

# Corporate Social Responsibility: A Paradigm Shift in Public and Private Sector Banks in India for Stabilizing Economic Growth

Sindhu N. R.<sup>1</sup> and H.R. Uma<sup>2</sup>

<sup>1</sup>Research Scholar, Department of Economics, Sir. M. Visvesvaraya P.G. Centre, Tubinakere, University of Mysore, Mandya

<sup>2</sup>Professor of Economics, Department of Economics, Sir. M. Visvesvaraya P.G. Centre, Tubinakere, University of Mysore, Mandya

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**Abstract:** *Purpose* – In today's business environment, the significance of Corporate Social Responsibility and ethical considerations is increasingly pronounced. This paper aims to measure and evaluate the Corporate Social Performance of banks over the past five years, utilizing their CSR expenditure as a benchmark for comparison.

*Design/Methodology/Approach* – The current study is used secondary sources of data, this including both qualitative and quantitative information obtained from the respective bank's website, to fulfill its objectives. Multiple regression analysis is used to know the influence of the independent variables on the dependent variable.

*Findings* – The CSR practices and expenditure by the Private sector banks are good compared to public sector Banks. It is evident that both sets of banks have failed to adhere to the regulations outlined in Section 135(IV) of the Companies Act 2013 and the guidelines provided by the RBI. It is found that the priority has been given by the banks on Health, Education, Environment, Women Empowerment, Community Development, Gender Equality, Livelihood and Vocational Skill sectors only. It is also noticed that the selected banks neglected and not focused on various other sectors which are identified under schedule VII of the companies Act 2013.

*Practical Implications* –The banking sector stands to gain numerous benefits from engaging in CSR initiatives. enhancing their performance through improved goodwill, a positive social image, and expanded business opportunities, serving as a compelling model for other industries to follow.

*Originality/Value* – The Paper measure and evaluates the performance of public and private sector banks on the basis of their CSR expenditure.

**Keywords:** Corporate Social Responsibility, Corporate Social Performance, CSR Practice, Public Bank, Private Bank.

## 1. Introduction

Corporate Social Responsibility (CSR), also known as corporate sustainability or responsible business, is a management concept endorsed by the United Nations, emphasizing that companies integrate social and environmental concerns into their operations and engagements with stakeholders. It signifies a commitment by corporations to contribute to economic, social, and environmental development for the betterment of society, beyond mere profit generation. In India, CSR gained prominence in the 1950s and was formalized as voluntary guidelines by the Ministry of Corporate Affairs in 2009. Banks, as integral components of the economy, play a crucial role in CSR, as highlighted by the RBI's notice emphasizing their responsibility towards sustainable development and non-financial reporting.

The RBI issued a notice on December 20, 2007, titled "Corporate Social Responsibility, Sustainable Development, and Non-Financial Reporting - Role of Banks," emphasizing the importance of banks in CSR. According to Bhatt (2008), banks operate within a broader socio-economic context. They play a significant role in driving GDP growth, catering to the needs of an expanding middle class, supporting infrastructure development, and extending their services to semi-urban and rural regions.

The Companies Act of 2013 in India has implemented significant reforms that reshape the landscape of Indian corporate operations. Among these reforms is the introduction of Corporate Social Responsibility (CSR) as a pivotal provision. Section 135 of the Act delineates the criteria for companies to fall under the ambit of CSR requirements.

- (a) Net worth of the company to be Rs 500 crore or more;
- (b) Turnover of the company to be Rs 1000 crore or more;
- (c) Net profit of the company to be Rs 5 crore or more.

As reported in the Business Standard on September 12, 2014, the corporate affairs ministry declined the finance ministry's proposal to exempt banks from the mandatory 2 percent CSR requirements due to capital constraints. Consequently, banks are obligated to adhere to CSR norms. Schedule VII of the Companies Act 2013 outlines the specific activities that companies must undertake as part of their CSR policies.

## 2. Significance of The Study

Banks in India actively engage in Corporate Social Responsibility (CSR) initiatives, contributing to the stability of financial systems and supporting economic growth by efficiently allocating financial resources and promoting development.

Corporate Social Responsibility (CSR) marks a significant shift in the strategies of public and private sector banks. Rather than solely concentrating on financial gains, banks now recognize the importance of integrating ethical and socially responsible practices into their operations. This paradigm shift involves acknowledging that by actively contributing to societal welfare through initiatives like community development projects, environmental sustainability efforts, and ethical lending practices, banks not only fulfil their moral obligations but also create a stable environment for long-term growth. Essentially, CSR becomes a driving force behind stabilizing growth by aligning banking activities with societal well-being, thereby fostering a more sustainable and balanced approach to business.

This study is an attempt to explore CSR activities and spending towards CSR of selected public and private sector Banks in India.

### 3. Review of Literature

**Bihari S. C. and Pradhan S. (2011)** researched on “CSR and Performance: The Story of Banks in India” and profiled the CSR initiatives of many prominent Indian banks and investigated how these initiatives affected the banks’ bottom lines and public perception. According to their research, CSR encompasses not just financial contributions but also direct involvement in a variety of disciplines. Financial organizations are fully capable of increasing their CSR initiatives and achieving sustainability. They said that banks may also adopt efforts for the advancement of society, which would have good effects on the society’s general, social, and economic well-being. They further suggested that businesses and financial institutions should expand their focus beyond their immediate operations to take into account greater societal aims.

**Sharma N. (2011)** attempted to examine the CSR practices and CSR reporting in India with special reference to banking sector in his study “CSR Practices and CSR Reporting in Indian Banking Sector” According to the results of the research, CSR demonstrates an organization’s dedication to conducting itself in a socially responsible manner. The study’s findings demonstrate that developing nations’ CSR efforts are not promising. Furthermore, it shows that the banking industry lacks stringent requirements for compliances and reporting of CSR. Incorporating sustainability into business models is something that the Indian banking industry seems to be interested in, according to the study’s findings. However, the sector’s CSR reporting practices leave much to be desired.

**Moharana Sarita (2013)** in “Corporate Social Responsibility: A Study of Selected Public Sector Banks in India” discussed the current state of CSR initiatives at a number

of nationalized banks and offers recommendations for how these initiatives may be enhanced and how model CSR practices may be implemented at Indian financial institutions more generally. Five nationalized banks-the Allahabad Bank, the Andhra Bank, the Bank of Baroda, the State Bank of India, and the UCO Bank-were selected for this study. She saw the significance of CSR and advocated for its expansion across the banking and financial industries. Financial institutions, such as banks, begin to promote ecologically and socially responsible lending and investing policies. This study explains how a lack of cooperation between India's financial institutions, its government, and non-governmental organizations has prevented CSR from taking firm root there. Some of the author's businesses should invest in educating its management to deal with social concerns and the media's interest in and participation in the era of CSR should grow, and small and medium-sized firms should be encouraged to participate and the government's engagement in CSR activities should be accelerated.

**Dr. Singh Inder Pal and Singh Tej Inder Deep (2015)** analyzed the article titled "Comparative Analysis on Corporate Social Responsibility in Public and Private Sector Banks in India". They examined the differences and similarities between the CSR initiatives taken on by India's public and private sector banks. Public and commercial banks were selected based on their commitment to priority sector lending and expansion into rural areas. More money is donated by public banks than private ones, the study revealed. Furthermore, the banks have not adopted the RBI's recommendations for financial literacy. When compared to their public sector counterparts, private banks like HDFC and ICICI provide superior customer service in this area. Banks like SBI and PNB don't seem to care about the environment, and private banks like ICICI and HDFC should expand into more rural areas.

**Patel A. (2016)** attempted to examine the CSR programmes of leading commercial banks in India and compare CSR spending from FY 2009-10 to FY 2015-16 in his research article "Corporate Social Responsibility: A Comparative Study of SBI and ICICI in India." According to the research, State Bank of India allocated a larger share of its post-tax profits to CSR in 2015-16 than did ICICI, despite the fact that both banks made sizable contributions during that period. CSR expenditure projections for the FY 2016-17 show that SBI is planning on allocating more resources than ICICI Bank. It has been noted, however, that the vast majority of CSR contributions go toward education, community, and health care; hence, it is recommended that the CSR contributions pie be broken down into more pieces and the goodwill spread to more recipients. Banks must take their obligations seriously and put in a lot of work to implement CSR practices.

**Venugopal Nithin et al. (2018)** attempted to investigate the level of knowledge held by employees and recipients of CSR programmes in their study titled “Corporate Social Responsibility: A Study on Spending Pattern in Indian Commercial Banks and Analysis of Perception and Awareness of Employees and Beneficiaries.” The study also determined the exact amounts of money donated to CSR projects by commercial banks in India during the financial years of 2014-2015 and 2015-2016. Their findings demonstrate that Indian banks are attempting to participate in CSR activities, albeit with mixed success. From the client’s point of view, ‘Employment to differently-abled’ is one of the most pressing CSR issues. From the viewpoint of those who stand to benefit, some of CSR’s most pressing goals include promoting education, child welfare, women’s empowerment, and access to the workforce for the disabled.

**Ms. Kewlani Himandri and Dr. Bhatt Krupa (2019)** narrowed their attention on CSR efforts, financial outlays, and the effect of CSR on the stock price of Indian Banks in their work “A Comparative Study on Corporate Social Responsibility Practices in Selected Public and Private Sector Banks in India.” From the Futures Cape list of the top 100 firms contributing to CSR, four banks, two public and two private, were chosen for the research. Their research showed that private banks’ CSR spending has been steadily rising, whereas public sector banks’ spending is more volatile. CSR also affects the share price of banks differently according on their industry, with a positive effect on private banks and a negative effect on public banks. Both public and private banks in the chosen years engage in a variety of CSR initiatives, with a focus on Education, Health, and the Environment.

#### 4. Research GAP

In the light of the above literature, some studies have been conducted on CSR initiatives, practices and expenditure in Indian banking Industries. But when looking at the Indian banking industry, they found a dearth of literature on the topic.

Since there is a lack of data in this area, the current study aims to fill it by examining the CSR initiatives of both public and private banks in India’s financial sector. Thus, this study has tried to investigate the CSR spending and activities in India.

#### 5. Objectives of the Study

The main objectives of the study are:

1. To analyse the CSR expenditure in selected public and private sector banks.
2. To analyse the impact of the net profit on CSR spending.

## 6. Hypothesis of the Study

Net profit has a significant impact on CSR contribution of Banks.

## 7. Research Methodology

To accomplish the objectives of the study, The present study will be used both quantitative and qualitative statistics for data interpretation and Multiple regression analysis is used to know the influence of the independent variables on the dependent variable.

### *Selection of Banks*

For the current study, two banks from the public sector namely Indian Bank and Union Bank of India and two banks from private sector namely Axis Bank Ltd and Kotak Mahindra Bank Ltd have been selected which are listed in BSE & NSE.

### *Data Collection*

The current study relies on secondary sources obtained from the annual reports, sustainability reports, and official websites of the relevant banks. A comprehensive analysis has been conducted on the annual reports spanning eight years, from 2014-15 to 2021-2022, encompassing all CSR activities.

### *Data Analysis*

The goal of assessing and contrasting Corporate Social Performance across public and private sector banks in India was fulfilled through content analysis of annual reports from two public sector banks and two private sector banks spanning 2015 to 2022. The data will be scrutinized and interpreted using Multiple regression analysis.

## 8. Scope of The Study

The study encompasses an analysis of the Indian Companies Act, 2013, focusing on the detailed stipulations outlined in Section 135 and Schedule 7. These sections specifically address aspects such as CSR Policy formulation, the structure of the CSR Committee, the allocation and utilization of CSR funds, primarily following the directives specified in Schedule 7 of the Companies Act, 2013. To conduct this study, both public and private banks were chosen based on their disclosed CSR expenditure.

## 9. CSR Practice in Indian Banking Sector

CSR practices within the Indian banking sector encompass a diverse array of initiatives aimed at fostering social development, environmental sustainability, and

community welfare. These efforts span various fronts, including educational support through scholarships and school development, financial inclusion initiatives targeting marginalized communities, and the promotion of environmental conservation and renewable energy projects. Banks actively engage in healthcare programs, supporting medical camps and providing access to healthcare in remote areas. Furthermore, these practices extend to employee welfare initiatives, emphasizing skill enhancement and healthcare benefits. Mandated by the Companies Act, certain banks are required to allocate a portion of their profits to CSR activities, driving a more structured and accountable approach toward impactful societal contributions.

**Table 1: Selected Bank's Most CSR Practice Area**

Public Sector Banks		Private Sector Banks	
Indian Bank	<b>Union Bank of India</b>	<b>Axis Bank</b>	<b>Kotak Bank</b>
Inclusive growth	Health	Education	Health
Vocational skill	Education	Livelihood	Education
Gender equality	Environment	Vocational skill	Environment
Woman empowerment	Woman empowerment	Environment	Women empowerment
Education	Community development	Health care	Community development

Sources: Annual Report of Indian Bank, Union bank of India, Axis Bank Ltd. and Kotak Mahindra Bank Ltd (From 2014-15 to 2021-22)

Table 1 shows the various sectors for which selected banks have focused more for CSR spending. It is observed from the above table that the priority has been given by the banks on Health, Education, Environment, Women Empowerment, Community Development, Gender Equality, Livelihood and Vocational Skill sectors. It is required to focus on other various areas which are identified under schedule VII of the companies Act 2013 also.

### **8.1. Public Sector Banks Net Profit and Corporate Social Responsibility**

The details of Net Profit, amount spent towards CSR and the percentage of CSR spent by selected Public Sector Banks namely Indian Bank and Union Bank of India are shown in the following table and graph.

**Table 2: Net profit, amount spent towards Corporate Social Responsibility and percentage of CSR spent by Indian Bank during 2014-15 to 2021-22**

(In Crore)

Year	Net Profit After Tax	CSR Spent	CSR Spent in Percentage
2014-15	1005.17	1.18	0.12%
2015-16	711.38	2.95	0.41%
2016-17	1405.68	2.65	0.19%
2017-18	1258.99	5.72	0.45%
2018-19	321.95	2.42	0.75%
2019-20	753.00	1.63	0.22%
2020-21	3005.00	2.02	0.07%
2021-22	3944.82	4.93	0.12%
Total	12405.99	23.5	

Source: Compiled from Annual Report of Indian Bank (From 2014-15 to 2021-22)

**Graph 1: Net profit and Corporate Social Responsibility spending of Indian Bank during 2014-15 to 2021-22**

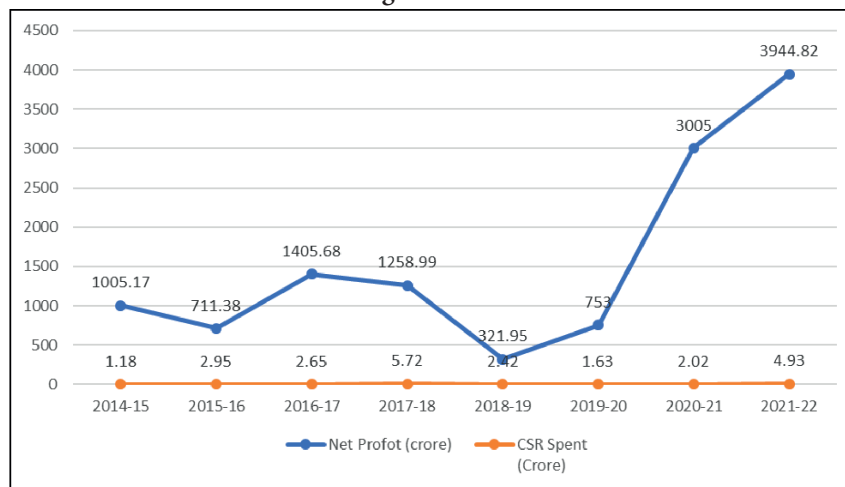


Table 2 and Graph 1 represents the year-wise net profit and CSR spending by Indian Bank over the study period of eight financial years from 2014-15 to 2021-22. It is observed from the above table that there was a variation found in the profit after tax (PAT) for the first five financial years with a huge increase in last three financial years. The total PAT in 2014-15 was 1005.17 Crore but it reduced to 711.38 Core in 2015-16. It increases to 1405.68 Crore in but again decline to 1258.99 Crore and 321.95 Crore in the next two financial years. A huge increase to 3944.82 has been recorded in the last three financial years. The table also shows the variation in CSR spending by the Bank



over the study period. Bank spent 1.18 Crores in 2014-15, it increases to 2.95 Crore in 2015-16 and a slight decline to 2.65 Crore in 2016-17. It increases to 5.72 Crore in 2017.18, whereas a decline to 2.42 Crore and 1,63 Crore in next two financial years. There was an increase recorded to 2.02 Crore and 4.93 Crore in the last two financial years. Though it is mandatory for the companies to spend 2% of their net profit towards CSR under section 135(1) of the Companies Act, 2013, it is noticed from the above table that less than 1% has been spent in all financial years by Indian Bank.

**Table 3: Net profit and Corporate Social Responsibility spending of Union Bank of India during 2014-15 to 2021-22**

(In Crore)

Year	Net Profit After Tax	CSR Spent	CSR Spent in Percentage
2014-15	1782.00	13.25	0.74%
2015-16	1352.00	6.98	0.52%
2016-17	555.22	7.27	1.31%
2017-18	815.43	4.67	0.57%
2018-19	5.71	0.45	7.88%
2019-20	2947.00	1.63	0.06%
2020-21	2905.97	.078	0.03%
2021-22	5232.11	5.47	0.10%
Total	15,595.44	39.798	

Source: Compiled from Annual Report of Union Bank of India (From 2014-15 to 2021-22)

**Graph 2: Net profit and Corporate Social Responsibility spending of Union Bank of India during 2014-15 to 2021-22**

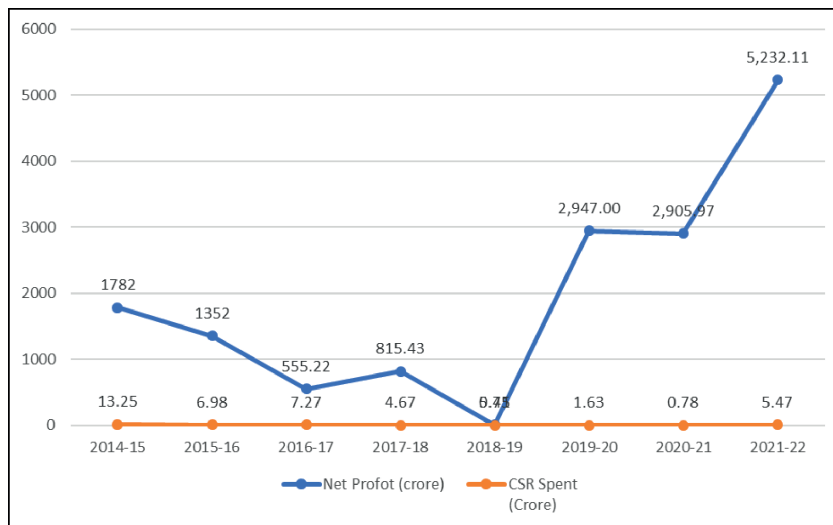


Table 3 and Graph 2 displays the year-wise net profit and CSR spending by Union Bank of India over the study period of eight financial years from 2014-15 to 2021-22. It is observed from the above table that there was a variation found in the profit after tax (PAT). The total PAT in 2014-15 was 1782 Crore with a decline to 1352 Crore and 555.22 Crore in the next two financial years. It increases to 815.43 Crore in 2017-18 but a steep decline to 5.71 Crore in 2018-19. There is a huge increase to 2947 Crores in 2019-20 recorded with a small decline to 2905.97 Crore in 2020-21. An increase to 5232.11 Crore recorded in 2021-22. The table also shows the variation in CSR spending by the Bank over the study period. Bank spent 13.25 Crores in 2014-15, but it declined to 0.45 Crore in the next four financial years. It increases to 1.63 Crore in 2019-20 but again declined to 0.78 Crore in 2020-21. There was an increase found in CSR spending to 5.47 Crore in 2021-22. It is noticed from the above table that except 7.88% in 2018-19, Union Bank spent less than 1% towards CSR in all other financial years.

## 8.2. Private Sector Banks Net Profit and Corporate Social Responsibility

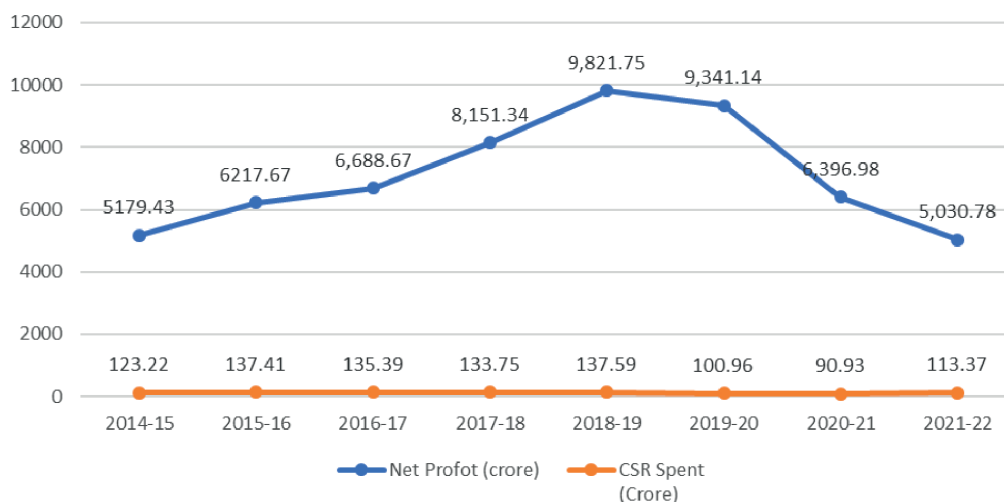
The details of Net Profit, amount spent towards CSR and the percentage of CSR spent by selected Private Sector Banks namely Axis Bank and Kotak Mahindra Bank are shown in the following table and graph.

**Table 4: Net profit and Corporate Social Responsibility spending of Axis Bank Ltd. during 2014-15 to 2021-22**

(In Crore)

Year	Net Profit After Tax	CSR Spent	CSR Spent in Percentage
2014-15	5179.43	123.22	2.38%
2015-16	6217.67	137.41	2.21%
2016-17	6688.67	135.39	2.02%
2017-18	8151.34	133.75	1.64%
2018-19	9821.75	137.59	1.40%
2019-20	9341.14	100.96	1.08%
2020-21	6396.98	90.93	1.42%
2021-22	5030.78	113.37	2.25%
Total	56827.76	972.62	

Source: Compiled from Annual Report of Axis Bank Ltd. (From 2014-15 to 2021-22)



**Graph 3: Net profit and Corporate Social Responsibility spending of Axis Bank Ltd. during 2014-15 to 2021-22**

Table 4 and Graph 3 displays the year-wise net profit and CSR spending by Axis Bank over the study period of eight financial years from 2014-15 to 2021-22. It is observed from the above table that there was an increase trend found in the profit after tax (PAT) in first five financial years. The total PAT in 2014-15 was 5179.43 Crore and it increased to 9821.75 Crore by 2018-19. There is a continuous decline in PAT found in the next three financial years and it declined to 5030.78 Crore by 2021-22. The table also shows the variation in CSR spending by the Bank over the study period. There is an increase to 137.41 Crore in second year with slight decline to 133.75 Crores by 2017-18. It increased to 137.59 Crore in 2018-20 but again reduced to 90.93 Crore by 2020-21. There is an increase in CSR spending to 113.37 found in the last financial year. It is observed from the above table that Axis bank spent less than 2% from 2017-18 to 2020-21, however, more than 2% spent in other financial years found towards CSR.

**Table 5: Net profit and Corporate Social Responsibility spending of Kotak Mahindra Bank Ltd. During 2014-15 to 2021-22**

(In Crore)

Year	Net Profit After Tax	CSR Spent	CSR Spent in Percentage
2014-15	42.27	0.85	2.01%
2015-16	88.62	1.77	2.00%
2016-17	156.54	0.30	0.19%
2017-18	218.94	0.40	0.18%

Year	Net Profit After Tax	CSR Spent	CSR Spent in Percentage
2018-19	273.16	5.46	2.00%
2019-20	296.40	3.11	1.05%
2020-21	338.5	3.36	0.99%
2021-22	356.10	3.19	0.90%
Total	1770.53	18.44	

Source: Compiled from Annual Report of Kotak Mahindra Bank Ltd. (From 2014-15 to 2021-22)

**Graph 4: Net profit and Corporate Social Responsibility spending of Kotak Mahindra Bank Ltd. during 2014-15 to 2021-22**

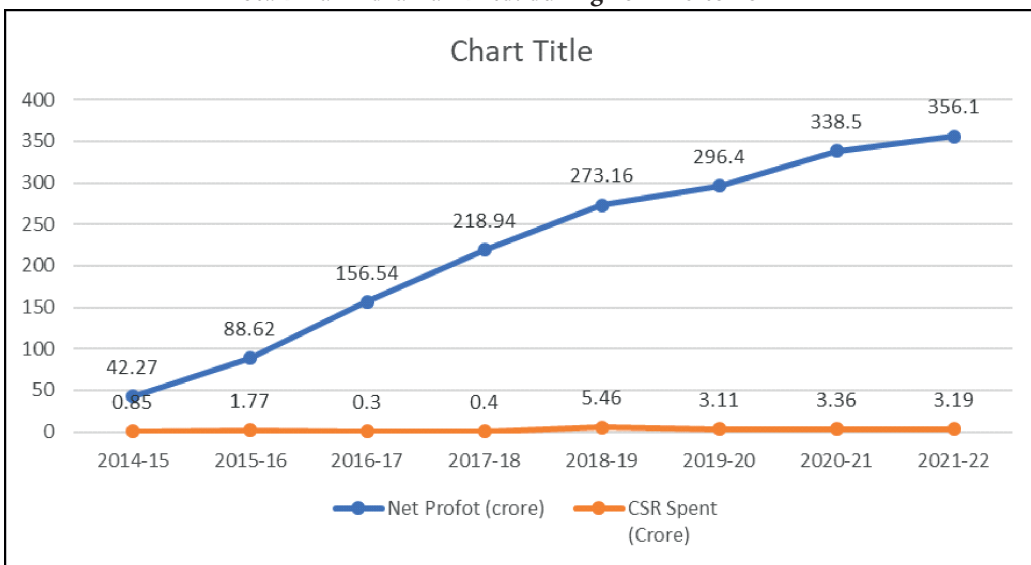


Table 5 and Graph 4 displays the year-wise net profit and CSR spending by Kotak Mahindra Bank over the study period of eight financial years from 2014-15 to 2021-22. It is observed from the above table that there was an increase trend found in the profit after tax (PAT) by the Bank over the study period. The total PAT in 2014-15 was 42.27 Crore and with a continuous increase every financial year the PAT was increased to 356.10 Crore by 2021-22. No decline found in any financial year. The table also shows the variation in CSR spending by the Bank over the study period. Though there was a continuous increase in PAT in every year, the variation found in CSR spending. Bank spent 0.85 Crore in 2014-15 and with a variation it increased to 5.46 Crore in 2018-19. Again, with some variations in the last three financial years it reduced to 3.19 Crore by 2021-22. It is observed from the above table that except in 2014-15, 2015-16 and 2018-19 Kotak Mahindra bank spent less than 2% towards CSR in other financial years.

## 10. Result and Discussion

Net profit has a significant impact on CSR contribution of Banks.

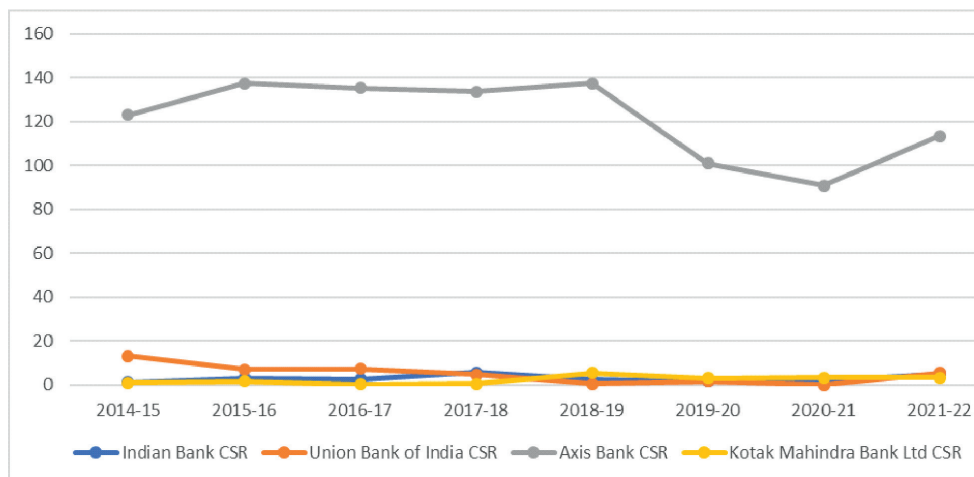
This hypothesis helps to know the impact of net profit on CSR contribution of public and private sector banks in India. To test this hypothesis, data is collected from two public sector banks and two private sector banks namely Indian Bank, Union Bank of India of India Axis and Kotak Mahindra Bank respectively.

**Table 6: Public and Private Banks Net Profit and CSR Spending during 2014-15 to 2021-22**

(In Crore)

Year	Indian Bank		Union Bank of India		Axis Bank		Kotak Mahindra Bank Ltd	
	Net Profit	CSR	Net Profit	CSR	Net Profit	CSR	Net Profit	CSR
2014-15	1005.17	1.18	1782.00	13.25	5179.43	123.22	42.27	0.85
2015-16	711.38	2.95	1352.00	6.98	6217.67	137.41	88.62	1.77
2016-17	1405.68	2.65	555.22	7.27	6688.67	135.39	156.54	0.30
2017-18	1258.99	5.72	815.43	4.67	8151.34	133.75	218.94	0.40
2018-19	321.95	2.42	5.71	0.45	9821.75	137.59	273.16	5.46
2019-20	753.00	1.63	2947.00	1.63	9341.14	100.96	296.40	3.11
2020-21	3005.00	2.02	2905.97	.078	6396.98	90.93	338.5	3.36
2021-22	3944.82	4.93	5232.11	5.47	5030.78	113.37	356.10	3.19

Sources: Annual Report of Indian Bank, Union bank of India, Axis Bank Ltd. and Kotak Mahindra Bank Ltd (From 2014-15 to 2021-22)



**Table 6.1: Regression results for impact of net profit on CSR spending of Banks**

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	<i>Durbin-Watson</i>
1	.865 <sup>a</sup>	.748	.740	26.89820	1.245

<i>Model</i>		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
CSR	Regression	64567.559	1	64567.559	89.242	.000 <sup>b</sup>
	Residual	21705.392	30	723.513		
	Total	86272.951	31			

<i>Model</i>		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
1	(Constant)	-8.627	6.479		-1.332	.193
	Net Profit	.015	.002	.865	9.447	.000

Table 6.1 shows the **Regression results for impact of net profit on CSR spending of Banks**. Regression results shows that one unit increase in net profit will lead to 0.86 percent increase in CSR spending). The effect of CSR on Net Profit is positive. The f value is 89.242 and p value is 0.000, it is statistically significant at 1 Percent level. Based on the regression results the null hypotheses there is no significant impact of net profit on CSR contribution of Banks has been rejected and alternative hypothesis that net profit has a significant impact on CSR contribution of Banks.

## 11. Findings

The selected public and private sector banks are actively involved in backing various projects such as community development, education and skill enhancement, environmental sustainability, healthcare, rural development initiatives, sports, and welfare programs. Notably, they prioritize endeavors aimed at women empowerment, recognizing its direct correlation with economic growth.

The CSR practices & expenditure by the Private sector banks are good compared to public sector Banks. However, the chosen banks have neglected to comply with the regulations outlined in Section 135 (IV) of the Companies Act 2013 and the guidelines established by the Reserve Bank of India (RBI).

## 12. Suggestions and Conclusion

Corporate social responsibility (CSR) is emerging as a critical business concern, garnering attention both on a global scale and within specific regions. It is increasingly recognized as an indispensable component of corporate strategy, rising to the forefront of business leaders' agendas. The CSR initiatives undertaken by banks play a pivotal role in driving the economic advancement of nations, making a notable and beneficial impact. Banks extensively highlight their CSR efforts in their annual reports, dedicating substantial sections to showcase their responsible corporate behavior, aiming to attract investors and shareholders through transparency and commitment to societal well-being.

The current allocation and spending by the banks towards CSR initiatives are good, but the same is not sufficient for stabilizing the economic growth. To make a paradigm shift, the banks should realize their responsibilities and increase their investment substantially, so that this can definitely make a paradigm shift in sustained economic development

It is recommended that the banks should focus on other various areas like drinking water, eradicating hunger, slum area development, Research & Development, armed forces, national heritage, disaster management and encouraging sports which are identified under schedule VII of the companies Act 2013. It is also suggested that Government should take serious action on the banks who are not spending 2% towards CSR and not disclosing the actual reports.

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