International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 816-830

To cite this article: Lidiya Devee. V and Dr. G. Parimalarani (2026). CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF INDIAN COMMERCIAL BANKS AND THEIR IMPACT ON SUSTAINABLE DEVELOPMENT, International Journal of Research in Commerce and Management Studies (IJRCMS) 8 (4): 816-830 Article No. 853 Sub Id 1410

CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF INDIAN COMMERCIAL BANKS AND THEIR IMPACT ON SUSTAINABLE DEVELOPMENT

Lidiya Devee. V[1] and Dr. G. Parimalarani[2]

[1]Ph.D Scholar (Part–Time), Department of Bank Management, Alagappa University, Karaikudi.
lids.doss@gmail.com

[2]Professor and Head, Department of Bank Management, Alagappa University, Karaikudi.
parimalaranig@alagappauniversity.ac.in

DOI: https://doi.org/10.38193/IJRCMS.2026.8455

ABSTRACT

Corporate Social Responsibility (CSR) has evolved from a discretionary philanthropic activity into a statutorily mandated and strategically embedded function of Indian commercial banks, particularly since the notification of Section 135 of the Companies Act, 2013. As financial intermediaries that mobilise savings and allocate credit across the economy, banks occupy a unique position from which their CSR choices can influence social, economic, and environmental outcomes at a scale disproportionate to their own balance sheets. This paper examines the CSR practices of Indian commercial banks and evaluates their contribution to the three pillars of sustainable development, namely economic viability, social equity, and environmental stewardship. The study maps the thematic priorities of bank-led CSR spending, contrasts the practices of public sector and private sector banks, and situates these practices against the Sustainable Development Goals (SDGs) framework. The analysis suggests that Indian banks concentrate CSR expenditure heavily on education, rural development, health, and financial inclusion, while environmental and green-finance initiatives, though growing, remain comparatively underdeveloped and unevenly disclosed. Public sector banks tend to treat CSR as a compliance obligation embedded in mandated spending, whereas several private sector banks increasingly integrate CSR with core business strategy, brand equity, and environmental, social, and governance (ESG) reporting. The paper identifies a persistent research gap concerning the long-term, outcome-level impact of bank CSR on sustainable development indicators, as most existing studies stop at describing expenditure patterns rather than measuring developmental change. The study concludes that a stronger regulatory push toward standardised impact disclosure, deeper integration of CSR with green banking, and a shift from output-based to outcome-based CSR evaluation are necessary if Indian commercial banks are to meaningfully advance the sustainable development agenda.

KEYWORDS: Corporate Social Responsibility; Sustainable Development; Indian Commercial

Banks; Companies Act 2013; Green Banking; Sustainable Development Goals

1. INTRODUCTION

Corporate Social Responsibility refers to the voluntary and, in India, increasingly mandatory integration of social and environmental concerns into the business operations and stakeholder relationships of a firm. The concept has matured considerably from Carroll's (1979) four-part model of economic, legal, ethical, and philanthropic responsibilities to the contemporary understanding in which CSR is treated as a strategic instrument for long-term value creation rather than a peripheral act of charity. Freeman's (1984) stakeholder theory reframed the corporation as an entity accountable not only to shareholders but to employees, customers, communities, and the environment, while Elkington's (1997) triple-bottom-line framework of people, planet, and profit provided the conceptual bridge between CSR and the broader idea of sustainable development, defined by the World Commission on Environment and Development (1987) as development that meets present needs without compromising the ability of future generations to meet their own.

The banking sector occupies a distinctive position in this discourse. Banks do not merely generate profits from their own operations; they act as intermediaries that channel household savings into productive investment, extend credit to industry and agriculture, and thereby indirectly shape the environmental and social footprint of the wider economy. Aguilera et al. (2007) argue that such intermediary institutions carry an amplified responsibility because their decisions ripple through supply chains and communities far beyond their immediate balance sheets. In India, this responsibility acquired a formal legal character with the enactment of Section 135 of the Companies Act, 2013, which made India the first country in the world to mandate a minimum CSR expenditure, requiring qualifying companies to spend at least two per cent of their average net profits of the preceding three financial years on notified CSR activities. Commercial banks, both public and private, fall squarely within this mandate and have since institutionalised CSR committees, policies, and reporting mechanisms.

Despite this regulatory push, the manner in which Indian commercial banks translate CSR spending into genuine progress toward sustainable development remains contested. Public sector banks, historically shaped by developmental banking objectives such as priority-sector lending and financial inclusion, often treat CSR as a natural extension of their social mandate. Private sector banks, operating under sharper competitive and reputational pressures, have tended to link CSR more visibly to brand positioning, employee engagement, and increasingly to environmental, social, and governance (ESG) disclosure demanded by investors. Both segments, however, face criticism that CSR reporting emphasises expenditure and activity count rather than measurable developmental outcomes. This paper undertakes a systematic review and secondary-data-based analysis of CSR

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practices among Indian commercial banks to assess their contribution to sustainable development, identify divergences between public and private sector approaches, and propose directions for more outcome-oriented CSR practice.

2. REVIEW OF LITERATURE

The theoretical foundations of CSR have been shaped substantially by Carroll (1979), whose pyramid model positioned economic and legal responsibilities as the base upon which ethical and discretionary philanthropic responsibilities are layered. Freeman (1984) shifted the analytical focus from shareholders to a wider set of stakeholders, a move that later scholars used to justify treating communities and the environment as legitimate claimants on corporate attention. Elkington (1997) operationalised this shift through the triple-bottom-line framework, which continues to underpin most contemporary sustainability reporting frameworks, including those used by Indian banks in their Business Responsibility and Sustainability Reports.

Within the specific context of developing economies, Jamali and Mirshak (2007) observed that CSR in emerging markets is frequently shaped by weak regulatory enforcement, informal institutional pressures, and a tendency for firms to adopt CSR language without correspondingly robust implementation systems, a pattern that several Indian studies echo. Afrin (2013) distinguished between traditional, philanthropy-driven CSR and strategic CSR that is deliberately aligned with a firm's core competencies and long-term sustainability goals, arguing that the latter produces more durable developmental outcomes. Ray and Siva Raju (2016), examining the Indian banking sector specifically, found that CSR was historically treated by public sector banks as a natural continuation of their social banking mandate predating the 2013 legislation, whereas private banks approached it more instrumentally, as a reputational and marketing tool.

A cluster of studies has focused on the environmental dimension of bank CSR, commonly discussed under the label of green banking. Meena (2013) characterised green banking as encompassing paperless banking, energy-efficient branch operations, and preferential financing for environmentally sustainable projects, positioning it as a natural extension of CSR into the environmental pillar of sustainability. Kumar and Prakash (2017) proposed a model for Indian banks to embed environmentally sustainable practices into core lending and operational decisions rather than treating green initiatives as isolated CSR projects, while Macve and Chen (2010) examined the Equator Principles as a voluntary international code through which banks assess environmental and social risk in project finance, concluding that voluntary codes achieve only partial and uneven adoption without binding regulatory backing.

On the disclosure and reporting side, Kumar and Prakash (2019) conducted one of the first systematic content analyses of sustainability reporting among Indian banks, coding CSR reports, Business

Responsibility Reports, and annual reports of public and private sector banks against Global Reporting Initiative and National Voluntary Guidelines indicators. Their findings indicated that Indian banks, taken as a whole, lag behind global sustainability reporting norms, with private banks generally disclosing more comprehensively than public sector banks, and with environmental indicators disclosed less consistently than social indicators such as community development and financial inclusion. Gaba and Madhumathi (2022) examined whether CSR expenditure adds measurable value to Indian banks and reported a cautious but generally positive association between CSR engagement and indicators of reputational and financial performance, while noting considerable variation across individual banks and time periods.

A further stream of research has attempted to connect bank CSR directly to macro-level developmental outcomes. Sharma and Sathish (2022) used CSR expenditure data for twenty-one commercial banks across nine developmental areas alongside India's Human Development Index and state-wise GDP growth rates, concluding that the statistically measurable contribution of bank CSR spending to economic growth remained modest, and that CSR in many institutions functioned more as a reputational exercise than as a substantive development lever. This finding echoes broader international evidence; for instance, cross-country work has found that CSR's contribution to income growth, while statistically detectable, is limited in magnitude. Collectively, the literature suggests three broad conclusions relevant to this study: first, CSR activity by Indian banks is thematically concentrated in education, rural development, health, and financial inclusion; second, environmental and green-finance dimensions of CSR remain comparatively nascent and inconsistently reported; and third, existing empirical work has predominantly measured CSR inputs (expenditure) and outputs (activity counts, disclosure scores) rather than longer-term developmental outcomes.

3. RESEARCH GAP

While a reasonably rich body of literature documents the existence, thematic distribution, and disclosure quality of CSR activities among Indian commercial banks, three gaps stand out. First, most existing studies are descriptive or correlational in nature, examining CSR expenditure or disclosure scores in isolation, with comparatively little work tracing a credible causal or even strongly associative link between specific CSR interventions and measurable sustainable development outcomes such as poverty reduction, financial inclusion depth, or environmental quality at the community level. Second, comparative analysis between public and private sector banks, though present in the literature, rarely extends to a synthesised framework that maps bank CSR activity explicitly against the United Nations Sustainable Development Goals, limiting the ability of policymakers and bank managements to benchmark performance against a globally recognised standard. Third, the environmental pillar of sustainability, most visible in green banking initiatives, remains under-researched relative to the social pillar, even though climate-related financial risk is increasingly material to the banking sector. This

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study addresses these gaps by combining a structured secondary-data review with an SDG-aligned analytical framework and by explicitly comparing public and private sector bank practices across all three pillars of sustainable development.

4. OBJECTIVES OF THE STUDY

- To examine the nature and thematic composition of CSR practices adopted by Indian commercial banks.
- To assess the contribution of these CSR practices to the economic, social, and environmental dimensions of sustainable development.
- To compare CSR approaches and priorities between public sector and private sector commercial banks in India.
- To map bank CSR activities against the United Nations Sustainable Development Goals framework.
- To identify the challenges and limitations in the existing CSR-sustainable development linkage and suggest measures for improvement.

5. RESEARCH METHODOLOGY

This study adopts a descriptive-analytical research design based entirely on secondary data, an approach appropriate for a synthesis-oriented inquiry into an already-documented but fragmented body of practice. Secondary data were drawn from four categories of sources: (i) annual reports, CSR reports, and Business Responsibility and Sustainability Reports of a purposive sample of Indian commercial banks comprising major public sector banks (including State Bank of India, Punjab National Bank, and Bank of Baroda) and major private sector banks (including HDFC Bank, ICICI Bank, and Axis Bank); (ii) regulatory and policy documents, including the Companies Act, 2013 and circulars issued by the Reserve Bank of India and the Ministry of Corporate Affairs on CSR and sustainable finance; (iii) databases maintained by the National CSR Portal, which consolidate bank-wise CSR expenditure by thematic area; and (iv) peer-reviewed academic literature identified through Scopus, Google Scholar, and SpringerLink using the keywords corporate social responsibility, sustainable development, Indian banking sector, and green banking.

The selected banks were chosen purposively rather than randomly, on the criteria of asset size, listing status, and the availability of at least three consecutive years of CSR disclosure, so as to ensure comparability between public and private ownership categories rather than statistical representativeness of the entire banking universe. Data analysis proceeds through qualitative content analysis of disclosed CSR themes, supplemented by descriptive comparison of CSR expenditure allocation across development areas (education, health, rural development, environment, skill development, and financial inclusion) as reported in the public domain. The thematic categories

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emerging from this content analysis are then mapped, following the SDG-alignment approach used in prior sustainability-reporting research, against the corresponding Sustainable Development Goals to assess coverage and gaps. In addition, to move beyond purely qualitative synthesis, the study compiles a four-year panel (FY 2019-20 to FY 2022-23) of disclosed CSR expenditure for six purposively selected banks, drawn from Panchmatia (2024) and cross-verified against bank-specific disclosures, and subjects this panel to descriptive statistical analysis (mean, standard deviation, coefficient of variation) and a one-way analysis of variance (ANOVA) to test whether CSR expenditure differs significantly across banks. This quantitative component is used to substantiate, rather than replace, the qualitative and content-analytic findings; it relies on secondary, publicly disclosed expenditure figures rather than primary data collection. This design carries an inherent limitation, common to secondary-data studies, in that it reflects what banks choose to disclose rather than an independently verified measure of developmental impact, a limitation explicitly revisited in the discussion of the research gap and in the conclusion.

6. ANALYSIS AND DISCUSSION

6.1 Statistical Profile of CSR Expenditure among Selected Banks

To move beyond a purely descriptive account of CSR themes, this section quantifies CSR expenditure for a purposively selected panel of six major Indian commercial banks (three public sector: State Bank of India, Bank of Baroda, Canara Bank; three private sectors: HDFC Bank, ICICI Bank, Kotak Mahindra Bank) over four consecutive financial years, FY 2019-20 to FY 2022-23. Expenditure figures, reported in ₹ crore, are adapted from bank-wise CSR disclosures compiled and analysed by Panchmatia (2024), supplemented by bank-specific CSR disclosures reported in the financial press (Business Today, 2024; India CSR, 2023, 2025; The CSR Journal, 2025) for cross-verification. Table 1 presents the four-year expenditure series together with the mean and standard deviation for each bank.

Table 1: CSR Expenditure of Six Major Indian Commercial Banks, FY 2019-20 to FY 2022-23 (₹ crore)

Bank	2019-20	2020-21	2021-22	2022-23	Mean	SD
State Bank of India (Public)	8.62	144.88	204.10	316.76	168.59	126.16
Bank of Baroda (Public)	4.33	6.90	8.29	13.50	8.26	3.86
Canara Bank (Public)	20.50	24.71	25.48	47.51	29.55	12.16
HDFC Bank (Private)	535.31	634.91	736.01	820.89	681.78	123.72
ICICI Bank (Private)	134.35	200.50	266.62	407.84	252.33	116.90
Kotak Mahindra Bank (Private)	74.62	79.40	162.00	187.40	125.86	57.38

Source: Panchmatia (2024) and cross-checked against bank CSR disclosures reported in India CSR

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(2023, 2025) and Business Today (2024).

Note. SD = standard deviation (population basis, n = 4 years per bank)

Two patterns stand out. First, absolute CSR expenditure differs by more than an order of magnitude across the panel, from Bank of Baroda's four-year mean of ₹8.26 crore to HDFC Bank's mean of ₹681.78 crore, a difference driven substantially by the underlying scale of net profit against which the two per cent statutory mandate is applied rather than by CSR intensity alone. Second, every bank in the panel shows a rising trajectory across the four years, with State Bank of India registering the steepest proportionate increase, from ₹8.62 crore in FY 2019-20 to ₹316.76 crore in FY 2022-23, a more than thirty-fold rise that reflects both the low COVID-affected base of FY 2019-20 and a subsequent deliberate scaling up of SBI Foundation-routed CSR activity.

6.2 Public Sector – Private Sector Comparison: Descriptive Statistics

Pooling the twelve bank-year observations within each ownership category (three banks × four years) allows a direct descriptive comparison of the public and private sector sub-samples, summarised in Table 2. The coefficient of variation (CV), calculated as the standard deviation expressed as a percentage of the mean, is included to assess relative dispersion independent of scale.

Table 2: Descriptive Statistics of CSR Expenditure by Ownership Category (₹ crore, pooled bank-year observations, n = 12 per group)

Ownership Category	N	Mean	SD	CV (%)
Public sector banks	12	68.80	100.23	145.7
Private sector banks	12	353.32	265.63	75.2

Note. SD computed on a sample basis (n – 1 = 11). Author's own computation from the bank-year data reported in Table 1.

The private sector sub-sample shows both a substantially higher mean CSR outlay and a lower relative dispersion (CV = 75.2%) than the public sector sub-sample (CV = 145.7%). The higher relative variability among public sector banks is attributable chiefly to the gap between SBI, whose CSR budget scales with its outsized net profit base, and the two smaller public banks in the sample. This suggests that CSR intensity in the Indian banking sector is more strongly linked to individual bank profitability and scale than to ownership category as such, a nuance that qualifies the broader narrative, discussed in Section 6.7, that public and private banks pursue systematically different CSR philosophies.

6.3 One-Way ANOVA: Testing for Significant Differences in CSR Spending

To test formally whether the observed differences in CSR expenditure across the six banks are

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statistically significant rather than attributable to chance variation, a one-way analysis of variance (ANOVA) was conducted, following the procedure applied by Panchmatia (2024) to the same panel. The null and alternative hypotheses were specified as follows:

H_0: There is no significant difference in CSR expenditure among the selected banks.
H_1: There is a significant difference in CSR expenditure among the selected banks.

Table 3: One-Way ANOVA – Group Summary

Bank (Group)	Count	Sum	Average	Variance
State Bank of India	4	674.36	168.59	16,455.96
Bank of Baroda	4	33.02	8.26	14.92
Canara Bank	4	118.20	29.55	148.15
HDFC Bank	4	2,727.12	681.78	15,314.25
ICICI Bank	4	1,009.31	252.33	13,664.40
Kotak Mahindra Bank	4	503.42	125.86	3,292.45

Table 4: One-Way ANOVA – Results

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	1,225,679.0	5	245,135.7	30.08	3.86E-08	2.77
Within Groups	146,670.4	18	8,148.4	—	—	—
Total	1,372,349.4	23	—	—	—	—

Source: Adapted from Panchmatia (2024), based on CSR expenditure of the six sampled banks over FY 2019-20 to FY 2022-23.

With 5 and 18 degrees of freedom, the calculated F-statistic (F = 30.08) substantially exceeds the critical value (F_{mrit} = 2.77) at the 5% level of significance, and the associated p-value (3.86×10^{-8}) is far below the conventional $\alpha = 0.05$ threshold. The null hypothesis of no significant difference in CSR expenditure among the selected banks is therefore rejected. This confirms, in statistical terms, what Table 1 suggests descriptively: Indian commercial banks differ significantly from one another in the scale of resources committed to CSR, a finding that is consistent with the wide dispersion in absolute CSR budgets noted by Gaba and Madhumathi (2022) and with the scale-driven variation documented in Section 6.2. Because the ANOVA result reflects differences in absolute rupee expenditure, which

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is mechanically linked to each bank's net profit base under the two per cent mandate, it should be read as evidence of unequal CSR capacity across banks rather than as direct evidence of unequal CSR commitment or effort; a variance test on CSR spending expressed as a percentage of mandated obligation, for which consistent multi-year data across all six banks were not available for this study, would be a more precise test of the latter and is flagged as an avenue for future research in Section 6.9.

6.4 Correlation and Regression Analysis: CSR Expenditure and Bank Profitability

Because the statutory CSR mandate under Section 135 is defined as two per cent of average net profit, CSR expenditure and profitability would be expected to move together. This relationship is tested here using a cross-sectional sample of the same six banks for FY 2021-22, for which both audited net profit figures (Bandyopadhyay, 2022) and CSR expenditure figures (Panchmatia, 2024) are available on a consistent, single-year basis, avoiding the confound of multi-year trend effects present in the pooled panel used in Section 6.1.

Table 5: Net Profit and CSR Expenditure of Six Major Indian Commercial Banks, FY 2021-22 (₹ crore)

Bank	Net Profit (FY 2021-22)	CSR Expenditure (FY 2021-22)
HDFC Bank	36,961	736.01
State Bank of India	31,676	204.10
ICICI Bank	23,339	266.62
Kotak Mahindra Bank	8,573	162.00
Bank of Baroda	7,272	8.29
Canara Bank	5,678	25.48

Note. Net profit figures as reported in Bandyopadhyay (2022); CSR expenditure figures as reported in Panchmatia (2024).

The Pearson correlation coefficient between net profit and CSR expenditure across the six banks is $r = 0.83$ ($R^2 = 0.68$), indicating that approximately 68% of the variation in CSR expenditure among the sampled banks is statistically associated with variation in net profit. A simple linear regression of CSR expenditure (Y) on net profit (X) yields the fitted equation $Y = -72.01 + 0.0162X$, meaning that, within this sample, each additional ₹1 crore of net profit is associated with an increase of roughly ₹0.016 crore (1.6 paise per rupee) in CSR expenditure, a slope reasonably close to the two per cent statutory benchmark given the small sample and the influence of banks that spend above or below their exact mandated obligation. A two-tailed t-test of the correlation ($t = 2.94$, $df = 4$) exceeds the

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critical value (t_{crit} = 2.78 at α = 0.05), indicating that the association is statistically significant at the 5% level, although the very small sample size (n = 6) limits the statistical power of this test and the result should be treated as indicative rather than conclusive.

This finding is consistent with Gaba and Madhumathi's (2022) broader observation of a cautious but generally positive association between CSR engagement and bank-level performance indicators, and lends quantitative support to the qualitative pattern noted in Section 6.2, namely that CSR budgets in Indian banking are driven substantially by underlying profitability and scale. It also implies a structural limitation of the current CSR framework for sustainable development: because CSR spending is mechanically tethered to profit, banks facing cyclical profit downturns, loan-loss provisioning shocks, or restructuring are likely to reduce CSR outlays precisely when the communities and sectors they serve may need continued support the most, a pro-cyclicality concern also implicit in Sharma and Sathish's (2022) caution that CSR spending functions more as a residual of profitability than as an autonomous development strategy.

6.5 Comparative Distribution Analysis: National CSR Priorities versus Banking-Sector CSR Priorities

A further useful comparison is between the sector-wise allocation of CSR expenditure across all CSR-mandated Indian companies and the thematic priorities of commercial banks specifically discussed in Section 6.6. Table 6 reports the aggregate, economy-wide distribution of CSR expenditure by development sector for FY 2022-23, compiled from Ministry of Corporate Affairs CSR filings (Ministry of Corporate Affairs, 2024; Protean eGov Technologies, 2024).

Table 6: Sector-wise Distribution of India's Aggregate CSR Expenditure, All CSR-Mandated Companies, FY 2022-23

Development Sector	Share of National CSR Expenditure (%)	Reported Amount (₹ crore)
Education, differently abled persons & livelihood enhancement	44%	13,209
Healthcare & sanitation	29%	8,739
Rural development, environmental sustainability, skill development, disaster relief, sports & others (residual)	27%	—

Note. Percentages and education/healthcare amounts as reported in Protean eGov Technologies

(2024); the residual share is derived by subtraction and is not separately itemised in the source. The Ministry of Corporate Affairs' Corporate Data Management portal similarly confirms that education and healthcare combined have consistently accounted for more than 51% of national CSR expenditure across recent years (Ministry of Corporate Affairs, 2024). Minor variation in total CSR expenditure figures reported across secondary aggregators (arising from differing filing cut-off dates) means the amounts in this table should be read as indicative of proportion rather than as precisely reconciled totals.

Comparing Table 6 with the thematic pattern documented for banks in Section 6.6 shows substantial convergence: both the national CSR landscape and the banking sub-sector are dominated by education and healthcare spending, together accounting for roughly seventy per cent of national CSR outlay and forming the two largest disclosed categories in bank CSR reports alike. The divergence lies in the residual categories. At the national level this residual is spread across environmental sustainability, skill development, disaster relief, and sports; within banking specifically, a disproportionate share of this residual is channelled into rural development and financial inclusion or financial literacy programmes, categories that are natural extensions of banks' core deposit-mobilisation and credit-delivery functions but that do not appear as a distinct line item in the economy-wide Schedule VII classification. This suggests that while banks broadly mirror the national CSR agenda in their two largest spending categories, their comparative advantage as financial intermediaries is expressed mainly through the residual and less-standardised categories, reinforcing the case made in Section 6.9 for banking-sector-specific CSR disclosure standards that separately track financial inclusion and environmental/green-finance outcomes rather than folding them into generic residual categories.

6.6 Thematic Composition of CSR Expenditure

Content analysis of CSR disclosures across the sampled banks confirms the pattern reported in earlier literature: CSR expenditure by Indian commercial banks is concentrated overwhelmingly in a small number of thematic areas. Education and skill development typically account for the largest single share of disclosed CSR spending, followed by health and sanitation, rural and community development, and financial literacy or financial inclusion programmes. Environmental sustainability, while present in nearly every bank's CSR policy statement, receives a comparatively smaller and less consistently reported share of expenditure. This pattern is consistent with Ray and Siva Raju's (2016) observation that Indian bank CSR has historically been anchored in social banking traditions such as priority-sector lending and rural upliftment, which predate the statutory CSR mandate and continue to shape spending priorities even after the Companies Act, 2013 came into force.

A closer reading of individual bank disclosures suggests that this concentration is partly a function of measurement convenience. Education and health outcomes are more readily expressed in disclosable units, such as the number of schools supported, scholarships disbursed, or health camps organised,

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than are environmental or governance-related outcomes, which require more technical measurement infrastructure such as carbon accounting or biodiversity impact assessment. This asymmetry in measurability, rather than a deliberate strategic choice alone, appears to be one structural reason for the comparatively lower visibility of environmental CSR in bank disclosures.

6.7 Public Sector versus Private Sector Practices

The comparison between public and private sector banks reveals systematic differences in both the framing and execution of CSR. Public sector banks tend to present CSR as a continuation of their developmental mandate and frequently route CSR spending through government-linked schemes, foundations, or trusts, resulting in wide but sometimes diffuse geographic and thematic coverage. Private sector banks, by contrast, tend to concentrate CSR spending in fewer, more visibly branded flagship programmes, often executed through dedicated CSR foundations, and increasingly link these programmes to broader ESG narratives directed at investors and rating agencies. This is broadly consistent with Kumar and Prakash's (2019) finding that private banks disclose sustainability information more comprehensively than public sector banks, even though public sector banks may in absolute terms direct comparable or greater sums toward social development given their larger asset bases and correspondingly larger mandated CSR budgets.

These differences carry implications for sustainable development outcomes. The diffused, scheme-linked model favoured by public sector banks may achieve wider geographic reach, particularly in rural and underserved regions, but is harder to evaluate for impact because disclosure is often expenditure-based rather than outcome-based. The concentrated, brand-linked model favoured by several private banks allows for more detailed monitoring of specific flagship initiatives but may leave underserved regions outside metropolitan and semi-urban catchments comparatively under-resourced.

6.8 Mapping CSR Practices to Sustainable Development Goals

Mapping the thematic categories identified above against the Sustainable Development Goals framework reveals reasonably strong alignment with SDG 4 (Quality Education), SDG 3 (Good Health and Well-Being), SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth), largely through financial inclusion and skill development programmes, and SDG 11 (Sustainable Cities and Communities) through rural and community infrastructure projects. Alignment with SDG 13 (Climate Action), SDG 6 (Clean Water and Sanitation) in its environmental dimension, and SDG 15 (Life on Land) is present but considerably thinner, generally manifesting through green banking initiatives such as paperless transaction drives, energy-efficient branch design, and preferential financing for renewable energy projects, as described by Meena (2013) and Kumar and Prakash (2017).

This unevenness matters because the banking sector, through its lending and investment decisions,

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arguably has greater systemic leverage over climate-related and environmental SDGs than over several of the social SDGs where its role is comparatively more limited to direct philanthropic spending. Macve and Chen's (2010) analysis of the Equator Principles suggests that even where banks adopt voluntary environmental risk-screening frameworks for project finance, implementation and enforcement remain uneven in the absence of binding regulatory requirements, a caution that applies with similar force to voluntary green-banking commitments made by Indian banks.

6.9 Implications for Practice and Policy

Taken together, the analysis suggests three practical implications. First, regulators and industry bodies could usefully extend existing CSR and Business Responsibility and Sustainability Reporting formats to require banks to disclose a small number of standardised outcome indicators, such as the number of beneficiaries who move out of financial exclusion or measurable environmental metrics linked to green financing, rather than expenditure figures alone. Second, closer integration between CSR functions and core lending operations, along the lines proposed by Kumar and Prakash (2017), would allow environmental and social considerations to influence credit allocation decisions directly, extending sustainability impact well beyond the philanthropic CSR budget. Third, comparative benchmarking of public and private sector banks against the SDG framework, of the kind attempted in this study, could be institutionalised through sector-wide reporting initiatives coordinated by the Reserve Bank of India or the Indian Banks' Association, enabling more meaningful year-on-year and bank-on-bank comparison than is currently possible from fragmented, bank-specific disclosures.

7. CONCLUSION

Corporate Social Responsibility has become an institutionalised and statutorily embedded function within Indian commercial banking, shaped by the Companies Act, 2013, and reinforced by the Reserve Bank of India's continuing emphasis on sustainable and responsible banking. This study finds that Indian commercial banks direct the bulk of their CSR expenditure toward education, health, rural development, and financial inclusion, with environmental and green-finance initiatives present but comparatively less developed and less consistently disclosed. Public sector banks tend to treat CSR as a continuation of a long-standing social banking mandate, achieving wide but diffusely measured reach, whereas private sector banks increasingly integrate CSR with brand strategy and ESG disclosure, achieving more visible but narrower flagship impact. When mapped against the Sustainable Development Goals, bank CSR activity aligns strongly with social goals such as education, health, and poverty reduction, but only thinly with environmental goals such as climate action, reflecting both measurement convenience and the still-emerging state of green banking practice in India. The central limitation identified across the literature and confirmed by this analysis is the continuing absence of robust, outcome-level evidence connecting CSR expenditure to sustainable development impact; existing disclosures and most empirical studies capture inputs and outputs rather than developmental change. Strengthening standardised, outcome-oriented disclosure, deepening the integration of CSR with core lending and green-finance decisions, and institutionalising SDG-aligned benchmarking across the banking sector would represent meaningful next steps toward ensuring that the CSR practices of Indian commercial banks translate into demonstrable and lasting contributions to sustainable development.

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