

Gujarat third biggest beneficiary of CSR funds

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Vadodara: With Rs 7,140 crore allocated by more than 3,000 companies in the last five years, Gujarat has emerged as the third largest recipient of corporate social responsibility (CSR) funds in the country, after Maharashtra and Karnataka.

Compared to 2018-19, when the state saw Rs 1,082 crore of CSR funds spent, there was an 86% increase in CSR spending to Rs 2,008 crore by 2022-23.

These are the findings of the Gujarat CSR Performance Report 2018-2023, the latest report by Vadodara-based Fulcrum – Capitalising CSR, a consulting and research firm.

The report, released on Friday, states that from Rs 1,604 crore spent in 2021-22, Gujarat witnessed a 25% increase in CSR spending in 2022-23.

Most CSR spending in the last five years went towards education (Rs 2,437 crore), healthcare (Rs 2,217 crore) and rural development (Rs 513 crore).

"We are witnessing a new era where Gujarat's CSR funding is driving meaningful change in communities. The state's focus on education, healthcare and sustainability is not only improving lives but also building a more

equitable future," said Arun Mathai Murette, co-founder and co-CEO of Fulcrum.

CSR investment in education nearly doubled from 2018-19 to 2022-23, as most corporate houses took up renovation of schools, gave scholarships to support poor students or enhanced the quality of education through teacher training programmes.

At Rs 2,437 crore, CSR expenditure on education represents 34% of the state's total CSR expenditure.

Significantly, Ahmedabad tops the chart with Rs 1,740 crore of CSR investment, followed by Vadodara (Rs 452 crore), Surat (Rs 396 crore), Bharuch (Rs 320 crore) and Valsad (Rs 233 crore).

In contrast, Mahisagar district, which was carved out of Panchmahal and Kheda districts and became the state's 28th district Jan 2013, is at the bottom with less than Rs 1 crore of CSR investment.

"Despite growth, districts such as Mahisagar, Dwarka, Chhota Udepur and Aravalli have seen less industrial CSR spending," said Parthesh Vyas, co-founder and co-CEO of Fulcrum.

"Companies should target underfunded districts to ensure more inclusive distribution of CSR funds, focusing on aspirational districts such as Narmada and Dahod," he said. Since most companies prefer to carry out CSR projects near their factories and offices, rural districts with negligible industrial presence have received the least CSR funding.

The report highlights that as the Union and Gujarat govts increased their budget allocation for rural infrastructure, corporate houses have abstained from duplicating this and shifted their CSR funds to other developmental sectors. CSR investment in rural development projects has shown a consistent decline since 2018-19.