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A Comparative Analysis of CSR Spending Practices of Bank of India and Central Bank of India

Tulsi K. Garva[1], Dr. Kamal H. Kharecha[2]
Research Scholar[1], Research Supervisor & Associate Professor[2]
Department of Commerce
Krantiguru Shyamji Krishna Verma Kachchh University, Bhuj, Gujarat, India

Abstract

The present study aims to examine and compare two public sector banks, Bank of India and Central Bank of India, CSR spending for the financial years 2023-24 and 2024-25 and analyze growth. The entire study was based on secondary data sources, which were collected from annual reports and business responsibility and sustainability reports of selected banks; for this purpose, a descriptive and comparative research design was adopted, and graphs, charts, tables, percentage analysis, and growth rate analysis were used. The study compared activity-wise CSR spending, percentage based on the previous year's net profit, and net profit of both selected banks. The study found that both banks increased their CSR expenditure compared to the previous year, but the Central Bank of India spent more and recorded higher growth than the Bank of India, while the BOI implemented a wide range of CSR initiatives. It was also noted that the Bank of India earned a higher net profit but allocated only a small portion towards CSR initiatives than the Central Bank of India. Neither selected banks followed the RBI voluntary guidelines to spend 1% of the previous year's net profit on CSR initiatives. The study recommends that both banks increase their CSR spending and maintain balance allocation across major sectors.

Keywords: Corporate Social Responsibility, Bank of India, Central Bank of India, CSR Initiatives, CSR Spending, public sector banks, Comparative Study.

I. Introduction

Corporate Social Responsibility

In 1953 American economist Howard Bowen published a book named "Social Responsibility of the Businessman"; the concept of CSR originated from there. In the book, they stated that businesses have strong power and their decisions have significant impact on the lives of people in society. Therefore, businesses should not only focus on earning more profit but also understand the expectations and needs of society. In 1994, John Elkington introduced the concept of the Triple Bottom Line (TBL), which focuses on three dimensions: people, planet, and profit. According to him, businesses should earn profits in a manner that promotes the welfare of people and protects the environment. He emphasized that for sustainable development, all three dimensions must remain in balance.

Public Sector Banks

Scheduled Commercial Banks may choose to donate up to 1% of their published net profit from the prior year in CSR activities, in accordance with RBI regulations. However, a bank may only donate up to ₹5 lakh if it incurs a loss during a financial year. Punjab Sector Banks are important government-owned financial institutions that contribute significantly to the growth of the country and society. In comparison to prior years, the growth rate of PSBs in FY 2025–2026 demonstrated an increasing trend of 12.8%. Leading public sector banks in India, the Bank of India and the Central Bank of India, have carried out numerous CSR projects for the benefit of society, including healthcare, rural development, and environmental preservation. The first Indian commercial bank to be entirely owned and operated by Indians was CBI.

Ii. Literature Review

Bhattacharjee's (2026) main objective was to compare selected public sector banks' actual CSR spending with their allocated CSR budget during the post-mandate period. It was noted in the study that as per legal mandate, except for City Union Bank, no bank spent 2% of average net profits of the past 3 years but spent up to 1% of the previous year’s net profit; the selected banks' focus areas were employment, education, support to persons with disabilities, healthcare, and environment.

Purushothama and Karthikeyan (2026), sought to assess the impact of CSR initiatives on rural development and financial inclusion of public sector banks. The investigation revealed that about 96% of households have limited knowledge about the use of credit facilities, insurance services, and mobile banking, even if they have savings accounts. The overall study concluded that the public sector banks play a significant role in the development of rural areas through credit facilities, but enhancement of awareness and access to banking services are necessary for better rural development.

Mishra et al. (2024), intended to evaluate the CSR activities implemented by SBI, PNB, BOB, HDFC, and ICICI Bank. The research highlighted that most banks focus on education, rural development, and skill development-related CSR initiatives, but many other CSR initiatives, like nutrition, sports, and women's empowerment, remain less explored areas of research.

Kumar and Gokhru (2023), Their study attempted to compare Indian and foreign banks' CSR spending trends. The researchers applied ANOVA for analysis. The results revealed a significant difference between selected banks' CSR spending on different initiatives, and private sector banks spent more on CSR activities compared to public and foreign banks.

Kaur (2024) attempted to investigate the CSR expenditure trend of SBI and HDFC Bank. The study was conducted during 2013-14 to 2022-23. The data were obtained from secondary sources, and bar graphs and charts have been used to identify trends in both banks' CSR expenditures. It was observed that the SBI trend of CSR expenditure showed fluctuations during 2013-14 to 2019-20, and the HDFC trend of CSR spending showed continuous and consistent increases during the 10-year period. Overall, the study concluded that HDFC Bank spent more than the SBI.

Dutt and Grewal (2018), attempted to examine whether the CSR initiatives are beneficial to society at large. The findings revealed that SBI performed an excellent role to satisfy both society and the organization; among all CSR initiatives, their major focus areas were skill development and livelihood creation. the study also recommend that sbi focused on important areas of CSR which fulfill society basic needs and promote welfare.

Sharma and Thakur (2016), The study aimed to compare CSR practices of SBI and HDFC banks. Secondary data were obtained from CSR reports, annual reports, and sustainability reports of selected banks. The study reported that both banks actively engage in and contribute to CSR initiatives like education, healthcare, environmental protection, and sustainable development. According to Futurescape, SBI secured the 93rd rank, and HDFC secured the 44th rank, which indicated that they require improvement in CSR areas.

Moharana (2013), in his study, intended to understand the CSR initiatives and suggested ways to improve them. the study concluded that in India, lack of coordination between government, NGOs, and banks because of these CSRs is not effective implementation. The study also suggested that each bank have their own CSR policy and allocate separate funds for welfare-related initiatives for society.For the above literature review, it was observed that most studies are based on comparative analysis and always selected SBI, HDFC, PNB etc. which are the largest banks in India. Some studies only focus on only one and few CSR initiatives; some compare prescribed and actual CSR expenditure. This study aims to fill the research gap by analyzing and comparing Bank of India and Central Bank of India, two smaller public sector banks that have not merged and on which limited research has been done.

III. Objectives of The Study

1. To analyze Bank of India and Central Bank of India growth patterns between 2023-24 and 2024-25.
2. To compare both public sector banks CSR spending practices during the study period.

3. To determine whether the selected public sector banks followed RBI voluntary guidelines by allocating up to 1% of their reported net profit from the previous year to corporate social responsibility.

IV. Research Methodology

Sample Selection:- Out of the 12 public sector banks in India, Bank of India and Central Bank of India were selected for the study, as these banks have not merged with any other public sector bank in India.

Data Sources :- The study was entirely based on secondary data sources collected from selected banks annual-report, businesses responsibility and sustainability, and National CSR Portal.

Time Period:- The study covered two financial years from 2023-24 to 2024-25.

Data analysis tools:- The study used table, chart, graph, percentage, and growth rate for data analysis.

Research Design:- The present study employs descriptive and comparative research design.

V. Data Analysis And Interpretation

Table 1:- Growth rate and total CSR spending of BOI and CBI.

Bank	Year	Net Profit (In Crores)	CSR Spending (In Lakhs)	CSR as a % of Previous Year Net Profit	Growth %
Bank of India	2023-24	6318	707	0.18%	-
	2024-25	9219	831.53	0.13%	17.61%
Central Bank of India	2023-24	2549	830	0.52%	-
	2024-25	3785	1414	0.55%	70.36%

Sources:- Annual Reports and Business Responsibility and Sustainability Reports of Bank of India and Central Bank of India from FY 2023-24 and 2024-25

The graph shows that both banks spent more than the previous year, but compared to the Bank of India, the Central Bank of India's CSR expenditure rose from 830 lakh to 1414 lakh. Bank of India increased their net profit from 6318 in FY 2023-24 to 9219 in FY 2024-25, but the percentage of the previous year's net profit decreased from 0.18% to 0.13%, reporting 17.61% growth. In terms of percentage and growth rate, the Central Bank of India performed better than the Bank of India, registering 70.36% growth and allocating a higher portion of profit to CSR initiatives. The table clearly showed that both banks did not follow RBI voluntary guidelines to spend at least 1% of the previous year's net profit on CSR initiatives.

Figure 1:- Bank of India and Central Bank of India's Net Profit and CSR spending.

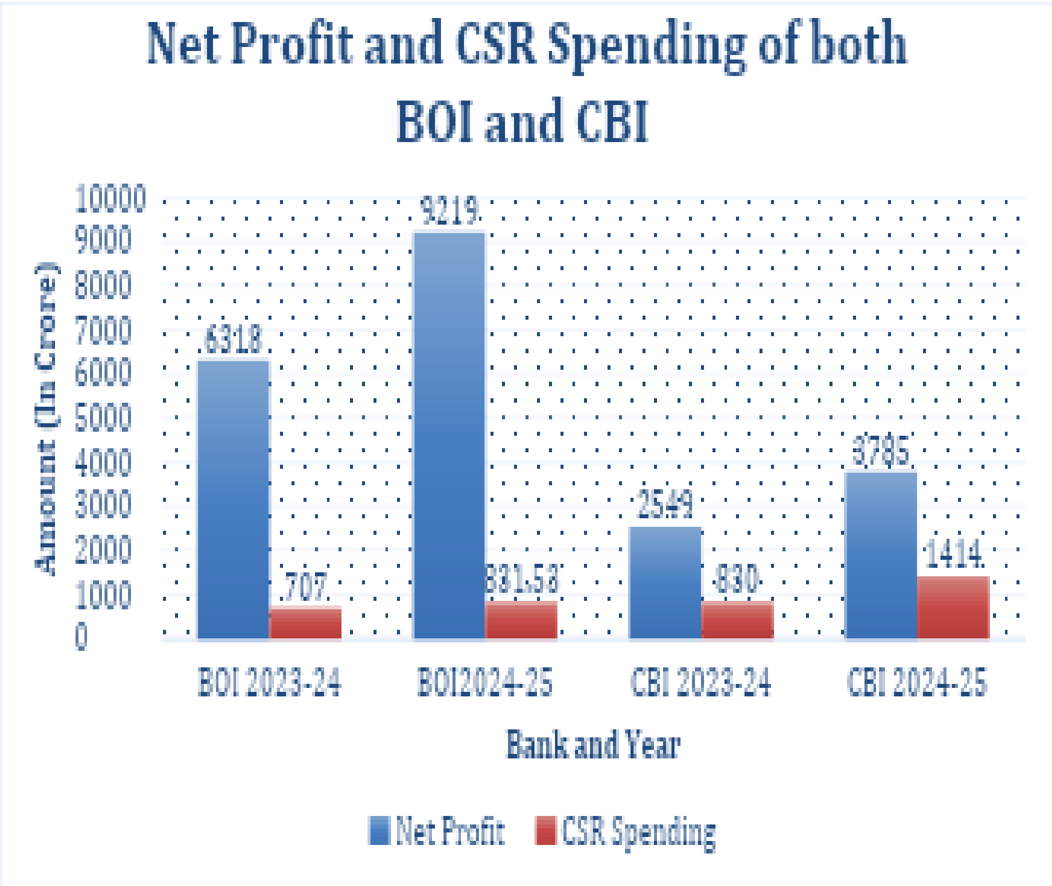


Table 2 :- Contribution to CSR initiatives by Bank of India and Central Bank of India in the financial years 2023–2024 and 2024–2025. (₹ Lakhs)

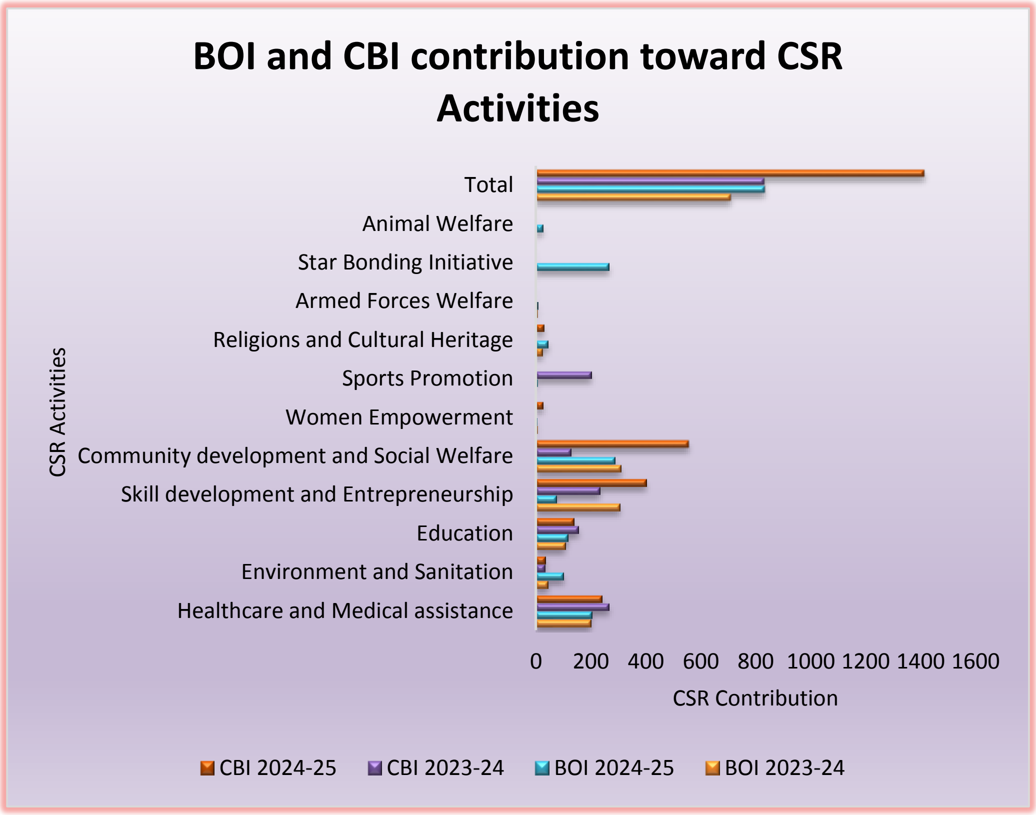
CSR Activities	Bank of India		Central Bank of India	
	2023-24	2024-25	2023-24	2024-25
Healthcare and Medical assistance	197.96	201.46	265	238
Environment and Sanitation	42.42	99.30	31	33
Education	106.05	113.98	153	136
Skill development and Entrepreneurship	304.01	73.15	231	400
Community development and Social Welfare	308.15	285.89	125	555
Women Empowerment	3.53	2.92	0	25
Sports Promotion	-	4.05	200	0
Religions and Cultural Heritage	21.21	42.32	0	27
Armed Forces Welfare	3.54	4.44	-	-
Star Bonding Initiative	-	264.90	-	-
Animal Welfare	-	23	-	-
Total	**707**	**831.53**	**830**	**1414**

Sources:- Business Responsibility and Sustainability Reports, and Annual Reports of Selected Banks.

The chart showed that both banks actively engaged in various initiatives, including animal welfare, healthcare, education, community development, environmental protection, etc. The table clearly indicates that the Bank of India covers many other CSR initiatives like animal welfare, star bonding initiatives, and armed forces welfare, which weren't covered by the CBI. The table shows that from 2023-24 to 2024-25, the

Bank of India's highest contribution was made towards community development and social welfare initiatives(₹308.15 lakh). In 2024
25, the bank statement will contribute also to some other CSR areas like sports promotion and animal welfare.

Figure 2:- Bank of India and Central Bank of India's contributions towards various CSR Activities.



The Central Bank of India spent more funds on healthcare in 2023-24 and community and society welfare in 2024-25. The table shows that the bank changed their priority areas in 2023-24. The bank spent 200 lakh on sports promotion, but in 2024-25, the bank did not allocate any amount, but the bank introduced certain new initiatives for women's empowerment and cultural heritage that had not received funding in 2023-24.

VI. Findings

The analysis shows that both selected banks' CSR spending increased between 2023-24 and 2024-25; BOI amount spending rose from 707 lakhs to 831.53 lakhs; and CBI amount spent highest rose from 830 lakhs to 1414 lakhs, which showed stronger growth and a stronger dedication towards corporate social responsibility. In 2022-23 Bank of India's net profit was 4023 crores, which increased to 6318 crores, showing more than 50% of growth, but the bank's spending on CSR as a percentage of the previous year's net profit decreased from 0.18% to 0.13%, which demonstrates that while the bank increased its CSR expenditure from 707 lakhs to 831.53 lakhs, growth was less than that of its profits. The Bank of India also spent more in some activities compared to previous years, like healthcare, environmental protection, education, cultural heritage, and Armed Forces welfare, but spending on others decreased, like skill development, community development, and women's empowerment in FY 2024-25. This reflects the change in CSR priority based on needs and strategic goals.

The Central Bank of India recorded a higher contribution towards CSR initiatives in 2023-24. Banks' CSR spending was 830 lakhs, which increased to 1414 lakhs in 2024-25. in FY 2022-23, net profit was 1582 crore, which grew to 2549 crores in FY 2024-25, indicating more than 50% growth. Compared to 2023-24, it was noted that banks spent 584 lakhs more in the financial year 2024-25, representing a growth of 70.36%. Major focus areas of the bank in FY 2023-24 were healthcare, and in FY 2024-25 community development; it was also noted that the bank gives less attention and also spends a small portion on women's empowerment, environmental protection, and cultural heritage. The Central Bank of India maintains substantial sustainable spending on education and healthcare, while banks give greater priority and increase their spending compared to previous years in skill development and community welfare programs.

The findings clearly indicate that both selected banks did not comply with RBI voluntary guidelines to spend at least 1% of the previous year's net profit on CSR initiatives; as a result, banks spent only a small portion of their net profit, which may reflect limited overall reach and also a limited impact of CSR initiatives in education, healthcare, and community development in terms of number of beneficiaries.

VII. Suggestions And Conclusion

The study concluded that both banks actively participated and did well in CSR initiatives. The Bank of India and the Central Bank of India both use different CSR strategies; BOI covered a wide range of CSR initiatives, while CBI spent more on CSR initiatives. Healthcare and education were the priority areas of both banks during the study. The Central Bank of India showed the highest growth rate and spent more than the previous year's net profit in CSR initiatives compared to the Bank of India. The study also noted that in both financial years Bank of India earned a significantly higher net profit compared to Central Bank of India but allocated a lower amount towards CSR than Central Bank of India, which indicated that a higher portion of profit was not always correlated with increased CSR spending.

The study also recommends that the selected bank maintain fair distribution of CSR funds in different areas like protection of the environment, women's empowerment, education, healthcare, sports promotion, skill development, and community welfare and should also increase the CSR expenditure and try to follow RBI voluntary guidelines to optimize the social impact of their CSR initiatives. Both banks plan to diversify its CSR initiatives in the future for improving the standard of living of society. The study also recommended that the Bank of India, having higher net profit, should spend more on corporate social responsibility.

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