

Technology News / Latest Technology News / Corporate

Corporate » CSR Wipro sattva ministry of corporate affairs Infosys

Bengaluru gets lion's share of CSR budgets: Report

Most backward areas crying for funds get less than 1%, shows study

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An analysis by consultancy firm [Sattva](#) on how Karnataka-based companies have spent their [corporate](#) social responsibility (CSR) funds reveals a bias in favour of Bengaluru, home to thousands of technology companies and new-age startups.

About a third of funds (27%) spent between 2014 and 2018 went to Bengaluru and the surrounding areas, as reported officially, while the most backward areas like Yadgir, Haveri

and Koppal received less than 1% of funds, according to Sattva's findings. There is no proper disclosure on where 64% of the funds spent went, and analysts estimate three-fourths of it would have gone to Bengaluru and its surroundings.

The analysis of CSR funds, done based on the data from the [Ministry of Corporate Affairs](#), shows [Wipro](#) (₹596 crore), [Infosys](#) (₹416 crore) and HAL (₹103 crore) were the top three contributors in Karnataka for the said period. The state contributes to 9% of the total CSR funding in India. About 3,588 companies in the state (again 9% of all companies in India) participate in the CSR initiatives.

This has been the case despite backward districts in northern Karnataka lagging behind in most of the socioeconomic parameters. For instance, according to a report by EdelGive Foundation, the primary school dropout rate is the highest in the Kalyana Karnataka (Hyderabad-Karnataka) region. Yadgir has 12.3% dropout as against 2.9% in Bengaluru. Schools lacking toilets, drinking water and handwashing facilities are mostly found in Shivamogga, Bijapur and Yadgir; yet what these districts get in terms of non-government funding is nowhere close to what the schools in and around Bengaluru get.

Of the ₹5,024 crore CSR funds available for development in Karnataka, ₹975 crore was spent on education sector alone, followed by ₹515 crore on environmental sustainability, while causes such as hunger, poverty and malnutrition got just ₹73 crore, revealing how CSR funds often do not reach certain important segments.

The Karnataka CSR Summit, jointly organised by Sattva Consulting and Dhvani Foundation at Bangalore International Centre on Friday, highlighted some of the funding concerns and brought various stakeholders including the government, companies and nonprofits to work on diversification on a single platform to promote effective partnerships.

Arghyam Foundation chairman Rohini Nilekani suggested at the event that corporates go beyond providing quick solutions to current problems and also build capacity for non-profits to work on long-term sustainable solutions. "The focus of companies remains mainly on funding for projects while not fully supporting overheads. The CSR funds should also give core institutional support to nonprofits that are working for the cause."

She said the institutional support to organisations will help them work on innovation and sustainability without worrying much about future funding. "Funding must go beyond mere service delivery and focus on real change on the ground," Nilekani said.

Development commissioner Vandita Sharma acknowledged that CSR funds were going in a skewed manner and said the government was in the process of setting up a committee of various departments to identify their needs for effective channelisation of CSR funds.

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