

# Corporate Social Responsibility: An Analysis of Indian Banking Industry

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**Abstract**—This paper is the study about Corporate Social Responsibility of the banking industry in India. It was the dream of our eminent statesmen that every individual Indian should be free from hunger, malnutrition and should have basic necessities and be entitled to affordable education, health care facilities, equal opportunities in an enabling environment there by resulting in reduction of social and economic disparity. Towards this larger goal, corporate as major players in the economic development are also required to share this social responsibility. In a developing country like India, banking sector plays a very important role in upgrading the economy of the country not only by lending money or increasing the liquidity in the country but also by imposing a new practice called Corporate Social Responsibility. The Reserve Bank of India (RBI) has asked the banks to pay special attention towards integration of social and environmental concerns in their business operations. Stressing the need for Corporate Social Responsibilities. The Reserve Bank of India pointed out that these initiatives by the banks are vital for sustainable development. In this reference the present paper attempts to highlight the conceptual of CSR, the key thrust area of CSR in respect of banking sector in India and CSR activities undertaken by select commercial Indian Banks.

**Keywords:** Corporate Social Responsibility, Banking Sector, Reserve Bank of India & Community Development.

## INTRODUCTION

The word ‘company’ derives by the two Latin words “cum” and “pains”, that mean “to share the food together”. CSR represents the idea of an ethical organization that has some social obligations towards society. The concept of Corporate Social Responsibility focuses on responsibility towards all stake holders, share holders, employees, creditors, suppliers, government and community rather than only on maximization of profit for share holders. It is a continuous commitment that companies should have towards the economic, social and environmental development of the community in which they operate. Companies are increasingly understanding of their role towards the society. Corporate now are setting up separate departments and teams that develop CSR strategies. The concept of CSR was first mentioned in 1953 in the publication of “Social Responsibilities of Businessman” by William J. Bowen. However, the term CSR became only popular in the

1960s. When the German Beta pharma generic pharmaceutical company decided to implement CSR. As the term “CSR” is used continually, many overlapping concepts, such as Corporate Citizenship, business ethics, stake holder management and sustainability have emerged. Banking and financial institution are not different from other and being backbone of India economy they have to cope up with all changes around them. Responsibility of banking industry is more in comparison to other because of their financing services which create multiplier effect on the whole economy and long term sustainability. In emerging economy like Indian Banks should act responsible in investment and financing any project with respect to social and environmental issues.

Fourteen Major Banks were nationalized in 1969, and some more were nationalized a few years later. Since then banks have come to play a major role in the socio-economic life of the country. They are no longer merely institutions for earning maximum profits for the benefits of few individuals. They are now powerful instruments of economic growth and social justice. H.C. Sarkar very pertinently remarked, “Banks have to act not only as purveyors of credit, but also as harbingers of social and economic development through a variety of enterprises, many of which may be tiny and yet capable of generating productive energies”. It is also essential that banks should mobilize maximum possible deposits, so that they may be more liberal in advancing loans. For mobilization of deposits it is essential that people are made aware of the fact that it is in their interest to deposit money in the banks. The people, specially in rural areas, should be assured that the money deposited in banks is entirely safe and they can withdraw it at their sweet will. Even small investors should be tapped through such door – to – door approach.

Banking services should be extended to rural areas also. We are happy to note that during the last few years more banks have opened their branches in the villages. The establishment of Rural Development Bank is a step in the right direction. Still much more remains to be done. The task of providing banking facilities to the rural folk should be taken upon a war footing. The many advantages of banking should be explained

to the rural dwellers who are ignorant and conservative. Deposits should be mobilized and loans should be advanced on liberal terms. This would enable the agriculturist to purchase good quality seeds, fertilizers and scientific implements like tractors, thrashers etc. This would result in increased production. In this way, the Indian farmer would be freed from the clutches of the local money – lender and his traditional poverty would be gradually eradicated.

Banking sector plays very important role in Indian Economy, it acts like blood in body for proper and smooth functioning. Post independence Reserve Bank of India (RBI) was established in 1935 which was nationalized in 1949 and with this banking regulation act empowered RBI to regulate, control and inspect the banks in India. This act also made mandatory to register all banks with RBI that means no bank in India can operate without taking permission from RBI. But as Banks got listed in stock exchange with globalization and liberalization they have to follow set norms of Securities exchange board of India (SEBI) for trading purpose, Companies Act 1956 under supervision of Ministry of Corporate Affairs (MCA) and Reserve Bank of India (RBI) at same time.

Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA) and Security Exchange Board of India (SEBI) issue guideline from time to time for all organization to follow all rules and regulation. There are special guidelines for Corporate Social Responsibility in companies bill 2013 which are applicable from 2014-2015. RBI set up Khan Committee in 2005 and Nachiket Committee in 2013 to cover all commercial banks under financial inclusion plan and make it compulsory to submit a report on CSR activities at the end of every year.

The purpose of this paper is to study the importance of Corporate Social Responsibility in strategy formulation of top 10 banks on Indian on the basis of income. Content analysis was done to study annual reports generated from official website of these banks. Content analysis was used in number of studies to explore structured document.

### **CSR IN INDIA – CSR HISTORY :**

India has a long rich history of close business involvement in social causes for national development. In India CSR, is known from ancient time as social duty or charity, which through different ages is changing its nature in broader aspect, now generally known as CSR. From the origin of business, which leads towards excess wealth, social and environmental issues have deep roots in the history of business. India had a long tradition of Corporate philanthropy and industrial welfare has been put to practice since last 1800s. Historically, the philanthropy of business people in India has resembled western philanthropy in being rooted in religious belief.

Business practices in the 1900s that could be termed socially responsible took different forms : Philanthropic donations to

charity, service to the community, enhancing employee welfare and promoting religious conduct. Corporations may give funds to charitable or educational institutions and may argue for them as great humanitarian deeds, when in fact they are simply trying to buy community good will. The ideology of CSR in the 1950s primarily based on an assumption of the obligation of business to society.

In initial years there was little documentation of social responsibility initiatives in India. Since, then there is a growing realization towards contribution to social activities globally with a desire to improve the immediate environment (Shinde, 2005). It has also been found that to a growing degree companies that pay genuine attention to the principles of socially responsible behaviour are also favoured by the public and preferred for their goods and services. This has given rise to the concept of CSR.

After Independence, JRD Tata who always laid a great deal of emphasis to go beyond conducting themselves as honest citizens pointed out that there were many ways in which industrial and business enterprises can contribute to public welfare beyond the scope of their normal activities. He advised that apart from the obvious one of donating funds to good causes which has been their normal practice for years; they could have used their own financial managerial and human resources to provide task forces for undertaking direct relief and reconstruction measures. Slowly, it began to be accepted, at least in theory that business had to share a part of the social overhead costs of. Traditionally, it had discharged its responsibility to society through benefactions for education, medical facilities, and scientific research among other objects. The important change at that time was that industry accepted social responsibility as part of the management of the enterprise itself. The community development and social welfare program of the premier Tata Company, Tata Iron and Steel Company started the concepts of “Social Responsibility”. (Gupta, 2007).

### **LITERATURE REVIEW**

In starting Bowen (1953) defines CSR as obligations of Businessmen to pursue those policies to make those decisions or to follow those lines of relation which are desirable in terms of the objectives and values of our society”. Friedman (1962, 1970) said “There is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits” and Corporate Social Responsibility minimizes the corporation focus on profit. Hederson (2001) mentioned that corporation should concentrate on what they can do best, should create job opportunities and increase the wealth of stakeholders. Interests of Private Corporation is quite separate from Public Corporations, so they cannot do any with CSR. It is only government that should speak for society, not business people.

But Deegan & Gordon (1996), Adams et al, (1998), Patten (1992), Deegan et al. (2000) and Campbell (2004) mentioned

in their studies that these activities increased over a period of time as it provide competitive edge over other in terms of connectivity with customer, investor, government etc. Frederick (1960) mentioned “Social Responsibility means that businessmen should oversee the operation of an economic system that fulfils the expectations of the people. And this means in turn that the economy’s means of production should be employed in such a way that production and distribution should enhance total socio- economic welfare. According to Samuel 0 to 20<sup>th</sup> century CSR become important part of strategically decision and companies took it practically to find out cost benefit analysis. That is why Wilson (2000) said that “Corporate Responsibility must begin with the practical recognition that the corporation must be profitable enough to provide shareholders a return that will encourage continuation of investment. Companies started taking their stakeholder seriously and there is platform given to them for discussion. Labour unions, environmental groups and other relevant stakeholders and the implementation of certification solution by corporations, which helped in the establishment of codes of conduct (Kepstein, 2001).

Literature witnessed that banking industry require special attention because working pattern and dimensions of banks are different from companies (Jensen and Meekling, 1976) in terms of assets and funds. In companies major problems is agency gap between majority shareholder and minority shareholders but in banks depositors are more important than shareholders as majority of assets and funded by them. Two main features set banks apart from other business – level of opaqueness in their functioning and the relatively greater role of government and regulatory agencies in their activities (Sharma et al., 2013).

Evolution of banking and financial industry and Corporate Social Responsibility can be divided into five phase. Each and every phase shows the development till date.

**Table 1: Evolution of Banking Sector and Corporate Social Responsibility.**

Phases	Evolutions of Banking Industry	Evolution of CSR.
Phase 1	Pre-independence (upto 1947)	There was a concept of trusteeship given by Gandhiji for women empowerment, social upliftment and development through sharing and caring.
Phase 2	Pre-nationalization phase (1947-1969)	There was a trend of voluntary CSR activities based on cultural, ethics, family background and moral values.
Phase 3	Expansion Phase (1969 – 2000)	Compliance of various legal laws (Labour law, compensation act, environmental law, minimum wage act, etc) enforced business organization to fulfill basic responsibility towards society and

		environment. Shareholders happiness became important part of CSR activities.
Phase 4	Consolidation Phase (1985-2000)	Concept of CSR became wide and external stakeholder also become focal point other than internal ones. Now companies understood that such activities can affect short term financial performance and long term sustainability.
Phase 5	Restructuring Phase (2000 onwards)	CSR became part of strategy formulation and execution. Government, non-profit organization and business organizations are working together, Amendment in companies bill and compulsory contribution by companies.

#### CSR Provisions under the New Companies Act, 2013. :

Section 135 deals with the Corporate Social Responsibility. This Section 135(1) provides that every company having – Net worth of Rs. 500 crore or more, or –

- Turnover of Rs. 1000 crore or more, or
- Net Profit of Rs. 5 crore or more,

During any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The Corporate Social Responsibility Committee shall formulate & recommended to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII, recommend the amount of expenditure to be incurred on such the activities, monitor the Corporate Social Responsibility Policy of the company from time to time.

In a news published in the Business Standard dated 12<sup>th</sup> September, 2014, the Corporate affairs ministry has rejected a proposal by the Finance Ministry to exempt banks from 2 percent mandatory corporate social responsibility (CSR) norms owing to their capital constraints. Banks are, therefore, required to follow CSR norms.

#### List of CSR Activities as per Schedule–VII of the Companies Act, 2013 :

Scheduled VII of the Companies Act, 2013 sets out the activities which may be included by Companies in their CSR policies. Activities relating to :-

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water; especially among children, women elderly, and the differently abled and livelihood enhancement projects;

2. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by social and economically backward groups;
3. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
4. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
5. Measures for the benefit of armed forces veterans, war windows and their dependents;
6. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
7. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
8. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
9. Rural development projects;
10. Slum area development.

Explanation - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other Competent authority under any law for the time being in force.

#### **CSR spending & Income Tax Act,1961 :**

Explanation 2 to section 37(1) of the Income Tax Act, 1961 states that any expenditure incurred by an assessee on the activities relating to Corporate Social Responsibility referred to in section 135 of the Companies Act 2013 shall not be deemed to have been incurred for the purpose of business and hence shall not be allowed as deduction under Section 37. However, the CSR expenditure which is of the nature described in Section 30 and 36 or Section 80G shall be allowed deduction under those sections subject to fulfillment of condition, if any, specified therein.

Through the concept of CSR has been put under the legislative umbrella under the new Companies Act, 2013, however the public sector banks in India. Since the nationalization (14 banks in 1969 and 6 more banks in 1980) are catering to the need of the society at large. Since the banking activities are

governed and controlled by the RBI, hence, not even the public sector banks but the banks in private sector too, have the priority sector lending targets and thus fulfilling the Corporate Social Responsibilities. As discussed above, all the CSR expenditure are not allowable expenses under the Provisions of the Income Tax Act, 1961 and only expenditure which is of the nature described in section 30 to 36 or Section 80G shall be allowed deduction under those sections subject to fulfillment of condition, if any, specified therein. In our opinion this creates a hurdle in making expenditure by the Corporate and needs amendment by the Government.

#### **Objective of the Study :**

The main objectives of the Study :

1. To study the conception of Corporate Social Responsibility.
2. To analyse the key thrust areas of Corporate Social Responsibility in respect of banking sector and
3. To examine the Corporate Social Responsibility activities undertaken by the select commercial banks of India.

#### **Significance of the Study :**

Indian Banking Industry is viewed as a catalyst in the economic development of the country and the expectation from this fraternity has always been on an increasing trend (Dutta, 2013). While the coverage has been expanding day by day, the quality and ethical values of the bank has been shaken up because of the tremendous pressure of the competition as meeting the high demands and expectations of the customers. Thus, lately CSR practices have become an essential part of banking business. The 2008 financial crisis drew attention to the necessity of CSR in Banking Sector, increasing the need for trust, as well as accountability and transparency that lead to it.

#### **RESEARCH METHODOLOGY :**

The proposed study mainly is descriptive in nature. It solemnly based on secondary data and information which is collected from the concerned source as per need of the research. The relevant books, Annual Report of different Banks, articles, newspapers and web-sites are used in this study.

#### **ROLE of Banks towards CSR :**

Schedule VII of Companies Act, 2013 sets out the activities which may be included in CSR and the banks in India are already working on it. These activities include poverty eradication, education, empowering women, environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water socio-economic development and relief and welfare of the

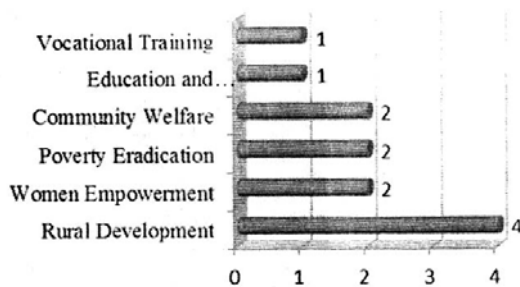
Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

After the nationalization of banks in 1969 (14 banks) and in 1980 (6 banks) the banks in India, whether it be in public or private sector domain, apart from catering the needs of big industrial houses, are also actively participating in the Priority Sector Lending (target of which is 40% of the overall credit or credit equivalent of Off-balance sheet exposure, which ever is higher. Priority sector include –

- Agriculture
- Small Enterprises
- Retail Trade
- Micro Credit
- Education Loans
- Finance to Weaker Section.

**KEY AREAS FOR CSR ACTIVITIES IN COMMERCIAL BANKS**

Schedule VII of the Companies Act, 2013 sets out the activities which may be included in CSR and the banks in India are already working on it. Priority sector lending has been given an utmost important by both the public and private sector domain, apart from meeting the demands front the industrial houses. Priority sector lending include agriculture, small enterprise, retail trade, micro credit, education loan, housing loans and finance to weaker section. The CSR activities primarily comprise the following :

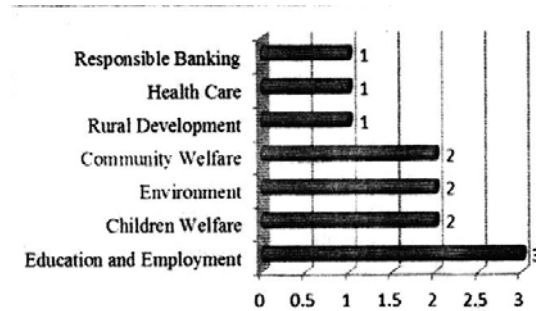


Source : Dhingra and Mittal (2014)

Chart 1: Core thrust areas for reported CSR activities in public sector banks.

**CSR Ratings of Commercial Banks in India :**

The CSR rating in India is lately done by Karmayog and it be seen that none of the bank could secure the highest level i.e. Level – 5.



Source : Dhingra and Mittal (2014)

Chart-2 : Core thrust areas for reported CSR activities in private sector banks.

Table 2: (CSR Rating of Indian Commercial Bank)

Level (0-5)	No of Banks	Name of the Banks
Level 0	3	City Union Bank, Karur Vysya Bank, Vijay Bank
Level 1	6	Central Bank of India, Industrial Bank, Karnataka Bank, Kotak Mahindra Bank, South Indian Bank & UCO Bank
Level 2	15	Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Bank of Rajasthan, Corporation Bank, Federal Bank, HDFC bank, IDBI Bank, Indian Overseas, State Bank of Bikaner, State Bank of Mysore, State Bank of Travancore and Syndicate Bank.
Level 3	11	Axis Bank, Canara Bank, Dena Bank, ICICI Bank, Indian Bank, ING Vyasya Bank, Jammu & Kashmir Bank, Oriental Bank, Punjab National Bank, State Bank of India and Union Bank of India
Level 4	1	Yes Bank
Level 5	Nil	Nil.

Source : Compiled from Karmayog’s Report 2009-10 and Sharma (2011)

**Other Dimensions of CSR Activities of Banks :**

**Financial Inclusion :** Financial inclusion means the delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups. It may be defined as per the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. The Reserve Bank had adopted financial inclusion as one of its major projects in January 2010. Banks have been advised to devise financial inclusion plans (FIPs) congruent with their business strategies and comparative advantages to make them an integral part of their corporate business plans. The initiative included targets required to be set by banks for opening banking outlets. Business Correspondent (BC) outlets opened in urban locations, opening of basic savings bank deposit accounts (BSBDAs),

overdraft (OD) facility availed in BSBDA and farm and nonfarm credit such as Kisan Credit Cards / General Credit Cards (KCCs /GCCs) transactions in (Business Correspondent – Information and Communication Technology) (BC-ICT) accounts.

**Pradhan Mantri Jan Dhan Yojana (PMJDY) :** The objectives of PMJDY launched by the Government of India are mostly in sync with financial inclusion objectives being advocated by the Reserve Bank. The implementation plan for PMJDY leverages on the policies laid down by the Reserve Bank under financial inclusion. The timeline for providing banking services in villagers with populations below 2,000 under the roadmap may be advanced from March 2015 to August 2015. With revised targets for opening of basic bank accounts in place, banks will have to ensure opening of at least one bank account in each household by January 26, 2015. In addition, banks are advised to undertake financial awareness campaigns in association with IBA so as to educate customers with regard to the facilities offered under the accounts opened under PMJDY, extending PMJDY to insurance and pension.

**Self Help Group (SHG) :** The scheme of linkage of SHGs with banks was launched in 1992 under aegis of NABARD with a view to combat growing problem of poverty. The credit is not the primary objectives of an SHG. It comes into play only when the group graduates to a highly functional entity, gains ability to undertake productive and income generating activities and becomes capable of undertaking exposure to risk. SHGs are registered or unregistered small economically homogeneous and affinity groups of rural poor, voluntarily coming together for mutual benefits. It involves 3 stages namely (a) group formation and stabilization, (b) micro credit stage and (c) micro enterprise development stage.

**Rural Development :** The Government of India has designed and implemented a large number of schemes for creation of employment, eradication of poverty and for ensuring overall development in rural areas. Commercial banks are the main players in the implementation of these schemes. The names of these schemes are Integrated Rural Development Programme (IRDP), Service Area Approach (SAA), Lead Bank Scheme (LBS), Differential Interest Rate (DIR), Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labourers Development Agencies (MFAL), Farmers Service Societies (FSS), Swarnajayanti Gram Swarozgar Yojana (SGSY), Indira Awas Yojana (IAY), Prime Minister's Rozgar Yojana (PMRY), Pradhan Mantri's Gram Sadak Yojana (PMGSY), Central Rural Sanitation Programme (CRSP), Sampoorna Grameen Rozgar Yojana (SGRY), Swaraj Dhara Scheme (SDS), Watershed Development Programme, Hariyali Programme, People's Planning Programme (PPP), Self Help Groups (SHGs), Vikas Volunteer Vahini Clubs (VVs), Kisan Credit Card (KCC).

### **Some Recent CSR Initiatives by Indian Bank :**

The Central Bank of India decided to go for energy efficient buildings in order to address ecological and environmental concerns as its CSR practice. Following are the other banks that fulfill their social responsibility.

**Small Industries Development Bank of India** has included environmental and social aspects in its core business activities so as to ensure sustainable development. It is providing concessional and liberal credit to medium and small scale industries which are initiating energy saving projects and are adopting pollution control measures.

**Yes Bank** is the fourth largest private sector bank of India. Yes Bank is association with CARE India and Humanitarian relief and development NGO has launched India's first Social Deposit Account (SDA). SDA is a regular Fixed Deposit account where customer's have the option of donating their interest income to a social cause through CARE India. Yes Bank received the Best Corporate Social Responsibility Practice award at the 6<sup>th</sup> Social and Corporate Governance Awards 2010 held in Mumbai. It also won best CSR Practices Award in march 2011.

**State Bank of India (SBI)**, the nation's largest lender State Bank of India (SBI) has created a separate company, SBI Foundation to carry out its massive CSR initiatives and hopes to get it "running" from July. It has also has adopted green banking in its lending operations.

**Industrial Credit and Investment Corporation of India (ICICI)** has shown its commitment to corporate Environmental stewardship and extended a great support to clean technology projects. It has also liberalized credit to zero emission vehicles.

**Union Bank of India** has well developed Corporate Social Responsibility initiatives in place. The focus on the rural sector is through Village knowledge Centres and Farmers' Clubs etc. It launches schemes for the girl child, where bank take care of education expenses. Initiatives are in place in other areas such as providing drinking water for schools, setting up bus shelters etc. All CSR initiatives have shown good results and they are an ongoing part of bank's contribution to the building of the nation.

**Industrial Development Bank of India (IDBI)** has set up carbon desk. IDBI has come forward to join hands with Smile Foundation in Social Development initiatives. The bank has contributed 14 personal computers to Smile Foundation which have been utilized in four different projects being implemented through as many partners in Delhi & NCR.

**Table 1: CSR Ranking of Banks out of 100 Indian Companies :**

Bank Name	Ranking
Yes Bank Ltd	25
HDFC Bank Ltd	44
Axis Bank Ltd	57
Industrial Bank Ltd	58
Union Bank of India	69
State Bank of India	93

Source – www.futurescape.in (CSR ranking 2016)

**Axis Bank** has set up a trust the Axis Bank Foundation (ABF) to channel its philanthropic initiatives. The Foundation has committed itself to participate in various socially relevant endeavors with a special focus on poverty alleviation, providing sustainable livelihoods, education of the underprivileged, healthcare, sanitation etc. ABF aspires to contribute in the areas of education and healthcare. It has set up various programmes which provide educational support, in order to meet these goals.

**Housing Development Finance Corporation (HDFC)** 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.

**Indusind Bank** has committed to minimizing the environmental impact of bank operations on the planet. Through its Solar ATMs, solarised premises, green operations and supply chains bank is doing a bit in integrating environmental stewardship across its operations and investment portfolio.

**Punjab National Bank (PNB)**'s approach to Corporate Responsibility in the Community is firmly rooted in its commitment to support people below poverty line and downtrodden section of the society.

There are 27 public sector and 23 private sectors banks in India. But CSR practices adopted by banks are not at a big level. From the above table it can be concluded that private sector banks doing great job in the field of CSR. In the field of implementation of CSR practices in banking companies Yes Bank is at the top with 25<sup>th</sup> rank, HDFC bank is at 44<sup>th</sup> rank and Axis Bank is at 57<sup>th</sup> rank. Public sector banks CSR ranking is not so good out of 100 companies in the comparison of private sector banks. But overall the public sector banks have highest contribution in CSR activities. Private Sector banks and foreign banks are still lagging in this area.

## CONCLUSION

Banking Sector in India is showing interest in integrating sustainability into their business models but its CSR reporting practices are far from satisfaction. There are only a few banks which report their activities on triple bottom line principles. As a matter of fact, the standards for rating CSR practices are less uniform in comparison to that for financial rating. This

leads to problem in comparison of Corporate Houses and determining the CSR rates. The study found out that among the reporting banks also, some banks are making false gestures in respect of their efforts for socio environmental concerns. Most of the Banks use CSR practices as a marketing tool and many are not making token efforts towards CSR in tangential ways such as donations to charitable trusts, NGOs, sponsorship of events, etc. Very few banks have a clearly defined CSR philosophy. Mostly banks implement CSR in an ad-hoc manner, unconnected with their business process and don't state how much they spend on CSR activities. Further voluntary actions are required to be taken by the financial bodies to ensure the socio-environmental feasibility of projects to be financed. Indian banking sector must also portray their socially responsible behaviour through integrating triple bottom line principle. Financial Institutions can do a lot to assist efforts for social responsibility and achieve sustainability. Banks must also provide appropriate training to its employees on environmental and social risks in lending to ensure that climate change is taken into account in corporate banking decisions.

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