

CSR Funding Shifts Beyond Metros: Industrial Hubs Up 120%, Tier-2 Cities 55%

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Corporate Social Responsibility (CSR) funding in India is undergoing a decisive geographic shift, with corporate philanthropy steadily moving beyond the metros into India's emerging Tier-2 cities and industrial belts. According to '[CSR's Next Act: How the Coming Decade Will Redefine Corporate Impact](#)', the seventh edition of Sattva Consulting's annual *State of CSR in India* report, CSR inflows to industrial hubs have grown 120% and to Tier-2 cities by 55% over the past three years, signalling a structural reorientation in India Inc's social investments.



Sattva Consulting launches its Annual State of CSR report, highlighting India's shifting corporate giving landscape

Tier-1 city districts still absorb nearly 30% of total CSR funding, with neighbouring clusters accounting for another 3%. Yet, the once-dominant grip of metros is loosening. Cities with populations between one and two million have nearly doubled their CSR share (from 13.5% to 16.2% between FY 2022 and FY 2024), while industrial districts now attract 7.4% of total CSR allocations, up from 4.4% two years ago. The pace of growth in these regions has outstripped the overall 30% rise in CSR spending nationally, according to the report.

*"Corporate India is clearly looking beyond traditional centres of philanthropy," said **Srikrishna Sridhar Murthy, CEO & Co-founder, Sattva Consulting.** "From Vadodara to Madurai, we're seeing companies anchor their giving where they operate – industrial clusters, manufacturing corridors, and smaller cities. This shift is deeply encouraging for the vision of Viksit Bharat, a future where development capital flows to*

every district, not just a few. It's an important step towards localising impact."

The report notes that while CSR funding has become more geographically diverse, equity in distribution remains limited. Over the past three years, 193 districts have absorbed three-quarters of all district-level CSR funding, and nearly 90% of this money flows into areas with low poverty levels. Only three of India's 54 high-poverty districts feature among the top CSR recipients.

Funding in Aspirational Districts has risen threefold over the past decade, from 1.3% of total CSR inflows in FY 2015 to 4.5% in FY 2024, driven by a steady rise in private-sector participation. Larger corporates, particularly in BFSI, energy, and mining, are beginning to channel a growing share of their CSR outlay, around 5%, towards these underdeveloped regions. Public-sector companies continue to play a pivotal role, directing 11% of their CSR budgets to Aspirational Districts, nearly three times the private-sector average.

"The geography of philanthropy is shifting, and the opportunity ahead demonstrates deepening, not just diversifying of India's CSR footprint," added **Krishna**.

The annual State of CSR report is the most comprehensive analysis of CSR spending in India. It draws from MCA's annual report of 21,489 companies and includes analysis of their individual annual reports. Among other insights from the report, the study finds that global firms 'punch above their weight', delivering higher impact through focus and

scalability, while India's large corporations and PSUs drive breadth and depth through significant local investments. It also notes that non-NGO partners are on the rise, with nearly one-fifth of all CSR funding in FY 2024 channelled through institutions such as universities, hospitals, and incubators, and over 60% of large corporates now implementing flagship programmes through their own foundations.

About Sattva Consulting

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