

CSR Spending Surges 13 percentage: Companies Look Beyond Compliance

Category: Business

written by International Khabar | October 11, 2024

There has been a 13% rise in CSR spending, with total allocations reaching Rs. 29,000 crore for the fiscal year 2022-23, according to the State of CSR Report 2024. This annual report, launched by Sattva Consulting, highlights significant trends in Corporate Social Responsibility (CSR) in India and coincides with a notable increase in profits for over 33,000 companies (between 2020-23).

The report further indicates that more than 56% of companies not only met their legally mandated 2% CSR expenditure but went beyond it, reflecting a shift towards longer-term [projects that focus on impactful](#), sustainable initiatives rather than one-off donations.

Since the introduction of the CSR law nine years ago, over [INR 1.84 lakh crore](#) has been cumulatively spent by more than 30,000 companies – making capital from CSR a significant source of development finance. The report shows that [CSR spending](#) has increased threefold over the last nine years, with the last five years alone constituting more than two-thirds of total expenditures since the law's inception. This demonstrates a growing commitment from [businesses](#) to contribute to social initiatives and address societal challenges.

Despite the positive trends, the report also indicates that around 20% of companies, or approximately 4,860 firms, failed to meet their CSR obligations this year. However, this trend of unspent CSR funds may signal an important shift in the CSR

landscape. With recent regulatory amendments allowing the transfer of unspent [funds to “ongoing”](#) projects and the carryover of funds for up to three years, companies are strategically rethinking their approach. Rather than focusing on short-term or one-time donations, many corporates are now prioritizing larger, long-term programs that promise more sustainable and lasting impact.

Srikrishna Sridhar Murthy, Founder of Sattva Consulting, remarked, “The data reveals a significant transformation in how [businesses](#) view their role in society. Over the past decade, CSR has evolved dramatically; [companies are now adopting a problem-first approach that prioritises lasting impact over mere programmatic funding](#). We’ve moved from compliance-driven obligations to strategic instruments for systemic change, with over 56% of companies not just meeting, but exceeding their [legally](#) mandated 2% CSR expenditure. While there’s still work to be done, this commitment signals a [powerful](#) trend in leveraging CSR for genuine societal benefit.”

In its 5th year, the 2024 edition of the State of CSR in [India](#) report highlights key trends, including sector-wise and region-wise CSR investments, a detailed analysis of top funders’ spending by geography, and expenditures on aspirational districts. It also offers a [comprehensive review of CSR’s role in advancing India’s](#) Sustainable Development Goals (SDGs) and explores emerging areas such as climate action and livelihood enhancement projects. The insights equip decision makers with the critical information needed to [navigate](#) the evolving CSR landscape and make informed, sustainable decisions that drive measurable impact.

About Sattva Consulting

Sattva Consulting collaborates with governments, multilateral

organisations, [corporate CSR and sustainability](#) teams, foundations, philanthropies, non-profits, start-ups, and social organisations to effectively achieve social impact and environmental goals.

A deep understanding of various sectors and collaboration with multiple stakeholders drives their work. This approach enables clients to develop [holistic solutions](#) for addressing critical societal challenges. Sattva Consulting operates at the intersection of [knowledge](#) and practice, capital and impact, and global and local perspectives. They are committed to uniting diverse stakeholders to co-create effective, inclusive, and sustainable models of change that augments collective impact.

India Data Insights (IDI) is an initiative of Sattva Consulting that empowers [India's](#) development sector with actionable, ready-to-use data insights, enabling sharper decision-making and maximizing impact. The State of [CSR](#) Report 2024 is the fifth edition of their annual analysis of CSR funding in India.