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Why 60% of Manufacturing CSR Stays Within Plant Districts

March 2026

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India Data Insights (IDI), an initiative by Sattva Consulting, aims to empower India's development sector with actionable, ready-to-use data insights to enable sharper decisions and maximise impact. Built as a public good, IDI consolidates public data across SDG practice areas on one, unified platform, offering insightful visualisations, interactives, blogs and ready-to-use-charts and dashboards.

Acknowledgements

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Introduction

Deciding the location for CSR is one of the most critical business decisions. In **CSR's Next Act 2025**, we identified a clear structural pattern in India's CSR landscape: corporate philanthropy is geographically anchored. More than 40% of total CSR spending remains within companies' home states. At the same time, industrial districts have emerged as significant recipients of CSR capital, with spending in these districts growing by more than 120% over the past three years. We dive deeper into this analysis to assess whether CSR spending is strategically concentrated in the districts where companies operate their production facilities. This is the first in a series of analytical pieces that build on the trends identified in **CSR's Next Act.**

This analysis is important for all stakeholders:

- **For CSR leaders**, it shapes how portfolios are structured and how impact is assessed.
- **For non-profits**, it influences where capital is likely to accumulate and where competition for funding may intensify.
- **For ecosystem actors**, it signals whether industrial growth (across manufacturing) is reshaping the geography of social investment at the district level.

Although the term "place-based CSR" can be interpreted broadly, this analysis adopts a precise operational definition: ***CSR spending directed towards the districts where a company maintains active manufacturing facilities.***

To test this hypothesis, we analysed 98 manufacturing companies across 15 industries, collectively accounting for approximately ₹13,680 crore in CSR spending from FY2021-22 to FY2023-24. These companies operate more than 750 manufacturing facilities across 289 districts in India. By mapping plant locations against 6,455 CSR projects, we assess the extent to which CSR capital aligns with operational geography. A detailed methodology is provided in the annexure.

Why the manufacturing industry?

Manufacturing provides a strong sample to examine this trend. Unlike service-based enterprises, these firms are deeply embedded in their local environments. Production facilities depend on land, water, energy, transport networks, and regional labour markets, and their economic and environmental footprint is visible and long-term. In such contexts, community stability is closely linked to operational continuity. CSR in these districts may therefore function not just as compliance, but as localised investment, aligned with business presence.

The evidence suggests that geography is a critical factor to CSR in the manufacturing sector. In that case, industrial expansion is not only transforming local economies, but influencing where social capital flows, how it is concentrated, and how it may need to be coordinated in the years ahead.

Location is a Strong Anchor for CSR Among Manufacturing Companies

Among projects that disclose their districts (76% of all projects), 57% of CSR spending occurred in districts where companies operate manufacturing facilities, referred to here as **Plant Districts**. Even after accounting for projects without district-level detail, approximately 35% of total CSR spending can still be directly attributed to these districts (Exhibit 1). The concentration is therefore material, representing more than one-third of all CSR outlays across the three-year period.

Exhibit 1

CSR Spend by Project (FY 22-24)*

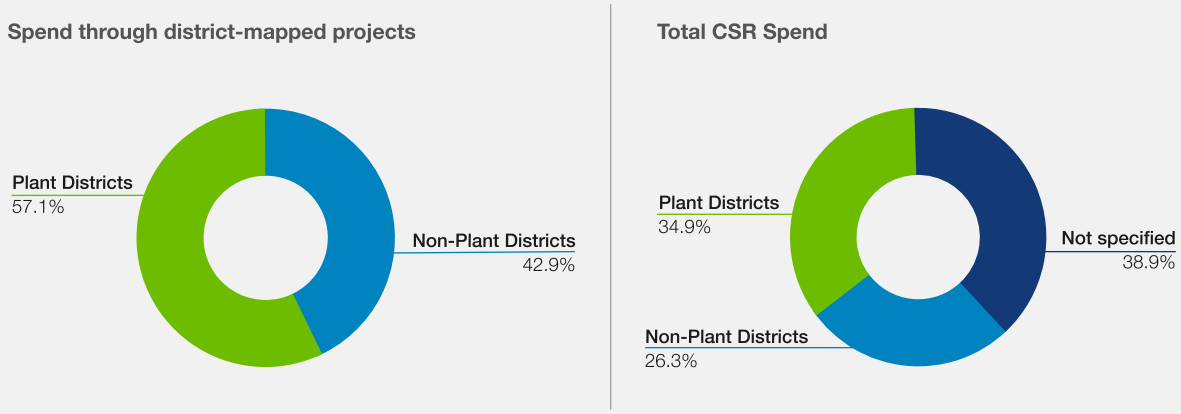

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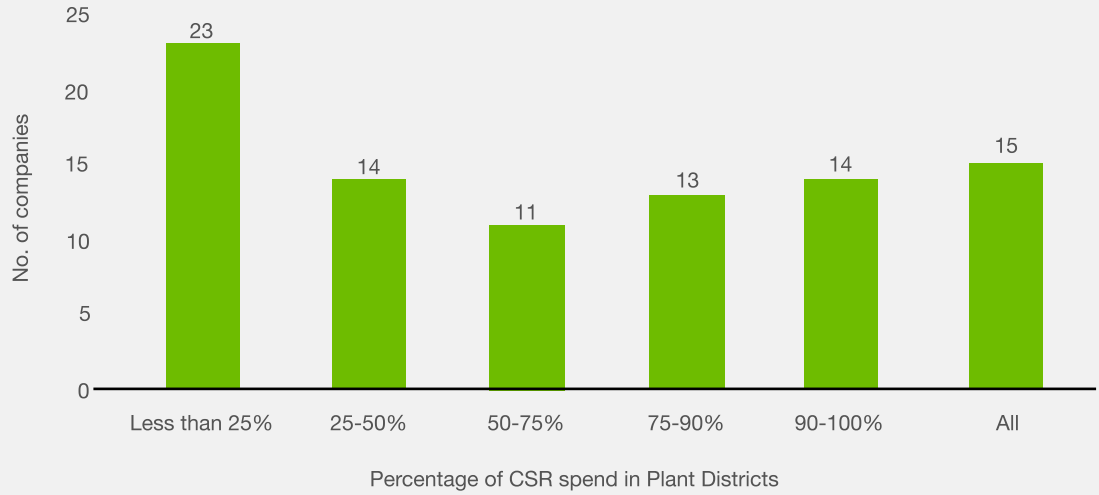
Exhibit 2

Distribution of companies by share spent in Plant Districts*



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All graphs are for FY 2021-22 to FY 2023-24 unless specified otherwise

This pattern is stronger when examined at the company level. Nearly 92% of companies maintain some level of CSR investment in their manufacturing districts (Exhibit 2). One in every two companies allocates more than half of its district-disclosed CSR spending to Plant Districts. 15 companies, or roughly 15% of the sample, direct 100% of their district-disclosed CSR spending to these operational geographies. While around one-quarter of companies spend less than 25% locally, approximately 43% of companies allocate more than three-quarters of their funds in plant districts.

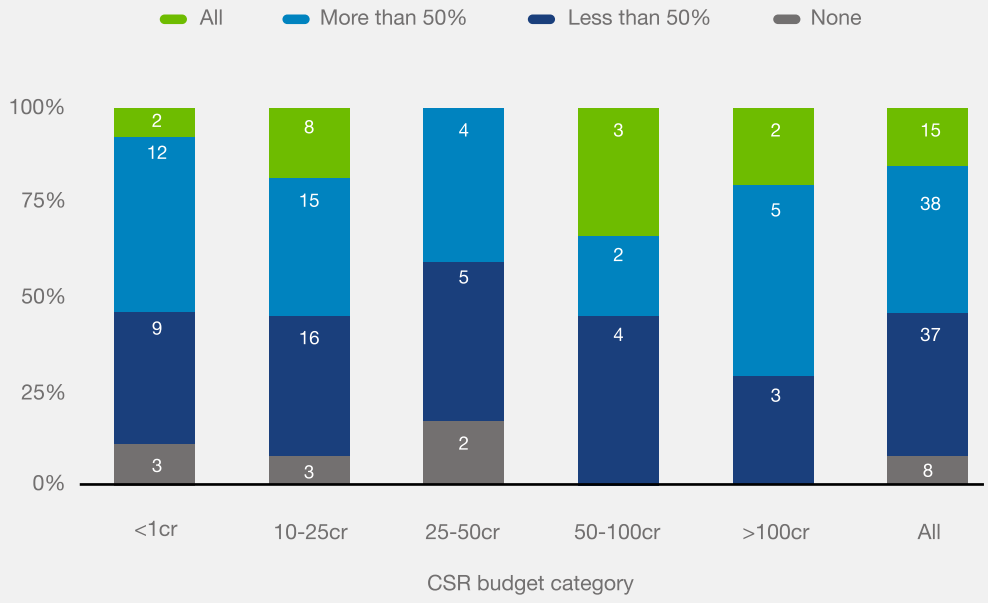
This anchoring is visible across budget categories as well. All firms spending more than ₹50 crore annually allocate some CSR to Plant Districts. In the ₹100 crore and above category, 70% of companies deploy more than half of their CSR budgets locally (Exhibit 3).

As CSR budgets increase, geographic concentration does not dilute. It remains stable and, in higher budget bands, intensifies. By anchoring investments to plant locations, companies can directly address localised externalities, build essential community trust, and cultivate goodwill among critical regulatory and political stakeholders. This localisation also allows firms to foster a resilient talent pipeline, ensuring that the community perceives the business as a partner in regional growth.

The evidence indicates that CSR allocation among manufacturing firms is closely aligned with operational footprint across 289 districts. In districts where companies maintain long-term production assets, social investment appears to follow.

Exhibit 3

CSR spend in Plant Districts by budget*



Note: The bars represent percentage of CSR spent in Plant Districts in each budget category. The numbers inside the bars represent no. of companies.

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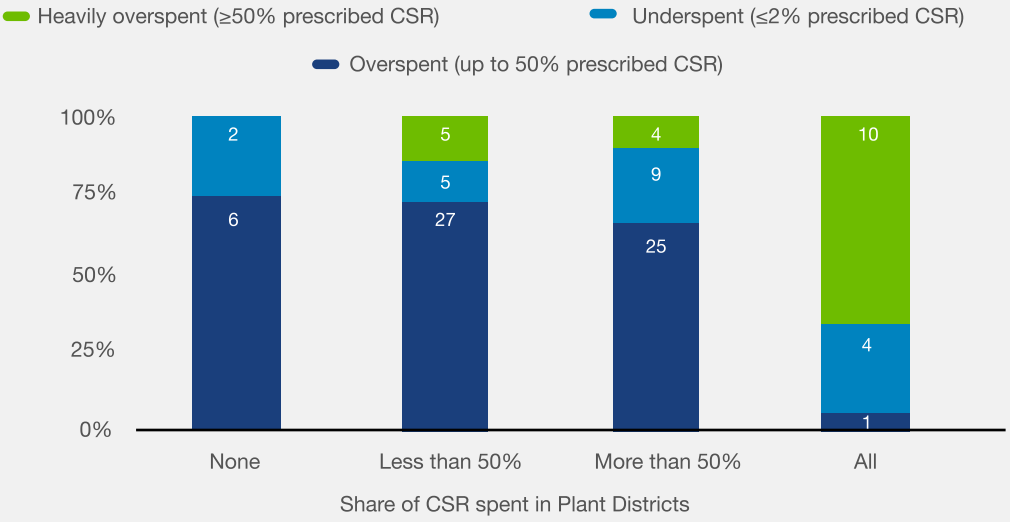
A further dimension emerges when examining compliance behavior. Companies with stronger Plant District concentration are more likely to exceed their prescribed CSR obligations. 51% of companies with high local focus spent at least 50% more than their mandated CSR requirement (Exhibit 4), indicating that more than half of locally concentrated firms are operating above compliance thresholds. This concentration suggests that as financial commitments scale, firms leverage their physical presence to ensure enhanced project governance and deeper strategic alignment with the local ecosystem.

For manufacturing companies, geography is not a secondary consideration in CSR deployment. It is a central organising factor, turning proximity into a catalyst for heightened social investment.

Exhibit 4

CSR compliance by share spent in Plant Districts*



Note: The bars represent the breakup of overspenders in each category. The numbers inside the bars represent no. of companies.

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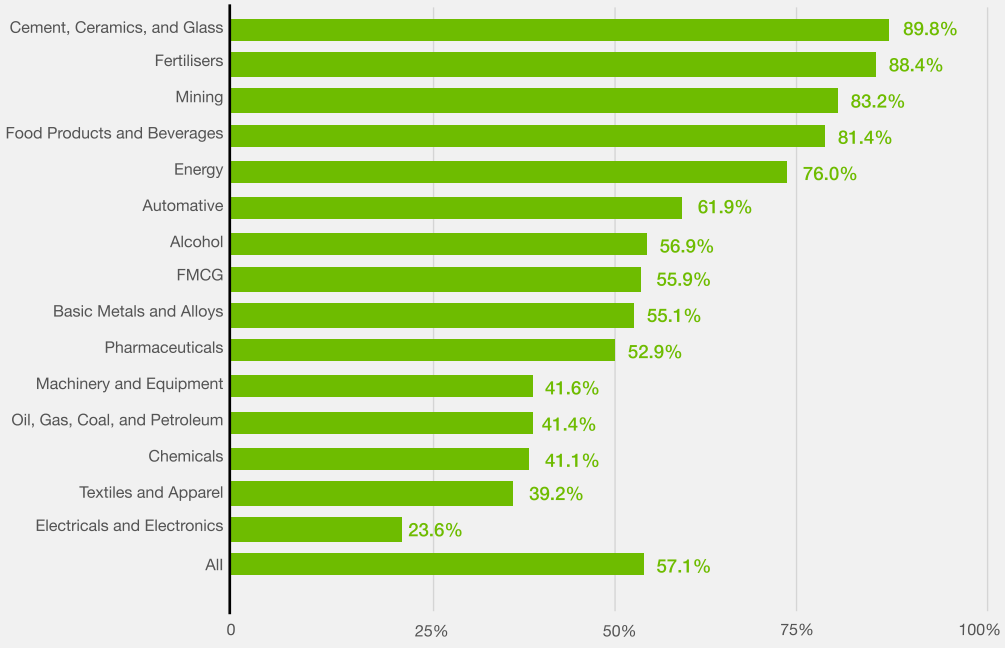
Industry Patterns: Natural Resource Intensity and Geographic Concentration

The extent of place-based CSR varies significantly across industries. Across Mining, Food Processing, Energy, and Cement, at least two-thirds of district-disclosed CSR remains within operational geographies (Exhibit 5).

Exhibit 5

Industry-wise CSR spend in Plant Districts*



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For extraction-heavy businesses, locally-concentrated CSR functions as risk mitigation and grants "Social License": the environmental footprint necessitates visible local reinvestment to preempt disruption and maintain community trust.

In contrast, Electronics, Chemicals, and Textiles direct less than half of their CSR budgets to Plant Districts, owing to a lower geographical dependence and fewer site-specific externalities.

Consumer-facing manufacturing sectors such as automotive, alcohol, and FMCG cluster around the middle of the range (close to the 57% average). They seem to operate on a hybrid model, balancing the need for local operational stability with the necessity of reaching a wider national consumer audience through non-localised social initiatives.

Across sectors, geographic concentration ranges from approximately 20% to more than 80%, indicating substantial industry-level variation. **The more resource-intensive and location-specific the industry, the stronger the alignment between production geography and CSR spending.**

*All graphs are for FY 2021-22 to FY 2023-24 unless specified otherwise

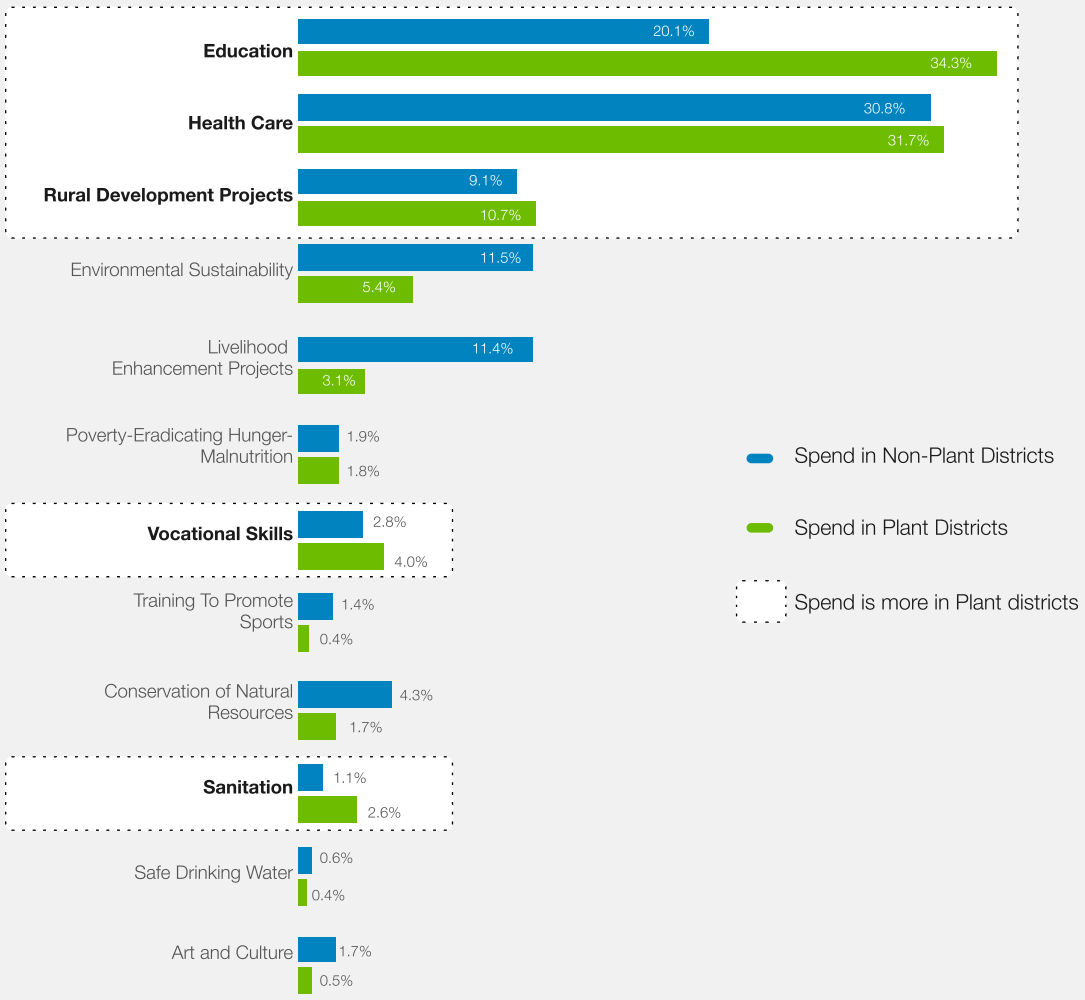
Place-based CSR prioritises core social services for economic stability

Geographic anchoring is accompanied by distinct thematic priorities. In Plant Districts, Education, Healthcare, and Rural Development account for more than three-fourths of CSR spending, compared to 60% in Non-Plant Districts (Exhibit 6).

In contrast, the share allocated to livelihood development and environmental initiatives account for roughly double the share in Non-Plant Districts. However, within livelihood initiatives, spend towards vocational skills in Plant Districts is 4% compared to 2.8% in Non-Plant Districts, indicating corporate priorities towards upskilling the existing workforce in areas where they operate.

Exhibit 6

Sectoral distribution of CSR*



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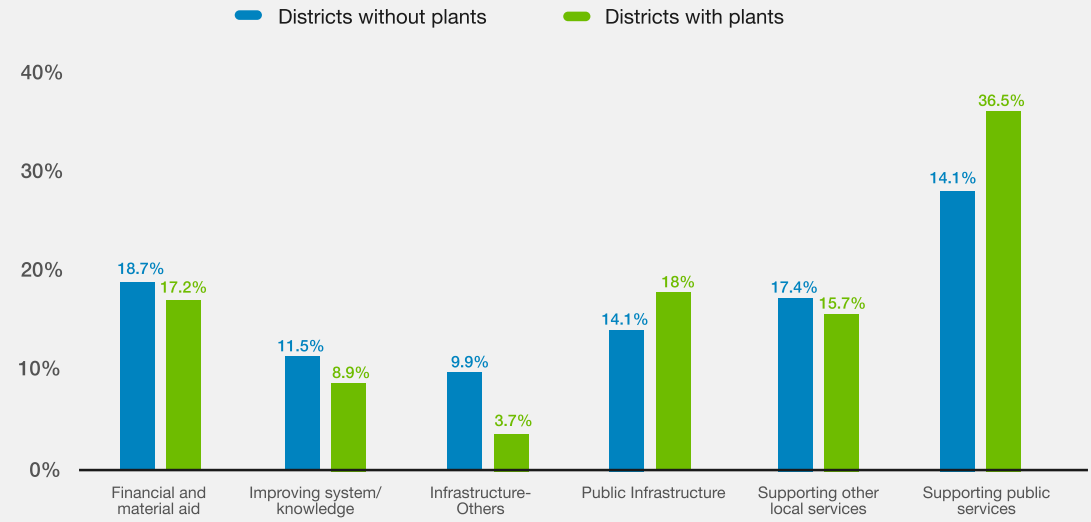
Project-level classification across 6,455 projects indicates a high degree of spending concentration within specific interventions. For instance, Infrastructure spending is concentrated. Between FY 2021-22 and FY 2023-24, 26% of infrastructure funding in Plant Districts was directed towards **six large rural development projects.**

Within Supporting Public Services, healthcare accounts for 31% of spending, while education accounts for 28%. Together, these two categories account for nearly three-fifths of service-oriented CSR activity in manufacturing districts.

Exhibit 7

Project distribution in Plant and Non-Plant Districts*



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Overall, place-based CSR in manufacturing districts is structured around tangible service delivery and public infrastructure support. The allocation patterns are quantitatively skewed toward Education, Healthcare, and Rural Development. These choices show that place-based CSR in manufacturing districts function more as ecosystem stabilisation, de-risking operations by strengthening the social and civic systems on which plants depend.

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Further Opportunities for Research

The findings confirm that geographic alignment is a defining feature of manufacturing CSR. With 57% of district-disclosed CSR spending and 35% of total CSR spending concentrated in Plant Districts, the operational footprint shapes capital allocation.

In industries such as Mining, Energy, and Cement, where more than 70% of CSR spending is locally anchored, the relationship between operational intensity and social investment is particularly pronounced.

The overspending analysis reinforces this pattern. 51% percent of companies with strong local concentration exceed mandated CSR thresholds by at least 50%. The overlap between geographic concentration and financial intensity suggests that proximity may influence spending behavior.

At the same time, thematic concentration indicates that 77% of CSR spending in Plant Districts is directed toward Education, Healthcare, and Rural Development, while only 15% is directed toward livelihoods and environmental initiatives. This distribution highlights the orientation of place-based CSR toward immediate service reinforcement rather than longer-term systemic transformation.

The data therefore reveals two simultaneous characteristics. First, **CSR in manufacturing is structurally aligned with operational geography** across the 289 Plant districts in our sample. Second, within those districts, **spending is concentrated in visible, service-oriented sectors.**

Looking Ahead

The analysis indicates that CSR in manufacturing is becoming increasingly aligned with operational geography, with social investment flowing towards regions where firms maintain long-term production assets. This proximity reflects the interdependence between industrial operations and the local communities, institutions, and ecosystems that sustain them. In many contexts, such locally-anchored investment can strengthen community trust and reinforce the social legitimacy that supports continued industrial activity.

As this alignment deepens, it also creates an opportunity to evolve from geographically proximate project portfolios towards more intentional place-based strategies. Industrial districts function as production centres as well as interconnected systems of livelihoods, public services, and natural resources. Recognising these linkages allows social investment to simultaneously support local economic participation, environmental resilience, and essential service systems, strengthening the overall stability of the regions that host industrial activity.

The continued evolution of place-based CSR can build on existing geographic concentration and deepen its developmental contribution through integrated, regionally anchored approaches. Such efforts can position corporate responsibility as a constructive partner in sustaining the economic vitality, social well-being, and ecological resilience of the places that enable industrial growth.

Annexure

Annexure 1- Methodology

1. Sample Selection

To ensure a representative cross-section of the industrial landscape, we employed a multi-stage sampling strategy:

- **Scope**: We identified **15 core manufacturing industries** as the primary focus of this study. Within these industries, we shortlisted **290 companies** that had a minimum cumulative CSR expenditure of **₹10 crore** across FY 2021-22, FY 2022-23, and FY 2023-24, using MCA data.
- **Systematic Sampling:** To maintain a balanced representation of company sizes, we applied a systematic sampling technique, selecting **every third company** ranked by total expenditure within each industry. This process yielded a final sample of **98 companies**. Collectively, these firms accounted for **~₹13,680 crore** in CSR spending over the three-year period, representing **32.4%** of the total CSR spend within these 15 industries.
- **Proportional Representation:** The industrial distribution was maintained; for instance, the sample includes 14 pharmaceutical firms compared to 4 fertiliser companies, accurately reflecting the broader industrial distribution.

2. Mapping of Manufacturing Facilities

To test the place-based hypothesis, we moved beyond corporate headquarters to map physical operational sites:

- **Site Identification:** We identified **750+ manufacturing locations** across the 98 sampled companies, primarily through information available on their own websites. The scale varied significantly, ranging from single-site entities to companies with over 50 distinct facilities.
- **District-Level Granularity:** Each facility was mapped to its specific **district**, which was then compared to the project-level CSR data of each company to quantify correlation between manufacturing districts and districts where CSR projects were undertaken.
- **Geographic Distribution:** Our mapping spanned **289 districts**. While 26% of these sites are situated in districts with major urban centres, 74% are in specialised manufacturing hubs or other districts.
- **Verification:** We utilised **AI** to scrape and categorise location data, followed by a complete and rigorous **manual validation** process.

Annexure 2- Limitations

- Data is sourced from the Ministry of Corporate Affairs (MCA) CSR website and used "as-is" without correcting for reporting errors.
- Only CSR spending where a particular district was reported was considered for the analysis. Multi-district or state-level projects (~39% of spend) were excluded as specific local districts could not be verified.
- Analysis of project types is based on project descriptions as reported on the CSR website, along with the specific development sector to which the project is tagged; ~20% of projects remain uncategorised due to insufficient data.
- Plant locations are sourced directly from company websites and include joint ventures or varied ownership forms where reported.

- The data set reflects website information at the time of research and does not account for recent plant closures or new openings.
- Analysis is strictly confined to the specific district where a facility is located, though corporate "place-based" strategies may naturally extend to neighboring or border districts.
- Each district is treated as a singular "place"; the analysis does not measure the exact proximity of project sites to manufacturing plants within those district borders

Annexure 3- Project classification into Infrastructure, Supporting Services and Others

Percentage of total	Project Category	Number of projects	Examples of projects
27.6%	Supporting public services	1,770	Rural development, drinking water facilities, solid waste management, medical camps
20.5%	Other / Unclear	250	Projects without proper descriptions like “Education”, “Medical”, “Programme Partnerships”
14.5%	Financial and material aid	844	Scholarship, contribution to government funds, distribution of food, relief work
12.9%	Supporting other local services	1,254	Women empowerment, Livelihood, upliftment of backward communities, recycling, agriculture
10.5%	Public infrastructure	1,082	Village development, renovation of towns, infrastructure support for govt hospitals, schools and public spaces
8.6%	Improving system/ knowledge	789	Skill training, capacitybuilding, developing innovative techniques, contribution for research work
5.5%	Infrastructure-Others	466	Tree plantation, infrastructure support for private hospitals and schools
100%	**Grand Total**	**6,455**	


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