

Corporate Social Responsibility Practices and Initiatives Adopted by the Indian Banks

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Abstract

Corporate Social Responsibility (CSR) emerged as a concept during the 1960s in view of the social accountability of the industrial sector worldwide. To connect itself with the present global scenario, Indian industries have recently adopted the concept of CSR. In a developing country like India, banking sector plays a vital role in upbringing the economy of the country not only by lending money, accepting deposits or increasing the liquidity of money but practicing business ethics and culture by adopting and implementing CSR principles in their territorial boundaries. CSR is the continuing commitment by business to behave ethically and contribute to economic development and at the same time enhance the standard of living of their workforce as well as society and environment at large. The present paper tries to emphasis on various initiatives taken by the banking sector with respect to CSR practices and its reporting along with sustainability. The main purpose of the study is to examine the CSR activities carried out by the Indian banking industry. The study is based on the secondary data taken from the banks' official websites for the year 2010-11 to 2014-15. On the basis of convenience sampling, 3 public sector banks, 3 private sector banks and 3 foreign sector banks were selected for the study. For the purpose of checking the CSR initiatives taken by the banks, variables selected for the study are sponsorship of events, donations, expansion of branch in rural areas, priority sector lending, environmental protection policy, women empowerment, new initiative for CSR, financial literacy, educational, agricultural and health policy. The analysis reveals that though the Indian banks were implementing efforts in the CSR area but there is still a large gap in their CSR policy and reporting practices that requires more regulations. The public sector banks have overall highest contribution in CSR practices and reporting. Private sector banks tries to enhance their reputation by implementing CSR activities in their business performance as a result of listing agreement under Clause 49 but foreign banks are still lagging in this area. The study also reveals that among the reporting banks, some banks are conveying false disclosures and manipulating their efforts for socio-environmental concerns. Most of the banks use CSR practices as a trophy in their marketing strategies and implement it in an ad-hoc manner and they also not certified the actual value they spend on their CSR activities.

Keywords: CSR, Indian Banks, CSR Reporting

Introduction

Fame and prosperity attracts corporate businesses to engage in CSR and influence the customer attention towards them. It is the marketing dilemma in the form of contribution which brings

recognition from customers, earn a brand tactics for company and spread the image of company in a competitive surface. The principal pillars economic, social, environmental, legal, ethical and discretionary goal emphasizes the corporations to achieve the objectives by covering their missions. The origin of CSR can be copy from the Vedic backgrounds and Indian sub-culture such as the epics of Ramayana, the strength of Mahabharata and the philosophy of Puranas. All these literatures and philosophy were written in Sanskrit language more than 5,000 years ago and throws radiation on CSR. Business is a part of society and its value-creation define the success of its boundaries. It cannot be carried out by separating the society. Business is fundamentally a socio-economic entity. It conduct the activities in group therefore it cannot be isolated themselves from responsibilities towards the stakeholders from the categories of one tier to three tier. Ideological consideration and fulfilment of obligation towards these stakeholders is known as corporate social responsibility practices by the company. Although, business cannot walk independently it depends on the society for raw materials to finished goods, whatever they made they have to occupy from society and spend same for the society. They have to follow the rules and regulations as well operate in the limits laid down by the government for welfare of nation from nature to humans to animals. The Basel Committee in the year 1999 and new amendment of Companies Act, 2013 made compulsory for every business which come under the requirement to take part in the contribution for the prosperity of nation. Corporate Social Responsibility (CSR), also termed as corporate responsiveness, sustainable responsible business, corporate social performance, corporate citizenship and stakeholder management. CSR policy fundamentally ensures the moral standards of business and fixed their endeavour with law, ethical standards and international principals. The four pillars to build efficiency in CSR policy are dedication, purity, ethnicity and equivalence with core corporate values.

CSR In Indian Context

The origin of corporate responsiveness in India changes with the change in business philosophy. The MNC's and corporations in India do not follow CSR practices on a continuous basis but they adopt as marketing tool for promotion of their name in order to bring excellence over community, culture, environment and society without cultural and emotional association. Among other countries India has one of the oldest patterns of corporate citizenship. Most of the committees and amendments in acts provided provision for compulsory implementation of CSR and reporting in India. It has been already discussed that concept of CSR not new in India. Many companies, banking institutions are involved in serving the community like Tata group, P and G, SBI, BOB, Aditya Birla Group, ONGC etc. Although, by donation, charity events, sponsorship programmes by NGO partners many of the organisation have doing their part for the sake of society and environment. Basically, principal objective of corporations is to maximise its company's overall value by indirect expense for promotion of their goodwill, reputation and by increasing its business competitiveness by influencing positive impact on society and stakeholder, companies set aside a fund from their budget to fulfil the tasks of social contribution. They not only spend in community but make policies for education, health, women welfare, agriculture and farmer welfare, rural development, wild life project, environment protection etc. Many of the corporations in India like BPCL, MSIL, NTPC used comprehensive methods for development of pillars of CSR. Donating medical care and sanitation facilities, building school and houses, development of village sector, empowering

women and making them more self reliant, provision for vocational education and training etc are the major activities of these corporations directly or with the help of their NGO expertise. CSR has moved from various stages in India. There are four phases of corporate social responsibility in India given in the table:

Phases of CSR In Indian Context

<i>PHASES OF CSR</i>	<i>PILLAR OF TRUST</i>	<i>PRINCIPAL STRATEGIES</i>
Phase I (Till 1914)	Main Drivers are charity and philanthropy	It is the oldest phase of corporate responsiveness associated with culture, religion, family values and industrialisation. The wealthy merchants in this period. Shared a part of their profit for welfare of society by building temples, helping at a time of epidemics by providing food and money. CSR approaches changed with the arrival of colonial. 19 th century witnessed the main industrial families as Tata, Modi, Bajaj, Birla who strongly inclined towards the social economic activity but they are not only for religious purposes also drives their political objectives.
Phase II (1914-1960)	Social Responsibility for Common man and Society	It is the second stage of Corporate citizenship where the independence movement was at a peak and industrialists were on stress how to make social innovation of nation. Notion of trusteeship introduced by the Mahatma Gandhi to provide benefit to common man and ends philosophy of capitalism. The main pillars of operations were to abolish the untouchability, empowering the Indian women, development of schools, training centres, scientific institutions and rural development.
Phase III (1960-1980)	CSR exists on pattern of mixed economy, emergence of public sector undertaking, environmental and labour norms. Period of command and control.	This stage throws light on the formation of PSU and downsizing the private sector. Period of disclosure, reporting, policy of industrial licensing, high taxes, restrictions on private corporations who assembled towards corporate mal-functioning. Public sector undertaking set up by the state to ensure social development to community. CSR workshop conducted in 1965 by the Indian businessmen, industrialist and academicians to ensure CSR in their activity by way of fairness, transparency, sustainability but the attempt to implement CSR in their corporate values failed in spite to catch the steams of fire.
Phase IV (1980 onwards)	Mediator between philanthropic and sustainable business approaches	In the fourth phase the Indian corporations started sustainability in their business by the way of Corporate responsiveness. The emergence of LPG were undertaken and removal of licensing system in order to coordinate together in social contribution by each industrial sector. Although those industries take participation in export activities they are more obliged to pay attention to compliance with the international principals.

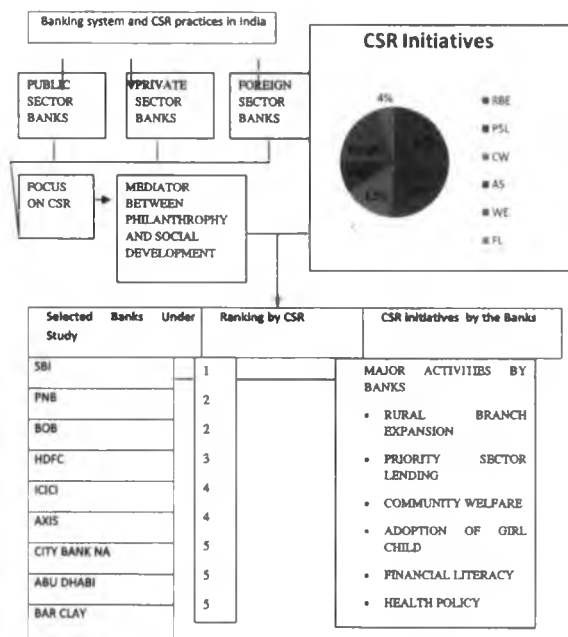
Law of CSR Applicable In India

Companies Act, 2013 provided that the companies having net worth of rupees 500 crore or more, turnover of rupees 1,000 crore or more and net profit of rupees 5 crore or more mandatory to spend 2% of last 3 years average profit on the corporate social responsibility activities as specified in schedule VII of the Companies Act 2013 and as amended time to time. These rules came into effect from 1 April 2014. SEBI has implemented mandatory provision for companies to prepare the Business Responsibility Reports as a part of the annual reports and disclosed it on their official websites.

CSR Practices By Indian Banking Sector

The bank is a corporate citizen, with resources at its command and benefits which it derives from operating the society at large. It is therefore obliged to do dignified duty towards the disabled and underprivileged members of the same society. CSR take a dedicated place in the corporate world and banking institutions. Banks and financial institutions promoted CSR by way to protect environment, paperless banking, grants to small businesses, donating sewing machine to women for generation of self employment, building schools and medical centres, providing fund to hospitals, donation to physically handicapped, free and concessional education to girl child, adoption of girl child , financial inclusion, community welfare etc. In order to throw light on the role of banks in CSR, the RBI circulated a notice on December 20, 2007 for all the scheduled commercial banks in India. Recently bank and financial institutions adopts a coordinating standard between customer relation management and CSR in a broader way. It has been also observed from the pages of karmayog’s that bank are not disclosing their CSR activities and vision towards it on their official websites or in business reports. The major activities of banking sector depicts in the given fig:

reports. The major activities of banking sector depicts in the given fig:



Review of Literature

Ahmed, Jobair and Azad (2014) explores what should be done to attend the sustainability in banking sector with CSR and measures the difference in CSR pattern of the banking sectors of Bangladesh. Masud and Hossain (2012) contended a survey among 10 commercial banks and found that banks reported their CSR activities as per the guidelines prescribed by RBI but 60% banks participated in prescribe CSR area according to financial act. Sharma (2011) found that the activities of CSR performed by the Indian banking Industry not upto the mark and there is differences in the provisions and actual performance with the help of CSR variables: children welfare, community welfare, education, environment, healthcare, poverty eradication, rural development, vocational training, women's empowerment, and protection to girl child, employment. Wise and Ali (2009) In their study paper entitled Corporate Governance and Corporate Soc in Bangladesh with special reference to commercial banks pointed out that corporate Social Responsibility is associated with corporate governance and ethical business procedure. Good corporate governance is expected to under pin effective and efficient corporate social responsibility within firms. Provisions regarding compliances and reporting CSR. McDonald and Thiele (2008) study on the association between CSR and customer perception found that the CSR activities and customer satisfaction have a positive relation. Zappi (2007) selected three attributes for measuring CSR in Italian banks: employees, customers and environment. Narwal (2007) made a study of 33 public and private sector banks in northern Haryana to highlight the CSR initiatives taken by the Indian Banking Industry, which can help them to enhance their overall performance. Findings of the study suggest that about CSR activities banks have an objective view-point. They are mainly focusing on specific areas such as education, balanced growth health, environmental marketing and customer satisfaction as their key CSR activities. He found in his study that Indian banks are adopting an integrated approach by combining CSR with customer satisfaction.

Allouche and Laroche (2005), Wu (2006) done various analyses and traced an overall positive impact between CSR and financial performance of the banking industry. Dusuki and Dar (2005) identifies several driving forces behind the growing trend towards CSR initiatives like growing market pressure on social and ethical issues, regularity pressure, increased power of communication etc.. This is true that banks are paying more to their CSR activities but not so much as their earning increase. Common CSR practices in Bangladesh by different Organization are centered on mainly poverty alleviation, healthcare, education, charity activates, cultural enrichment, youth development, women empowerment, patronizing sports and music etc. (Alam et al. 2010) Aupperle (1985) established a positive bond between the corporate social responsibility and the profitability criterion of the companies. Abbott and Monsen (1979) prepared a corporate social involvement disclosure scale which is based on the annual reports of the fortune 500 companies and used six ways for the purpose of analysis: environment, products, equal opportunities, personnel, community involvement, and other disclosures.

Statement of Problem

Corporate business responsiveness is becoming a buzz word and debatable subject. It appears to be a continuous part of professional, business and academic journals. There are number of articles have been published in relation to CSR; many of them dedicated an especial covering

to it. Although, various authors termed CSR as an inexpensive tool that bring long term sustainability. The concept of CSR passes through various stages in developing country like India. Where command and control philosophy changes day by day with change in competitive edge. The concept and principals of CSR demands legal enforcement and international recognition. However, Indian banks on a track to implement the pyramid of CSR in their business activities. Most of the studies conducted in India and abroad taking Indian banking sector as a bench mark. None of the study conducted so far to measure jointly the corporate social responsibility initiatives taken by public, private and foreign banks with the help of some social responsibility variables. The study focuses on the corporate citizenship initiatives and practices taken by the Indian public, private and foreign banks and its impact on their business performance.

Objectives of the Study

The study throws its reflection on the following objectives:

1. To examine the extent of CSR practices by Indian banking Industry
2. To access various CSR initiatives in public, private and foreign banks

Research Methodology

The study is descriptive in nature and based on secondary data. Data collected from the official websites of banks, gathered from annual reports, karmayoga rating of CSR, Magazines, Newsletter for the purpose of evaluation of CSR practices adopted by Indian banks. Beside this, publications of Indian Commercial Bank and other websites considered and selected for data collection.

Reports of 9 banks were collected for study. 3 public sector banks SBI, PNB, BOB, 3 Private sector banks HDFC, ICICI, AXIS and 3 Foreign sector banks City bank N.A., Abu Dhabi, Bar Clay were selected for study on the basis of convenience sampling. It is apparent that banks with high income margin contribute which are SBI, HDFC, PNB and ICICI. On the basis of literature review following variables was taken for the purpose of evaluation of CSR practices by selected banks.

<i>LIST OF VARIABLES</i>	<i>METHOD OF CALCULATION</i>
Expansion of rural branch	No. of branches established
Priority sector lending	By lending ratio ranges from 40% to 25%
Women empowerment	Activities conducted for women welfare in 5 years
Community welfare	Number of Activities conducted for community welfare in 5 yrs
Agriculture policy	Activities conducted for sake of farmer welfare
Education policy	Activities done for promotion and welfare of education
Financial inclusion	Activities done for Financial literacy and inclusion
Health programmes and policy	No. of Programmes and donations in 5 years
Other areas	Other no. of activities conducted for welfare of society and environment

Measurement of practices in the following areas by providing Level ratings from 1 to 5

Level 1- Any CSR activity

Level 2- CSR activity for company efficiency

Level 3- CSR activity for people affected directly

Level 4- CSR activity as part of daily basis

Level 5- CSR activity to solve social problems

Period of the Study

The data for the period of 5 years were analysed i.e. 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015 to evaluate the extent of corporate social responsibility practices of Indian banking industry.

Data Analysis

On the basis of total number of activities conducted and disclosure mention in the annual report of the banks, CSR activities were analysed and provided points as per the given value:

Total activities done by banks	0-0	1-2	2-3	3-4	6-8	8 above
Points given	0	1	2	3	4	5

Table 1: Comparison of CSR Rating and Score of Selected Banks Under Study From 2010- 15

Company Name	Type of company	CSR activities by bank in (2010-11)	CSR activities by bank in (2011-12)	CSR activities by bank in (2012-13)	CSR activities by bank in (2013-14)	CSR activities by bank in (2014-15)	Average score.	CSR rating 2014 (X if not rated)	CSR rating 2013 (X if not rated)
SBI	PSU	15	19	20	21	25	20	5	4
PNB	PSU	10	14	16	20	21	16.2	4	5
BOB	PSU	16	18	20	21	23	19.6	4	4
HDFC	PVT.	10	7	13	16	16	12.4	4	3
ICICI BANK	IMNC	11	13	15	18	20	15.4	3	3
AXIS BANK	PVT.	10	12	16	16	17	14.2	3	3
CITY BANK NA PVT		4	3	4	5	4	4	4	3
ABU DHABI BANK	PVT	3	2	1	2	4	2.4	3	2
BAR CLAYS	PVT	3	2	3	2	2	2.4	3	3

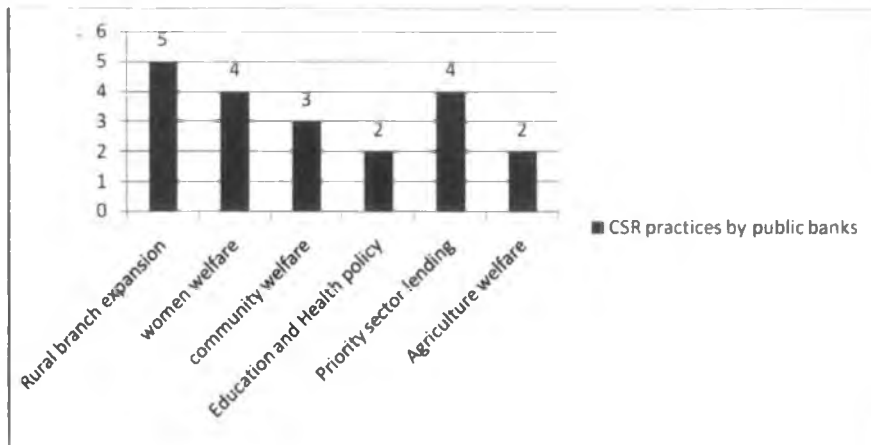
(Source: Banks Annual Reports and calculated by author)

Interpretation

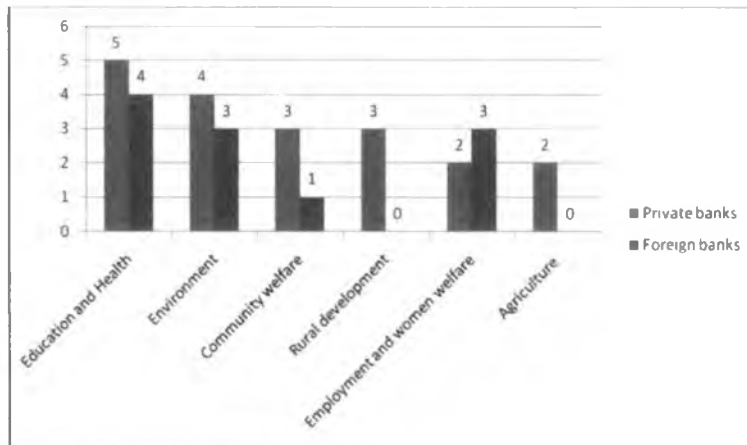
The above table emphasised on the overall rating of CSR as per the activities they adopt for implementation of social responsibility in their businesses. The maximum level 5 scored by SBI, level 4 scored by PNB, BOB, HDFC and CITY banks. Whereas level 3 scored by ICICI and

AXIS bank. Level 3 again scored by Abu Dhabi and Bar Clay foreign sectors bank. In spite of this the banks did not mention the actual amount they contributed for corporate citizenship properly in their CSR segment. If we throw light on the background of foreign banks they are much far from the principal. They do planning but implementation is out of reach in India. Companies Act 2013 must bind these provinces through which they entered into Indian boundaries. The above profit calculated by the use of given formula:

CSR contribution by banking industry = 3 years profit after tax / 3 * 100 = remaining balance * 0.2 As a whole the comparison of bank CSR activities is done and found that SBI has an immediate and widest role in the reporting with this the other public sector banks mostly take part in rural branch expansion, Women welfare, community welfare, education and health policy, priority sector lending and agriculture policy. Whereas private sector banks and foreign sector banks mostly indulged in education and health, environment welfare but selected foreign sector banks have no role in rural development and agriculture welfare as shown below in given charts:



Source: Compiled by author from official websites of selected public sector banks



Source: compiled by author from official websites of selected private and foreign sector banks

Table 2: CSR Practices By Public Private And Foreign Banks For (2010- 2015)

Table 2a: Rural branch expansion by selected banks under study

Variable	Type	Bank	2009-10	10-11	11-12	12-13	13-14	14-15
Rural Branch	PSU	SBI	4697	4972	5250	5339	5478	5826
Expansion	PSU	PNB	1949	1972	2176	2369	2564	2916
	PSU	BOB	2333	1267	1456	1517	1809	1866
	PVT	HDFC	95	123	177	309	312	345
	IMNC	ICICI	144	260	285	324	333	376
	PVT	AXIS	98	107	143	176	203	233
	PVT. FB	CITY BANK NA	-	-	-	-	-	-
	PVT. FB	ABU DHABI	-	-	-	-	-	-
	PVT. FB	BAR CLAYS	-	-	-	-	-	-

Table 2 b: Priority Sector Lending By Selected Banks Under Study

Priority Sector	Type	Bank	2009-10	10-11	11-12	12-13	13-14	14-15
Lending	PSU	SBI	26.99	30.61	28.82	28.90	31.65	35.23
	PSU	PNB	35.70	32.48	31.33	34.67	32.76	33.12
	PSU	BOB	20.12	23.66	19.23	29.84	30.89	32.99
	PVT	HDFC	35.09	34.24	32.68	31.23	31.43	36.87
	PVT	ICICI	29.79	24.68	23.37	24.87	23.32	26.66
	PVT	AXIS	20.12	21.60	19.34	21.83	22.33	21.14
	PVT. FB	CITY BANK N.A.	-	37.56	38.79	28.868	26.27	26.70
	PVT. FB	ABU DHABI	-	-	-	-	-	-
	PVT. FB	BAR CLAYS	-	-	-	-	-	-

Table 2 c: Other CSR Initiatives by Banks Evaluated on the Basis of Levels Score by Giving (0-5)

Initiative	Type	Bank	2009-10	10-11	11-12	12-13	13-14	14-15
Women Empowerment	PSU	SBI	5	4	4	5	4	4
	PSU	PNB	4	4	5	3	5	5
	PSU	BOB	3	3	5	3	5	5
	PVT	HDFC		2	3	3	3	4
	PVT	ICICI	0	2	2	3	3	3
	PVT.	AXIS	0	0	2	3	3	3
	PVT. FB	CITY BANK N.A.	1	1	1	1	1	1
	PVT. FB	ABU DHABI	1	3	3	4	5	5
Community Welfare	PVT. FB	BAR CLAYS	2	2	2	2	3	2
		SBI	0	3	3	3	4	5
		PNB	3	2	3	4	5	5
		BOB	3	3	3	3	ND	5
		HDFC	1	1	2	3	3	2

	ICICI	1	1	1	3	ND	3
	AXIS	2	2	3	ND	4	4
	CITY BANK N.A.	ND	ND	ND	ND	ND	2
	ABU DHABI	5	5	5	5	5	5
	BAR CLAYS	ND	ND	ND	ND	ND	ND
Agriculture policy	SBI	4	5	5	5	5	5
	PNB	3	3	3	4	4	4
	BOB	ND	2	3	4	3	3
	HDFC	ND	ND	ND	3	2	3
	ICICI	ND	ND	1	2	2	2
	AXIS	ND	1	1	1	1	1
	CITY BANK NA	ND	ND	ND	ND	ND	ND
	ABU DHABI	ND	ND	ND	ND	ND	ND
	BAR CLAYS	ND	ND	ND	ND	ND	ND
Health policy	SBI	3	3	3	3	3	3
	PNB	3	3	3	ND	3	3
	BOB	2	2	3	3	3	3
	HDFC	1	2	1	1	1	1
	ICICI	2	2	1	1	1	1
	AXIS	1	1	1	1	ND	1
	CITY BANK N.A.	ND	ND	ND	ND	ND	ND
	ABU DHABI	ND	ND	ND	5	5	5
	BAR CLAYS	ND	ND	ND	ND	ND	ND
Financial literacy	SBI	4	4	4	4	4	5
	PNB	4	3	3	3	3	4
	BOB	2	3	3	3	3	3
	HDFC	ND	ND	ND	4	4	4
	ICICI	1	1	1	1	1	1
	AXIS	1	1	1	1	1	1
	CITY BANK NA	ND	ND	ND	ND	ND	ND
	ABU DHABI	ND	ND	ND	ND	ND	ND
	BAR CLAYS	ND	ND	ND	ND	ND	ND
Environmental policy	SBI	5	5	5	5	5	5
	PNB	4	4	5	ND	5	5
	BOB	4	4	4	4	4	4
	HDFC	3	3	3	4	4	4
	ICICI	3	3	2	2	2	2
	AXIS	2	ND	2	ND	2	2

	CITY BANK NA	3	3	3	4	2	3
	ABU DHABI	4	4	4	4	4	4
	BAR CLAYS	4	4	4	4	4	4
New Initiatives for CSR	SBI	5	5	5	5	5	5
	PNB	3	3	4	3	5	5
	BOB	1	3	2	1	4	4
	HDFC	3	4	4	3	5	5
	ICICI	3	3	3	2	5	5
	AXIS	3	3	3	3	4	4
	CITY BANK NA	3	3	3	2	ND	3
	ABU DHABI	4	4	4	4	4	4
Others	BAR CLAYS	3	3	3	3	5	4
	SBI	5	5	5	ND	5	5
	PNB	4	5	5	5	5	5
	BOB	4	4	4	3	4	5
	HDFC	3	4	3	3	3	3
	ICICI	2	3	3	3	5	5
	AXIS	3	3	3	3	3	3
	CITY BANK NA	ND	ND	ND	ND	ND	ND
	ABU DHABI	4	4	4	4	4	4
	BAR CLAYS	5	5	3	4	4	4

Interpretation

The above table disclosed the total contribution by selected banks for the activities performed under CSR. Level 0 to level 5 used to declare that the bank performed the activities upto the particular extent in order to comply with the provision.

Level 0	0%
Level 1	25 %
Level 2	35%
Level 3	45%
Level 4	75%
Level 5	100%
ND	Not Disclosed

Rural Branch Expansion

It is used to evaluate the level up to which the banks are accessing the financial inclusion policy propounded by the RBI in order to promote equilibrium in the economy. It can be easily measured by having the highest number of branches in the rural areas in all the five

years. In order to comply with the above provision public and private sector bank enormously engaged in expansion of rural branches. SBI is the principal performer among rural branch expansion variable where as private bank tries to associate but they are far from public sector banks. If we talk about foreign sector there is no any subsystem and procedure for the activity even they are not trying to promote financial inclusion in rural branch expansion. Thus the total value can be evaluated and interpreted from the table that public and private sector well performed but foreign banks still lagging in expansion of their branches in rural sector.

Priority Sector Lending

RBI guideline on priority sector lending requires the banks to lend 40.0% of their adjusted net bank credit (ANBC) to certain activities carried out by the specified borrowers. The definition of ANBC includes certain investments and is computed with reference to the respective amounts at March 31 of the previous year. PSL means lending to the small scale business, farmers welfare, education sector, monitoring agro industries, advancing to agriculture sectors, new and renewable sources of energy, housing and weaker sections etc. Out of the 40.0%, banks are required to lend a minimum of 18.0% of their ANBC to the agriculture sector and the balance to certain specified sectors. The banks are also required to lend 10.0% of their ANBC to certain borrowers under weaker sections category. Each public, private and foreign sector are required to lend 40 per cent of their net bank credit (NBC) to the priority sector. PSL lending ratio was 38.79 (Maximum) by City bank N.A. and 19.23 (Minimum) by BOB in the year 2011-12 for banks under study. In the case of private sector banks like Axis, ICICI and HDFC is falling simultaneously which may be due to unknown PSL targets. The reason behind that bank is neglecting advances to agriculture sector because it's difficult to make recovery of advances on given tenure. City Bank N.A as a foreign sector bank implemented the above provision where as Abu Dhabi Bank and Bar Clay bank did not disclose the number.

Community Welfare

Community welfare practices performed and implemented by the banking sector under the parameter, these activities associated with the social development of the society at a large. These activities associated with helping the disabled persons by donating artificial limbs/ calipers/ wheelchairs, campaigns against usage of drugs, alcohol and smoking, helping NGOs, donations for relief from disaster and accident victims, Blood donation camps, , health awareness program and policies, distribution of food etc. Each bank whether public, private and foreign bank makes appreciable contribution in the area. Foreign bank tries to contribute but they are again far from private sector banks. Bar Clay bank set a mission for helping the 5 million disadvantaged young people through their NGO partners and to invest £250m in the community by 2015. As at the end of 2014, bank has invested a total of nearly £200m and more than four million young people have benefited from their programmes.

Environment Protection

Banks has adopted various types of initiatives to protect the environment and make reduction in environmental pollution. RBI and World Bank make a proper eye on the activities of banks and ensure that banks will not finance to such activities that harm the environment and has a disastrous impact on nature. Such initiatives includes paperless banking in order to protect the trees, protection towards violation of human rights, saving of energy and making recycling, solar energy project, projects for wild life protection, plantation of trees, avoidance of credit

to the businesses that includes ozone depletion. Each bank tries to coordinate with the activities provided under this area. Foreign bank has a global policy in this regards they ensure long term sustainability to the business by following voluntary ESG practices. HDFC bank entrusted on reduction of carbon emissions and also signatory to the Carbon Disclosure Projects (CDP). The bank has taken number of ways to manage GHG emissions by the help of behavioural modifications, where employees and customers are encouraged to adopt environmentally friendly practices.

Women Welfare

Main principal Activities performed by the banks in the area of women empowerment and welfare are through adoption of girl child, donation to sewing machines for generating self employment, providing micro credit to women, insurance policies, free education to girl child, scholarship to girl student. SBI bank performed the CSR under this area by adoption of girl child under the age 6 to 14 years who belongs to poor family, orphan, physically challenged. With this provide 3000 to 5000 rupees expenditure on the monthly education. PNB bank implemented various initiatives by granting micro credit to small women entrepreneur; provide free and concessional education to girl student. BOB provided scholarship to 50 tribal girls and implement further grants to women welfare as a result of CSR. HDFC bank ties by providing donation to sewing machines for generation of self employment, scholarship to girl students. Abu Dhabi bank appointed a foundation and employed leaders from different geographical areas to support the local management in order to achieve the welfare programmes related to women's example include Wear Red for Women- a day in New York office for raising the awareness among women regarding heart diseases, a celebration of women day in India, raising fund for breast cancer and local charities. The ICICI Bank has extended credit to over a million women through over 70,000 SHGs in 164 districts across seven states and is the fastest growing bank in the country in this segment. The Bank has doubled its overall rural customer base for loans to over 2.0 million in fiscal 2014.

Education Policy

All the banks whether public, private and foreign are participates in this CSR Parameter to promote and support education. BOB and SBI has a well planned policies and they promote it by providing education grants, donating fans, water purifier to schools, loan facilities to education with low interest rates or without interest rates. Bank also provides scholarship in research areas. BOB provided scholarship to 50 tribal girls for promotion of education and donated Rs 24,00,000 to the partner institutions to support education. Maharashtra Girls Education Society, Ramanujan Society of Mathematics, Akshra Foundation, Rajashthan Rajya Gandhi Samark Nidhi etc. They also promoted the education for women in rural or backward areas. The policies of SBI in this area are also appreciable and continuous for promotion and spreading of education. Bank not only grants the loan but also donated 1 lakh 40 thousand fans to fourteen thousand schools with water purifier. Provides education loan to needy students and institutions. SBI loan to education sector has grown by 12.66% during FY 2013-14 and also provides loan for vocational education. PNB has good sources for spreading the Education and for the purpose the bank grant education loan, support girl education etc. Private and foreign banks are still lagging in this area. They have only one segment to implement grant loan to education.

Health Programmes and Policy

Bank promoted the health programmes by providing various grants to hospitals and health centres such as: donating ambulances and vans to hospital help physically handicapped children, qualitative and timely medical services in rural areas, health sponsorship programmes, providing mobile dispensary etc. BOB launched at Kanpur Sponsorship of Autism Awareness Programme making mobile dispensary i.e. ambulance, grants to trauma hospitals, promoting medical care through multi disciplinary centres. SBI donated three hundred three ambulances and medical vans. Grants loan and support system to various medical institutions and hospitals. PNB also implemented the CSR in this area but foreign bank again has no role and supporting hand for health programmes and policies.

Other Areas

Bank has adopted the villages to provide financial assistance for infrastructure development in villages, community hall and provision for solar lighting systems. SHG and Micro Finance help the banks to coordinate these activities. Provide assistance to families of soldiers who died at the time of wars, promoting education and maintaining health policies. Banks also provides grants to poor and donated rickshaw and vans for the purpose to provide employment to young disabled peoples. Benefitted millions of household and backward peoples, vaccination projects, donation and support to physically handicapped students and soldiers. Each bank public, private and foreign took part in this activity provided under CSR.

Table 3: Total Fund for CSR created by banks for 2 years(2015-16 to 2014-15)

CSR Funding	Current year (2015-16) cr/bn/m/dh	Previous year (2014-15) Cr/bn/m/dh	% change
SBI	154.27	134.23	14.93
PNB	303.75	296.23	2.54
BOB	101.36	89.54	13.21
HDFC	145.66	141.46	2.96
ICICI	0.48	1.3294	63.89
AXIS	98.28	85.40	15.08
CITY BANK	23.14	25.61	(9.64)
ABU DHABI	34.20	32.11	6.50
BAR CLAYS	21.12	20.15	4.82

Source: Calculated

Major Findings and Recommendations

- It is observed that all the selected banks under the study did not follow all the mandatory practices provided under companies Act 2013 schedule VII. Foreign bank did not follow more than 3 % level of CSR initiatives in their business operations. They are much far even with the private sector banks.
- Banking sector can be judged on the basis of their market capitalisation and profitability in this chain SBI,PNB,HDFC, ICICI, ABU DHABI are the winners but the higher CSR

contribution only funded by SBI.

- BOB spend 200.00 lakh for rehabilitation of victims of flash floods in Uttarakhand and provided 19 dinning table and 76 chairs for the dinning hall of old age home to Sewa Bharti Anand Dham Bhopal by spending 1.03 lakh. SBI has given donation to Chief Minister's relief fund for the welfare of victims of flood sum of rupees Nine crore to the States of Assam, Sikkim and Uttarakhand. Beside this the SBI bank also took participation in the plantation of trees.
- SBI is committed to spend one percent of its profit in SWA for the welfare of the community. Accordingly, the bank's profit in the year 2013 was Rs. Eighty Two Hundred crore, it spent Rs. Eighty Two crore in community welfare activities under its corporate social responsiveness, as per the views of its deputy MD. Although, the bank did not mention the spending amount in their business reporting.
- HDFC Bank has been working with NGOs for providing non formal vocational and technical education programs as well as skill up gradation courses to enable sustainable employment and income generation for economically weaker sections.
- ICICI Foundation takes initiatives in the areas of Free and concessional education, basic healthcare and financial literacy.
- BOB beings a responsible corporate citizen had adopted Five hundred villages for hundred percent Financial Inclusion. The Bank formulated number of area based cut of schemes to fulfil the needs of local and immediate requirements.
- As per the analysis it is further observed that PNB plays a vital role in rural branch expansion by adoption of villages and donating rickshaws' to persons from villages in order to generate the self employment strategies.
- For the welfare and development of Indian women SBI take higher initiatives by making expenditure on adoption of girl child up to the age 6-14 yrs who belongs to the category of tribal's, poor, orphan and physically handicapped. The bank also takes part in education programmes, health policy at a higher ratio. It has been observed from the annual reports of the bank that there is a proper fund allocation for CSR practices provided by the bank in their Business reporting.
- Axis bank declared they granted 29% of their net adjusted credit to priority sector with this they are fixed on view that there social contribution strategy is not new they adopted it from earlier phases.
- Each selected bank under study did not pay proper attention towards the environment may they think they are not directly influenced by natural resources.
- It is observed from the official websites of all the selected banks that they are not preparing CSR reporting in a separate segment on their websites. CSR reports of all the selected banks shown in their annual reports in separate column.
- It is further observed from the analysis that the foreign banks Abu Dhabi, Bar clays and City bank NA did not take part properly in CSR initiatives in Indian boundaries. They have policies and funds but they implement it in their home country.

- It is known from the business outlook reviews that Abu Dhabi bank celebrated women's day in India to make some awareness programmes related to health and education among Indian women. It is the first activity so far conducted by Abu Dhabi in Indian territories.
- BOB adopted fifty tribal's girl under the CSR head for women welfare and make twenty four lakh rupees expenditure for their development.
- Finding of the study also reveals the fact that many banks under the study did not mention proper figure they spend for social welfare.
- Annual reports of foreign banks and private banks did not throw reflection on exactness in CSR practices.
- BOB has many strategies for CSR but less implementation. The bank uses its CSR skills for marketing of its product. Each practices under CSR adopted by the bank well published in newspaper and business magazines.
- Axis bank contributed less % of CSR for environment benefit and agriculture welfare as comparison to other activities.
- As to make comparison with selected foreign banks with each other City bank NA has a vital role in CSR reporting than Abu Dhabi and Bar clays bank.

Recommendations

- Bank can take initiatives for industrial development for those industries which make some contribution for cultural and ethical development for the society with this bank has to make proper investment planning for green businesses.
- Banks must publish their CSR reporting in separate segment on the benchmark of internationally accepted norms of Global Reporting Initiatives (GRI).
- Bank can make sustainable plans and disregard those advances which used by the industries or businesses that harm the environment and ethical aspect of business.
- Proper charity and donation by the Indian bank through their NGO partners must be mention in their CSR reporting and they must donate or grants funds for eco friendly corporations.
- Bank should establish a separate fund to support the victim of natural disaster and to support nation at the time of high epidemics.
- Indian Private Sector banks like HDFC, ICICI and AXIS bank required increase fund for rural branch expansion and they must participate in further rural development activities as public sector banks do.
- Companies Act 2013 must be mandatory for foreign banks as they also known as the private sector bank in a host country. If private sector banks are doing the CSR then there must be provision for foreign banks too to contribute the prescribed % of profit for social, environmental and economic welfare of host country whether they operate their business operations.

Conclusion

Banking system in a country reflects realism in integration of CSR in their business activities but actual corporate citizenship reporting much far from the satisfaction. Earlier the bank can be judged by the profitability status of their business but now the new disciplines of business launched where its complete performance can be evaluated on the basis of its socio-economic activity. CSR is the continuing commitment by business to behave ethically and contribute to economic development and at the same time enhance the standard of living of their workforce as well as society and environment at large. The public sector banks have overall highest contribution in CSR practices and reporting. Private sector banks tries to enhance their reputation by implementing CSR activities in their business performance as a result of listing agreement under Clause 49 but foreign banks are still lagging in this area. Among the reporting banks, some banks are conveying false disclosures and manipulating their efforts for socio-environmental concerns. Most of the banks use CSR practices as a trophy in their marketing strategies and implement it in an ad-hoc manner and they also not certified the actual value they spend on their CSR activities. There must be proper channels in there reporting system and the provision also binds the foreign banks so that they can take proper initiative in corporate social reporting practices. There must be strict rules and regulation from the side of banks stakeholders that forced each public, private and foreign bank to show its efficiency in CSR and produced proper reporting which they implemented for social-economic welfare.

Limitation of the Study

The study is limited to only 9 banks

The study is based on secondary data more accuracy can be bring by conducting primary research to check the CSR impact on banks stakeholders.

The study has limited scope as it covers only one industrial aspect i.e. Indian banks.

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