tamil Nadu is about 4.52 % of the total amount spent in India. The percentage was high for about 5.64% in the year 2023-24.

Chart No. 1 Company-wise Distribution of CSR Expenditure



Source: National CSR Portal as on October 2025

From the above chart no.1, it is inferred that Chennai district was the most concentrated district for CSR activities with the more than 50% of the funds were spent in this district. It was also inferred that Villupuram, Ariyalur, Perambalur, Tiruppur and Tiruvarur are the least concentrated districts, where the CSR spending are not even 0.5% of the total amount spent in Tamil Nadu.

Table 2 Most concentrated districts for CSR spending 2014-2024

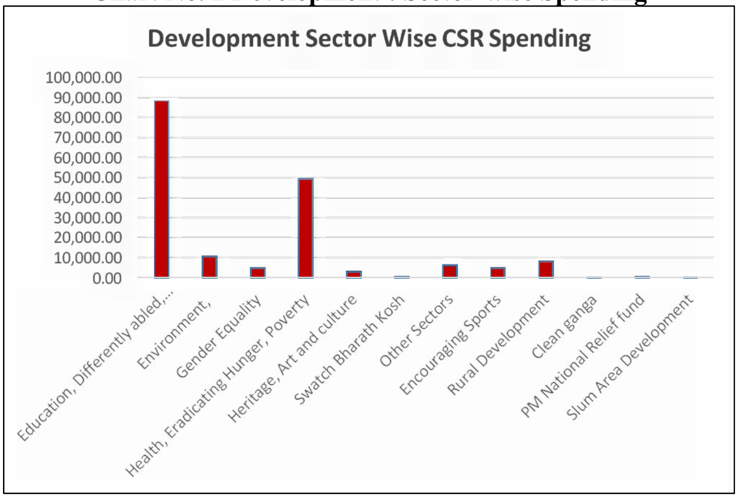
S. No	Development Sector	Chennai	Coimbatore	Cuddalore	Kanchipuram	Thanjavur
1	Education, Differently abled, Livelihood	50,544.99	12,992.83	2435.04	2504.5	1251.26
2	Environment, Animal welfare, Conservation of Resources	4690.54	1360.63	142.41	467.09	1114.19
3	Gender Equality	2589.39	946.36	290.79	263.04	10.1
4	Health, Eradicating Hunger, Poverty	33,020.17	4738.63	1882.66	1206.87	598.22
5	Heritage, Art and culture	2115.73	74.43	73.5	13.21	493.2
6	Swatch Bharath Kosh	19.76	36.98	10	20.42	264.02

7	Other Sectors	4160.09	129.07	74.07	189.68	1062.6
8	Encouraging Sports	2994.82	321.75	45.9	0.55	126.08
9	Rural Development	2380.19	770.31	865.28	1064.48	326.46
10	Clean ganga	39.88	0	0	0	0
11	PM National Relief fund	96.58	109.2	105	4	57.8
12	Slum Area Development	85.01	26.61	0.06	0.56	0
	Total	102,737.15	21,506.80	5,924.71	5,734.40	5,303.93

Source: National CSR Portal as on October 2025

The above table no. 2, shows that the Chennai, Coimbatore, Cuddalore, Kanchipuram and Thanjavur are the most concentrated five districts in terms of CSR spending in Tamil Nadu.

Chart No. 2 Development : Sector-wise Spending



Source: National CSR Portal as on October 2025

Table 3 Development sector wise CSR spending (2014-24)

S. No	Development Sector	Amount Spent (in Lakhs)	Percentage
1	Education, Differently abled, Livelihood	88,143.89	49.90
2	Environment, Animal welfare, Conservation of Resources	10,759.52	6.09
3	Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities	4,719.74	2.67
4	Health, Eradicating Hunger, Poverty and Malnutrition, Safe Drinking water, sanitation	49,201.99	27.86
5	Heritage, Art and culture	3,207.00	1.82
6	Swatch Bharath Kosh	438.01	0.25
7	Other Sectors	6,247.93	3.54
8	Encouraging Sports	5,051.04	2.86
9	Rural Development	8,283.40	4.69
10	Clean ganga	39.88	0.02

11	PM National Relief fund	426.38	0.24
12	Slum Area Development	115.97	0.07
	Total	176,634.75	100.00

Source: National CSR Portal as on October 2025

The above table no. 3, shows that the most concentrated development sector was Education, differently able with the spending of about 50% of the total amount spent on CSR activities in Tamil Nadu. The second most concentrated development sector was Health care, which was followed by Environment, conservation of resources and Rural development.

Correlation Analysis

This paper analyzed the correlation between the demographic factors of various districts of Tamilnadu and the amount of CSR spending in these districts by corporate. The demographic factors taken for the study are area in Sq Km, literacy rate and population in the district.

Hypothesis

- H_1: There is relationship between the population in the district and the amount spent on CSR activities.
- H_2: There is relationship between the area (Sq Km) of the district and the amount spent on CSR activities.
- H_3: There is relationship between the literacy rate in the district and the amount spent on CSR activities.

Table 4 Correlation between Population and CSR Spending

		CSR_Spending	Population
CSR_Spending	Pearson Correlation	1	.540**
	Sig. (2-tailed)		.002
	N	30	30
Population	Pearson Correlation	.540**	1
	Sig. (2-tailed)	.002	
	N	30	30
**. Correlation is significant at the 0.01 level (2-tailed).			

**. Correlation is significant at the 0.01 level (2-tailed).

From the above table no.4, it is inferred that there is a positive correlation between population and amount spent on CSR activities in a particular district. Hence, the hypothesis H1 is accepted with the significance of 0.02 ($P<0.05$).

Table 5 Correlation between Literacy rate and CSR Spending

		CSR_Spending	Literacy
CSR_Spending	Pearson Correlation	1	.377*
	Sig. (2-tailed)		.040
	N	30	30
Literacy	Pearson Correlation	.377*	1
	Sig. (2-tailed)	.040	
	N	30	30
*. Correlation is significant at the 0.05 level (2-tailed).			

From the above table no.5, it is inferred that there is a positive correlation between literacy rate and amount spent on CSR activities in a particular district. Hence, the hypothesis H2 is accepted with the significance of 0.04 (P<0.05).

Table 6 Correlation between Area(Sq Km) and CSR Spending

		CSR_Spending	Area
CSR_Spending	Pearson Correlation	1	-.365*
	Sig. (2-tailed)		.048
	N	30	30
Area	Pearson Correlation	-.365*	1
	Sig. (2-tailed)	.048	
	N	30	30
*. Correlation is significant at the 0.05 level (2-tailed).			

From the above table no.6, it is inferred that there is a negative correlation between area (Sq Km) and amount spent on CSR activities in a particular district. Hence, the area (Sq Km) and the amount spent are negatively correlated.

Findings

1. From this research, it was found that the average amount spent on CSR activities in Tamil Nadu from 2014 to 2024 is about 4.52 % of the total amount CSR spent in India.
2. Chennai district was the most concentrated district in Tamil Nadu for CSR activities in which more than 50% of the funds were spent in this district.
3. Villupuram, Ariyalur, Perambalur, Tiruppur and Tiruvarur are the least concentrated districts, where the CSR spending are not even 0.5% of the total amount spent in Tamil Nadu.
4. The most concentrated development sector was education, differently abled and livelihood in which about 50% of the total amount spent on CSR activities in Tamil Nadu.
5. There is a positive correlation between population and amount spent on CSR activities in a particular district and similarly between literacy rate and amount spent on CSR activities in a particular district.

Suggestions

1. Chennai district is a well developed district in terms of infrastructure and other resources. So, instead of concentrating on such districts the companies should focus on least developed districts, which are in need of the CSR activities.
2. Education sector was over concentrated for CSR activities. Companies can increase their CSR activities in the sectors like slum development for the betterment of the society.
3. The relationship between population and amount spent on CSR activities is good, companies can also concentrate on districts with big area(Sq Km) where the CSR activities can be improved.

Conclusion

Corporate Social Responsibility activities are the ways through which the companies can give back to the society, from where they are getting the resources. This paper studied about the amount spent towards the CSR activities by corporate in Tamil Nadu. It was found that few districts are mostly concentrated for the CSR activities and there is need to increase the amount spent in other districts in the state. Similarly, the development sectors which needs more concentration was also stated in this research. More committed CSR activities by corporate will definitely help for the development of the districts and the country at large.

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