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A Comparative Study of CSR Expenditures in Public and Private Banks in India: Aligning CSR Initiatives with the Sustainable Development Goals (SDGs)

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ABSTRACT
This study evaluates Corporate Social Responsibility (CSR) practices in India's banking sector. Although recent CSR research highlights various contextual and organizational factors that link CSR to corporate performance, few studies specifically address the extent and nature of CSR activities carried out by banks under CSR Act of 2013. The private banks in India comes under Company Act, it is mandatory to spend minimum two percentage of their average net profits from the preceding three years to CSR activities. Otherwise, the public banks are following the National voluntarily guidelines, 2009, where CSR is voluntarily in nature, it may contribute up to one percentage of their published profits from the previous year. Using longitudinal data from 12 banks between 2014-15 and 2023-24, our findings indicate that public and private banks are actively involved in CSR initiatives. Public banks lead in the number of activities aligned with the CSR Act, while private banks surpass public banks in terms of CSR spending. Additionally, a strong correlation exists between CSR expenditure and net profit. The study further demonstrates that CSR initiatives play a significant role in advancing the Sustainable Development Goals (SDGs). This study addresses a gap in CSR research by demonstrating that bank's engagement in CSR spending supports underserved sectors of the economy, with CSR investments correlating with net profit and contributing to the creation of intangible assets for the business.
Keywords: *Corporate Social Responsibility, SDG, CSR Expenditure, Public Banks, Private Banks, Net Profit, CSR Activities.*

1. Introduction:

As public awareness of environmental issues grows, businesses are increasingly developing strategies for sustainable management practices. Businesses play a crucial role in creating jobs and generating wealth, but when they fail to act responsibly, they can also harm society and the environment. Corporate Social Responsibility (CSR)/ Sustainability serves as a safeguard, promoting actions that are both socially conscious and environmentally sustainable, helping to minimize potential negative impacts while fostering long-term positive change (Fallah Shayan et al., 2022; Yadav et al., 2020). CSR is linked to a rich and varied history (Latapí Agudelo et al., 2019). While the origins of the notion currently known as CSR are extensive and multifaceted, most of its development may be attributed to the 20th century, particularly the period from the early 1950s to the present (Carroll, 2009; Elembilassery, 2023; Lazzini et al., 2023). Corporate social responsibility has never been so important. In recent years the impact of corporations on our world has become undeniable. Commonly two main justifications are given by corporate managers for engaging in CSR initiatives. Some managers contend that these actions are appropriate because it is good for the company, and second, argue that taking part in CSR is the right course of action (Chaffee, 2017). Before the rise and dominance of corporate business organizations, concepts and practices of CSR were commonly known as 'social responsibility' (SR) (Carroll, 2009). While CSR is primarily voluntary, it also has a normative component that results from market and social pressures (Halkos & Nomikos, 2021). When examining the elements that contributed to the development of CSR standards and laws, sources and drivers can be distinguished. "Sources" are the elements that contribute to the normative substance (e.g., sources of law in a broad sense that includes voluntary codes of conduct, ethics, and values). Actors are motivated to act on sources by elements known as drivers (Žėkienė & Ruzevicius, 2012). As globalization and multinational enterprises (MNEs) have expanded, there has been a growing expectation for corporations to be accountable for their environmental and social impacts, as well as to provide greater transparency about non-financial risks, collectively referred to as CSR (Berger-Walliser & Scott, 2018). In Europe, USA, and the Pacific Ocean region now account for hundreds of socially responsible funds (Žėkienė & Ruzevicius, 2012). Meanwhile, in a trend known as the "legalization of CSR," governments have started imposing increasing restrictions on formerly voluntary CSR engagement. Over the past decade, new mandatory obligations have been introduced worldwide, either explicitly designated as CSR or widely recognized as such (Berger-Walliser & Scott, 2018). CSR is positively and indirectly linked to the intention to apply, mediated by corporate reputation (Tien Thanh et al., 2024). The impact on sustainability has become increasingly visible to stakeholders, driven by faster and more efficient communication through social media and the internet (Ramtiyal et al., 2024).

In 2009, the Ministry of Corporate Affairs (MCA) in India introduced voluntary CSR guidelines, which reflect stakeholder theory by recommending that companies adopt a CSR policy that prioritizes 'care for all stakeholders' as a core element. The revised 2011 guidelines encouraged businesses to adopt a 'triple bottom line' approach and provided principles for responsible corporate conduct, emphasizing the need for ethics, transparency, and accountability. Significantly, in 2013, India has progressed beyond voluntary guidelines by introducing a mandatory CSR policy that requires companies with a specified net worth to create a 'Corporate Social Responsibility Policy' and dedicate at least two percent of their average net profits to related initiatives. In 2019, an amendment to the CSR provisions under Section 135 of the Companies Act 2013 was introduced. Under this amendment, if a company fails to utilize the allocated funds for CSR activities, it is required to transfer the unspent amount to a designated fund listed in Schedule VII. Non-compliance with these regulations incurs a penalty ranging from a minimum of ₹50,000 to a maximum of ₹25 lakhs. This study presents a novel perspective on Corporate Social Responsibility (CSR), enhancing our comprehension of its significance and influence in the current business environment. This study investigates the CSR activities under CSR act 2013 and analyze the CSR initiatives undertaken by the public and private banks (Pub & Pvt) in India. The study further investigates the CSR budgets and expenditures of the selected Pub & Pvt banks, meanwhile showing the relationship between net profit and CSR investment. Finally, we examine how Corporate Social Responsibility (CSR) activities align with the Sustainable Development Goals (SDGs), highlighting the ways in which these initiatives can contribute to achieving broader global sustainability objectives.

2. Review of literature:

Corporate social responsibility (CSR) has garnered great attention from academics and business leaders since the 1950s, rare is known about how to implement it, and most of it remains unexplored in studies (Fatima & Elbanna, 2023). No business operates in isolation; its interactions with the environment and society inevitably impact both (Uwuigbe et al., 2018). For decades, stakeholders, customers, and investors have demanded greater transparency from companies, leading to ascending sustainability reporting as a key tool to meet these needs (Barrena Martínez et al., 2016). Mandatory, voluntary, or sustainability reporting (SR) and ESG disclosures facilitate to sharing of information about the environmental, economic, and social impacts of business activities (Nyantakyi et al., 2023). CSR reporting helps reduce information asymmetry and enhance transparency (Hamrouni et al., 2022). Business Responsibility (BR) and SR significantly boosted revenue generation (Alhawaj et al., 2023; Mohamed Buallay et al., 2023; Uwuigbe et al., 2018). A firm's performance can be assessed through both financial and non-financial perspectives (Alatawi et al., 2023; Liu, 2023). CSR is an activity that can differentiate one company from its rivals. It stems from the vision and ideals of top management (Beji et al., 2021). Extrinsic CSR activities or strategic CSR, are characterized by an organization's underlying goal of receiving compensation for its efforts to benefit direct and indirect stakeholders (Story & Neves, 2015). Because of the significant effort and resources devoted to its strategic execution, corporate social responsibility (CSR) is becoming recognized as a strategic issue. Academics must address this expanding organizational interest (Bansal et al., 2015; Zerbini, 2017). The implementation of CSR is like any other strategy vital for achieving organizational goals. In line with this, a growing number of scholars over the past decade have begun to focus on how CSR is executed within organizations, laying the groundwork for future research (Baumann-Pauly et al., 2013; Du & Vieira, 2012). In this study, we examine the CSR activities carried out by selected Pub & Pvt banks in India, outlining the budget recommended by the CSR Act or RBI guidelines and analyzing the actual amounts spent by these banks from 2014-15 to 2023-24. We compared the CSR spending of public and private banks, analyzed CSR expenditures as a percentage of profit, identified instances of under- or overspending, and examined the relationship between CSR expenditure and net profit. This study offers a comprehensive analysis of CSR activities within India's banking sector, providing key insights into how actual CSR spending aligns with the guidelines set by the CSR Act or RBI. This study will be helpful for policymakers, bank management, and stakeholders to make decisions on strategically allocating CSR resources to achieve social and financial benefits.

2.1. CSR rules and regulations in India:

Poverty, unemployment, poor working conditions, and gender inequality are pressing challenges in emerging economies. To encourage corporate involvement in addressing these issues, India has made corporate social responsibility (CSR) spending mandatory since 2014 (Bhattacharyya & Rahman, 2020; Kapoor & Dhamija, 2017). This requirement aims to ensure businesses contribute to creating a fair society and promoting sustainable economic development. Section 135 of the Indian Companies Act 2013 was the first legislation worldwide to mandate CSR spending. This section mandates that all listed companies with an annual turnover of ₹10 billion or more, a net worth of ₹5 billion or more, or a net profit of ₹50 million or more in any financial year must allocate at least 2% of their average net profits from the previous three years to CSR activities, as outlined in Schedule VII of the Companies Act (Bhattacharyya & Rahman, 2020; Verma & Kumar, 2014). The study identified two key criteria regarding CSR practices among banks. Public banks consistently adhere to the voluntary guidelines set forth by the Reserve Bank of India (RBI) when formulating their CSR budgets, allocating funds to activities specified in the CSR Act of 2013, and reporting their expenditures accordingly. In contrast, private banks follow the CSR Act of 2013 for their budgeting, spending, and reporting processes. In India, Corporate Social Responsibility (CSR) has become mandatory for certain companies, including private banks (registered under the Companies Act, 1956, or the Companies Act, 2013), under the Companies Act, 2013 (Kapoor & Dhamija, 2017). Public Sector Banks are not registered under the Companies Act, so the provisions of Section 135 of the Companies Act, 2013, concerning Corporate Social Responsibility (CSR), do not apply to them. Instead, these banks adhere to the Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business (NVG-SEE) issued by the Ministry of Corporate Affairs, in line with Clause 55 of the Securities and Exchange Board of India (SEBI) listing agreement with stock exchanges (Kumar & Prakash, 2019; Mitra & Schmidpeter, 2017). It is important to note that the directives issued by the RBI in communication No. 237/2205-06 DBOD. No. Dir. BC 50/13.01.01/2005-06, dated December 21, 2005, are voluntary. Additionally, because Public Sector Banks are not registered under the Companies Act, the provisions of Section 135 of the Companies Act, 2013 concerning Corporate Social Responsibility (CSR) do not apply to them. These banks may contribute donations during a financial year, amounting to up to 1% of their published profits from the previous year. In the event of a loss, the bank is permitted to spend up to ₹5 lakh annually. The Business Responsibility Policy of public banks is grounded in the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business, which were issued by the Ministry of Corporate Affairs, Government of India, in July 2011.

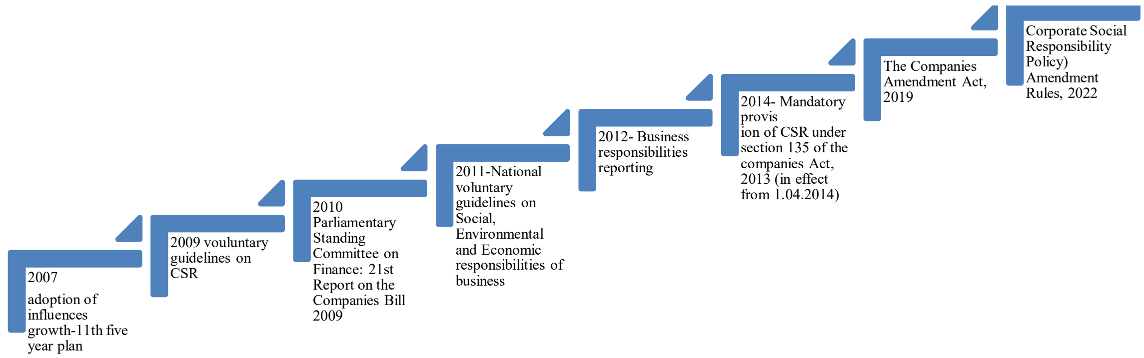


Figure:1 CSR rules in India
Source: Ministry of Corporate Affairs, Government of India.

2.2. CSR activities suggested in CSR Act: (CSR activities as outlined in Section 135, Schedule VII of the Companies Act, 2013)

Companies can allocate a portion of their profits to various CSR activities, including: eradicating hunger, poverty, and malnutrition; promoting healthcare, including preventive health and sanitation; advancing education, including special education; enhancing vocational skills, particularly for children, women, the elderly, and individuals with disabilities; supporting livelihood enhancement projects; and promoting gender equality, as outlined in Figure 2.

Figure:2 Prescribed CSR activities
Source: As specified in Section 135, Schedule VII of the Companies Act, 2013

2.3. CSR Expenditure and Net Profit:

CSR expenditure and net profit are interconnected, as initial financial investments in CSR can yield long-term economic gains. Companies often allocate a portion of their net profit to CSR, which can bolster their reputation, draw in customers and investors, and potentially boost financial performance (Mahmuda & Muktadir-Al-Mukit, 2023; Mughal et al., 2021). While CSR spending involves costs, it may also offer tax advantages and aid in risk management, ultimately supporting overall profitability and business sustainability (Krieg & Li, 2021; Saeed & Sroufe, 2021). When a corporation actively participates in a large number of CSR initiatives, extensive CSR communication favorably improves perceptions of the company's social responsibility (Viererbl & Koch, 2022).

2.4. CSR and SDGs

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a collective vision for achieving peace and prosperity for people and the planet, both now and in the future. In the framework of "Transforming Our World: The 2030 Agenda for Sustainable Development" and its accompanying 17 Sustainable Development Goals (SDGs), countries are urged to collaborate and take decisive action to address pressing global challenges and promote sustainable development for all (Williams & Murphy, 2023). At its core are the 17 Sustainable Development Goals (SDGs), which call for urgent action from all countries—developed and developing alike—through global cooperation. These goals recognize that eradicating poverty and addressing other forms of deprivation must be integrated with efforts to improve health and education, reduce inequality, and promote economic growth, all while combating climate change and safeguarding our oceans and forests. CSR and the SDGs are mutually supportive, as both advocate for environmental protection and socioeconomic development. The SDGs provide a broader framework that helps corporations fulfill their CSR objectives more effectively on a global scale (Fallah Shayan et al., 2022). Corporate Social Responsibility (CSR) strikes a balance among economic interests, environmental requirements, and social expectations by embedding the principles of Sustainable Development into the business strategy (Behringer & Szegedi, 2016).

3. Research methodology:

3.1. Sample: This descriptive study aims to analyze the CSR expenditures of Indian banks by examining a sample of six public banks—State Bank of India, Punjab National Bank, Bank of Baroda, Indian Bank, Bank of India, and Central Bank of India—and six private banks—Housing Development and Finance Corporation, Industrial Credit and Investment Corporation of India, Axis Bank, IndusInd Bank, Industrial Development Bank of India, and Bandhan Bank—over the financial years from 2014-15 to 2023-24. Banking plays a pivotal role in influencing the country's economic growth and development (M. Sharma & Choubey, 2022) Longitudinal data can study change and stability over time, the underlying factors of atypical or rare developmental patterns (Chase-Lansdale et al., 1991; Greenhoot & Dowsett, 2012).

3.2. Data source: This study relies on secondary data sourced from a variety of platforms, including banks' annual reports, CSR or Business Responsibility and Sustainability reports, the CSR portal, the Ministry of Corporate Affairs portal, the Companies Act of 2013, voluntary guidelines issued by the RBI, and the CSR Amendment Acts of 2019 and 2022. This study used IBM SPSS, charts, and graphs to analyze the data.

3.3. Limitation of the study: The sample of this study consists of only twelve public and private banks and the focus is only on CSR activities, CSR expenditure, and the relation between CSR spent and net profit.

4. Objectives of the study:

The main objective of this study is to assess and compare the CSR activities of the public and private sector banks in India over ten years (2014-15 to 2023-24). Additionally, it aims to analyze and contrast the CSR budgets with actual CSR spending during the same period. Furthermore, the study assessed the correlation between CSR expenditure and net profit in these banks.

5. Data analysis:

5.1. Bank Wise CSR activities:

H1: There is no significant difference in the number of CSR activities conducted by public and private banks.
Table 1 highlights the CSR engagement trends of 12 banks across 12 activities prescribed by the CSR Act 2013, from 2014 to 2024. Public sector banks such as SBI, PNB, and BOB demonstrate high and consistent involvement in key areas like eradicating hunger, promoting education, ensuring environmental sustainability, and rural development, with most scoring 10 in these categories. Private banks, including HDFC, ICICI, and Axis, demonstrate strong engagement in core areas such as education and hunger eradication. However, they tend to focus selectively on certain activities and place less emphasis on niche areas like slum development, national heritage protection, and welfare for armed forces veterans. Notably, the Central Bank of India (CBI) shows minimal involvement across almost all activities, marking it an outlier among public banks. Based on the data presented in Table 1 and Figure 1, it is evident that the bank's primary areas of focus are eradicating hunger, poverty, and malnutrition, promoting education, promoting gender equality, ensuring environmental sustainability, rural development projects, and disaster management, meanwhile, other areas that receive the least

attention include training to promote rural sports, measures for the benefit of armed forces, protection of national heritage, art and culture and contribution to the Prime minister's national relief fund.

Table 1 Bank CSR Trends: Insights from 12 Key Activities Mandated by the CSR Act (2014-2024)

Activity	Activities prescribed in the CSR Act 2013	SBI	PNB	BOB	IB	BOI	CBI	HDFC	ICICI	AXIS	INDB	IDBI	BB	Average
i.	Eradicating hunger, poverty, and malnutrition,	10	10	10	10	10	2	10	10	10	10	8	10	9.17
ii.	Promoting education	10	10	10	10	10	2	10	10	10	9	8	8	8.92
iii.	Promoting gender equality	9	10	10	10	10	2	3	10	10	9	7	6	8.00
iv.	Ensuring environmental sustainability	10	10	10	10	10	2	8	10	10	5	7	4	8.00
v.	Protection of national heritage, art, and culture	6	0	0	0	0	0	0	1	0	5	0	0	1.00
vi.	Measures for the benefit of armed forces veterans, war widows, and their dependents	7	1	1	0	2	0	0	2	1	5	1	0	1.67
vii.	Training to promote rural sports, nationally recognized sports, paralympic sports, and Olympic sports;	6	10	10	7	0	0	2	1	0	9	2	0	3.92

viii.	Contribution to the Prime Minister's National Relief Fund	1	0	0	0	0	0	0	4	0	0	0	0	0.42
ix.	(A) contribution to incubators or research and development projects (b) contributions to public-funded universities;	9	0	0	0	0	0	2	0	0	0	0	0	0.92
x.	Rural development projects	8	10	10	10	8	0	10	10	10	8	4	6	7.83
xi.	Slum area development	4	10	0	2	3	0	0	0	0	0	0	0	1.58
xii.	Disaster management, including relief, rehabilitation, and reconstruction activities	8	10	2	8	3	1	3	4	5	5	1	2	4.33

Source: Authors

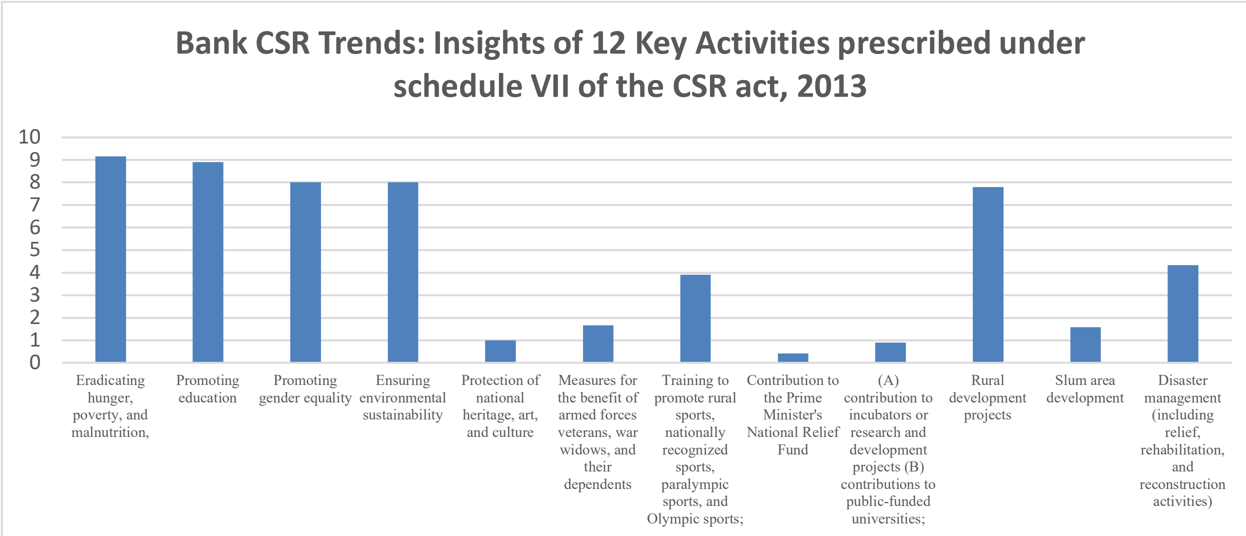


Figure:3 Average of the 12 key activities mandated by the CSR Act from 2014 to 2024
Source: Authors

Table:3 Group Statistics

Group Statistics					
	BANKS	N	Mean	Std. Deviation	Std. Error Mean
ECSRA	PUBB	72	5.0556	4.46233	.52589
	PVTB	72	4.2361	4.06459	.47902

Source: Authors

Table:4 Independent Samples Test

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
ECSRA	Equal variances assumed	6.219	.014	1.152	142	.251	.81944	.71135	-.58676	2.22565
	Equal variances not assumed			1.152	140.780	.251	.81944	.71135	-.58686	2.22575

Note: ECSRA: Engagement in CSR activities
Source: Authors

The analysis of CSR engagement (ECSRA) between public and private banks reveals that public banks have a higher mean score of 5.0556, compared to 4.2361 for private banks. This indicates that public banks demonstrate greater engagement in CSR activities, as shown in Table 3. However, Levene's Test shows unequal variances ($F = 6.219$, $p = .014$) in Table 4, which affects the interpretation of the t-test results. The t-test for equality of means yields a t-value of 1.152 with a significance level of 0.251, suggesting no statistically significant difference in CSR engagement between the two groups. The mean difference of 0.81944, along with a 95% confidence interval ranging from -0.58676 to 2.22565, which includes zero, further confirms that the observed differences in CSR scores are not significant. Overall, public and private banks appear to engage similarly in CSR initiatives despite the variability in their scores.

Table 5 Bank-wise CSR Activities (2015-2024): Compliance with Prescribed Mandates

Sr. no.	Activities	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Average of CSR activities
1.	SBI	5	8	10	11	5	7	11	9	11	11	8.8
2.	PNB	8	8	8	8	8	8	8	8	9	8	8.1
3.	BOB	7	6	6	6	6	6	7	7	6	6	6.3
4.	IB	7	8	7	7	6	5	6	7	7	7	6.7
5.	BOI	6	7	5	5	5	4	5	7	6	6	5.6
6.	CBI	0	5	0	0	0	0	0	0	0	4	0.9
7.	HDFC	5	5	4	4	3	5	4	4	7	7	4.8
8.	ICICI	6	6	5	6	7	6	8	6	6	6	6.2
9.	AXIS	5	5	5	6	5	6	6	6	6	6	5.6
10.	INDB	3	8	6	6	9	6	7	6	7	7	6.5
11.	IDBI	5	7	6	6	2	0	0	4	4	4	3.8
12.	BB	2	2	3	3	4	3	4	3	6	6	3.6

Source: Authors

NOTE: *SBI-State Bank of India, PNB- Punjab National Bank, BOB-Bank Of Baroda, IB-Indian Bank, BoI- Bank Of India, CBI- Central Bank Of India, HDFC- Housing Development And Finance Corporation, ICICI- Industrial Credit And Investment Corporation Of India, Axis Bank, INDB- Indusind Bank, IDBI- Industrial Development Bank Of India, BB-Bandhan Bank.*

An analysis of the yearly CSR activities conducted by each bank from 2015 to 2024 indicates that State Bank of India (SBI) engaged in the highest number of CSR activities, as shown in Table 5 and represented in a pie chart in Figure 4. SBI accounted for 13% of the total activities, making it the leader in CSR engagement, followed by Punjab National Bank (PNB) with 12%, ranking second. Indian Bank, Bank of Baroda, and IndusInd Bank each contributed 10%, ranking third. While other banks also showed significant engagement, the Central Bank of India had the lowest level of CSR activities.

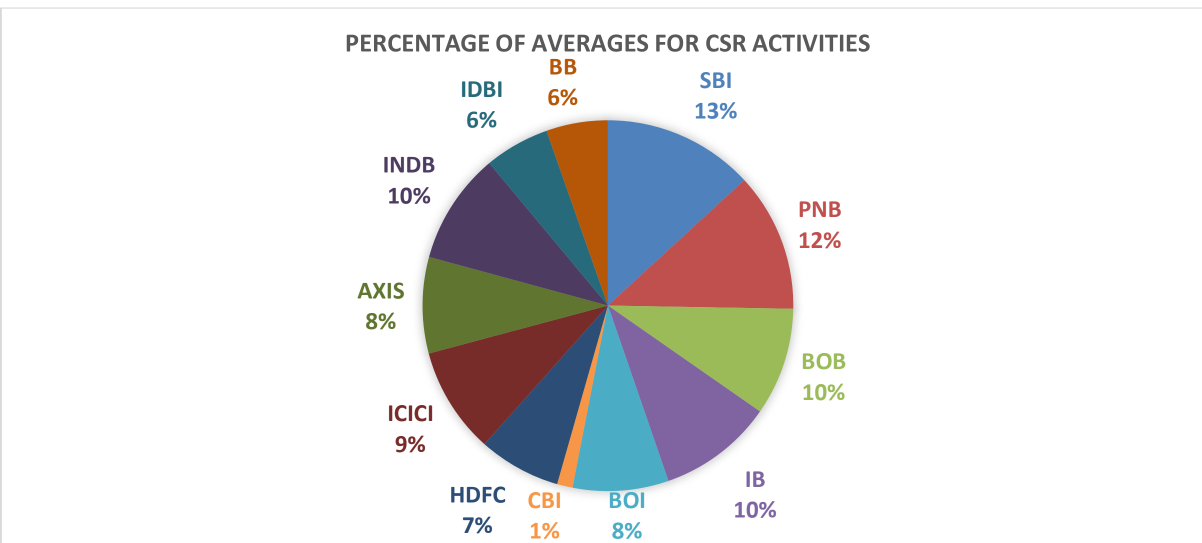


Figure:4 Percentage of average CSR activities conducted

Source: Authors

Table: 6 Group Statistics

Group Statistics

	BANKS	N	Mean	Std. Deviation	Std. Error Mean
BWCSRA	PUBB	60	6.0667	2.89281	.37346
	PVTB	60	5.0833	1.80669	.23324

Note: Bank-wise CSR activities

Source: Author

Table:7 Independent Samples Test

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
BWCSRA	Equal variances assumed	4.864	.029	2.233	118	.027	.98333	.44031	.11140	1.85527
	Equal variances not assumed			2.233	98.949	.028	.98333	.44031	.10965	1.85701

Source: Author

The analysis of bank-wise CSR activities (BWCSRA) presented in Table 6 reveals that public banks (PUBB) have a mean engagement score of 6.0667, indicating greater involvement in CSR activities compared to private banks (PVTB), which have a score of 5.0833. The Independent Samples Test Table 7, shows a statistically significant difference between the two groups, with a t-value of 2.233 and a p-value of 0.027, confirming that public banks are more actively engaged in CSR activities. The mean difference of 0.98333 and a confidence interval of 0.11140 to 1.85527 further support this finding, indicating a meaningful disparity in CSR engagement between public and private banks. Therefore, Hypothesis One is rejected, as there is a significant difference in the performance of CSR activities between public and private banks.

5.2. Public bank CSR budget and CSR spent

H2: there is no significant difference between the CSR budget and CSR expenditure in public sector banks.

The amount of CSR budget and total CSR spent in crores over 10 years performed by the particular bank from 2014-15 to 2023-24 is shown in Table 8 and presented in graphs in figure 5. The public bank calculated the CSR budget based on last year's profit i.e. one percent of the previous year's profit. If the bank has a loss in the previous year then the bank can spend up to 0.05 crore as per the NVG. SBI bank consistently spent more than its CSR budget throughout most of the years, with a sharp rise in budget and spending after 2020-21, particularly in 2023-24. PNB exhibited fluctuating patterns, with the budget exceeding the spending initially but later aligning closer to the budget in recent years. BOB, on the other hand, showed a significant disparity, with its CSR budget dropping and then spiking in 2023-24, but spending remained relatively stable and well below the budget in the final year. Indian Bank consistently underspent its CSR budget, with actual spending significantly lower than allocations across all years. BOI showed inconsistency in its CSR spending, with some years where spending exceeded the minimal budget and other years where spending remained significantly below the allocated budget. CBI consistently underperformed in CSR, allocating the minimum budget and often reporting zero spending for multiple consecutive years. Even when the budget increased in recent years, actual spending did not align with the allocated amounts, reflecting weak CSR implementation.

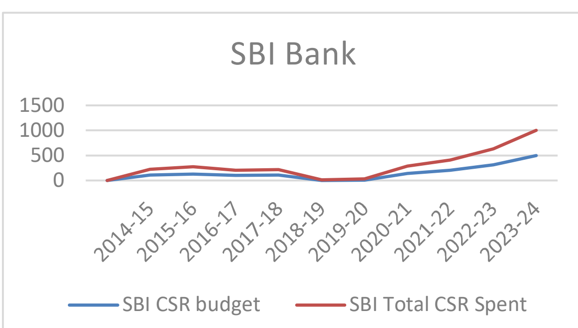
Table 8 Public bank CSR budget and CSR spent

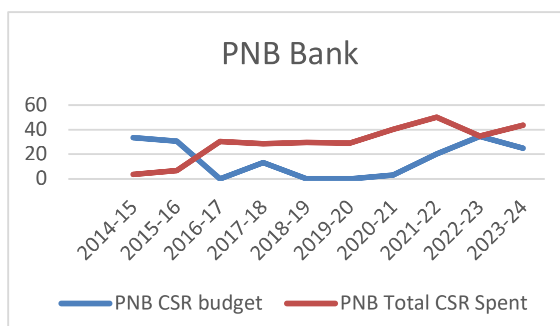
(Amount in crores)

Year	*SBI*		*PNB*		*BOB*		*IB*		*BOI*		*CBI*	
	CSR Budget	**Total CSR Spent**	**CSR Budget**	**Total CSR Spent**	**CSR Budget**	**Total CSR Spent**	**CSR Budget**	**Total CSR Spent**	**CSR Budget**	**Total CSR Spent**	**CSR Budget**	**Total CSR Spent**
2014-15	109	115.8	33.43	3.76	45.41	17.83	11.59	2.68	27.29	11.85	0.05	0
2015-16	131	143.92	30.62	6.77	33.98	26.42	10.05	2.96	17.09	14.49	6.06	1.18
2016-17	99.51	109.82	0.05	30.41	0.05	8.73	7.11	2.65	0.05	6.42	0.05	0
2017-18	104.84	112.96	13.25	28.62	13.83	23.95	14.06	5.72	0.05	2.18	0.05	0
2018-19	0.05	16.46	0.05	29.54	0.05	19.05	12.59	2.42	0.05	3.96	0.05	0
2019-20	8.62	27.47	0.05	29.21	4.34	5.47	3.22	1.63	0.05	5.65	0.05	0
2020-21	144.88	144.88	3.36	40.38	5.46	6.9	7.53	2.03	0.05	56.79	0.05	0
2021-22	204.1	204.1	20.22	50.2	8.29	8.29	30.05	4.94	21.6	3.72	0.05	0
2022-23	316.76	316.76	34.57	34.73	72.72	13.51	39.45	18.32	34.05	6.24	10.45	0
2023-24	502.32	502.32	25.07	43.5	141.1	11.17	52.82	20.69	40.23	7.07	15.82	8.31

Source: Authors

Note: 0.05 crore mentioned in the table the minimum spending on CSR when the bank suffered the loss last year as prescribed by NVG.





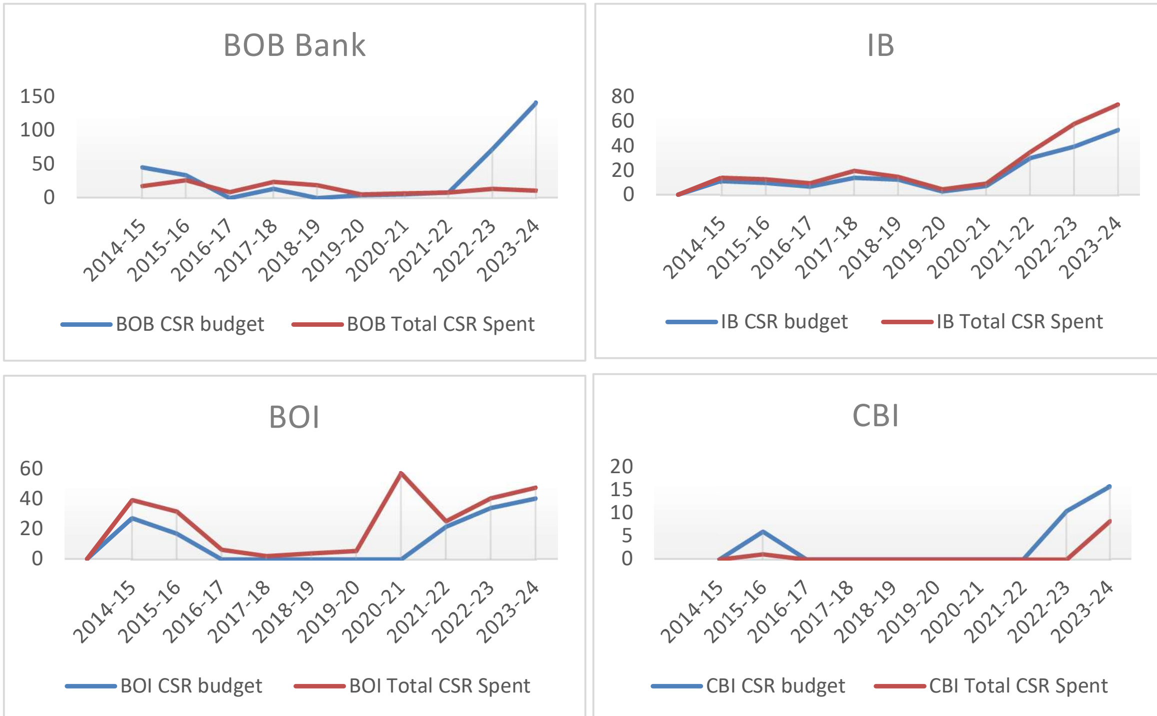


Figure: 5 Public Bank's CSR Budget and CSR spent

Source: Authors

Table: 9 Paired Samples Statistics

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	PUBBCSRB	41.1440	60	83.11546	10.73016
	PUBBACSRS	38.7472	60	82.66297	10.67174

Source: Authors

Table: 10 Paired Samples Correlations

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	PUBBCSRB & PUBBACSRS	60	.953	.000

Source: Authors

Table: 11 Paired Samples Correlations

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PUBBCSRB - PUBBACSRS	2.39683	25.29554	3.26564	-4.13770	8.93136	.734	59	.466

Source: Authors

Note: PUBBCSRB=Public Bank CSR Budget, PUBBACSRS= Public Bank Actual CSR Spent

The CSR budget (PUBBCSRB) and CSR spending (PUBBACSRS) of public banks are compared using paired sample statistics in Table 9. The mean CSR budget is 41.1440 with a standard deviation of 83.11546, while the mean CSR spending is 38.7472 with a standard deviation of 82.66297, based on a sample of 60 observations from public banks. The paired samples correlation reveals a strong positive correlation of 0.953 between the budget and spending, with a significance level of 0.000. This indicates that as the budget increases, spending tends to increase as well, as shown in Table 10. However, the paired samples test reveals a mean difference of 2.39683 with a t-value of 0.734 and a p-value of 0.466, suggesting that the difference between the CSR budget and spending is not statistically significant presented in Table 11. Therefore hypothesis 2 is rejected because there is a significant difference between the CSR budget and CSR spending in public banks.

5.3. Private bank CSR budget and CSR spent:

H3: there is no significant difference between the CSR budget and CSR spent in Private banks.

The amount of CSR obligation and total CSR spent in crores over 10 years performed by the particular bank from 2014-15 to 2023-24 is shown in Table 12 and presented in graphs in Figure 6. The private bank calculated the CSR budget based on the CSR Act, 2013. HDFC bank CSR obligations are increasing consistently, typically spending amounts close to or exceeding the CSR obligation, indicating strong CSR commitment. ICICI's CSR obligations have varied over time. Initially, the bank was underspending; however, since 2020, it has consistently met or exceeded its CSR obligation. Axis Bank had a steady growth in obligations, with spending closely matching, though earlier years saw slight underspending. IndusInd steadily increased its obligations but often underspent, especially in 2017-18. IDBI experienced several years without CSR obligations due to losses incurred in previous years. In contrast, Bandhan Bank, having started later, steadily increased its CSR obligations and consistently matched its spending to these commitments. Overall, while most banks demonstrate a commitment to aligning their CSR spending with their obligations, there are some inconsistencies, particularly with IndusInd and IDBI.

Table:12 CSR budget and spending of private banks

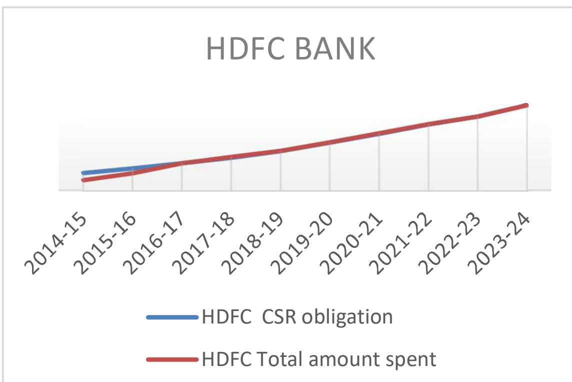
(Amount in crores)

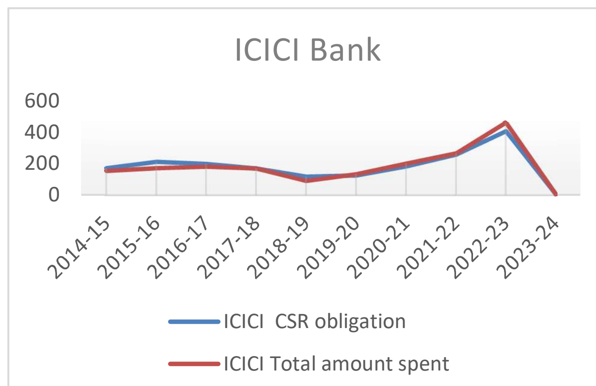
Year	HDFC		ICICI		AXIS bank		IndusInd bank		IDBI bank		Bandhan bank	
	CSR obligation	Total amount spent	CSR obligation	Total amount spent	CSR obligation	Total amount spent	CSR obligation	Total amount spent	CSR obligation	Total amount spent	CSR obligation	Total amount spent
2014-15	197.13	118.55	172	156	133.77	123.22	32.64	17.535	26.29	23.44	0	0
2015-16	247.7	194.81	212	172	163.03	137.41	42.76	27.32	14.41	9.44	0.05	0.05
2016-17	304	305.42	200	182	196.44	135.39	55.27	33.81	0	4.35	4.16	4.21
2017-18	364.92	374	170.2	170.38	186.82	133.77	70.17	20.47	0	1.36	14.14	14.14
2018-19	439.21	443.8	118.96	92.2	127.94	137.59	88.61	55.46	0	0.25	27.83	30

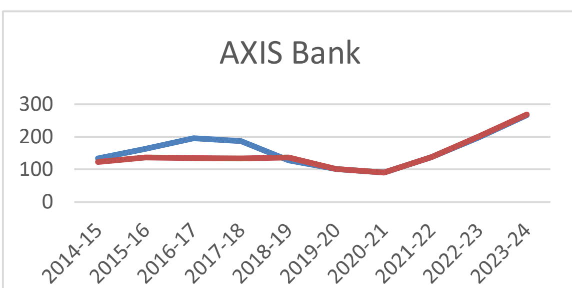
2019-20	533.6	535	127	134	100.62	100.96	108.11	108.11	0	0	55.98	67.09
2020-21	627.86	634.91	184.53	200.5	90.65	90.93	120.23	120.72	0	0	60.82	60.82
2021-22	733.86	736.01	259.6	266.62	138.06	138.25	107.41	108.69	0	0.18	66.77	66.77
2022-23	820.89	820.89	407.84	462.66	199.46	201.92	107.52	108.51	0	1.44	51.26	52.93
2023-24	945.31	945.31	4.2	4.2	267.15	268.66	131.27	132.72	72.47	64.86	40.05	40.05

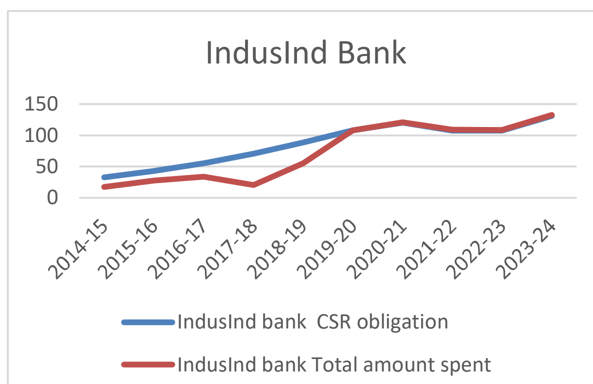
Source: Authors

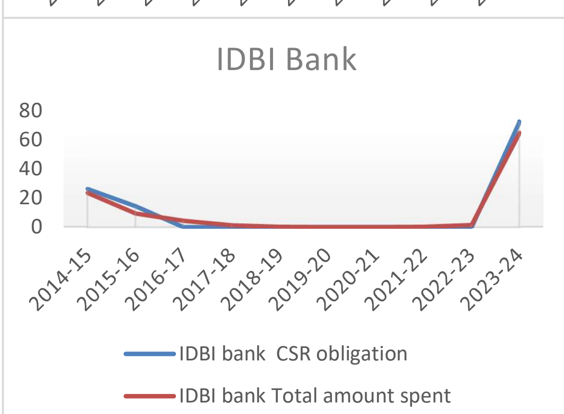
Note: CSR obligation because private banks are registered under the Companies Act and follow the rules mentioned in the CSR Act, 2013











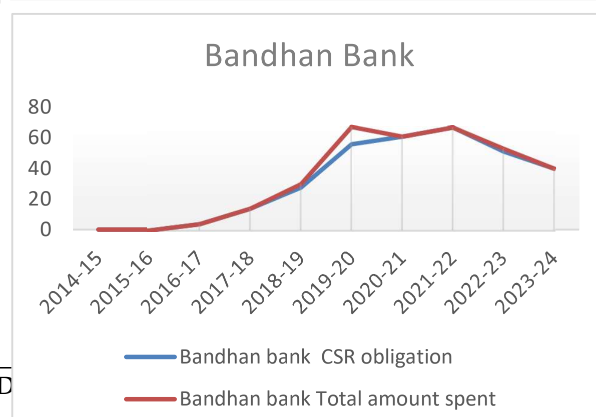


Figure: 6 Private bank CSR budget set and CSR spent over the year
Source: Authors

TABLE: 13 Paired Samples Statistics

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	PVTBCSRO	**166.2162**	**60**	**204.95202**	**26.45919**
	PVTBACSRS	**159.8681**	**60**	**207.93615**	**26.84444**

Source: Authors

Table:14 Paired Samples Correlations

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	PVTBCSRO **&** PVTBACSRS	**60**	**.995**	**.000**

Source: Authors

Table:15 Paired Samples Test

Paired Samples Test

		Paired Differences							
					95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	T	Df	Sig. (2-tailed)
Pair 1	PVTBCSRO- PVTBACSRS	**6.34808**	**20.63698**	**2.66422**	**1.01698**	**11.67918**	**2.383**	**59**	**.020**

Source: Authors

Note: PVTBCSRO=Private Bank CCR Obligation, PVTBACSRS= Private Bank CSR Spent

The relationship between CSR obligations (PVTBCSRO) and CSR spending (PVTBACSRS) for private banks is analyzed based on 60 observations, as presented in Table 13. The mean CSR obligation is 166.2162, with a standard deviation of 204.95202, while the mean CSR spending is 159.8681, with a standard deviation of 207.93615. A strong positive correlation of 0.995 ($p = 0.000$) suggests that higher CSR obligations are closely associated with higher spending among private banks as mentioned in Table 14. The paired samples test in Table 15, indicates a mean difference of 6.34808 between obligations and spending, with a t-value of 2.383 and a p-value of 0.020, which signifies that this difference is statistically significant. The 95% confidence interval ranges from 1.01698 to 11.67918, indicating that private banks tend to spend slightly less than their CSR obligations. Hence, hypothesis three is rejected because there is a significant difference between the CSR obligation and CSR spending in Private banks.

5.4. Comparison of public and private banks based on CSR spent:

H4: There is no significant difference in CSR spending between public and private banks.

TABLE:16 Mann-Whitney Test

Ranks				
	BANKS	N	Mean Rank	Sum of Ranks
CSRS	PUBB	60	45.57	2734.00
	PVTB	60	75.43	4526.00
	Total	120		

Source author

Table:17 Test Statistics

Test Statistics[a]	
	CSRS
Mann-Whitney U	904.000
Wilcoxon W	2734.000
Z	-4.705
Asymp. Sig. (2-tailed)	.000
a. Grouping Variable: BANKS	

Source: Authors

The Mann-Whitney Test table 16, compares Corporate Social Responsibility spending (CSRS) between public banks (PUBB) and private banks (PVTB) based on 60 observations for each group. Public banks have a mean rank of 45.57, while private banks show a higher mean rank of 75.43, indicating greater CSR spending among private banks. The Table 17 Mann-Whitney U statistic is 904.000, with a Z value of -4.705 and a p-value of 0.000, demonstrating a highly significant difference. This suggests that private banks significantly outpace public banks in their CSR spending. Therefore, Hypothesis 4 is rejected, as there is a significant difference between public and private banks in terms of the amount spent on CSR. Total CSR spent by public bank is much more than the private bank CSR spent presented through chart in figure 7 and Figure 8. Among private banks, HDFC and ICICI lead in CSR spending, while in the public sector, SBI and PNB are the frontrunners. In contrast, Indian Bank and IDBI contribute the least to CSR initiatives.

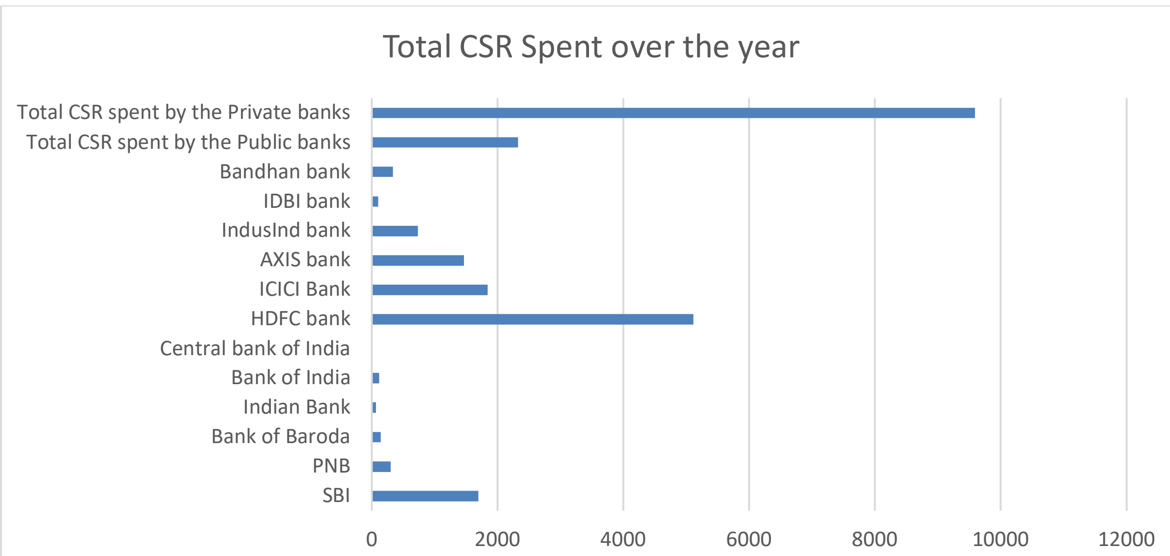


Figure:7 Public and Private bank's CSR spent over the years (2015-2024)

Source: Authors

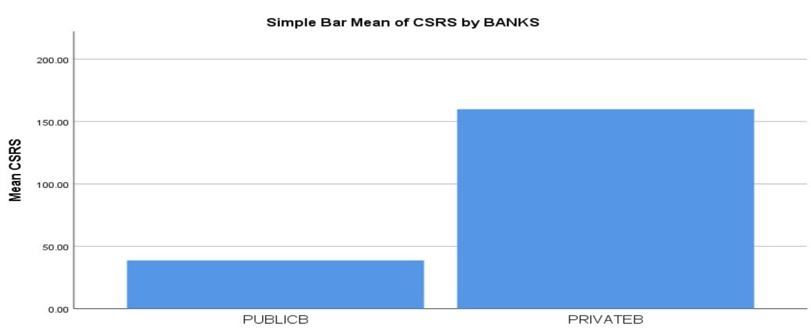


Figure:8 Mean of CSRS by public and Private bank

Source: Authors

Table:18 CSR in the percentage of profit

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
SBI	1.06	1.1	1.1	1.08	NA	3.19	1	1	1	1
PNB	0.11	0.22	NA	2.16	NA	NA	12.01	2.48	1	1.74
Bank of Baroda	0.39	0.78	NA	1.73	NA	1.26	1.26	1	0.19	0.08
Indian Bank	0.23	0.29	0.37	0.41	0.19	0.51	0.27	0.16	0.46	0.39
Bank of India	0.43	0.85	NA	NA	NA	NA	NA	0.17	0.18	0.18
Central bank of India	NA	0.19	NA	NA	NA	NA	NA	NA	0	0.53
HDFC bank	1.2	1.57	2.01	2.05	2.02	2.01	2.02	2.01	1.99	1.99
ICICI Bank	1.82	1.62	1.82	2	1.55	2.11	2.17	2.04	2.31	2
AXIS bank	1.84	1.69	1.38	1.43	2.15	2.01	2.01	2	2.02	2.01
IndusInd bank	1.07	1.28	1.22	0.58	1.25	2	2.01	2.02	2	2.01
IDBI bank	1.78	1.31	NA	NA	NA	NA	NA	NA	NA	1.75
Bandhan bank	NE	2.17	2.02	2	2.16	2.4	2	2	2.23	2.01

NOTE: NA - Not Applicable, due to losses incurred in previous years; NE - Not Established, referring to newly started banks
Source: Authors

The data in Table 18 represents the percentage of profit allocated to Corporate Social Responsibility (CSR) activities by selected Indian banks from 2014-15 to 2023-24. The banks show varying levels of CSR contributions over the years, with some inconsistencies due to financial losses (denoted as NA) or the bank being newly established (denoted as NE). SBI consistently allocated around 1% to CSR except for a spike to 3.19% in 2019-20, while Punjab National Bank (PNB) had fluctuating contributions, with a high of 12.01% in 2020-21 after several years of NA. Bank of Baroda showed irregular CSR allocations, peaking in 2017-18 with 1.73% but declining to just 0.08% in 2023-24. Indian Bank steadily increased its CSR percentage in earlier years but remained below 1% throughout, while Bank of India had several years of NA and only modest contributions in recent years. HDFC Bank has consistently maintained CSR contributions around 2%, as have ICICI Bank and Axis Bank, both of which demonstrate stable commitments with minor fluctuations. In contrast, IndusInd Bank's contributions varied more significantly, dropping to 0.58% in 2017-18 before stabilizing around 2%. IDBI Bank's CSR contributions ceased for several years due to losses but resumed at 1.75% in 2023-24. Bandhan Bank, having started operations in 2015-16, has maintained steady contributions within the 2% range in recent years.

5.5. Total unspent or excess CSR expenditures by public and private banks

Table 19 highlights the unspent or excess CSR (Corporate Social Responsibility) spending (U-ES) across various selected Indian banks. Positive values indicate excess spending, while negative values reflect shortfalls in meeting CSR obligations. SBI consistently exceeded its CSR obligations in most years, with a peak in 2019-20 (₹18.85 crores). However, from 2020-21 onward, SBI accurately matched its obligations, resulting in no unspent or excess amounts. PNB initially recorded substantial shortfalls, particularly in 2014-15 (₹-29.67 crores) and 2015-16 (₹-23.85 crores), but later improved with notable excess spending in 2020-21 (₹37.02 crores) and smaller surpluses in subsequent years. BOB showed a mixed trend, with shortfalls in earlier years like 2014-15 (₹-27.58 crores) but improvements in 2016-17 and 2017-18. However, the bank faced significant shortfalls in 2022-23 (₹-59.22 crores) and 2023-24 (₹-129.93 crores), indicating a failure to meet CSR obligations. IB consistently reported unspent CSR amounts, reflecting challenges in fully meeting its obligations each year, particularly in 2023-24 (₹-32.13 crores). BOI showed varying results, starting with considerable shortfalls (e.g., ₹-15.44 crores in 2014-15) but recording an excess of ₹56.74 crores in 2020-21. However, recent years saw renewed shortfalls, such as ₹-33.16 crores in 2023-24. CBI had minimal shortfalls each year (e.g., ₹-0.05 crores), coming close to meeting its obligations, though with a larger gap of ₹-10.45 crores in 2022-23. HDFC Bank experienced significant shortfalls in earlier years (₹-78.58 crores in 2014-15, ₹-52.89 crores in 2015-16) but aligned its CSR spending with obligations from 2016-17 onward, avoiding any unspent or excess amounts in later years. ICICI Bank exhibited fluctuating performance, starting with shortfalls (e.g., ₹-16 crores in 2014-15) but later showing excess spending in 2022-23 (₹61.81 crores) and gradual improvement. Axis Bank initially faced significant shortfalls, especially in 2016-17 (₹-61.05 crores), but improved in subsequent years, with a small excess of ₹1.51 crores by 2023-24. IndusInd Bank had substantial shortfalls in earlier years, particularly in 2017-18 (₹-49.7 crores) and 2018-19 (₹-33.15 crores). However, from 2019-20 onward, the bank closely aligned its spending with obligations, showing only minor variances. IDBI Bank had several years marked "NA" (due to losses), but when obligations existed, it recorded shortfalls, notably in 2023-24 (₹-7.61 crores). Bandhan Bank, as a relatively new entity, consistently met its CSR obligations. It showed small excess amounts in some years, such as ₹11.11 crores in 2019-20, and minor surpluses in other years like 2022-23. This data is further analyzed through the chart in Figure 9.

Table:19 Total unspent or excess spent by public and private bank

(Amount in crores)

Year	SBI	PNB	BOB	IB	BOI	CBI	HDFC	ICICI	AXIS	INDB	IDBI	Bandhan
	U-ES	U-ES	U-ES	U-ES	U-ES	U-ES	U-ES	U-ES	U-ES	U-ES	U-ES	U-ES
2014-15	6.8	-29.67	-27.58	-8.91	-15.44	-0.05	-78.58	-16	-10.55	-15.11	-2.85	0
2015-16	12.92	-23.85	-7.57	-7.09	-2.6	-4.89	-52.89	-40	-25.62	-15.44	-4.97	0
2016-17	10.31	30.36	8.68	-4.46	6.37	-0.05	1.42	-18	-61.05	-21.46	NA	0.05
2017-18	8.12	15.37	10.12	-8.34	2.13	-0.05	9.08	0.18	-53.05	-49.7	NA	0
2018-19	16.41	29.49	19	-10.17	3.91	-0.05	4.59	-26.76	9.65	-33.15	NA	2.17
2019-20	18.85	29.16	1.14	-1.59	5.6	-0.05	1.4	7.05	0.34	0	NA	11.11
2020-21	0	37.02	1.44	-5.51	56.74	-0.05	7.05	15.97	0.28	0.49	NA	0
2021-22	0	29.98	0	-25.11	-17.88	-0.05	2.15	4.89	0.19	1.28	NA	0
2022-23	0	0.16	-59.22	-21.13	-27.81	-10.45	0	61.81	2.46	0.99	NA	1.67
2023-24	0	18.43	-129.93	-32.13	-33.16	-7.51	0	0	1.51	1.45	-7.61	0

Source: Authors

note: U-ES (Underspent/excess spent) (+) Excess spent, (-) Underspent

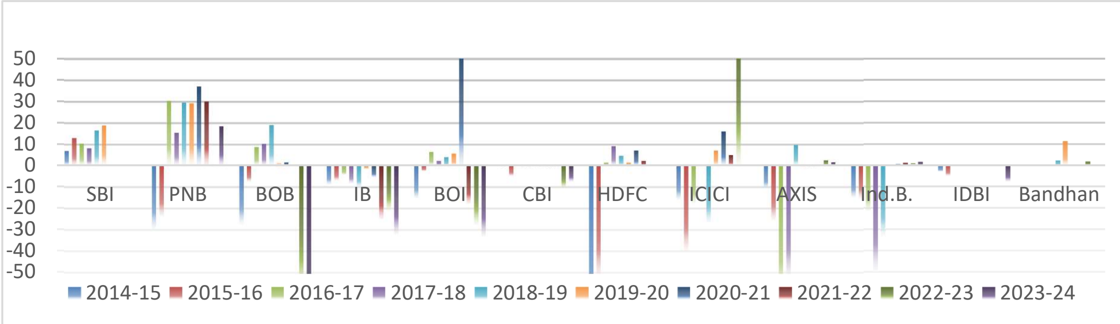


Fig. 9 Total unspent or excess spent by public and private
Source: Authors

5.6. CSR spent and Net profit:

H7: there is no significant relation between CSR investment and net profit (NETP) of public and private banks.

The descriptive statistics in Table 20, indicate that the average net profit (NETP) is 6583.4122 with a high standard deviation of 13027.26208, based on 120 observations. In contrast, Corporate Social Responsibility spending (CSRS) has a mean of 99.3077 and a standard deviation of 168.88844, also from 120 observations. The correlation analysis in Table 21 reveals a strong positive relationship between NETP and CSRS, with a Pearson correlation coefficient of 0.810, which is statistically significant ($p = 0.000$). This indicates that higher net profits are associated with increased CSR spending, suggesting that banks with better financial performance tend to invest more in their CSR initiatives.

Table: 20 Descriptive Statistics

Correlations

Descriptive Statistics

	Mean	Std. Deviation	N
NETP	6583.4122	13027.26208	120
CSRS	99.3077	168.88844	120

Source: Authors

Table: 21 Descriptive Statistics

Correlations

		NETP	CSRS
NETP	Pearson Correlation	1	.810**
	Sig. (2-tailed)		.000
	N	120	120
CSRS	Pearson Correlation	.810**	1
	Sig. (2-tailed)	.000	
	N	120	120

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Authors

The linear regression analysis Table 22 examines the relationship between Corporate Social Responsibility spending (CSRS) and its impact on net profit (NETP). The model summary indicates a strong correlation ($R = 0.810$) and explains approximately 65.6% of the variance in NETP ($R^2 = 0.656$), with a standard error of 7674.131. The ANOVA results in Table 23 show a significant regression model ($F = 224.922$, $p = 0.000$), confirming that the independent variable (CSRS) significantly predicts net profit. The coefficients Table 24 reveals that for each unit increase in CSRS, net profit increases by 62.470, with a highly significant t-value of 14.997 ($p = 0.000$).

Overall, the analysis suggests that the increased CSR spending is positively associated with higher net profits in the banking sector.

5.7. Alignment of CSR Activities Under the CSR Act with Sustainable Development Goals (SDGs)

Table 22 offers a comprehensive overview of the alignment between various Corporate Social Responsibility (CSR) initiatives mandated by the CSR Act of 2013 and the Sustainable Development Goals (SDGs). Each row represents a specific CSR activity (i to xii) outlined in the CSR Act, while the columns correspond to different SDGs. A check mark (✓) indicates that the activity contributes to the specific SDG, while blank spaces indicate no direct alignment. The alignment of CSR activities under the CSR Act with the Sustainable Development Goals (SDGs) demonstrates a broad impact on various sustainability issues.

Activity (i) aligns with SDGs 1, 2, and 8, focusing on poverty reduction, economic growth, and hunger alleviation. Activity (ii) supports SDGs 4 and 8, emphasizing quality education and economic growth. Activity (iii) addresses SDGs 5 and 8, highlighting gender equality and economic growth. Activity (iv) is linked to SDGs 6, 7, 8, 13, and 15, targeting clean water and sanitation, affordable clean energy, decent work, economic growth, climate action, and life on land. Activity (v) contributes to SDGs 5 and 8, concentrating on gender equality and economic growth. Activity (vi) is aligned with SDGs 8 and 10, focusing on economic growth and reducing inequalities. Activity (vii) supports SDGs 3, 8, and 10, emphasizing good health and well-being, decent work, economic growth, and reduced inequalities. Activity (viii) contributes to SDGs 1, 3, and 8, focusing on poverty reduction, good health, well-being, and economic growth. Activity (ix) aligns with SDGs 4 and 8, addressing quality education and economic growth. Activity (x) supports SDGs 1, 2, 8, and 11, focusing on poverty reduction, zero hunger, economic growth, and sustainable cities. Activity (xi) is aligned with SDGs 8 and 11, emphasizing economic growth and sustainable cities. Lastly, Activity (xii) contributes to SDGs 8 and 13, focusing on economic growth and combating climate change.

Table: 22 Alignment of CSR Activities Under the CSR Act with Sustainable Development Goals (SDGs)

Activities prescribed in the CSR Act 2013	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Activity (i)	✓	✓						✓									
Activity (ii)				✓				✓									
Activity (iii)					✓			✓									
Activity (iv)						✓	✓	✓					✓		✓		
Activity (v)					✓			✓									
Activity (vi)								✓		✓							
Activity (vii)			✓					✓		✓							
Activity (viii)	✓		✓					✓									
Activity (ix)				✓				✓									
Activity (x)	✓	✓						✓			✓						
Activity (xi)								✓			✓						
Activity (xii)								✓					✓				

Source: Authors

6. Conclusion and Discussion:

CSR is evolving rapidly, and as it gains more importance, stricter regulations are being introduced to ensure accountability and impact. The study concludes that both public and private banks are making substantial contributions to CSR, consistent with findings in existing literature (Garg & Gupta, 2020; Pratihari & Uzma, 2019).The findings indicate a rise in CSR activities due to the legal requirement that has made them mandatory. (Safiullah et al., 2024) identified a connection between corporate social responsibility (CSR) violations and the resulting penalties. However, ongoing challenges include local communities' resistance to CSR initiatives due to limited awareness, businesses' frustration with the transparency of local agencies, and insufficient funding. The distribution of CSR expenditure by Indian banking institutions into various development heads is unbalanced. Categories like 'Eradicating hunger', 'Promoting Education & Healthcare', Gender equality', and 'Rural Development Projects, attract a larger share of CSR contributions, while other equally important areas such as ' Protection of National heritage, Art & Culture,' 'Rural Sports,' 'Slum area development', 'Contribution to Incubators, Research & Development', 'Contribution for public funded Universities' and 'Disaster management' have received significantly fewer contributions over the years. The result is in line with the deployment of mandatory corporate social responsibility (CSR) expenditure incurred by Indian corporate sector, under various development heads as specified by CSR statutes in India with (Bhatia & Dhawan, 2024). The study revealed that public banks lead in the total number of CSR activities, while private banks surpass them in CSR spending. Although private banks engage in fewer activities as outlined in Schedule VII, their expenditure on each is significantly higher than that of public banks. This focused approach can be an effective strategy. Furthermore, a positive correlation is observed between CSR spending and net profit, consistent with earlier research findings (Alatawi et al., 2023, 2023; Cho et al., 2019; Garg & Gupta, 2020).Indian CSR guidelines are linked to net profit, making it a key factor. However, banks have been contributing to social responsibility from their profits even before these regulations. Engaging in CSR activities generates valuable intangible assets for businesses, such as higher employee retention and satisfaction, increased investor trust, improved customer satisfaction and loyalty, competitive advantage, and a stronger public image (Aggarwal & Saxena, 2023; Ahmad et al., 2022; Alatawi et al., 2023; Aramburu & Pescador, 2019; Pratihari & Uzma, 2019, 2019; Yusof et al., 2015). CSR is not just an expense it is an investment (Nuvaid et al., 2017). There is a disparity in CSR regulations, with public banks adhering to the National Voluntary Guidelines (NVG) while private banks follow the CSR Act, highlighting the need for uniform rules across all organizations. While the regulations have fostered positive changes in CSR transparency and accountability, as well as expanded the scope of expenditures to include various social welfare sectors. The implementation of CSR policies still lacks clarity. The concept of corporate responsibility regulations is still in its early stages of development (Mohapatra & Mohanty, 2023). The study agreed that CSR spending as a percentage of profit in has been quite low during the period of voluntary contributions (Verma & Kumar, 2014). Public banks are adhering to the National Voluntary Guidelines (NVGs), yet their contributions to CSR investment remain relatively low. Since the 2019 amendment, all banks have been consistently meeting their CSR obligations by aligning their contributions with their designated budgets. This increased compliance incentivized more rigorous adherence to CSR requirements (Safiullah et al., 2024). Investing in diverse CSR initiatives contributes significantly to overall economic growth, with national CSR performance playing a crucial role in enhancing national competitiveness.(Boulouta & Pitelis, 2014; Gugler & Shi, 2009; Marín et al., 2012; E. Sharma & Sathish, 2022). India still requires a strong framework to effectively integrate mandated CSR activities with the Sustainable Development Goals. Banks' participation in CSR activities is seen as a win-win business model, as it not only promotes public well-being but also enhances the banks' profitability. The alignment of CSR activities under the CSR Act with the Sustainable Development Goals (SDGs) highlights the crucial role businesses play in tackling global challenges. Each CSR initiative is tied to specific SDGs, covering key areas such as poverty alleviation, economic growth, gender equality, and climate action. This integration emphasizes the need for businesses to embed CSR into their strategies, allowing them to achieve both economic goals and contribute to global sustainability efforts. By addressing multiple SDGs, CSR activities drive progress toward a more inclusive, equitable, and environmentally sustainable world.

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