# CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN INDIA

## (WITH REFERENCE TO BANKING SECTOR)

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**DOCTOR OF PHILOSOPHY**

**IN**

**ECONOMICS**


**Supervisor:**
**Professor (Dr.) J.K. Sharma**
*Department of Economics*

**Submitted by:**
**Rahul Dev**
*Research Scholar*
*VMOU/Research/PhD/EC/2015/63*

**DEPARTMENT OF ECONOMICS**

**VARDHMAN MAHAVEER OPEN UNIVERSITY**

**KOTA- 324010 (RAJASTHAN) INDIA**

**Rahul Dev**
Research Scholar, Department of Economics
Vardhman Mahaveer Open University, Kota (Rajasthan) India
*VMOU/Research/PhD/EC/2015/63*

# DECLARATION

The research work embodied in this thesis entitled, **"Corporate Social Responsibility Practices in India (With reference to banking sector)"** has been carried out by me duly following UGC Regulations on Minimum Standards and Procedure for the award of M.Phil./Ph.D. Degree Regulations 2009 at the Department of Economics, Vardhman Mahaveer Open University, Kota (Rajasthan) India. The work, submitted for consideration of the Award of Ph.D. is original and based upon the data collected by me. No part of this thesis has formed the basis for the award of any degree or fellowship previously.

**Date: ......................**

**Rahul Dev**

**Professor (Dr.) J.K. Sharma**
(Supervisor)
Department of Economics
Vardhman Mahaveer Open University
Kota (Rajasthan) India

# CERTIFICATE

This is to certify that **Rahul Dev**, a Ph.D. student in the Department of Economics, Vardhman Mahaveer Open University, Kota (Rajasthan) India, has done his research work duly following UGC Regulations on minimum standards and Procedure for the award of M.Phil./Ph.D. Degree Regulations 2009 and written his thesis titled, **"Corporate Social Responsibility Practices in India (With reference to Banking sector)"** under my guidance and supervision. To the best of my knowledge and belief his work is original and a product of his work and his self acquired knowledge. This thesis is being forwarded to the Vardhman Mahaveer Open University, Kota (Rajasthan) India for the award of the degree of Doctor of Philosophy in Economics.

**Date: ......................**

**Professor(Dr.) J.K. Sharma**

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**Date: ......................**

**Rahul Dev**
Research Scholar
Vardhman Mahaveer Open University
Kota (Rajasthan) India
*VMOU/Research/PhD/EC/2015/63*

# PREFACE

The concept of corporate social responsibility (CSR) is not a new concept in the banking industry but in the current economic situation, it has become the best solution for integrating moral principles in banking activity. CSR has been defined as the voluntary integration of social and environmental concerns into the organisation's decision-making process (Soana, 2011). This concept is increasingly used in the banking industry, being perceived as a tool to develop a positive image and attract new customers. Attracting new customers certainly involves a number of factors.

My experience during this study shows that implementing social responsibility and ethical principles in the banking industry lead to the idea that corporate social responsibility practices can be turned into a better marketing tool for communicating with all stakeholders. This thesis focuses on evaluating the integrated CSR activities that contribute to the development of client and community benefits, and also development on the financial market.

The constitutional structure of our country was laid with an objective of equality to every citizen but the socio-economic realities of the country still have a long way to go to match this vision of independent India. The country presently is under intense debate of growth versus development. Every single major policy initiative in this country has been driven with a perspective that an overwhelming concern for the disadvantaged and marginalised. Despite these efforts, disparity, inequality and the growing divide in our societies define our existence today.

The inclusion of the CSR mandate under the Companies Act, 2013 is an attempt to supplement the government's efforts of equitably delivering the benefits of growth to its citizen and to engage the Corporate World with the country’s development agenda. But this new corporate resources in their tool bag much will depend on their ability to innovate and adapt.

There is an increasing awareness about Corporate Social Responsibility (CSR), Sustainable Development (SD) and Non-Financial Reporting (NFR). CSR entails the integration of social and environmental concerns by companies in their business operations as also in interactions with their stakeholders. SD essentially refers to the process of maintenance of the quality of environmental and social systems in the pursuit of economic development. NFR is basically a system of reporting by organisations on their activities in this context, especially as regards the triple bottom line, that is, the environmental, social and economic accounting.

The contribution of financial institutions including banks to widespread the development benefits is paramount. In this context, the expectations for banks to act as responsible corporate citizens in society, especially in a developing country like India, is necessary. RBI in its notification dated 20th November 2007 has advised banks to put in place a suitable and appropriate plan of action towards helping the cause of sustainable development, with the approval of their Boards.

Government of India taken many steps to reap the benefits of CSR in favour of deprived and marginal people. Such initiatives for this purpose are much appreciating like- Open Government Data (OGD) is a philosophy- and increasingly a set of policies - that promotes transparency, accountability and value creation by making government data available to all. Open government data (OGD) platform India, is a milestone in this regard. For CSR related issues it provides academicians/researchers data for critical evaluation of corporate social responsibility policies.

Moreover, compulsory publishing of corporate social responsibility reports with annual reports has made a huge difference towards the banking sector role for the social cause.

**Chapter 1** discusses the definition and concept of corporate social responsibility in the global context. In this chapter, the historical evolution of corporate social responsibility presented with an aerial view. This chapter focuses on the need for corporate social responsibility and also takes note of different activities under CSR. Need for CSR activities were also discussed with respect to development. The relevant role of corporate social responsibility in-wake of Sustainable Development Goals (SDGs) and universal basic income also discussed here.

This chapter also discusses the role of nationalised banks in the Indian economy and the relationship of corporate social responsibility with these banks. Different phases of banking evolution also discussed here. This chapter also throws light on the role of nationalised banks in conducting corporate social responsibility practices. Some recent initiatives of nationalised banks were also exampled in this chapter to get a better understanding of CSR trends.

**Chapter 2** discusses the previous literary works of various authors and research scholars around the globe. These studies helped a lot get close to the issue " Corporate Social responsibility Practices in India (With reference to the Banking sector)". Studies are available for most developed countries, but also seemed suitable for the Indian context, as banking functions are a hot topic for discussion through the world.

**Chapter 3** elaborates the research methodology adopted to conduct this study. In this chapter, the research design, objectives of the research, research strategy, sources and tools of data collection, scaling technique, hypothesis testing, data analysis tests and used software were put forth. As the study involves the nationalised banks of India, it was important to encompass various activities and analyse these to a uniform tool. Valid samples were discussed briefly here. Tests of reliability and validity were also addressed in this chapter.

**Chapter 4** is the detailed discussion of the corporate social responsibility expenditures of banks, in this chapter, sector/area-wise expenditure of banks also considered. This is because the researcher wants to make a flow for better understanding of this study. Tables and graphs were presented here to turn this study easily communicable to everyone.

This chapter also contains the detailed discussions about the factors affecting corporate social responsibility efforts of the banks. Here findings and their interpretation was elaborated with the help of Tables and graphs accordingly. Tables and graphs were obtained through various software, used for the specific purpose.

**Chapter 5** is the conclusions obtained on the basis of analysis and findings and their interpretation. This chapter also discusses the outcomes and the implications of findings. This chapter is the core of the whole effort (study and research process). At this point, the researcher presents the findings in a simple manner with the help of interrelationships between various relevant factors of the study.

**Chapter 6** presents the researcher's own recommendations and suggestions on the basis of data analysis and survey. These recommendations are based on the researcher's understanding and vision. Limited time-frame of study and scope of the study, both bounded researcher while writing this chapter.

This chapter also contains the limitations of the present study. It also discusses the scope of the present study and that of the further studies. This chapter will help other researchers to find gaps for future research.

In last, the bibliography was made in American Psychological Association (APA) style ($6^{th}$edition) with the help of software and was further arranged in an alphabetical manner (A to Z).

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| | |
|---|---|
| CSR | Corporate Social Responsibility |
| RBI | Reserve Bank of India |
| UNIDO | United Nations Industrial Development Organisation |
| ACU | Asian Clearing Union |
| AFI | Alliance for Financial Inclusion |
| RIL | Reliance Industries Limited |
| SEBI | Securities and Exchange Board of India |
| GRI | Global Reporting Initiative |
| NFR | Non-Financial Reporting |
| NGOs | Non-Governmental Organisations |
| ITIs | Industrial Training Institutes |
| SHGs | Self Help Groups |
| PNB | Punjab National Bank |
| BOB | Bank of Baroda |
| HDFC | Housing Development Finance Corporation |
| ICICI | Industrial Credit and Investment Corporation of India |
| SPSS | Statistical Package for the Social Sciences |
| GDP | Gross Domestic Products |
| ATMs | Automated Teller Machines |
| FMCG | Fast Moving Consumer Goods |
| INDCs | Intended Nationally Determined Contributions |

# CHAPTER 1

# INTRODUCTION

## 1. Evolution of Corporate Social Responsibility

The history of CSR dates back many years and in one instance can even be traced back 5000 years in Ancient Mesopotamia around 1700 BC, King Hammurabi introduced a code in which builders, farmers were put to death if their negligence caused the harms/deaths to others or major inconvenience to local citizens. With industrialisation, the impact of business on society and the environment assumed an entirely new dimension. The 'corporate paternalists' of the late 19$^{th}$ and early 20$^{th}$ centuries used some of their wealth to support philanthropic ventures. By 1920s discussions about the social responsibilities of business had evolved into what we can recognise today as the beginnings of the 'modern' CSR movement.

"The phrase Corporate Social Responsibility was coined in 1953 with the publication of Bowen's Social Responsibility of Businessmen" (Corporate watch report, 2006). The evolution of CSR is as old as trade and business for any of corporation. Industrialization and impact of businesses on society led to a completely new vision. CSR has attracted attention since the 1960s from the businesses and stakeholders in regard to its benefits and what it is. It was defined differently by various scholars based on what they understand about the concept, but now corporate social responsibility (CSR) is being referred to as 'the ethical principle that an organization should be responsible for how its behaviour might affect society and the environment.'

From 1960, CSR has remained a term used indiscriminately by many to cover legal and moral responsibility. Carroll in 1991, extended CSR from the traditional economic and legal responsibility to ethical and philanthropic responsibility. Its new meaning demonstrates that corporate social responsibility is made up of four responsibilities, that are interrelated and argues that CSR cannot be achieved without meeting the economic, legal, ethical and philanthropic responsibilities. By '80s and '90s CSR was taken into the discussion, the first company to implement CSR was

Shell in 1998. With the well informed and educated general public, there had always threats to the corporate and thus CSR seems like a solution to it. In 1990, CSR was standard in the industry with companies like Price Waterhouse Cooper (PwC) and KPMG. CSR evolved beyond code of conduct and reporting, eventually, it started taking initiative in NGO's, multi-stakeholder ventures, ethical trading businesses(Corporate watch report, 2006).

The historical evolution of the CSR was classified into different periods (Johnson, 2010). There was the earlier period in the CSR evolution followed by the development of unique trends in the 1970s. The 1970s trends were then followed by the shifts that existed during the 1990s and after that also. (Matten and Moon, 2005).

**The early classical period:** CSR was looked as a byproduct of the industrialization process at that time. With the development of big companies in the 1870s, the tasks of these companies increasingly affected other social domains. From 1900 to 1920, extra legislation based on business social responsibilities was passed under the banner of the collection of advocated social reforms.

**The immediate post-war period:** The debate over the social responsibility of business had achieved impetus succeeding after world war II. By this time, corporate philanthropy had become part of the normal social fabric and business life. Two principles formed the foundations for contemporary views on CSR, these were the- principle of stewardship and charity.

**Trends during the 1970s:** During the 1970s, the texture of the war based on CSR altered to some degree. The focus during, the world-war II shifted from corporate responsibility to the corporate responsiveness concept. This new focus on responsiveness altered the emphasis from what organizations could do to survive to what organizations could do to better the world through sustainability.

**Shifts during the 1990s:** In the 1990s, the concept of CSR emerged in modern form due to- new forms of stakeholders' engagement, social regulations and governmental regulations for reporting of corporate social responsibility (CSR). Critics and scholars improved their analysis to include arguments based on the sustainability, business ethics, corporate social performance, green marketing, stakeholder theory and citizenship theory.

### 1.1 Defining Corporate Social Responsibility

The definition of corporate social responsibility (CSR) is both complex and complicated. It is complex because of the nature and context of the different types of problems. The environment, society and the economic system are highly complex dynamic systems and corporate social responsibility is intimately involved in each and every aspect of these. Further, corporate social responsibility is complex because of the inherent ambiguity of the issues under consideration.

Corporate social responsibility also called corporate conscience, corporate citizenship or responsible business is considered a form of corporate self-regulation integrated into a business model. According to studies, corporate social responsibility (CSR) functions as a mechanism where a business ensures its active response with what the law demands, follows ethical standards and national or international norms. Corporate social responsibility (CSR) programs encourage the company to make a positive impact on the environment and all stakeholders including- consumers, employees, investors, and communities, among others. Meanwhile, political sociologists became interested in corporate social responsibility (CSR) in the context of theories of globalization, neoliberalism and late capitalism. Some sociologists look at CSR as a form of capitalist legitimacy and pointed out at a particular point that, **what begun as a social movement against corporate powers was changed by corporations into a 'business model' and a 'risk management' device.**

Despite its long history, no consensus has been developed among the industry participants, academics or other interested parties. The large amount and resources invested in CSR by both private and public sectors indicate the importance of a clear definition of the term. In today's world, CSR is largely under private self-regulation, there are calls for and efforts to change aspects of CSR into other types of regulation such as public regulation. Below here, a few definitions are mentioned that are recognised by institutions which represent most of the business of the world.

**The World Business Council for Sustainable Development** in its publication **Making Good Business Sense** by Lord Holme and Richard Watts, used this definition: Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

**According to UNIDO**, CSR truly reflects in these terms: Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.

**European Union's Official Definition Of CSR** is, "The voluntary integration of companies" social and ecological concerns into their business activities and their relationships with their stakeholders. Being socially responsible means not only fully satisfying the applicable legal obligations but also going beyond and investing 'more' in human capital, the environment, and stakeholder relations ( published in 2001 a Green Paper on Corporate Social Responsibility).

**The International Organization for Standardization (ISO)** also addressed the definition of CSR through its ISO 26000 standards on Corporate Social Responsibility. It defines CSR as: "The responsibility of an organization for the impacts of its decisions and activities on society and the environment, resulting in ethical behavior and transparency which contributes to sustainable development, including the health and well-being of society; takes into account the expectations of stakeholders; complies with current laws and is consistent with international standards of behavior; and is integrated throughout the organization and implemented in its relations."

For this research, the researcher followed the definition of European Commission (2002) which marked corporate social responsibility as a close relationship between companies and societies to tackle social and environmental concerns. **According to European commission** - 'CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis'.

## 1.2 Models of Corporate Social Responsibility

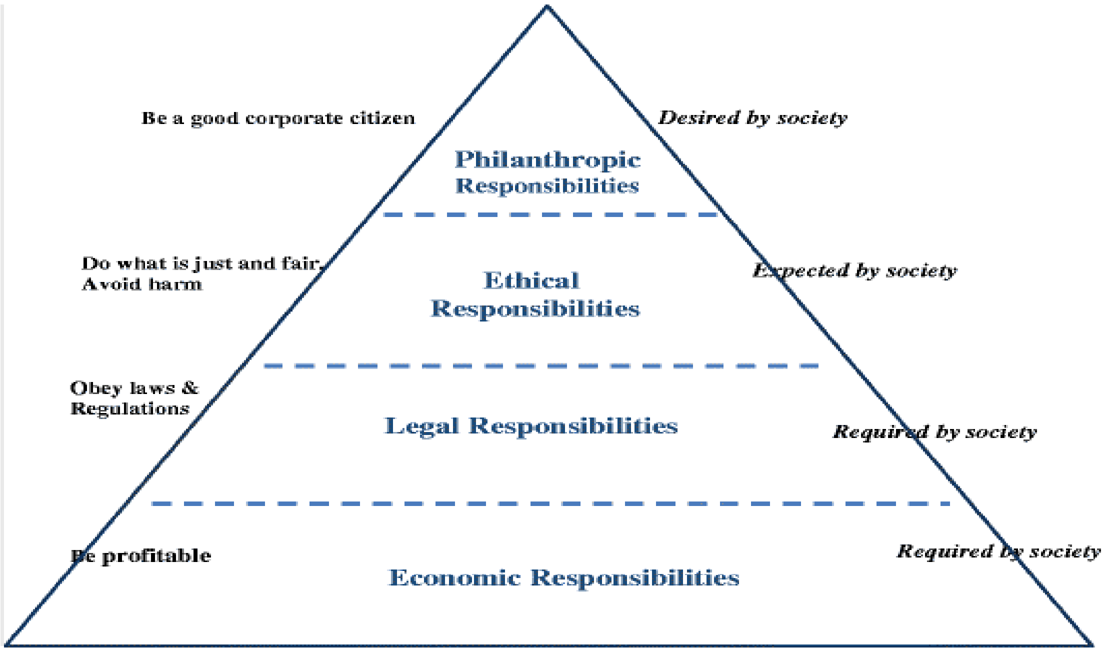
The aptly named corporate social responsibility (CSR) view is that corporations are members of the moral community they are viewed as citizens of the world. They have responsibilities that are analogous to those of other members of the moral community. After decades of debate on corporate social responsibility (CSR) academicians have reached on a consensus about the fundamental idea that business corporations have an obligation to work for social betterment. All of them recognize that business firms have many different kinds of responsibilities and endeavour to define both the scope of corporate social responsibility in society and the criteria for measuring business performance in the social arena. Three dominant models of corporate social responsibility (CSR) are discussed below-

### 1.2.1 The Pyramid Model of CSR

The most discussed model of CSR is Carroll's four-part pyramid model. According to the model, four kinds of social responsibilities factors total CSR into- economic ("make a profit"), legal ("obey the law"), ethical ("be ethical"), and philanthropic ("be a good corporate citizen"). The pyramid is a three-dimensional structure, each side of the pyramid shows different approaches of business responsibilities of business but in a hierarchal order.

Taking a managerial approach, the four-part pyramid defines CSR in terms of social expectations that responsible corporations/businesses should strive to meet. This model categorizes the different responsibilities hierarchically in order of decreasing importance. The most fundamental is the economic responsibility of the firm because without it the others become moot considerations. Businesses are expected to operate within the framework of law thus legal responsibility is depicted as the next step of the pyramid model. Next is the ethical responsibility that can be defined as "those activities or practices that are expected or prohibited by society members/customs even though they are not codified into law. The last one is the philanthropic responsibility, which is discretionary in nature.

**Graph: 1.1**




**The Pyramid model of CSR/ Source: jcsr.springeropen.com**

This pyramid model of CSR has served as a platform for some of the major research developments in this field. Clarkson also claimed, "the strength of its influence can best be judged by its longevity and that of its progeny."

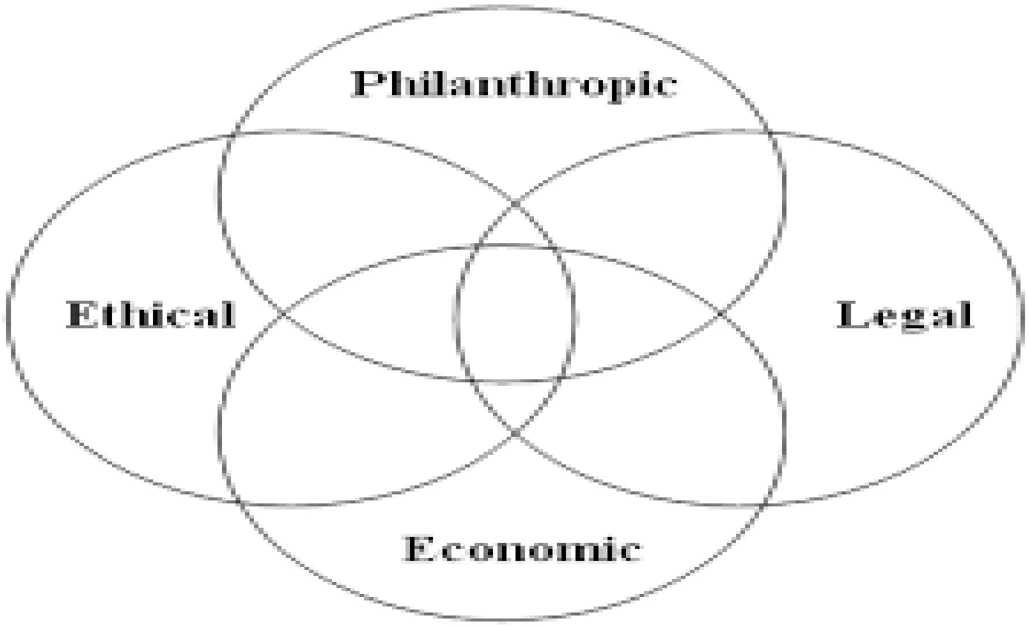
### 1.2.2 The Intersecting Circles (IC) Model of CSR

After the realisation that a pyramid framework is not enough to fully capture the interrelationships among the CSR domains, Schwartz and Carroll included the major domains of social responsibility and clearly depicted their interrelationships. The intersecting circles (IC) model of CSR that CSR is nothing but a collection of contingent, externally related issues; it holds rather than the different responsibilities are in dynamic interplay with each other, and it is the overall corporate responsibility to advance harmony and resolve conflicts among them.

The IC model seems to be primarily intended as a descriptive model of CSR, not a normative model because without specifying the order of priority among the various responsibilities; we cannot expect corporations to commit multiple objectives at one and the same time. This leaves a question further- how are the different corporate responsibilities to be reconciled in cases of conflicts.

From a managerial point of view, the IC model is more flexible. It allows all sorts of the interrelationships among the different domains of responsibilities with no prima facie order of priority, the model is open to a wide range of interpretations.

**Graph: 1.2**




**The Intersecting circles model of CSR/ Source:keywordbasket.com**

Schwartz and Carroll's three- domain model is an attempt to develop the CSR domains "more completely both in terms of what each means or implies and the overlapping categories that are identified when the three domains are depicted with a Venn diagram format."

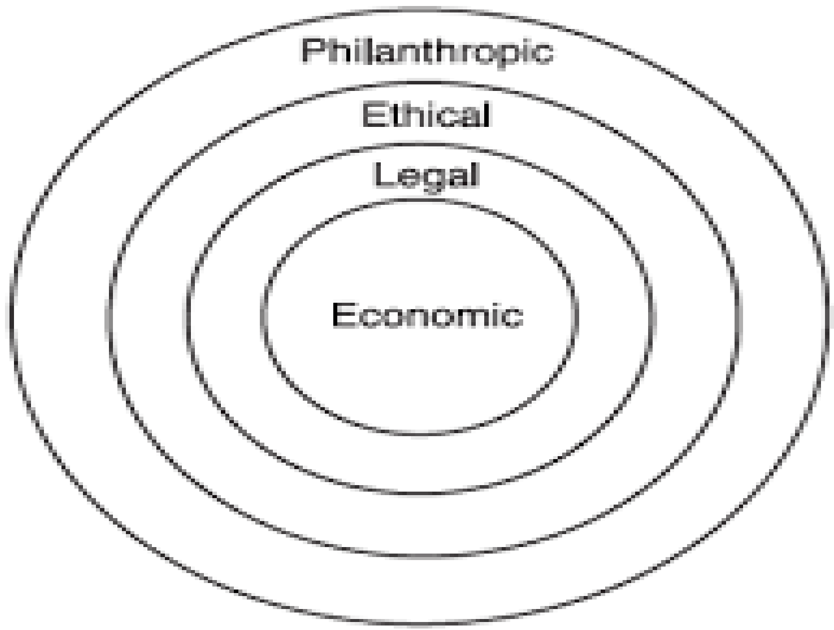
### 1.2.3 The Concentric Circle (CON) Model of CSR

In 1971, the Committee for Economic Development (an American association ) advocated that the social contracts for business firms are not only feasible but morally necessary, and urged business to adopt a broader and more humane view of its function towards social betterment.

This model has characteristics of both above-described models. The concentric circle (CON) model is similar to the pyramid model in a way that it views the economic role of business as its core social responsibility, and it is also similar to the intersecting circles model in a way that it emphasizes the interrelationships among the different corporate social responsibilities.

Legal responsibilities are not explicitly presented in the original CED framework, but rather subsumed under other corporate responsibilities. These concentric rings represent a system of inclusion relations rather than a scheme of mutually exclusive domains. Thus every member of the inner circle is also a member of the wider, more inclusive outer circle, but not vice versa.

**Graph: 1.3**




**The Concentric circle model of CSR/ Source: Committee for Economic Development (1971)**

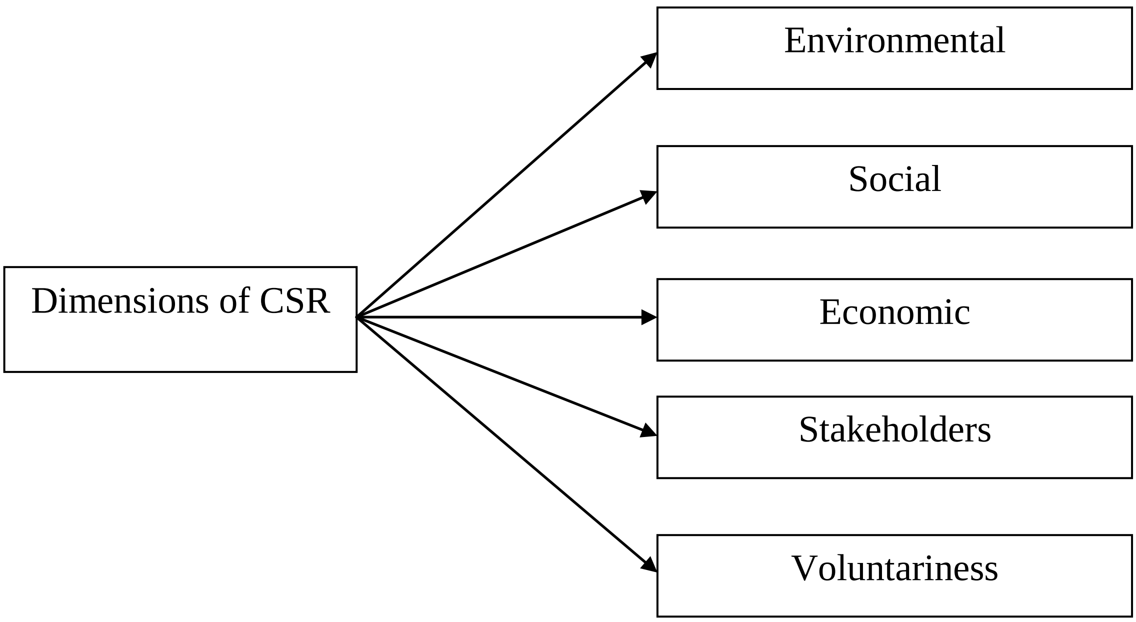
In summary, the pyramid model defines the corporate economic role in terms of narrow self- interest ("be profitable"), whereas the concentric- circle model defines this same role in terms of CSR, by enhancing the good of society ("be constructively profitable"). In contrast to the pyramid model, which scales down the importance of the noneconomic social responsibilities (legal, ethical and philanthropic) and in contrast to the intersecting circles model which along with interrelationships, also allows for no relations among the different domains of responsibility; the CON model outlines the noneconomic social responsibilities as embracing and permeating the core economic responsibilities.

### 1.3 Dimensions of Corporate Social Responsibility

Traditionally, corporations have had only one responsibility to make a profit for their shareholders. But after the evolution of the concept of corporate social responsibility now it is expected that companies should be responsible for more than just their owners/shareholders. There are multiple dimensions that can affect a corporation's actions.

The dimensions of corporate social responsibility include the obligations a business has to its interest groups also can be termed as 'stakeholders' in the managerial arena. The stakeholders in a business operation, include shareholders /owners, consumers, employees, government, society, environment, etc.

**Graph: 1.4**




**Dimensions of Corporate Social Responsibility/ Source: link.springer.com**

The **environmental dimension** of corporate social responsibility refers to the business operations' impact on the environment. The emphasis on environmental preservation is to motivate corporations for economical and sustainable answers for natural resources and to decrease an organization's impact on the environment.

The **social dimension** of corporate responsibility involves the relationship between your business and society as a whole. This could involve sourcing fair trade products, agreeing to pay your employees a livable wage and also taking on endeavours that benefit society for a long duration.

The **economic dimension** refers to the effect that corporate social responsibility activities have on the finances of a company. it is important to recognize the financial impacts that these activities have and to balance, being a good corporate citizen with making a profit. Multinational organizations/big corporations with their abundance of monetary and administrative skills are being called upon to give a point of convergence of backing and support for local businesses and organizations.

The **stakeholders' dimension** is all of the people affected by a company's functions. This includes employees, suppliers and members of the public, etc. It includes and refers to an extensive variety of initiatives made by organizations and corporations such as- donated cash, time, products, services, administration learning and so on.

Actions that fall into the **voluntariness dimension** are those that corporations are not required to do. These are based on specific ethical values that a company holds like-using ISO norms, no involvement of child labour, creche facility, etc. Paying labourers a living wage and shielding them from provocation and harassment of any sort might cost somewhat but will pay-back in the near future. Thus, it can be expected that socially capable and stable administration practices might contribute straightforwardly to benefits and profits in the longer run.

### 1.4 Forms of Corporate Social Responsibility

Among all academicians, the well established and accepted model of CSR which addresses the forms of CSR is the one called ‘Four-Part Model of Corporate Social Responsibility’ refined by the two authors namely-Carroll and Buchholtz in the year 1991. They offered the definition of CSR in these words- “Corporate social responsibility encompasses the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time.”

**Economic Responsibility** is the responsibility of a business to make money "Required by simple economics, this obligation is the business version of the human survival instinct. Companies that don’t make profits are in a modern market economy doomed to perish. "So, as long as we believe that the business ought to exist, it must be allowed to try and make a profit. Otherwise, we are condemning it to death. Possible activities under economic responsibility are-

- To earn profit
- Distribution of profit among shareholder
- Fair audit
- Employee salary and health
- Employee counselling
- Employees participation
- Quality assured products
- No harmful additives
- Competitive pricing of the product
- Basic information displayed about products
- Feedback of customers

**Legal Responsibility** is the responsibility to obey the letter and the spirit of the law. This is not just the obligation to follow the law as it is written, but "this obligation must be understood as a proactive duty. That is, laws aren't boundaries that enterprises skirt and cross over if the penalty is low; instead, responsible organizations accept the rules as a social good and make good faith efforts to obey not just the letter but also the spirit of the limits." Possible legal activities are-

- Rational borrowings
- Timely repayment of loans
- Avoid penalties
- Aware of rules and regulations framed for them

The **Ethical Responsibility** is the responsibility to do the right thing even when neither the spirit nor the letter of the law applicable to the situation. This is a key obligation, and it requires the firm to act as any other citizen must. We might make allusions to the Good Samaritan or to handing our change to someone who asks for it on the street, but the core of the corporate social responsibility is that firms ought to act like persons who live in a world of civil community. This approach requires that we view firms (and that they view themselves) as responsible members of their operational community. These activities should be considered as ethical responsibilities-

- Best employee awards
- Cultural activity
- In campus transportation facility
- Rest house facility
- In campus medical facility
- No smoke zones
- Electronic surveillance

The **Philanthropic Responsibility** is a responsibility "to contribute to society's projects even when they are independent of the particular business." This responsibility requires the business person to do some things which stem from generosity towards the community that they exist in. This is likely to be a controversial requirement, but it speaks to the connections between the community and the firm. "These public acts of generosity represent a view that businesses, like everyone in the world, have some obligation to support the general welfare in ways determined by the needs of the surrounding community. "It might require that an affluent business person should stop and buy lemonade or a hotdog from a stand that contributes to a neighbourhood project or to buy some cookies from the local Girl Scout troop. It might be required by the society that business should prefer to local youth for employment who want to learn about how it works and get inspired to become an entrepreneur in the near future. Whichever mode it shapes, it only requires that businesses do something that benefits the community without having anything to gain, directly for their survival. Some of the philanthropic activities are-

- Donating funds
- Donating services
- Donating goods
- Donating working hours

### 1.5 Components of Corporate Social Responsibility

Corporate social responsibility (CSR) in a layman's term refers to a certain set of policies and practices of a company which in a way interlinks multiple stakeholders, which includes the environment and the communities involved. In other words, corporate social responsibility can be termed as a commitment of the business towards sustainability and development in general.

However, there doesn't exist a concrete and a proper definition of what constitutes an important component of corporate social responsibility (CSR). Some commonly and generally used CSR components that are essential to be included in most CSR reporting are mentioned below-

- Environmental preservation
- Human rights
- Business ethics
- Community participation
- Animal welfare
- Crisis management
- Legal compliance
- Sustainability

A brief overview of the above topics could be helpful for getting a better sense about the components of corporate social responsibility.

#### 1.5.1 Environmental Preservation

The practice of protecting the natural environment by individuals, organizations and governments are called Environmental protection. The objectives of environmental protection are to conserve natural resources and the existing natural environment and, where possible, to repair damage and reverse trends. From the beginning of the 1960s, environmental movements have created more awareness of the various environmental problems. Due to this awareness, many effective and large International organisations came into existence.

The beginning of **voluntary environmental agreements** started taking place in the industrial countries. This often provided a platform for companies to be recognized for moving beyond the minimum regulatory standards and thus seek support for the development of best environmental practices within a limited geographical boundary. The challenges that emerged as a threat with these agreements were-establishing baseline data, targets, monitoring and reporting.

An **ecosystem approach** to resource management and environmental protection aims to consider the complex interrelationships of an entire ecosystem at the level of decision making. It proved better as it does not considers just responding to specific issues and challenges. This approach supports a better exchange of information, development of conflict-resolution strategies and improved regional conservations.

**International environmental agreements** are based on the truth that most of the earth's resources are especially vulnerable because these are influenced by human impacts across many countries in the simultaneous time period. As a result, it was felt necessary to develop agreements that are signed by multiple governments across the continents, to prevent damage or mitigate the impacts of human activities on natural resources. These types of agreements include those agreements that impact various factors which are not limited a region or country's boundary limit such as-climate, oceans, rivers and air pollution. Sometimes, these found as legally binding documents that have legal implications when they are not followed but many agreements also exist as in-principle or are for use as codes of conduct for members.

The most well-known international agreements include the **Kyoto Protocol**. This protocol emphasis on the point that whenever it comes to environmental protection, everyone focuses on the role of governments, legislation, and law enforcement. However, in its broadest sense, environmental protection may be seen to be the responsibility of all the people, corporations and so on and not simply that of government.

The United Nations Conference on Environment and Development (UNCED) also known as Earth Summit, was convened in June 1992. Among other events, the summit marked the end of the East-West cold war framework that had existed since the end of World War II. Now, the governments of the whole world had to join hands for international cooperation and brace themselves for the actions related to global environmental issues. International efforts concerning environmental conservations were closely related to-

- Global warming
- Protection of the ozone layer
- Acid deposition, forests
- Wildlife
- Marine environment
- Trans-boundary movement of hazardous wastes
- Desertification
- Pollution problems in developing countries

The emphasis on environmental preservation actually wants to push companies for finding economical and sustainable answers for natural resources use, to decrease an organization's impact on the environment. In recent years, the ecological obligation has extended to include significantly more than mere compliance of all applicable government regulations, credit for this goes to civil society activists and civic organisations.

Academicians, ecological associations and leading organisations across the world, now characterize an environmental obligation as including and involving a complete and comprehensive way to deal with an organization's routine operations.

It incorporates surveying business products, procedures and administrations, wiping out waste and discharges, boosting the effectiveness and efficiency of all resources and assets, packaging materials of products.

### 1.5.2 Human Rights

According to the **United Nations-** 'Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination'.

United Nations created a comprehensive body of human rights law—a universal and internationally protected code to which all nations can subscribe and all people aspire. It has defined a broad range of internationally accepted rights, including civil, cultural, economic, political and social rights. It has also established mechanisms to promote and protect these rights and to assist nations in performing their responsibilities towards their citizens.

The Universal Declaration on Human Rights (UDHR)is a milestone document in the history of human rights. It was adopted by the General Assembly in 1945 and 1948, respectively. It has gradually expanded human rights law to encompass specific standards for women, children, persons with disabilities, minorities and other vulnerable groups. Following are the main rights got progressed till date-

**The Economic, social and cultural rights** came into force in 1976. The human rights that the Covenant seeks to promote and protect at world level include-

- The right to work in just and favourable conditions,
- The right to social protection, to an adequate standard of living and to the highest attainable standards of physical and mental well-being,
- The right to education and the enjoyment of the benefits of cultural freedom and scientific progress.

**The Civil and political rights** came into force in 1976. While the second optional protocol was adapted in 1989. It includes-

- Freedom of movement,
- Equality before the law
- The right to a fair trial and presumption of innocence
- Freedom of thought
- Conscience and religion
- Freedom of opinion and expression
- Peaceful assembly
- Freedom of association

- Participation in public affairs and elections and
- Protection of minority rights.

Business practices can significantly impact the rights and respect of the workforce and the communities. Their fundamental focus should be on creating work environments which are free from discrimination and should also make efforts to provide appropriate equality and balance between work and other aspects of life too. Not behaving responsibly on the issues of human rights could be highly costly in light of the fact that their reputation could be at risk in the domestic market as well as international market.

Due to the effect of globalization and expanding universal trade. It is more like a test for discovering methods for working together worldwide with an approach that regards and respects human rights and social equity, and encourage the proper improvement and development of the rising economies.

### 1.5.3 Business Ethics

Most of the academicians and researchers are undoubtedly accepting that ethical behaviour and corporate social responsibility can bring significant benefits to a business not only in the short term but also in the long term. The rising demand from business enterprises that they have some responsibilities towards the society beyond that of making profits for shareholders/owners has been around for centuries.

The economic responsibilities of a business are to produce goods and services that society demands and takes a price for that, this is a thumb-rule for the continuing existence of the business. There is a consensus among most of the researchers that business community and organizations can get benefits tangibly by engaging themselves in corporate social responsibility (CSR) policies, activities and ethical practices.

The concepts of business ethics and social responsibility are often used interchangeably, although each has a distinct meaning. Whereas business ethics include the moral principles and standards that guide the behaviour in the arena of business; corporate social responsibility (CSR) is an integrative management concept, which establishes responsible behaviour within a company, its objectives, values and the interests of all stakeholders. Companies that consistently demonstrate ethical behaviour and social responsibility generate better results and have long sustainability.

Being ethical in business means applying principles of honesty and fairness to relationships with employees and customers. It is an umbrella term that covers all ethics-related issues that can come up in the context of doing business or expanding the business. It can be defined as the rules, standards or principles that provide guidance for morally appropriate behaviour in managerial decisions relating to the operations of the corporation and business relationship with the society. In simple terms, we can say that business ethics is the behaviour that a business adheres to in its daily dealings with its stakeholders. The advantages of ethical behaviour in business are- build customer loyalty, retain good employees, positive work environment, avoid legal problems. To make a clear vision on this issue the researcher categories all aspects below-

**1. Possible Ethical Values towards Society**

Avoid Profiteering

Avoid discrimination at each level

Enhance transportation in nearby areas

Preparation for evacuation in an emergency

**2. Possible Ethical Values towards Stakeholders**

- **Customer**

Avoid Exploitation of Consumers

Encourage Healthy Competition

Ensure Accuracy

Avoid Monopoly

Respect Consumers Rights

- **Employee**

Fair Treatment to Employees

Avoid Injustice and Discrimination

Job security

Better working conditions

Welfare facilities

- **Shareholder**

Keep the Investors Informed

Discourage Secret Agreement

Regular dividends

Fair balance sheet

Protect interests during expansion

- **Financial institutions**

Timely repayment of interest amount

Avoid risking business practices

- **Government**

Pay Taxes Regularly

No Bribe and Corruption

Act as a partner for the development of a country

**3. Possible Ethical Values for Policy Making**

Intentions of Business

Practice Fair Business

Fair practices for recruitment and training

Better communication at each level

**4. Possible Ethical Values towards Environmental Issues**

Optimum Utilization of Resources

3R policy implementation

Green muffler near the facility

Bio-degradable packaging materials

Adoption of the paperless system

### 1.5.4 Community Participation

Biologist Ludwig von Bertalanffy originally developed general systems theory in late 1936. Community is considered a significant stakeholder in corporate social responsibility (CSR) and therefore in partnership with companies that have a common premise in relation to the concerns of the various social issues. Nowadays, many corporations are doing well in the field of corporate social responsibility (CSR) practices, despite that community participation remains the greatest challenge in ensuring that every community project is self-sustaining.

Community participation is 'a process by which people are enabled to become actively and genuinely involved in defining the issues which are concern to them; in making decisions about factors that affect their lives, in formulating and implementing policies, in planning, developing and delivering services and in taking action to achieve change'(Doherty, 2002).

In a developing nation like India, it is assumed that the attainment of popular participation in development programmes/policies is a prerequisite factor in the attainment of development goals. Different writers across the globe, have argued in favour of participatory decision-making. Right from the planning, implementation and evaluation of the development programs/projects, community members are viewed as major stakeholders of the bottom-up approach to development.

To achieve the goal of development for a sustainable future, it is important that the community members have faith in corporate social responsibility (CSR) activities and have a sense of ownership in this regard. As Mulwa (2004) has stated that experiences have shown that unless people are actors in activities and programmes, that affects their lives, the impact of such interventions would either be negative, irrelevant or insignificant in transforming people's lives.

Businesses have an obligation to utilize the natural resources available equally to all citizens, in a manner that would be beneficial to both the business and the society as a whole. Especially to the immediate community living nearby. Businesses should first and foremost be committed to the welfare of its immediate community. They should provide positive assistance to the community, which includes the provision of employment to the people from its society and other forms of poverty alleviation, basic education and other social backwardness. Effectiveness of these efforts requires that the community be actively involved.

**General Systems Theory** focuses on society, its structures and their significance for other structures of a country. According to this, society is the nerves system of a nation composed of different parts termed as such as- economy, education, family, religion, administration and legal system, and each part has its own functions. Bossel in 1999, views the society as a super system made up of three main systems that are-

- Human beings
- Support to the natural systems
- Several subsystems that are interlinked

Other members of the subsystem include- business entities, shareholders, employees, government, political leadership and financial institutions, customers among others.

For most businesses, it makes commercial sense to get involved in community-based CSR activities, related to their own products or services. This provides businesses to demonstrate their expertise and show the human face of their business at the same time. Working with the local communities, a business can grab a wide range of benefits as it can add local customers and improve the source of sales. Demonstrating commitment to the immediate community would be helpful in improving business reputation and also make easier to recruit or retain employees.

### 1.5.5 Animal Welfare

It is impossible for the government to bring about changes within a stipulated timeframe as the needs are so many. NGOs have the vision, focus, know-how, strategic thinking and commitment but they need financial support to enable widespread social transformation. Collaboration among NGOs and the government will certainly speed everything up.

Developed nations are much ahead in this concern, a comprehensive survey was done in the USA in 2012 by the Humane Research Council (HRC) also depicted that social cause is on top for corporate social responsibility (CSR) activities. Among all social activities, Animal care topped the expectations list. This shows that the animal welfare movement is having an impact on the way that society thinks about animals in developed nations. Despite various economic and political issues, the animal welfare cause is retaining support. Some of the CSR activities for animal welfares are-

- Planting fruit trees and near forests
- Establishing small veterinary hospitals for farming animals
- Provide training for organic farming
- Dog sterilisation programs for cities and villages both
- Establishing rescue centres for wild animals
- Support animals while natural calamities

In partnership with companies to increase the welfare of the billions of animals involved in food production around the world, World Animal Protection influences decision-makers to put animals on the global agenda. Companies do prefer corporate social responsibility (CSR) initiatives which relate to human issues- girl child, toilets, education and more. Geographies of a country also play an important role in animal welfare. It's always difficult to find an endangered animal where a company traditionally operates out of.

But in developing nations like- India, sufficient evidence can be traced now for animal welfare through corporate social responsibility (CSR) initiatives. This proves that slowly but conclusive efforts are gaining momentum.

Tata Capital Housing has started by giving ₹ 40 lakh to WWF India in the first year of the financial year 2014-2015 and thereafter committed to contributing a total of ₹ 3 crores over the next three years until 2018. This CSR fund will be used for the supporting projects to conserve the Great Indian bustard (a desert national park in Jaisalmer and Barmer districts of Rajasthan), the red panda (in the community-owned forests of the western region of Arunachal-Pradesh) and one-horned rhinoceros (Laokhowa-Borachapori wildlife sanctuary of Assam).

The Muthoot Group had run project-based initiatives for elephants in partnerships with various NGOs in six states for a year and donated about 50 lakh rupees under CSR fund for this activity.

To address fund crunch NGOs now promoting the involvement of employees under CSR funds, crowd-funding initiatives, and encouraging volunteering in areas that WWF India deems fit for the project.

### 1.5.6 Crisis Management

Crisis management for a company is complex and requires various tools and frameworks in order to infer legitimate conclusions. Once a crisis occurs or develops, a crisis prevention strategy needs to be provoked. To ensure an organisation does not reach a breaking point in the first place it should establish CSR as an important tool in its crisis prevention strategy too.

Corporate social responsibility (CSR) is a framework that is adopted often to repair/mitigate the damages for an organisation following a crisis. Crisis management and corporate social responsibility (CSR) are closely interlinked with each other. Many companies have been using CSR more so to rebuild reputations rather than minimising the risk of a tarnished reputation in the first place. Nestle and shell are examples of corporations that had gone on the offensive with CSR campaigns right after crisis occurred. In past companies that were hit by a crisis might actually view this tool as a unique window of opportunity that could enable the responsible managers to change their practices sustainably. Shell described their crisis as "the best thing that ever happened to us".

A company may minimise the negative impacts of a crisis if it engages in CSR initiatives before a crisis occurs and recognises CSR as an asset (Eisenegger and Schranz, 2011). Many authors from different parts of the world emphasised that consumers then perceive a company’s CSR claims to be more credible if their intention for corporate social responsibility (CSR) practices was conveyed genuinely and evidently prior to the crisis.

CSR may also help companies to steer clear of crisis altogether as it could serve as an early warning system in two respects-

1. **Internally:** A comprehensive CSR is integrated into a corporation’s strategies and supports the firm’s compliance management system into which employees and other stakeholders are encouraged to feed by reporting on emerging issues.

2. **Externally:** A company's proactive approach towards CSR involves many stakeholders including representatives of the institutions such as- political parties, trade unions or NGOs and should be manifested in regular communications with all those who have a 'piece of the pie'. Such an exchange may lead to a better understanding of the stakeholders' perceptions of the company's strategies and provides them with the opportunity to address concerns and controversies yet to arise.

To learn from a crisis requires a thorough analysis of the situation and a critical reflection of the organisation's culture, as sustainable change within a company will only work if the corporate culture and identity changes with respect to time. Changing the corporate culture is a long-lasting process which takes more time than changing structures.

CSR strategies or behaviours related activities were discussed by many scholars and authors, in terms of crisis management like- responses to boycott in an international context. They also found that meeting local stakeholders' social expectations can mitigate the risk of crisis.

### 1.5.7 Legal Compliance

The world is becoming increasingly interdependent and fragile due to an escalating population and their search for more material wealth, the scarcity of resources, the loss of biodiversity and ecosystems, climate change, shifts of powers between States and also between states and multinational companies, internal disturbances and international peace efforts. This reason left enough space for multitasking capabilities of corporations to be utilised in favour of the general welfare.

Corporate social responsibility (CSR) is a subject that has links with many areas of law, including international law and European law, corporate law and corporate governance, contract law, procedural law, labour and environmental law, etc.. Previously mentioned all areas contribute importantly and equally to the development of CSR and ultimately to respond to the serious challenges that this world facing or about to face. Considering the global challenges, national and international laws for corporations are indispensable.

After decade-long, worldwide, cross-cultural dialogues on common goals and shared values a document was adopted in 2008 namely, **'The Earth Charter'.** The Earth Charter quoted that ***'we must recognize that … we are one Earth community with a common destiny.'*** The Earth Charter is a modern declaration of fundamental ethical principles for building a just, sustainable and peaceful global society in the 21st Century. It has been adopted as a mission statement by private as well as public organisations and is now used externally to explain the organisation's values in communication with stakeholders.

Private regulatory regimes, quasi-legal rules and soft laws also play an important role in the process of implementation of CSR by companies as well as in the evolution of traditional legal regimes. In the context of CSR, a large variety of private self-regulatory instruments related to social or environmental aspects of economic activities, such as codes of conduct or private labels, have been developed. Few of them have been adopted unilaterally by multinational companies, others have been developed together with NGOs, international institutions and local communities.

Most of the time it is evidenced that when public and private norms compete with each other, the most legitimate public or private standard for governing the problem should be chosen. Depending on the situation, a private standard or label could be more legitimate and effective with regard to the interests concerned than a public norm.

### 1.5.8 Sustainability

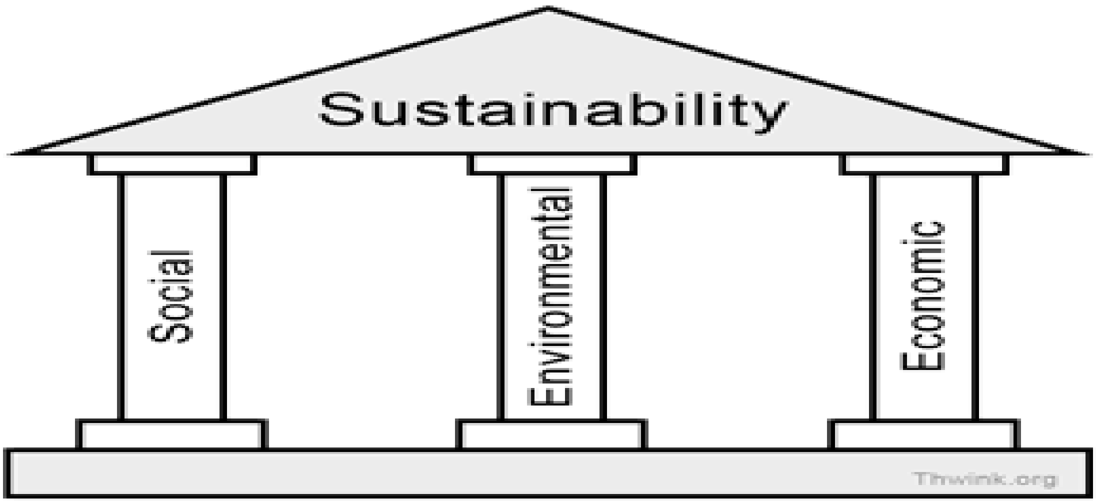
Development is driven by limited particular needs without fully considering the wider or future impacts. As we are already witnessing the damage, this kind of approach can cause, from large-scale financial crises caused by irresponsible banking to changes in global climate resulting from our dependence on fossil fuel-based energy sources. A definition offered by the famous World Commission on Environment and Development in 1987 named **Brunt-land Commission** described this phenomenon as :

**"Sustainable development is a development that meets the needs of the present, without compromising the ability of future generations to meet their own needs."**

**World Summit on Sustainable Development (WSSD)** also known as 'Johannesburg Summit' in 2002 showed an essential shift away from environment issues toward human and economic development due to the MDGs (Drexhage & Murphy, 2010). A significant difference between the point of view of the conference held in Rio in 1992 and Johannesburg in 2002 is the increased presence and interest of business, which indicates the business case of sustainable development but companies should be truly committed to sustainable development.

Eminent Indian economist, Sukhamoy Chakravorty, in a lecture that he delivered to the Centre for Science and Environment(CSE) a few weeks before his demise, had pointed out that the success of the phrase "sustainable development" lies in the fact that it says nothing precise and therefore, means anything to anybody. For a logging company, it can mean sustained projects; for an environmental economist it can mean sustained stocks of natural forests; for a social ecologist it can mean sustained use of the forest; and, for an environmentalist, it can mean a clean heritage for our children. But surely confusion cannot be more productive than clarity.

**Graph: 1.5**




**The Main Pillars of Sustainability/ Source: thwink.org**

**Social sustainability** is based on the concept that a decision or project promotes the betterment of society in each walk of life. In general, future generations should have the same or greater quality of life benefits as the current generation do. This concept also encompasses all aspects of life such as human rights, environmental law, and public involvement & participation. Failing to put emphasis on the social part of decision or action can result in the slow collapse of the spheres of sustainability (and society as well).

**Environmental sustainability** is based on the concept that an ecosystem would maintain populations, biodiversity and overall functionality of all previously mentioned areas over an extended period of time. Ideally, decisions that are made, should promote equilibrium within our natural systems and seek to encourage positive growth. Unnecessary disturbances to the environment should be avoided whenever possible. If there is a disturbance, it should be mitigated to the maximum practicable extent. When decisions are made, one part of the discussion should always be the environmental impacts of the proposed outcome or result.

**Economic sustainability** involves creating economic value out of whatever project or decision you are undertaking. Economic sustainability means that decisions are made in the most equitable and fiscally sound way possible while considering the other aspects of sustainability. In most cases, projects and decisions must be made with the long term benefits in mind (rather than just the short term benefits). Keep in mind that when only the economic aspects of something are considered, it may not necessarily promote true sustainability rather than that it reflects on part of it.

For many people in the business world, economic sustainability or growth is their main focal point. On the large scale (globally or even locally), this narrow-minded approach to the management of a business can ultimately lead to unsatisfactory results. However, when good business practices are combined with the social and environmental aspects of sustainability, you can still have a positive result that is for the greater good of humanity.

There are several key ideas that make up economic sustainability. For example, governments should look to promoting "smart growth" through no-nonsense land use planning and subsidies or tax breaks for green development. Consistent financial support for higher education institutes and research & development institutes is an important part of economic sustainability as well. In addition to this, emphasis should also be placed on other areas such as reducing unnecessary spending and cutting pocket expenses.

In order to find the relationship between Sustainable Development(SD) and Corporate Social Responsibility(CSR). The researcher conducted detailed content analyses of the documents of United Nations Sustainable Conferences. The studied conferences are chosen based on the Sustainable Development Knowledge Platform.

United Nations Conference on Environment and Development (UNCED) organised Earth Summit in Rio de Janeiro in 1992, which was the first milestone that aimed to strengthen the role of major groups in sustainable development.

### 1.5.8.1 CSR and Sustainable Development Goals (SDGs)

Sustainable Development Goals (SDGs) were adopted on September 25, 2015, by 193 countries as a follow up to the Millennium Development Goals. The SDGs focus to end poverty, protect the planet and ensure prosperity for all, as part of a new sustainable development agenda. A total of 17 goals and 169 targets are set to be achieved by 2030 and the realisation of the same calls for a collective effort from the government, the corporates and the civil society organisations.

SDGs have immense opportunities for the corporate sector's participation. These goals are bringing private players from various sectors to achieve the common aims of sustainable development by exploring synergies between different stakeholders for cumulative synchronised growth. When an organisation defines its CSR focus area on enhancing livelihoods through skill development training of women and youth, it is contributing to various SDGs like creating a means to end poverty, zero hunger, quality education, gender equality and decent work and economic growth.

### 1.5.8.2 CSR and Intended Nationally Determined Contributions (INDCs)

India has also signed the declaration for sustainable development along with other countries. While the government initiatives in India are linked to achieving SDGs, local implementation and data validation become a challenge. To add on to the slow progress, India ranks 117 of 157(according to 2017 index) on the SDG index, thus calling for immediate action through a collaboration between the corporate sector, civil society organisations and the government. Corporates are now being seen as the key drivers of SDGs as they can apply their creativity and innovation in solving the sustainable development challenges and can play a strong role as facilitators in enhancing the implementation of SDGs.

India in 2015, ahead of the UN Conference of Parties(CoP) on Climate Change; submitted its Intended Nationally Determined Contributions (INDCs) to the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC). In its INDC, India has pledged to improve the emissions intensity of its

GDP by 33 to 35 per cent by 2030 below 2005 levels. It has also pledged to increase the share of non-fossil fuels-based electricity to 40 per cent by 2030. It has agreed to enhance its forest cover which will absorb 2.5 to 3 billion tonnes of carbon dioxide ($CO_{2,}$ the main gas responsible for global warming) by 2030.

India’s National Solar Mission, Green Energy Corridor projects, Swachh Bharat, National Air Quality Index, Smart City Mission, Paramparagat Krishi Vikas Yojana, Soil Health Card Scheme, Pradhan Mantri Krishi Sinchayee Yojana, National Mission for Clean Ganga etc.; are the efforts already ongoing towards this pledge. Though Big Industry, with its high level of emissions, waste generation, and fossil fuel consumption has traditionally been viewed as the chief villain in the fight against climate change, CSR programmes being undertaken by several large companies in India suggest that they have started thinking about their impact on the environment and are striving to become responsible corporations.

Data analysed by the ministry of corporate affairs for CSR expenditure of all Indian companies in 2014-15 showed that 14 per cent (Rs 1,213 crore) of total CSR spending in India was made on activities focusing on conserving the environment. It was the third-highest expenditure on a social impact issue after education (32 per cent) and health (26 per cent) and was greater than the amount spent on rural development (12 per cent).

A decade ago, the most common CSR activity with a focus on the environment was planting trees. Indian companies today are instead focusing on projects that have a sustainable long-term impact, such as installing solar-powered lighting systems and water conservation projects. One of the reasons why companies may prefer such projects as- tree plantation drives is that access to clean water and energy has several cascading effects on social and economic development. Ranging from opportunities for better education, health, and income to increased safety for women and lower deaths due to reduced indoor pollution are now under this umbrella efforts.

### 1.6 Triple Bottom Line (TBL)

The phrase **"triple bottom line"** was articulated more fully by John Elkington in his book "Cannibals with Forks: the Triple Bottom Line of 21st Century Business" in 1997. This is a framework that recommends that companies are committed to focus on social and environmental concerns just as they do on profits. This theory works on the assumption that the corporation is a member of the moral community and this gives it social responsibilities. This theory mainly focuses on-

**Sustainability** requires that a company must focus its actions on three independent scales namely- Economic sustainability, Social Sustainability, and environmental sustainability. These three tabulations are all aimed for long term sustainability of a corporation.

**Economic sustainability** requires that a company must focus on the long term goals rather than short because this is the nature of a persistent company. A decision which creates an economic boom in the short term but causes long term harm would likely reduce this bottom line to such a degree that the action would be untenable.

**Social sustainability** gives precedence on the balance of economic power in society. Competition in the business arena is common and should be encouraged but maximizing the bottom line in social terms requires a business to foster an environment in which all can succeed. This might seem counter-intuitive but in the big picture, it is better for a whole society to thrive than for one single corporation to thrive alone. This will allows a company to continue to exist and foster goodwill between the company and the society that it exists in.

Environmental sustainability stems from the recognition that resources are not infinite and leads to the reasoning that too much degradation will worsen the lives of ourselves, our children and so on. Members of the moral community ought not to cause undue harm to the people around them and the people who will come later and so this bottom-line values some protection of the environment. The word "some" in the previous statement introduces vagueness in the calculation but it might be necessary because there is some risk of environmental degradation in many necessary business activities. The question of 'how much environmental degradation is acceptable' is one that must be answered. Suffice to say that this calculation must be made even if it is a rough calculation. Business cannot operate in a world which is poisoned or 'used up'. Efforts should be made to renew some resources of the environments that have been harmed in the past and these environmental harms and gains belong on this bottom line.

The reasoning behind this tripartite theory is that if businesses calculate their gains and losses in this way they will be more likely to take actions which are in the benefit of both, the business and the community. It is easy when the numbers are large enough to ignore the social and environmental dimensions of a business decision. This is because the average business decision is made by comparing the expected costs and benefits in terms of money and only then, considering the other dimensions of that decision. In order to combat this order of operation, the Triple Bottom Line requires that a business decision be composed of all of these elements from the beginning. When the data shows each of these dimensions along the same line and measured with the same metric, it will be much easier to see the impact of a decision and to judge the fittingness of that decision in a particular time.

### 1.7 Global Reporting Initiative (GRI)

Global Reporting Initiative (GRI) is an independent international organization based in Amsterdam, the Netherlands, has successfully pioneered sustainability reporting since 1997 throughout the world. The GRI Sustainability Reporting Standards are the first and most widely adopted global standards for sustainability reporting. It helps businesses, governments and other organizations to understand and communicate their impacts on issues of climate change, human rights and corruption.

The importance of GRI's framework for sustainability reporting is greater because it helps companies to identify, gather and report information in a clear and comparable manner. GRI's sustainability reporting framework was launched in 2000, now it is widely used by multinational organizations, governments, small and medium enterprises (SMEs), NGOs and industry groups in more than 100 countries across all continents. Recent Global Reporting Initiative frameworks are the GRI Standards launched in October 2016, developed by the Global Sustainability Standards Board (GSSB). The GRI Standards are the first global standards for sustainability reporting and are also a free public good available to all on earth. The GRI Standards have a modular structure, making them easier to update and adapt.

The practice of disclosing sustainability information inspires accountability, helps identify and manage risks and enables the organizations to seize new opportunities. With the vision "To empower decisions that create social, environmental and economic benefits for everyone." GRI has identified four focus areas for the near future-

- Establish standards and guidance to advance sustainable development
- Harmonize the sustainability landscape
- Lead efficient and effective sustainability reporting
- Create effective use of sustainability information to improve performance

### 1.8 The Rationale behind Corporate Social Responsibility

In 2008, Bill Gates spoke at the World Economic Forum about **“creative capitalism”**. He encouraged companies to identify their expertise- be it technology, agriculture, healthcare and develop products that could “stretch the market forces.” A slightly more nuanced take on **“doing good”** it meant honing in on the business’ speciality, not just throwing money at various charities.

About CSR, some leaders have started to look at it as a creative opportunity to fundamentally strengthen their businesses while contributing to society at the same time. They view CSR as central to their overall strategies, helping them to creatively address key business issues in their daily operations.

Three countries were stand-out in terms of CSR regulations. The first is Denmark, the first western country to mandate CSR information in companies annual financial reports. The second is Indonesia that has taken a global lead by passing a law requiring all public companies to issue CSR reports and, the third, perhaps the biggest impetus for CSR reporting, came in January 2010, when US' Securities Exchange Commission asked all US-based public companies to regularly disclose climate-related risks in their annual reports.

Apart from development, CSR can address social imbalances. Social divides are increasing and segments of society are seething with resentment. We have seen the Naxalite movement take roots. It makes sense to be more inclusive.

### 1.9 Need for Corporate Social Responsibility

The phenomenal stretch of Globalization has touched and affected, positively or negatively as well, practically every aspect of human existence. The primary reason as to why this phenomenon is rising is the global competitiveness ensuing between the business houses of different countries.

The corporates mainly demonstrate the extra responsibility to earn the goodwill of the market, and CSR helps in building loyalty and trust amongst shareholders, employees and customers. In this sense, CSR denotes a voluntary endeavour by the big business houses to look into the varied issues and concerns of the public at large, apart from the profit- maximising objectives. The concept of CSR is closely linked with the principle of sustainable development. This concept argues that enterprises should make decisions based not only on financial factors such as- profits or dividends but also based on immediate and long term social and environmental consequences of their operations/activities, especially to nearby communities.

**For Developed Country**

A developed country is a sovereign state that has a highly developed economy and advanced technological infrastructure relative to other less industrialized nations. In a developed country there are less structural problems. Some of the major problems persist there are- violence, drugs, discrimination, injustice, and homelessness/poverty, etc. Various measures are taken in these countries to harness the potential of Corporate Social Responsibility efforts. Such as-

- Sign the Human Rights Open Letter to make human rights part of management education.
- Responsible Management Education – integrate internationally accepted courses on corporate sustainability into curriculum and research.
- Global Compact Board Programme – the starting point of it that leaders have a special responsibility to corporate sustainability and to respond to the interests and concerns of all stakeholders. The initiative offers a customized facility and training program to companies.

- Sign the Caring for Climate Statement, a formal commitment to take practical actions. Act for the long-term in a short expand World.
- Pilot the Poverty Footprint Tool – The target is to implement inclusive business models and assessment tools creating a people-centric approach to look at positive and negative business impacts on the poverty.

**For Developing Countries**

The CSR in importance/connection with developing countries can be considered as to represent 'the formal and informal ways in which business makes a contribution to improving the governance, social, ethical, labour and environmental conditions of the developing countries in which they operate while remaining sensitive to prevailing religious, historical and cultural contexts'. The analysis of the CSR effectiveness on the community, cannot be considered to be complete unless its impact on the developing countries is identified, as they represent the most rapidly expanding economies, providing for a lucrative market for the growth of the old corporate business as well as new. It is commonly accepted that the world's marginalised sections are distressingly plentiful, and despite the vastness of their market, they are largely unexplored by the multinational companies, in the assumption that the people of the developing countries are more busy in sustaining their normal living rather than going for any developmental incentives. Also, it is assumed that various barriers to commerce – corruption, illiteracy, inadequate infrastructure, currency fluctuations, bureaucratic red tape etc., make it impossible to do business profitably in these regions.

Since in developing countries, rural areas represent more than half of the population; for instance in India, 60% of GDP is generated in rural areas. The main structural barrier to start doing business in the backward/rural regions is distribution access, not a lack of purchasing power; but new information technology and communications infrastructures – especially wireless, promise to become an inexpensive way to establish marketing and distribution channels in these communities/regions. It has been witnessed that the developing countries also opened up their economy and wholeheartedly welcomed the advent of foreign companies into their territory as a part of their liberalization strategies and globalisation processes. It has been quite beneficial for foreign investors as well since the developing countries enrich them with a huge profitable market. With increased emphasis on the profit-making, the CSR development agenda has definitely taken a backseat in the developing countries.

### 1.10 Corporate Social Responsibility and Universal Basic Income (UBI)

Basically, it is an unconditional cash transfer (unlike in-kind benefits- subsidised food or freebies like- bicycles or TV sets distributed by political parties) for all people (or at least all people below some income threshold). In less developed countries, it is being conceived as a general anti-poverty measure, whereas in advanced industrial economies, it is being seriously considered as a possible initiative to take care of the unemployed since job insecurity is rising due to rapid technological progress.

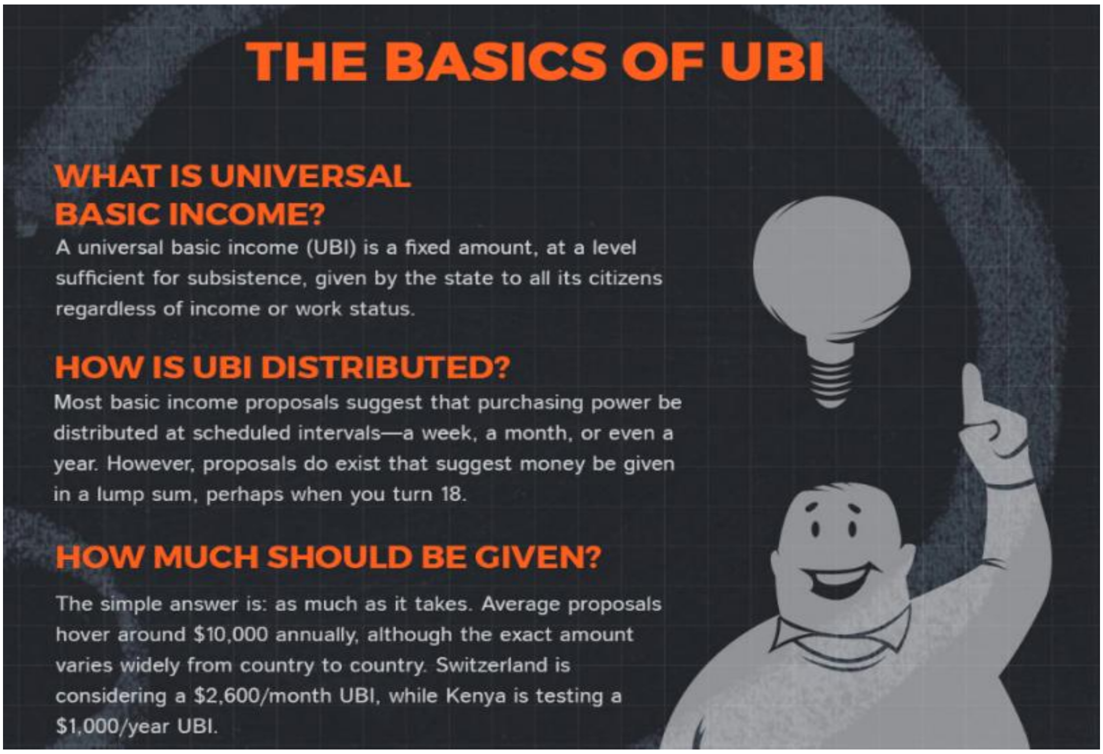
The biggest practical advantage of UBI is that, since it is universally available, it avoids the exclusion and inclusion errors common to targeted subsidy/transfer programmes. In addition, it is free from the administrative hassles/costs and siphoning off of benefits by unintended people. Unlike in-kind transfers, it gives the recipients the freedom to decide how they spend the money. Also, unlike unemployment benefits, UBI money stays with the person even if he gets a job, which provides him with the incentive to seriously look for employment.

According to one estimate, a UBI providing even a poverty-level income to all citizens of India would cost about 10% of the GDP, which exceeds the current net (after transfer to state governments) Tax/GDP ratio of the central government (about 8%). However, it should be noted that the impact on tax revenue would be somewhat less than the estimate as a part of the transfer (if it is really universal) would come back to government as tax revenue to the extent people with income above the taxable limit would have to pay a part of the additional income as taxes.

One way could be to finance a UBI by building an additional government kitty using a part or whole of the Corporate Social Responsibility (CSR) money of all the public and private sector companies.

However, CSR funds are often used to finance projects of people or NGOs, favoured by the company owners or top managers. UBI financed by CSR funds would not leave any discretion to either the government or the companies to distribute benefits to their favoured people or agents.

**Graph: 1.6**




**The Basics of UBI/ Source: hpluspedia.org**

### 1.11 GreenWashing

Greenwashing is a phrase used to promote the perception that an organisation's products, aims or policies are environment-friendly. Organisations do this to improve their public image. The phrase greenwashing is in use since the 60s but became famous in the 90s when environmental awareness became a movement across the world.

In an effort to enlarge their profits, organisations' continuously struggling to get public attention and customers' mind share; pretending to be environment-friendly is one such attention-seeking measure that works irrespective of geographical boundaries.

Greenwashing is a spin of corporate social responsibility (CSR) in declaring itself to promoting environment-friendly policies but in reality, the company does not come up with the commitments. Most of the companies keep making unsubstantiated or misleading claims about the environmental benefits of its products, services, technology and strategic practices, with the help of false claims.

Globalisation has created cross border alliances paving way for more opportunities to all stakeholders, but it also has put stringent rules and regulations for human and environment protection at each level. Adding environmental management to their internal policies is a must practice for organisations nowadays. Companies must conform and endorse legislation by investing more in clean technologies and merchandise that cause lowering all types of pollutions.

Types of practices commonly used in greenwashing-

- Fluffy language
- Suggestive pictures
- Irrelevant claims
- Best in class
- Imaginary partners
- No proof

**Graph: 1.7**


**The seven sins of Greenwashing/ Source: cogencyteam.com**

### 1.12 Corporate Social Responsibility and Indian Banking Sector

The development of a country is integrally linked with the development of banking. In a modern economy, banks are to be considered not as dealers in money but as the leaders of development. Banks play an important role in the mobilization of deposits and disbursement of credit to various sectors of the economy. The banking system reflects the economic health of the country, a sound banking system efficiently mobilizes savings in productive sectors and also ensures that the bank in future, remain capable of meeting its obligation to the depositors. The banking sector is dominant in India as it accounts for more than half of the assets of the financial sector. The entire Indian banking sector has been going through a fascinating phase through rapid changes brought about by financial sector reforms of the urgent need, which are being implemented in a phased manner.

After the liberalization of the Indian economy, the Government has announced a number of reform measures on the basis of the recommendation of the Narasimhan committee (November 1991) to make the banking sector economically viable and competitively strong.

### 1.13 Banking Structure in India

The Reserve Bank of India (RBI) is India's central bank and is wholly owned by the Government of India now. Established on April 1, 1935, the bank is often referred to by the name Mint Street. The bank start functioning as a private shareholders bank and was nationalized in 1949. Since then it assumed the responsibility to meet the aspirations of a newly independent country and its people. The Reserve Bank's nationalization aimed at achieving coordination between the policies of the government and those of the central bank. Nowadays it is considered as one of the most respected, well functioned, economy supporting Central Bank of the world. It handles the important functions of:

- Monetary policy
- Regulations and supervisions of the banking and non-banking financial institutions, including credit information companies

- Regulation of money supply, forex and government securities markets and also certain financial derivatives
- Debt and cash management for Central and State Governments
- Management of foreign exchange reserves
- Foreign exchange management—current and capital account management
- Banker to banks
- Banker to the Central and State Governments
- Oversight of the payment and settlement systems
- Currency management

The Preamble of the Reserve Bank of India describes the basic functions of the Reserve Bank as: **"to regulate the issue of Banknotes and keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage; to have a modern monetary policy framework to meet the challenge of an increasingly complex economy, to maintain price stability while keeping in mind the objective of growth."**

Reserve Bank (RBI) as a central bank, plays an important part in the Development Strategy of the Government of India. It is a member bank of the Asian Clearing Union(ACU). The bank is also active in last-mile delivery approach by promoting financial inclusion policy and is a leading member of the Alliance for Financial Inclusion (AFI). RBI regulates the Indian banking sector with the help of numerous instruments.

Indian banking system consists of "non- scheduled banks" and "scheduled banks". Non scheduled banks refer to those that are not included in the second schedule of the Banking Regulation Act of 1965 and thus do not satisfy the conditions laid down by that schedule. Schedule banks refer to those that are included in the Second Schedule of Banking Regulation Act of 1965 and thus satisfy the following conditions such as-

1. have paid-up capital and reserve of not less than Rs. 5 lakh and

2. satisfy the Reserve Bank of India (RBI) that its affairs are not conducted in a manner detrimental to the interest of its deposits.

**Scheduled banks** consist of “scheduled commercial banks” and scheduled cooperative banks. The former is further divided into four categories:

1. Public sector banks (that are further classified as “Nationalized Banks and the State Bank of India (SBI)

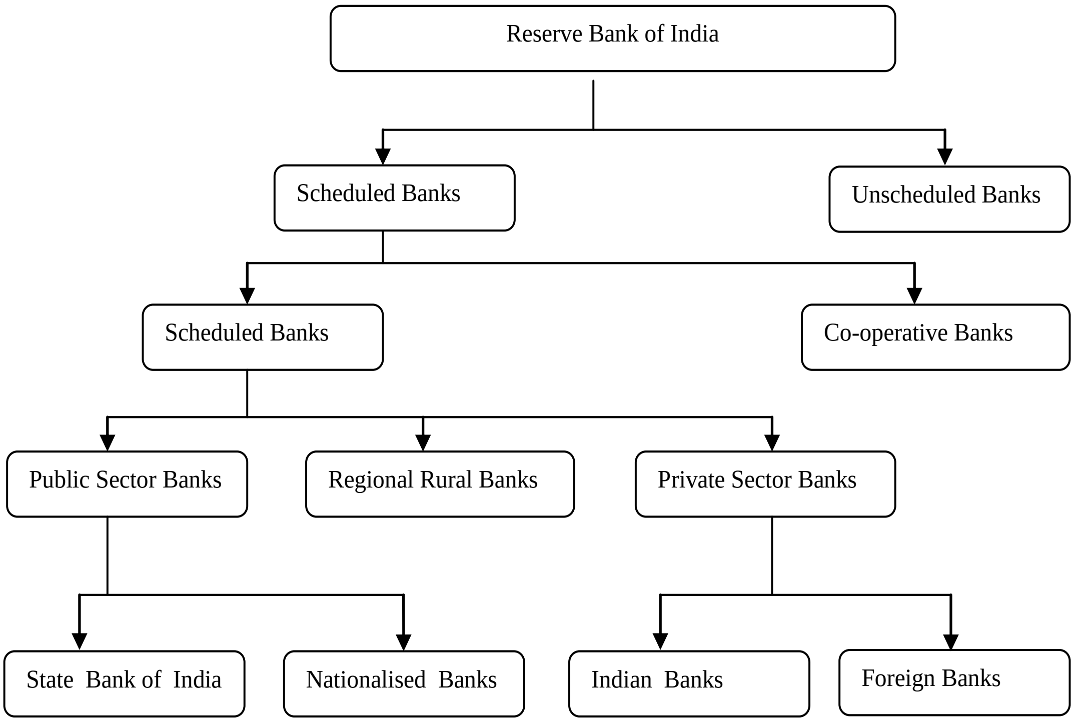
2. Private sector banks (that are further classified as “Old Private Sector Banks” and “New Private Sector Banks” that emerged after 1991)

3. Foreign banks in India

4. Regional rural banks (that operate exclusively in rural areas to provide credit and other facilities to small and marginal farmers, agricultural workers and small entrepreneurs)

These scheduled commercial banks except foreign banks are registered in India under the Companies Act.

**Graph: 1.8**




**Banking Structure in India/ Source: cracku.in**

**Phases of Evolution in Indian Banking Sector**

The structural changes in the Indian financial system specially in the banking system has influenced the evaluation of Indian Banking in different ways. After the independence and implementation of banking reforms, one can see the changes in the functioning of commercial banks. In order to get a better understanding of the changing role of commercial banks and the problems and challenges, it would be appropriate to review the major developments in the Indian banking sector. Evolution of the Indian banking may be traced through four distinct phases-

**1. Evolutionary phase (Prior to 1947)**

**2. Foundation phase (1947-1969)**

**3. Expansion phase (1969-1990)**

**4. Consolidation and Liberalization phase (1990 to till)**

According to the **Central Banking Enquiry Committee (1931)**, money lending activities in India could be traced back to the Vedic period (2000 BC to 1400 BC). The existence of professional banking in India could be traced to 500 BC. **Kautilya's Arthashastra**, dating back to 400 BC contained references to creditors, lenders and lending rates, which shows the importance of banking at that time. Banking was fairly varied to the credit needs for the trade, commerce, agriculture as well as individuals in the economy. Mr. W.E. Preston (member, Royal Commission on India Currency and finance, 1926) observed: "….. it may be accepted that a system of banking that was extremely suited to India's then requirements was in force in that country many centuries before the science of banking become an accomplished fact in England." They had their own inland bills of exchange or hundis which were the major instruments of transactions. The dishonouring of hundis was rare at that time as most banking worked on mutual trusts, confidence and without securities.

The first western bank of a joint-stock verity was Bank of Bombay, established 1720 in Bombay. This was followed by the bank of Hindustan in Calcutta, which was established in 1770 by an agency house. This agency house and banks were closed down in 1932. The first Presidency Bank was the Bank of Bengal established in Calcutta on June 2, 1806, with a capital of Rs.50 lakh. The Government subscribed to 20 per cent of its share capital and shared the privilege of appointing directors with voting rights. The bank had the task of discounting the treasury bills to provide accumulation to the Government. The bank was given powers to issue notes in 1823. The Bank of Bombay was the second presidency bank set up in 1840 with a capital of Rs. 52 Lakh, and the Bank of Madras the third Presidency bank established in July 1843 with a capital of Rs. 30 Lakh. **The presidency banks were governed by Royal charters.** The presidency banks issued currency notes until the passing of the paper currency Act, 1861; when this right to issue currency notes by the presidency banks was taken over and that function was given to the Government. The presidency bank act, which came into existence in 1876, brought the three presidency banks under a common statute and imposed some restrictions on their business. It prohibited them from dealing with the risky business of foreign bills and borrowing abroad for lending more than 6 months. The presidency banks were amalgamated into a single bank which was then known as the Imperial Bank of India (1921). The Imperial Bank of India was further reconstituted with the merger of a number of banks belonging to old princely states such as Jaipur, Mysore, Patiala and Jodhpur. The Imperial Bank of India also functioned as a central bank prior to the establishment of the Reserve Bank in 1935. Thus, during this phase, the Imperial Bank of India performed three sets of functions such as commercial banking, central banking and the banker to the government. The first Indian owned bank was the Allahabad Bank set up in Allahabad in 1865, the second, Punjab National Bank was set up in 1895 in Lahore, and the third, Bank of India was set up in 1906 in Mumbai. All these banks were founded under private ownership. The Swadeshi Movement of 1906 provided a great momentum to joint-stock banks of Indian ownership and many more Indian commercial banks such as Central Bank of India, Bank of Baroda, Canara Bank, Indian Bank and Bank of Mysore were established between 1906 and 1913. By the end of December 1913, the total number of reporting commercial banks in the country reached 56 comprising 3 Presidency banks, 18 Class -A banks (with the capital of greater than Rs.5 lakh), 23 Class -B banks (with capital of INR 1 lakh to 5 lakh) and 12 exchange banks. Exchange banks were foreign-owned banks which were engaged mainly in foreign exchange business in terms of foreign bills of exchange and foreign remittances for travel and trade. Class A and B were joint-stock banks. Thus, the banking sector during this period, however, was dominated by the Presidency banks as was reflected in paid-up capital and deposits.

The present chapter analyses the different phases and structure of the banking sector in India. The main objective of this chapter is to set up the ground and logic for the next chapters.

**Recent Developments in Indian Banking Sector**

One of the structural development in the banking sector is the introduction of Retail Banking services in the country. At present, the banking sector is facing increased competition from non-banking institutions also. The Retail Banking offers various financial products (different types of deposit accounts, home loan, auto loan, credit cards, Demat facilities, Insurance policies, mutual funds, credit and debit cards, ATM, Stock-broking, payment of utility bills) to diverse customer groups. Nowadays, banks offering a bunch of financial services, mostly to individuals. In Simple words, it takes care of the diverse banking needs of an individual. (Kaur, Bhandri and Gupta, 2009).

Today, banks are focusing more on individual needs through retail banking which increased the overall income of the banks significantly. Information technology (IT) has transformed the functioning of businesses, throughout the world. With the innovation in the IT, the Indian banking sector has benefited a lot whether in terms of banks services or banking customer. Information technology has helped the banking sector by opening newer delivery channels to customers– ATMs such as networking in the form of shared payment networks, internet banking, implementation of Core Banking solutions, mobile banking etc.

**1.14 Domestic Systemically Important Banks (D-SIBs)**

In November 2011, the **Basel Committee on Banking Supervision (BCBS)** also known as Basel Committee, issued its framework for dealing with **Global Systemically Important Banks (G-SIBs)**. The G-SIB framework was developed in the aftermath of the global financial crisis, in response to the wide-ranging impacts. The failure and impairment of a number of large, global financial institutions hit the global financial system and in turn, the global economy. As a consequence, public sector intervention to restore financial stability during the crisis was necessary. Another reason to develop this category is that, to monitor the health of an economy only a few banks to scrutinise not the whole banking sector.

Systemically important financial institutions (SIFIs) are the institutions of such size, market importance and interconnectedness that their distress or failure would cause significant dislocation in the financial system and adverse economic consequences. The ‘too-big-to-fail’ problem arises when the threatened failure of a SIFI leaves public authorities with no option but to bail it out using public funds to avoid financial instability and economic damage. The ‘too-big-to-fail’ problem exists not only at the global level but also at the national level. As the Basel Committee noted, there are many banks that are not significant at the global level but could, if they were to come under stress, have an important impact on their domestic financial system and economy.

In October 2012, the Basel Committee finalised its framework for dealing **with Domestic Systemically Important Banks (D-SIBs)**. The D-SIB framework involves a set of principles on the assessment methodology and the higher loss absorbency (HLA) requirement for banks identified as D-SIBs. In line with the G-SIB framework, the D-SIB framework comes into effect from 1 January 2014 and the Basel Committee expects national authorities to introduce D-SIB requirements into relevant regulation or prudential standards by 1 January 2016.

In India, Reserve Bank had issued the Framework for dealing with Domestic Systemically Important Banks (D-SIBs) on 22 July 2014. The D-SIB Framework requires the Reserve Bank of India to disclose the names of bank/banks designated as D-SIBs every year and place these banks in appropriate buckets depending upon their Systemic Importance Scores (SISs). The first such list was released on August 2015 and had names of SBI and ICICI Bank.

In 2017, Reserve Bank of India listed private sector lender HDFC Bank Limited into D-SIBs; With this inclusion in the list, HDFC had joined State Bank of India (SBI) and ICICI Bank Limited. Failure or collapse of these lenders would blow a cascading effect on the entire financial system and the economy of the country.

### 1.15 Role of Nationalised Banks in India

The banking system is an integral part of any economy. Banking is one of the many institutions that impinge on the economy and affect its performance. Economists across the globe, have expressed a variety of opinions on the effectiveness of the banking systems in promoting or facilitating economic development. As an economic and financial institution, the bank is expected to be more directly and more positively related to the performance of the economy than other non-economic institutions. Banks are considered to be the mart of the world, the nerve centre of economics, finance of a nation and the barometer of its economic perspective. Banks are not merely dealers in money but are in fact dealers in development of their respective country.

In the Indian financial system, commercial banks are the major mobilisers and disbursers of financial resources to the marginalised people. Banks have an all-pervasive role in the growth of a developing country like- India. The role of banks in accelerating the economic development of a country like India has been increasingly recognised by following the nationalisation of fourteen(14) major commercial banks in July 1969 and six(6) more banks in April 1980.

With the nationalisation of these banks, the concept of banking has undergone significant and structural changes. Nationalised banks are no longer viewed as mere lending institutions. These banks are to serve the society in a much bigger way with a socio-economic development orientation. They are specially called upon to use their resources to attain social upliftment and speedier economic development.

Despite the provisions, control and regulations of the Reserve Bank of India, banks in India except for the State Bank of India (SBI), remain owned and operated partially by the government. During the 60s, the banking industry of India had become an important tool to facilitate the growth and development of the Indian economy. At the same time, it had emerged as a large employer, and a debate had ensued about the nationalisation of the banking industry. The Prime Minister of India Indira Gandhi, at that time, expressed the intention of the Government of India in the annual conference of the All India Congress Meeting in a paper entitled **'Stray thoughts on Bank Nationalisation**'.

Thereafter, the Government of India issued the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1969 and nationalised the 14 largest commercial banks with effect from the midnight of 19 July 1969. These banks contained 85% of bank deposits in the country at that time. Within two weeks of the issue of the ordinance, the Parliament passed the Banking Companies (Acquisition and Transfer of Undertaking) Bill, and it received presidential approval on 9 August 1969.

**The following banks were nationalised in 1969**

- Allahabad Bank
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Central Bank of India
- Canara Bank
- Dena Bank
- Indian Bank
- Indian Overseas Bank
- Punjab National Bank
- Syndicate Bank
- UCO Bank
- Union Bank
- United Bank of India

The second round of nationalisation of six(6) more commercial banks followed in 1980. The main reason given for the nationalisation at the time, was to give the government more control of credit delivery. With the second round of nationalisation, the Government of India had got control over 91% of the banking business of Indian territory.

**The following banks were nationalised in 1980**

- Punjab and Sind Bank
- Vijaya Bank
- Oriental Bank of India
- Corporate Bank

- Andhra Bank
- New Bank of India

Later on, in the year 1993, the government merged New Bank of India with Punjab National Bank. It was the only merger between two nationalised banks and resulted in the reduction of the number of nationalised banks from 20 to 19. Until the 1990s, the nationalised banks grew at a pace of around 4%, closer to the average growth rate of the Indian economy.

The government in September 2018 had announced the merger of state-owned Vijaya Bank and Dena Bank, with larger peer Bank of Baroda, aiming to create the third-largest state-owned lender after State bank of India. This scheme is called the Amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda Scheme, 2019.

**Following points highlight the major contributions of nationalised banks in India-**

**1- Branch Expansion**

The total number of branches of nationalized banks was 59,270 in June 2014 which was about 50% of all branches of commercial banks in the country. But after the implementation of the branch expansion programme by the government of India, the national average population per bank office gradually declined from 65,000 in June 1969 to 10,215 in June 2014. This is no doubt a spectacular achievement for banking services.

**2- Assistance to Priority Sectors**

Providing credit to priority sectors like- agriculture, small industry and export was another important objective of nationalisation of banks in India. After nationalisation, public sector banks started to extend liberal credit facilities to the priority sector and infrastructure projects both. Due to this, the total amount of credit outstanding advanced to the priority sectors has increased from Rs 441 crore in June 1969 to Rs 16,06,680 crore in March 2014.

**3- Deposit Mobilisation**

All nationalised banks have performed significantly in respect of deposit mobilisation. Due to nationalisation, deposit mobilisation has been of the order of 16 to 17 per cent every year. In terms of money, the total volume of bank deposits of public sector banks increased from Rs 3,896 crore in June 1969 to Rs 59,51,241 crore in June 2014 showing an increase by more than 1,527 times.

**4- Extension of Banking in Unbanked Areas**

Nationalised commercial banks have also played an important role in extending banking services in unbanked areas. Before nationalisation, commercial banks were a bit conservative and thereby opened branches mostly in metropolitan cities and other towns and cities. But after nationalisation, banks started to open new branches in rural areas and also introduced lead Bank scheme in all districts of the country to avail banking services to maximum people.

However, even after so much of branch expansion, only 32,073 villages out of 5 lakh villages are covered by commercial banks directly. Besides the expansion of bank facilities in rural and backward areas; the necessary provision of bank credits for farmers and rural artisans at concessional rate of interest have resulted in low profitability of public sector banks.

**5- Diversification in Banking**

As per guidelines issued by the Government to the nationalised commercial banks under Section- 6, of the Banking Regulation Act, 1949, for diversifying their functions, these banks have now established merchant banking divisions and are now underwriting the new issue. Some nationalised banks have been permitted to introduce mutual funds. So far 7 public sector banks have already floated 23 schemes of mutual fund into the market.

**6- Direct benefit transfer (DBT) through Banking**

The primary aim of the Direct Benefit Transfer (DBT) programme is to bring transparency and terminate pilferage from distribution of funds sponsored by Central Government of India and other agencies. In DBT, benefits or subsidies will be directly transferred to the citizens living Below Poverty Line (BPL). Central Plan Scheme Monitoring System (CPSMS), being implemented by the Office of Controller General of Accounts, will act as the common platform for routing DBT. CPSMS can be used for the preparation of beneficiaries list, digitally signing the same and processing of payments in the bank accounts of the beneficiaries using the Aadhar Payment Bridge of National Payments Corporations of India (NPCI).

Since DBT mandates having a bank account to avail the benefits of DBT schemes, so more and more people opened accounts in banks and the graph still going upwards. This is also good for the banking sector to start performing as a socio-economic institution. Financial inclusion is the delivery of banking services at an affordable cost ('No Frills' Accounts,) to the vast sections of disadvantaged and low-income group. As banking services are a public good in nature, so it is essential to ensure the availability of banking and payment services to the entire population without any discrimination and hassle. Today, it is the prime objective of our public policy.

More bank accounts would result in higher flow of money through legalised infrastructure. In simple words, more savings means more money circulated in accounts, as a result, a bank can give out more credits and invest in more rewarding projects- bumping their returns. With stringent Know Your Customer(KYC) norms if followed properly, audits become more revealing and easy. National income measuring scales like- GDP, GNP, Domestic Savings etc. consider the data collected from all banks. Now, this data will cover more sections of people making this calculation more fruitful for policymakers. This will give the government a clearer picture of the Indian economy.

When more accounts are connected with Aadhar or some other form of universal IDs, for the sake of DBT schemes, it will be easy to figure out money trails and recognize flow patterns. Needless to say, this will increase the efficiency of investigating bodies. This step will also plug the leakages and reduce corruption significantly.

**Payments Bank** is a new model of banks, conceptualised by the Reserve Bank of India (RBI). These type of banks can accept a restricted deposit which is currently limited to 1 lakh per customer. Payments bank may not issue loans or credit cards but may offer both current and savings accounts.

**Small finance banks** are established with the core objective of financial inclusion, the RBI granted approval in 2016 to 10 entities to set up small finance banks. A small finance bank is a niche type of bank to cater to the needs of people who traditionally have not used any scheduled banks' services. Each of these banks is conditioned to open at least 25% of its all branches in areas that do not have any other bank branches (unbanked regions).

**Following points highlight the major contributions of private banks in India-**

The "private-sector banks" are the banks whose larger stakes or equities are held by the private investors and not by the government. The private sector banks are divided into two groups namely, old and new. The old private sector banks existed prior to the first round of nationalisation of banks in 1969. The new private sector banks are the banks that have gained their banking license from RBI after the liberalisation of the Indian economy in the 1990s.

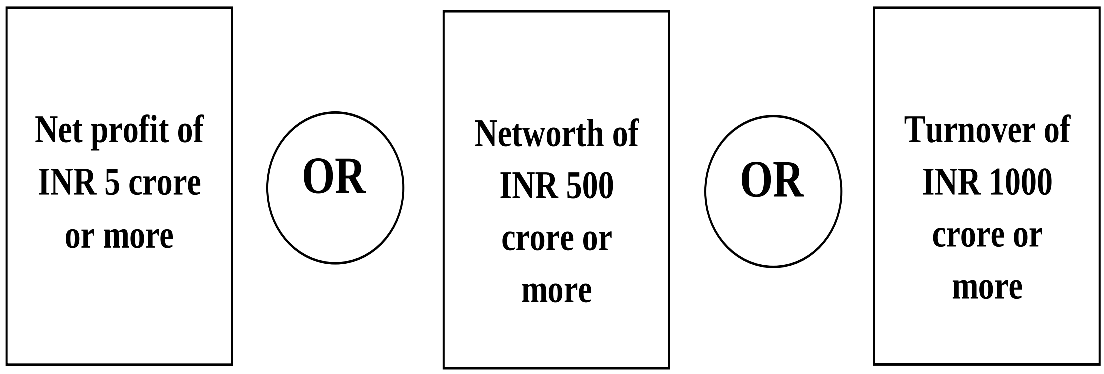
- Increased quality of banking services
- Increased production opportunities
- Clubbed the diversified financial services
- Increased value of human capital
- The Improved social life of the middle-class Indian
- Decreased the gap between 'India and Bharat'
- Changed the age-old perception of the poor agriculture-based country to a rising manufacturing-based country
- Enhanced the better higher education facilities especially in technical fields
- Ensured fair competition amongst market players
- Dissolved the concept of monopoly and thus neutralised market manipulation practices

## 1.16 Indian Legal Framework for CSR

As Indian Corporate Social Responsibility model is concerned, the Companies Act, 2013 is landmark legislation that made India the first country to mandate and quantify CSR expenditure. The inclusion of CSR in companies act is an attempt by the government to engage the businesses with the national development agenda. The details of corporate social responsibility are mentioned in Section 135 of the Companies Act, 2013. The Act came into force from April 1, 2014. Every company having business in India, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs 1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. These CSR activities should not be undertaken as a normal course of business and must be with respect to any of the activities mentioned in the companies act.

After the implementation of companies act, corporations are now required to set up a CSR committee which designs a CSR policy which is approved by the board and encompasses the CSR activities the corporations is willing to undertake. Companies act, 2013 also has penal provisions for corporations and individuals for failure to abide by the norms/laws. The details of the same are highlighted in the act.

**Graph: 1.9**




**Conditions for CSR Activities/ Source: www.mca.gov.in/ministry/pdf**

### Section 135 of the Companies Act

**1.** Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit[1] of rupees five 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

[1] *Net Profit is defined as the profit before tax excluding profits arising from the branches outside India (www.pwc.in, 2013).*

**2.** The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee

**3.** The Corporate Social Responsibility Committee shall-

**a.** Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII

**b.** Recommend the amount of expenditure to be incurred on the activities referred to in clause(a); and http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf

**c.** Monitor the Corporate Social Responsibility(CSR) Policy of the company from time to time

**4.** The Board of every company referred to in sub-section (1) shall-

**a.** After taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility (CSR) Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed

**b.** Ensure that the activities are included in the Corporate Social Responsibility Policy of the company are undertaken by the company

**5.** The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities: Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

The above-mentioned section 135 of companies act, was the immediate brainchild of Dr. Bhaskar Chatterjee known for his advocacy of social reforms and also a great admirer of private sector innovation and efficiency.

**Schedule VII of the Companies Act, 2013**

In exercise of the powers conferred by sub-section (l) of section 467 of the Companies Act, 20l3 (18 of 2013), the Central Government hereby makes the following amendments to Schedule VII of the said Act.

**In Schedule VII, for items (i) to (x) and the entries relating thereto, the following items and entries shall be substituted, namely-**

1) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh setup by the Central Government for the promotion of sanitation and making available safe drinking water

2) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects

3) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups

4) 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 the promotion of sanitation; http://www.mca.gov.in/SearchableActs/Section135.htm

5) 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

6) Measures for the benefit of armed forces veterans, war widows and their dependents

7) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports

8) 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

9) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government

10) Rural development projects

11) Slum area development

**1.17 Reserve bank of India Guidelines for CSR**

Increasing awareness about Corporate Social Responsibility (CSR), Sustainable Development (SD) and Non-Financial Reporting (NFR) is growing day-by-day. Reserve bank of India also wants to ensure that sustainable development is not lost sight of, in the pursuit of their respective goals as profit-making. Corporate Social Responsibility (CSR) entails the integration of social and environmental concerns by companies in their business operations as also in interactions with their stakeholders, may be internal or external.

Thus, the urgency for banks to act as responsible corporate citizens in society, especially in a developing country like India, need be hardly overemphasized. Banks activities should reflect their concern for human rights, environment, etc. The Reserve Bank of India advised banks to take note of social issues and consider using the same to put in place a suitable and appropriate plan of action towards helping the cause of sustainable development, with the approval of their policy-makers and board members.

For financial institutions, CSR is a process by which a corporation is able to reach out to its people as well as a link through which ideas and issues flow-back to the corporation. It is a vital connect without which, over the time business will cease to have relevance in a competitive market.

Reserve bank of India (RBI) on December 20 2007; issued guidelines for all scheduled commercial banks (excluding RRBs) with the name **"Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting – Role of Banks".** In this report RBI figured-out the three keys to an effective CSR policy that is-

- **Commitment**
- **Clarity**
- **Congruence with corporate values**

Banks need to integrate the concepts of Corporate Social Responsibility (CSR) and Sustainability (SD) with their business strategy, by following way-

**1. Commitment to Sustainability**

Banks must expand their missions from ones that prioritise profit maximization to a vision of social and environmental sustainability to all on earth.

**2. Commitment to 'Do No Harm'**

Banks should commit to doing no harm by preventing and minimizing the environmentally and/or socially detrimental impacts of their portfolios and their operations.

**3. Commitment to Responsibility**

Banks should bear full responsibility for the environmental and social impacts of their business actions.

**4. Commitment to Accountability**

Banks must be accountable to their all stakeholders, particularly those that are affected by the activities and side effects of companies they finance.

**5. Commitment to Transparency**

All financial service providers including banks must be transparent to their stakeholders; not only through regular and standardised disclosures but also through being responsive to stakeholders' needs for specialised information on banks' policies, procedures and customer care responses.

**6. Commitment to sustainable markets and governance**

Banks should ensure that markets are more capable of fostering sustainability by actively supporting public policies, regulatory and/or market mechanisms, which facilitate sustainability and that in turn, foster the full cost accounting of social and environmental externalities.

**7. Non-Financial Reporting**

Due to some claims that many firms lacked social and environmental responsibilities, merely tangible assets are not important but intangible assets such as- a company's reputation and employees, are also critical to a company's wealth. The reputation of a company influences its financial health. This includes the ability to attract customers, employees and investments; to motivate employees and suppliers, and to differentiate the company from its competitors.

Non-financial reporting is an opportunity to communicate in an open and transparent way with all stakeholders. In this report, firms volunteer an overview of their environmental and social impact during the previous year of activities. The information in non-financial reports contributes to building up a company's risk of survival.

## 1.18 Corporate Social Responsibility in Indian Banks

With the increasing need for economic development across the globe, there are rising demands for Financial Institutions to take a central role in the efforts to eliminate poverty, achieve equitable and accountable systems of governance and ensure environmental sustainability. In this regard, actions taken by corporate houses and regulatory authorities operating in developed nations are quite satisfactory. However in developing nations the situation of CSR activities by financial institutions is not so flourishing. In this reference, the present paper attempts to analyse the Corporate Social Responsibility (CSR) practices in the Indian banking sector.

In recent years, an attempt has been initiated to ensure socially responsible behaviour of the banking sector in a more organised and responsible manner. The Corporate Social Responsibility in Indian Banking Sector is aimed towards addressing the financial inclusion, providing financial services to the unbanked or untapped areas of the country, the socio-economic development of the country by focusing on the activities like- poverty eradication, health and medical care, rural area development, self employment trainings and financial literacy trainings, infrastructure development, education, and environmental protection etc. Indian public sector banks and private sector banks both are actively participating for the improvement of regional balances through initiating various activities for the promotion of rural development and digital literacy. Besides it, they principally focus on the issues of gender equality through women's empowerment.

### 1.19 Some Recent Initiatives by Indian Banks

To mitigate the ecological and environmental concerns, Reserve Bank of India has decided to go for energy-efficient buildings. Bureau of Energy Efficiency(BEE) has awarded the first-star rating labels to the Bank’s building at Bhubaneswar and New Delhi. The four buildings located at Bhubaneswar, Chennai, Kochi, Kolkata are recognised as 5- star building under the rating system.

Small Industries development bank of India (SIDBI), the prime financer to the small and medium scale industries is providing concessional and liberal credits to medium and small scale industries which are initiating energy-saving projects and are adopting pollution control measures.

The largest and oldest bank, State Bank of India (SBI), has also adopted green banking initiatives in its lending operations. Recognising the warning of global warming bank has decided to initiate urgent measures to combat the climate change through envisaging two-pronged approach, mentioned below-

1. To reduce the Banpk’s own carbon footprint and
2. To sensitize the Bank’s clients to adopt low carbon emission practices

IDBI has also set up a 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 utilised in four different projects being implemented through as many partners in Delhi NCR.

Most of the Indian banks use CSR practices as a marketing tool and many are only making token efforts towards CSR in tangential ways such as donations to charitable trusts, NGOs, sponsorship of events, distributing blankets, etc. A few banks have a clearly defined CSR philosophy. Many banks implement CSR in an ad-hoc manner, unconnected with their business process and don't state how much they spend on CSR activities.

### 1.20 Some Recent Initiatives by Other Institutions

**TATA Group** which has been engaged in the traditional programmes of social welfare like— elementary-education, health and nutrition, livelihoods to marginalised people, biodiversity restoration, etc. After the present set of mandatory CSR norms, now started restructuring and realigning its philanthropic and corporate social responsibility activities to address emerging societal challenges of new India.

Even before 1 April 2014, the group had been channelling a sizeable chunk of its profits back into the community as its business model. As an example- 66% of the equity of the Tata Sons (the holding company) is held by philanthropic trusts. Sustainability and giving back to society has been integral to the business philosophy of the group since its establishment.

After mandatory norms, the group has begun to address CSR in a more strategic and focused manner across the group. Now, Tata Sustainability Group's (TSG) strategy, efforts are on to put together pan-India and group-wide programmes on skills building, to address the human capital challenges and so on.

Employee volunteering touched 25,000 in 150 companies, across 60 countries and 540 locations. Tata Sustainability Group has decided to integrate volunteering as major component in its overall strategy for the near future. Group has spent an excess of Rs 8,000 crore on CSR activities over the decade of the 20s between a medley of Tata trusts and group companies.

**Infosys Limited** has been an early practitioner of CSR initiatives. When in our country National Voluntary Guidelines were in existence, the company started implementing social development projects primarily through its CSR trust Infosys Foundation which was established in 1996. This foundation worked with many non-governmental organisations as a nodal agency for implementing projects. The CSR projects are mainly focused in the area of education at each level, eradication of hunger and malnutrition, art and culture, preventive healthcare, rehabilitation, environment restoration, sustainability, disaster relief and rural development, etc.

The company after the introduction of section 135, is focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only secures the business ethics but also the community around the globe. CSR of Infosys is not limited just to philanthropy but it also includes a number of initiatives that lead to social development, conservation of nature using the latest technology and other innovative means which helps in reduction of carbon footprint.

In recent CSR activities, the Infosys Foundation has taken up much relief works at various calamities-affected areas of Tamil Nadu, Andaman Islands, Kutch (Gujarat), Orissa and Andhra Pradesh. It has also set up more than 50,000 school libraries across Karnataka state.

**Reliance Industries Limited** has taken a comprehensive approach to development. By working at the grassroots level, the company has fairly touched the lives of 20 million people and put its all efforts to stand beside an empowered India. For the inclusive Indian growth, the company collaborated with many institutes and open the horizon of the latest digital technology.

The company formulated the CSR policy in accordance with India's National Development Goals as well as the Sustainable Development Goals (SDGs) outlined in the United Nations 2030 agenda for sustainable development. Most of CSR activities are carried out with the help of Reliance Foundation (RF) which was established in 2010. This foundation since its inception addressed many developmental challenges of the nation.

Reliance Foundation adopted the three core principles for CSR activities-

1. Scale
2. Impact
3. Sustainability

For the fulfilment of above core values in FY 2017-18, the foundation has taken initiatives for the areas of- rural transformation, health, education, sports for development, disaster response, arts culture & heritage and urban renewal. Among all these activities, education got a pan India approach.

**Cholamandalam Investment and Finance Company Limited** believes in his CSR policy that social responsibility is not merely a corporate obligation that has to be carried out due to legality but an intrinsic part of the ethos and hence one must have engaged in CSR activities. The company engaged in CSR activities for several years in the past too.

With the aim to positively blow the lives of the disadvantaged/marginalised sections of society by supporting and engaging in activities that aim at improving their well-being at large.

**#JaldiKyaHai** is a road safety initiative against over-speeding in India by Chola Finance. In the fast-paced world that we live in, over speeding has become a casual and everyday occurrence. This initiative focuses on the different situations where one speeds beyond the limits and the downsides to the same, in a fun and interesting way. This campaign brings change to the behaviour of road users (especially motorised vehicle) and makes the road a safer place. This entire initiative got great attention and appreciation on different social media platforms.

# CHAPTER 2

# REVIEW OF LITERATURE

## 2. Introduction

A literature review surveys books, scholarly articles and any other sources relevant to a particular issue, area of research or theory and by so doing, provides a description, summary, and critical evaluation of these works in relation to the research problem being investigated. Literature reviews are designed to provide an overview of sources you have explored while researching a particular topic and to demonstrate to your readers how your research fits within a larger field of study.

**The purpose of a literature review for this study is**

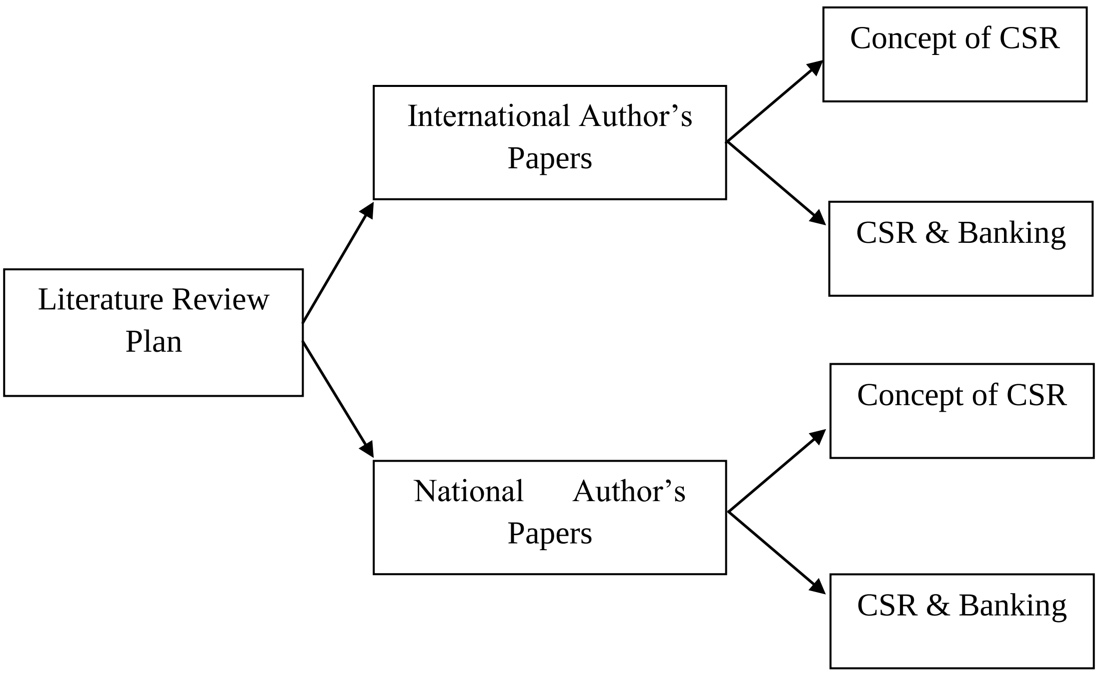
- To place each work in the context of its contribution to understanding the research problem, the researcher looking for.
- To describe the relationships of each work to the others under consideration.
- To reveal the gaps that exist in the literature.
- To locate research work within the context of existing literature.

**In this research,** the researcher did **Theoretical Review,** the purpose of this review is to examine the corpus of theory that has accumulated in regard to an issue, concept, theory, phenomena. The theoretical literature review helped the researcher to establish what theories already exist, the relationships between them, to what degree the existing theories have been investigated. Newer studies using this form to establish lack of appropriate theories or reveal that current theories are inadequate for explaining new or emerging research problems, thus it gives enough room for the researcher to go investigate the problems. This analysis can focus on a theoretical concept or a whole theory if used in a proper way.

Also, the researcher did an **Integrative Review** Considered a form of research that reviews, critiques and synthesises representative literature on a topic in an integrated way such that new frameworks and perspectives on the topic are generated. The body of literature includes all studies that address related to the research problem. A well-done integrative review meets the same standards as primary research in regard to clarity, rigour, and replication. This type of review is often used in social science studies.

The researcher planned the whole literature review in the following manner-

**Graph: 2.1**




**Literature Review Plan/ Source: Discussion with Supervisor**

## 2.1 Review of Literature

**Archie B. Carroll (1991)** in his article, 'The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders' explored the nature of corporate social responsibility (CSR) with an emphasis toward understanding its component parts with an intention to characterise the firm's CSR in ways that might be useful to executives who wish to reconcile their obligations to their shareholders with those to other market players claiming legitimacy.

The author explored that Keith Davis in 60s suggested that social responsibility refers to businesses' "decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest." With due progress of time, attention was shifted from social responsibility to social responsiveness by several academicians and social activists. The social responsiveness movement also emphasized corporate action, pro-action, and implementation of social activeness.

The author in his article derived the famous four-part model of corporate social responsibility (CSR). These parts are as below-

1- Philanthropic Responsibilities

2- Ethical Responsibilities

3- Legal Responsibilities

4- Economic Responsibilities

Throughout the article author positively approached towards the notion of an improved ethical organizational climate as manifested by moral management theories. This branch of management was defined and described through contrast with immoral and amoral management because the business landscape is replete with immoral and amoral managers. The author clearly depicted that leadership by example is the most effective way to improve business ethics.

**Lee Burke and Jeanne M. Logsdon (1996)** in their contribution namely, 'How Corporate Social Responsibility Pays Off' accepted that increasing competitive conditions in recent years have put pressure on firms to examine their philanthropy and other social responsibility activities with regard to their area of operation.

The author approached the issue of linking corporate social responsibility (CSR) to the economic interests of the firm through a different perspective. The thrust of this approach is to examine the ways in which CSR programmes can create strategic benefits for the business even when they are not readily measurable as separable contributions to the bottom line.

The classic literature in business and society asserted that while CSR might entail short-term costs but in the long run it paid off for the firm. Corporate social responsibility is strategic when it yields substantial business-related benefits to the firm. This can be done particularly by supporting core business activities and thus contributing to the firm's effectiveness in accomplishing its mission towards profitability.

In this paper, the author examined the five strategic dimensions of CSR which identified to assess the value created for the firm by CSR programmes: **centrality, specificity, proactivity, voluntarism and visibility**.

**Centrality** is a measure of the closeness of fit between a CSR policy or programme and the firm's mission and core objectives. **Specificity** indicates about the firm's ability to capture the benefits of CSR programmes rather than simply creating collective goods which can be shared by others- industry, community or society. **Proactivity** refers to the degree to which firm’s behaviour is planned in anticipation of economic, technological, social or structural trends and in the absence of crisis situations. **Voluntarism** thoroughly indicates the scope of discretionary decision-making by the firm and the absence of externally imposed compliance requirements of the law. **Visibility** refers to both, the observability of business activity and the firm's ability to gain recognition from internal and external stakeholders in an equal manner.

**Bimal Arora and Ravi Puranik (2004)** in an article, 'A Review of Corporate Social Responsibility in India' explored that Corporate Social Responsibility (CSR) cannot be considered North-led agenda only, but it has a vast development-oriented framework to contextualize CSR to structural adjustments related macro socio-economic issues relevant to the developing countries.

Authors attempted to understand structural needs for CSR; an ambitious target of double-digit growth of gross domestic product (GDP) and the second generation of economic reforms underway in the Indian economy. Creating trusts and foundations seem to be a favourite route of CSR practice by Indian companies. As the Indian economy was at that time was converting into a service pull economy. Due to their operating style, most of the companies were unaware of ground realities, so the results of CSR efforts were also proved toothless.

**Prema Sagar and Ashwani Singla (2004)** in their dynamic article, ‘Trust and corporate social responsibility: Lessons from India’ tried to explore the roots of CSR in India that has been traditionally linked to spirituality, while respect in the corporate world has been treated on a par with the bottom line.

In **Chapter 2 of Bhagavadgita**, the roots of CSR can be understood by this shloka-

On action alone be thy interest, never on its fruits;

Let not the fruits of action be thy motive, nor be thy attachment to inaction.

The above quote shows the connection between spirituality and corporate social responsibility (CSR) in India. Indian minds have deeply engrained belief in karma as espoused by the 'Bhagavadgita' extends into the role of business in this society, breaking across the barriers of culture, religion, language and other social dividers.

In the new era business strategy, it is important to ensure that at every level employees involved in CSR activities understand their role in making certain vibes the company follows through on its commitments for CSR.

**Michael Blowfield (2005)** in an article, 'Corporate Social Responsibility: reinventing the meaning of development?' explored that the top agenda for CSR is the demand that Corporations should demonstrate its credibility globally, particularly in the developing country context. This statement clearly indicates that CSR is now intertwined with international development and the related goals of poverty alleviation and sustainability and green products.

In recent economic literature, CSR has largely viewed in developing countries, as resource-producing items for affluent markets. Another approach of looking at the business–development relationship is to see poor people as a marketing opportunity and hence to talk about companies in terms of providing goods and services to the poor. The presence of multi-national companies in a country can affect positively or negatively to its development. Despite this, one should not lose sight of the fundamental fact that such companies engage with developing economies for commercial reasons, not for development.

In recent times, CSR has made progress in helping corporations rethink their responsibilities and self-interest in the developing country context. This progressed in a rapid way because of transparent relationships between companies and investors, consumers, the media and civil society have been used to stimulate debate about companies relationship with the poor and marginalized section of society and also various tools and models have been developed by stakeholders to manage social and environmental performance.

Contemporary CSR is closely associated with the fundamental values and tenets of capitalist enterprises. These include the right to earn a profit, the universal goods of trade, the freedom of capital movement, the commoditization of things including-labour and patents, free- market forces for price and value and the participation of companies as citizens and moral entities for a better world.

Many development studies have made apparent acceptance that developing countries are home to a rich diversity of social and value systems of their progressive culture. It is equally apparent from sociology and business ethics that capitalist enterprise has particular cultural and ideational roots, even though these are often treated as universal. While talking about globalization what we are referring to, is not a dominant economic system but the fostering, legitimization and universalization of a transcendental form of business, especially in respect to economic, ethical and social theory.

**R. Jenkins (2005)** in his article, 'Globalization, Corporate Social Responsibility and poverty. International Affairs' highlighted that by aligning with socially responsible practices, the growth generated by the private sector will be more inclusive, equitable, poverty-reducing and also CSR in true nature, is the development done by the private sector and it perfectly complements the development efforts of welfare governments and other social development institutions.

The author in this article described the factors that have led to the recent emphasis on CSR by the development agencies and also questioned whether CSR can, in fact, play the significant role in poverty reduction and other related social issues in developing countries.

With numerous attempts within the UN to establish codes of conduct for the activity of transnational companies (TNCs), admirers of these international codes were seen as supporting the efforts of developing-country governments to regulate TNCs at the national level. Many corporations and a handful of governments resisted global attempts for mandatory regulation of TNC activities, as an alternative they proposed self-regulation.

Mandatory CSR was accepted in most developing countries due to the decline in confidence in the role of the state as an agent for development. There are solid grounds for thinking that firms which are concerned only or primarily with the financial bottom line would not meet their social objectives, while the socially responsible business could be expected to seek to overcome these obstacles in order to ensure a wider spread of benefits in long term.

**Esben Rahbek Pedersen (2006)** in his contribution, ' Making Corporate Social Responsibility (CSR) Operable: How Companies Translate Stakeholder Dialogue into Practice' tried to analyse the procedure by which companies actually translate CSR into practice and to identify some of the factors that affect the implementation process. Before going into a deep analysis, the article briefly introduced the stakeholder approach to CSR and presented **three filters** that may constrain companies' ability to implement stakeholder dialogue into CSR practices.

The stakeholder model reflects the modern understanding of companies as integrated into society rather than separated from the rest of society. Despite the vast popularity of both CSR and the stakeholder approach, there is still no universally accepted definition of either stakeholder's approach or CSR. Few authors argued that the concept of CSR is concerned with the relationship between business and society but the nature of this relationship between these two, will always be subject to numerous interpretations and influenced by passing trends and fashions.

The author in this article took the notion of participatory approaches to CSR and put them into hierarchal order as mentioned below-

**Inclusion,** the stakeholder dialogue should include the important groups and individuals who affect and/or are affected by the decision of corporations.

**Openness,** this is a pre-condition for participatory dialogue and should open for problems/issues that allow stakeholders to make their own judgments and raise their opinions.

**Tolerance,** the dialogue between the stakeholders and the organization, must be open-minded towards alternative and critical voices that may bring new ideas and insights to bear on the issues that the company is trying to fix.

**Empowerment,** the level of engagement is affected by the degree to which the stakeholders are able to affect the basic structure, business process, and outcomes of the previous dialogue.

**Transparency,** it has been argued that the stakeholders should themselves take part in the companies' social accounting and reporting activities, so as it will improve the transparency in an organisation.

The author described the phases of stakeholder dialogue and related Filters namely- **selection filter, interpretation filter, response filter.**

**Mahabir Narwal (2007)** in his research paper, ' CSR Initiatives of Indian Banking Industry' analysed 33 public-private sector banks in Northern Haryana, including its capital Chandigarh. He also mentioned that banks have an objective view-point about CSR activities.

Result demonstrates that the banking industry is helpful in developing social infrastructures like- education and health. Apart from these, the banks are also involved in the development of women and underprivileged sections of the society with their programmes such as - special financial support and awareness campaigns. It reflects their commitment to the balanced growth of different strata of society.

**Dima Jamali and Ramez Mirshak (2007)** in a research paper, 'Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context' heightened interest in CSR in recent years have stemmed from the advent of globalization and international trade. This paper draws another interesting fact that while governments have traditionally assumed sole responsibility for the improvement of the living conditions of the population, society's needs have exceeded the capabilities of governments to fulfil them.

Indeed a wide range of issues- which include economic factors like a company's contribution to national productivity or levels of employment. The legal front includes room for contributions by companies in such areas as enhancing capacity in detecting tax fraud, antitrust, and the unveiling of corruption issues. Management front includes companies can pay closer attention to human capital issues including workplace safety, and employee satisfaction.

**Alan Pomering and Sara Dolnicar (2008)** in a study, ' Assessing the Prerequisite of Successful CSR Implementation: Are Consumers Aware of CSR Initiatives? ' aims to gain an insight into consumer CSR information demands, including identifying the most trusted media opportunities for CSR communication it also observe the ethical issue of whether CSR should be used cynically for 'public relations' benefits, especially when it is not representative of the values and ethics of the firm.

This study investigated Australian consumers' awareness of and dispositions toward banks' CSR programs. Results from the consumer awareness study indicate that - both general and specific awareness levels of banks' CSR initiatives are low, banks currently do not satisfy consumers' interest in receiving CSR-related information and independent sources, such as the media, are more trusted regarding information about CSR.

Awareness about CSR and information needs about CSR initiatives, both are currently unmet. While consumers are generally sceptical towards advertising. Market segmentation could be a promising approach to improve CSR communications and increase awareness among consumers' specifically interested in certain areas. This stakeholders' awareness should include information about social issues ( particularly their gravitas). In order to allow firms' CSR initiatives to be seen in the context of their contribution to tackling a social problem.

**Alexander Dahlsrud (2008)** in his article, 'How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions' endeavoured to find a well structured and promising definition of corporate social responsibility. In his paper, five dimensions of CSR were developed through a content analysis of that time CSR definitions. The author used frequency counts to analyse how often these dimensions are invoked for discussion on CSR. Corporate and the academic world, both have uncertainty as to how CSR should be defined.

The definitional confusion surrounding CSR might potentially be a significant problem for corporations as well as governments. If competing definitions have diverging biases, people will talk about CSR differently and thus prevent productive engagements of responsible corporations.

The author firstly gathered the CSR definitions through the literature review. Then identified five dimensions of CSR through a content analysis of the definitions and at last, the frequency counts from Google of all of the definitions referring to a specific dimension were added up to calculate the relative usage of each dimensions for literary purposes.

The author briefly described each dimension as following-

1. The environmental dimension (the natural environment)
2. The social dimension (business and society relationship)
3. The economic dimension (Socio-economic or financial aspects, including describing CSR in terms of business)
4. The stakeholder dimension (Stakeholders or stakeholder groups)
5. The voluntariness dimension (Activities not prescribed by law)

Among all the above dimensions, the environmental dimension received a significantly lower dimension ratio than the other dimensions. The social dimension, environmental dimension and economic dimension are merely different categories of impacts from a business.

**Dima Jamali and Yusuf Sidani (2008)** in their article, 'Classical vs. Modern Managerial CSR Perspectives: Insights from Lebanese Context and Cross-Cultural Implications' performed a comparative analysis of corporate social responsibility from two different approaches- classical and modern.

The classical perspective considers CSR as a burden on competitiveness and defines it as a hurdle in free-market operations. This approach thus considers the social responsibility of business firms to be exclusively related to the responsibility of supplying goods and services to consumers. On the other side, modern perspective views CSR as instrumental for business success. From this perspective, the responsibility of business extends beyond making profits to include protecting and improving society's welfare or the well-being of specific constituent groups within society in long run commitment.

This article attempts to gauge managerial perspectives of 119 Lebanese managers reveals that the majority of respondents (83 per cent) are favourably inclined toward CSR with about 20 per cent adhering to the modern paradigm.

This paper takes the notion of two-dimensional model of CSR proposed by Quazi and O'Brien (2000) in a recent article in the Journal of Business Ethics a comprising two axis. The horizontal axis is intended to capture variations in views of social responsibility, from the classical lens. While the vertical axis represents two extremes in terms of perceptions of the consequences of the social action of business (ranging from pure concern with the cost of social commitment to a focus on the benefits of social involvement).

**Matten D. & Moon, J. (2008)** in their article, '"Implicit" and "Explicit" CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility' addressed the question of how and why corporate social responsibility (CSR) differs among countries and how and why it changes. This paper presents a comparative investigation of corporate social responsibility (CSR) historically and contemporarily, in the United States and in Europe.

The author slated the core of CSR, as an idea that reflects the social imperatives and the social consequences of business success at various levels. He further explained that national differences in CSR can be explained by historically grown institutional frameworks that shape "national business systems". This approach points to durable and embedded aspects of business systems. Whitley also has identified four key features of historically grown national institutional frameworks. These are **the political system, the financial system, the education and labour system, and the cultural system.**

**Rajesh Chakrabarti, William Megginson and Pradeep K. Yadav (2008)** in their scholarly contribution, 'Corporate Governance in India' mentioned that one of the major economic developments of that decade has been the recent take-off of India.

After adopting LPG model in 1991for the Indian economy, the then Finance Minister, Dr. Manmohan Singh introduced measures that reduced import tariffs, reduced licensing requirements for setting-up new industry, open many sectors to the private players, created an environment for foreign investments and made the rupee convertible for current account transactions. Since then, India has witnessed wide-ranging changes in both laws and regulations as well as a major transformation of its corporate sector.

**Wayne Visser (2008)** in his article, 'Corporate Social Responsibility in Developing Countries' mapped out the crucial role and responsibilities for business in fighting poverty and acting responsibly in developing countries with concern to an immediate common need. The real challenge for corporate social responsibility (CSR) in developing countries is framed by a vision that was distilled in 21st century into the Millennium Development Goals i.e., a comparatively better world scenario with less poverty, hunger and disease, greater survival prospects for mothers and their infants, better education, equal opportunities for all, a healthier and sustainable environment.

According to the author, CSR in developing countries represents the formal and informal ways in which business makes contributions for improving the governance, social, ethical, labour and environmental conditions of these countries while remaining sensitive to prevailing religious, historical and cultural contexts of hosting country. This reflects the fact that corporate social responsibility is the preferred term in the economic literature to describe the role of business in developing countries.

This research paper examined the CSR pattern in accordance with different regions. Many authors believe that CSR is a Western invention ( may be true in its modern conception) but there is ample evidence that CSR in developing countries strongly deep- rooted in indigenous cultural traditions of philanthropy. Even some of these traditions go back to ancient times.

**Khosro S. Jahdi Gaye Acikdilli (2009)**in a research paper, 'Marketing Communications and Corporate Social responsibility (CSR): Marriage of Convenience or Shotgun Wedding? ' inspected the role(s) that the different vehicles of promoting interchanges can play as for imparting, publicizing and featuring hierarchical CSR arrangements to its different stakeholders. It will additionally try to assess the effect of such correspondences on an association's corporate reputation and brand. The multiplication of unconfirmed moral cases thus called 'green-washing' by certain organizations has brought about expanding buyer negativity and doubt.

The authors concluded that there is still a lot of open wariness and doubt in connection to CSR as such. Correspondences will be fundamental to their survival, as well as keeping up a moral picture (and notoriety) or shielding their upper hand through CSR. Promoting and sponsorship (cause-related advertising) can possibly make major commitments to publicizing and featuring a straight forward, steady and socially dependable corporate picture. Senior administration duty and devotion to CSR in a comprehensive way is totally critical.

**Nicolas J.F. Ragodoo (2009)** in a research paper, 'CSR as a tool to fight against poverty: the case of Mauritius' analysed the contribution made by business organisations in the fight against poverty in Mauritius. According to author Governments across the world, operating in line with the global capitalist or even ultra-capitalist policies, have been found to be unable to reconcile the conflicting demands of the owners of capital, who are constantly looking for ever-increasing margins, profitability and productivity. On the other hand, citizens are also urging for an improvement in living and working conditions.

Mauritius witnessed s a success story in terms of economic development, but poverty is still very much present and thriving in the country. Business organisations do have the potential to make the difference but several other social needs are presently being given priority over poverty alleviation. This can be drafted as only 11 per cent of CSR funds is presently being devoted to the fight against absolute poverty. CSR managers need to work out a common strategy so as to put poverty-alleviation as a priority on the social agenda.

**Peter Dobers and Minna Halme (2009)** in an article namely, ‘Corporate Social Responsibility and Developing Countries’ attended several corporate social responsibility (CSR) issues in developing countries. Author duo analysed the Weak institutional environments of developing countries, often creates financial outflow from poor countries to rich ones.

Both of them emphasised for corporate actions for detecting tax fraud, antitrust and the unveiling of corruption cases. Despite the fact that legislation is a task of politicians, governments and international governmental bodies if corporations found using ‘legally misuse’ the system, then the matter should be taken as a CSR issue. Thus, it is established that there is an urgent call for concrete efforts by the private sector, public sector and non-governmental organizations to develop structures and institutions that contribute to social justice, environmental protection and poverty eradication, not only at country level but also at the global level.

Developing countries have more gaps in social provisions and governance, this is mainly due to the transitional effect of globalisation. It’s a well-established fact that in developing countries CSR is founded on the notion that corporations are in relationship with other interests also such as- economic, cultural, environmental and social systems because business activities affect– and are affected by– these interests of societies.

Activities of CSR not only concerns the relationships between firms and other actors that can be studied empirically; it also has a normative content that addresses what responsibilities corporations might have in our changing political, social and economic context.

**Sallyanne Decker and Christopher Sale (2009)** in a chapter of the book, ' An Analysis of Corporate Social Responsibility, Trust and Reputation in the Banking Profession' elaborate the 2008 financial crisis and brought CSR dramatically into public consciousness and also highlighted the importance of trust and reputation as part of the CSR agenda of bankers.

This book explores bankers' perceptions of CSR and the nature of bankers' social responsibilities. Again, from a sociological perspective, we provide a critical commentary on CSR within banking. A review of the corporate responsibility and sustainability reports of the UK's leading banks shows that UK bankers do not share a common baseline definition or understanding of CSR and that definitions of CSR vary across banks and over time.

Nowadays, the dichotomy between private interests and public goods that result from the capacity for bankers to privatise gain and socialise losses adds a unique dimension to CSR in the banking profession. At the time of financial crisis, the focus is on individual reputation to gain competitive advantages while the systemic and collective aspects of reputation seem to be ignored so also the CSR efforts.

**Jucan Cornel Nicolae and Jucan Mihaela Sabina (2010)** in a study, 'dimensions and challenges of social responsibility' have attempted to investigate the issues of how companies, in terms of competition, consumers, employees, community and environment affect the economy and analyzed and shown how businesses, governments, consumers and other interested parties are always exciting and required to contribute to efforts for reducing poverty, creation of competitive products and services, new job openings, protecting natural resources through development of sustainable production and consumptions of inputs.

Result of this study shows that social responsibility programs target real social needs and its effect, generating social benefits that can be converted into market opportunities and expansions. To reap all these benefits corporations require changes in attitudes and reorientation, both for production and consumption, by-products and services less destructive to the environment, to improve the efficiency of resource use, eco-efficiency and overall economic efficiency, and, at the same time, competitiveness, supported by a process of innovation more actively.

The article also points out that in the transition to a knowledge-based economy, training and continuous training of employees and citizens play a crucial role. In this way, information on the consequences of wrong decisions taken at the enterprise level, local or global, maybe better known and understood, so that long-term effects are prevented by a responsible attitude adopted by all stakeholders", including public authorities.

**Md. Habib-Uz-Zaman Khan (2010)** in a research paper, ' The effect of corporate governance elements on corporate social responsibility (CSR) reporting Empirical evidence from private commercial banks of Bangladesh' highlighted that To attempt social duties and to report such exercises at a customary interim have been perceived as a fundamental gadget for associations towards guaranteeing the long- term proceeded with presence. The destinations of this paper are twofold. To begin with, to research CSR revealing data of private business banks (PCB) of Bangladesh so as to watch the dimensions and assortments of CSR data on yearly reports. Second, to inspect the inconstancy of CSR revealing data for corporate administration (CG) components.

Authors accepted another fact also that In perspective on the way that bank and other money-related foundations for the most part experience higher worries to be straight forward and reveal data about major key choices to partners it has requested expanded necessities for different kinds of data past financial execution. Most of the firms reported CSR information on such items as employee benefits, the number of employees' employed, donation for the flood and tornado affected people and reporting value-added statement. In view of that, it turns into perceptible that PCBs of Bangladesh stands beside the flood-affected people in accordance with their financial ability for fulfilling their commitment to social welfare.

**Martin Xavier Amaladoss and Hansa Lysander Manohar (2011)** in a case study, ' Communicating Corporate Social Responsibility– A Case of CSR Communication in Emerging Economies' approach to examine the practice and communication of CSR in emerging economies with a focus on India. This empirical study analysed the CSR and governance themes of Reliance Industries Limited (RIL), the largest private company from India for CSR communication.

CSR is no longer an option for companies today but a strategic driver of businesses. It is possible that a company found active in CSR programmes, either as a charity act or as a strategic driver, but unless the company makes an effort and chooses the right means to communicate them to its stakeholders, CSR efforts are not going to make any impact on its business.

This paper acknowledges that McKinsey survey of global business executives found that Indian executives were 'the most enthusiastic proponents' for a wider social role for business with 90% reportedly endorsing the 'public good dimension'. Companies in India clearly need to understand the concept of CSR, both from a managerial perspective and from a stakeholder perspective. In the view of globalisation and wider stakeholder demands, Companies should strategically integrate their CSR practices into their core business activities.

**Md. Habib-Uz-Zaman Khan, Muhammad Azizul Islam, Johra Kayeser Fatima and Khadem Ahmed (2011)** in a study of researches, ' Corporate sustainability reporting of major commercial banks in line with GRI: Bangladesh evidence' purpose of this paper is to examine the tendencies of sustainability reporting by major commercial banks in Bangladesh in comparison with global sustainability reporting indicators outlined in the GRI framework together with banks' predilection toward reporting 16 GRI financial service sector (FSS) specific performance indicators.

Among all categories of sustainability items, most banks preferred to disclose the activities on the 'society' category. Most of the banks donated for the **Prime Minister National Relief Fund (PMNRF)**. Furthermore, social and community involvement of sample banks are also extended to wide varieties of 'good causes' such as giving scholarships and donating money for establishing research centres in universities and so on.

**Rahul Mitra (2011)** in a critical paper, ' ‘‘My Country’s Future’’: A Culture-Centered Interrogation of Corporate Social Responsibility in India' highlighted oil giant Chevron’s new **‘‘We agree’’** campaign on corporate–community involvement, this campaign illustrates an important point about the new **‘‘global’’** corporate social responsibility (CSR).

Most Indian companies are signatories to the U.N. Global Compact and also many of these are active members also. The aim of Indian CSR is community and national upliftment, what persists is the drive to further profits, tap new markets, and reduce expenditure; like- social and environmental cost. The purpose of this article was to re-open the politics of CSR as a crucial area of debate and research and urges for its continued openness to avoid the erasure of valuable alternative perspectives.

**Shirley Yeung through (2011)** through a scholarly article, 'The Role of Banks in Corporate Social Responsibility' has explored the perception of respondents on corporate social responsibility (CSR) and banking practice of major banks in Hong Kong. He classified all elements into four main factors for a CSR framework for banks namely-

**Internal management – (1)** implementing meaningful strategy and process **(2)** people management;

**External management – (3)** accountability for creditability and **(4)**consideration of stakeholders.

The author further explored that the term “Stakeholder” has been placed with top priority into today's management vocabulary. Business houses without caring needs and expectations of stakeholders in a community will not be competitive compared with those who do in the 21st century. He reveals that businesses not only must deal with hard- number economic realities, but they also have to address the perceptions and beliefs of their customers. If a banking organisation shall have an appropriate policy in place for establishing positive organizational culture and socially responsible mindset of staff members then commitment to becoming a socially responsible banking organization between management and staff, and accountability and creditability would be achieved.

**Suresh Chandra Bihari and Sudeepta Pradhan (2011)** in a research paper, 'CSR and Performance: The Story of Banks in India' attempted to map the corporate social responsibility (CSR) practices of major players in the Indian banking sector and to find out the impact of such practices on their performance and image. Both of them agreed there is an increasing awareness about Corporate Social Responsibility (CSR), Sustainable Development (SD), and Non-Financial Reporting (NFR) around the globe. This research paper acknowledges the contribution of various financial institutions (including banks), for sustainable development, considering the crucial role these institutions play in financing the economic and developmental activities of the world.

In India, there is a lack of systematic documentation of CSR activities undertaken by firms. The RBI directed banks in December 2007 to undertake corporate social responsibility (CSR) initiatives for sustainable development. The regulator also asked banks to begin nonfinancial reporting, which will give an account of the banks' intangible assets. Nonfinancial reporting is a system whereby organizations report on their activities, especially those pertaining to environmental, social and economic accounting.

**Suman Kalyan Chaudhury, Sanjay Kanti das and Prasanta Kumar Sahoo (2011)** heeded on Indian banks awareness about CSR activities and analyse their efforts in the top to bottom approach. Reserve Bank of India feels that there is a general lack of adequate awareness on CSR issues in India. So the need for sustainable developmental efforts by financial institutions in India assumes urgency and banks, in particular, can help contribute to this effort by playing a meaningful role.

Nowadays throughout the world, there is an increasing awareness about Corporate Social Responsibility (CSR), Sustainable Development (SD) and Non-Financial Reporting (NFR). This research paper author explained that Only one financial institution i.e. SIDBI understudy has published its own CSR Report keeping the benchmark of internationally accepted norms of Global Reporting Initiative (G3).

This paper marked that the corporate and the Government should try to build up a relationship between the business and the society. The concept of corporate social responsibility (CSR) has so far failed to take deep root in India because of lack of coordination between the corporate efforts, Government and Non-Government organizational efforts.

**Andrea Pe´rez, Patricia Martı´nez and Ignacio Rodrı´guez del Bosque (2012)** in an article, 'The development of a stakeholder-based scale for measuring corporate social responsibility in the banking industry' tried to develop a new scale based on stakeholder theory is developed to evaluate customers' perception regarding the CSR performance of their banking service providers.

According to this paper, studying stakeholders' perception is essential when evaluating the success of corporate CSR policies. Among all stakeholders, special attention has been given to the customers since their expectations and opinions are considered to directly influence the design of establishments.

An important fact is acknowledged by authors that CSR does not mean the same thing in every industry as it does not mean the same for all stakeholders Thus, multidimensional scales are not the perfect choice for all weather. The most highly rated dimensions in banks are those related to corporate obligations toward shareholders, legal responsibilities, general dimension and banking customers.

**David Sigurthorsson (2012)** in a study, 'The Icelandic Banking Crisis: A Reason to Rethink CSR?' discussed the 'Icelandic banking crisis' in relation to the notion of corporate social responsibility (CSR). The study explored some conceptual arguments for the position that the Icelandic banking crisis illustrates the broad problem of the indeterminacy of the scope and content of the duties that CSR is supposed to deal with.

The study has explored some conceptual arguments for the position that the Icelandic banking crisis illustrates the broad problem of the indeterminacy of the scope and content of the duties that CSR is supposed to address. Concepts of CSR that are so broad as to endorse virtually any approach deemed suitable by individual businesses or industries too easily reduce to mere PR strategies in the form of corporate philanthropy.

This study further elaborated that the concept of CSR remains open to opportunistic interpretation and manipulation it has an inherent tendency to get reduced to a PR instrument. The banks seemed more attracted to the idea of CSR as philanthropy than the idea of CSR as perceived, responsible banking.

**Frederic Marimon, María del Mar Alonso-Almeida, Martha del Pilar Rodríguez and Klender Aimer Cortez Alejandro (2012)** in an exhaustive study, ' The worldwide diffusion of the global reporting initiative: what is the point?' attempted to analyse the worldwide diffusion of the Global Reporting Initiative (GRI) from the viewpoint of both a macro and a micro-analysis using data from the first decade of this century.

Corporations worldwide have adopted sustainability reporting (SR) in response to financial scandals and the economic crisis presented at that time. Economic troubles had created a climate of uncertainty in the market; investors and shareholders who were making decisions not only require access to financial information but also to information about environmental and social behaviour. Sustainability reporting (SR) appears to meet this demand because the reports are intended to include non-financial information. Although the main management system diffusion models, such as ISO 9001, ISO 14001 and some national standards, had been widely discussed.

The GRI was created in 1997 under the initiative of the North American Coalition for Environmentally Responsible Economies (CERES) of Boston and the Tellus Institute. In 1999, the United Nations Environment Program (UNEP) joined as a partner to ensure an international perspective. GRI reporting (2011) has incorporated in its environmental section ten new indicators regarding efficiency improvements, future plans for managing impacts on biodiversity and initiatives to reduce greenhouse gas emissions. GRI reports contain information related to the economic, environmental and social aspects of a company. This approach, known as the Triple Bottom Line.

Further, it incorporates the three “P's” (people, planet and profit). Three guides published by the GRI in 2000, 2002 and 2006 provide basic guidelines for enterprises to follow when producing a sustainability report.

The GRI establishes 79 indicators: 9 for economic performance, 30 for environmental performance and 40 for social performance. Social performance is further divided into 14 indicators of employment-related practices: 9 for human rights, 8 for social aspects and 9 for company product liability. The GRI (2011) presents the following five guidelines for data compilation regarding performance indicators that must be reported: i) reporting on trends, to consider previous, actual, and futures targets (short and medium-term), ii) use of protocols, to give basic guidance for interpreting and compiling information, iii) presentation data, to show ratios or normalized data, iv) data aggregation, to determine the appropriate aggregation of data and v) metrics, to use generally accepted international metrics (e.g., kilograms, tons, litres) that are calculated using standard conversion factors.

**Vi-in Hu and Bert Scholtens (2012)** in a research paper, ' Corporate Social Responsibility Policies of Commercial Banks in Developing Countries' mentioned that In developed countries, many banks report along guidelines such as those of the Global Reporting Initiative (GRI) and/or receive a CSR rating from rating agencies such as KLD or EIRIS. While in developing countries, most banks are not equipped with this kind of information easily. This analysis is based on a sample of 402 banks from 44 countries.

The author took note of the framework developed by Scholtens (2009, 2011) The framework includes 29 CSR indicators and covers four CSR themes (social, environmental, ethical, governance). The scores for the indicators in the framework are measured on a binary scale: either 1 (yes) or 0 (no). The overall CSR score is calculated as the sum of the score on the indicators as a percentage of the maximum score (29).

The author also added **Voice and Accountability (VOICE)**, this can be defined as a proxy for the degree to which the people in a country are free to express their views and opinion, we use the voice and accountability index (VOICE) as constructed by Kaufmann et al. (2008). VOICE measures perceptions of the extent to which a country’s citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association and a free media.

**Andrea P´erez and Ignacio Rodrıguez del Bosque (2013)** in an explorative study, ' Customer CSR expectations in the banking industry' duo author tried to examine corporate social responsibility (CSR) expectations of customers in the crisis of the

Spanish banking industry. In this paper, the duo analysed 648 customers of savings banks and 476 customers of commercial banks.

The authors opine that legal and ethical compliance is especially relevant during recession periods because customers have lost confidence in the morality of companies and they have the tendency to more closely scrutinize those business areas which have failed and led companies to the crisis.

Duo also explored that CSR expectations are higher among savings banks customers and that additional pressure is put on these companies to comply with employees and community issues. The results are justified by resorting to the longer CSR tradition of savings banks when compared to commercial banks.

**Peter Newell and Jedrzej George Frynas (2013)** in a special issue, ' Beyond CSR? Business, poverty and social justice: an introduction' tried hard to find out the balance of responsibilities among state, market and civil society in addressing problems like- poverty, social exclusion and other development challenges and meeting the UN Millennium Development Goals (MDGs).

The UK's Department for International Development DFID is confident that, 'By following socially responsible practices, the growth generated by the private sector will be more inclusive, equitable and poverty-reducing'. The poor performance of many firms as social development actors, amid so many competing and ever-increasing demands; only serves to underline the primary role of the state as the key agent in poverty politics., Overall, CSR was never conceived as a tool to tackle poverty.

This issue mentioned that many authors and scholars across the world emphasised the need for a UN Corporate Accountability Convention that would legally enshrine the expectations and standards which apply to firms wherever they operate, regardless of size or sector. it also suggests that the world of CSR would look very different if the priorities of poorer groups were put first. But It is clearly unrealistic to expect businesses in a globalised capitalist economy to operate as if poverty alleviation were their main objective.

**Ramendra Singh and Sharad Agarwal (2013)** in an article, 'Does CSR orientation reflect stakeholder relationship marketing orientation? An empirical examination of

Indian banks' endeavoured to track the business metrics of Indian banks with its CSR orientation and to establish an alignment if persists, between CSR orientation and the benefits accrued to its stakeholder segments in any way.

According to the authors, in academic works, corporate social responsibility (CSR) has been considered as a key stakeholder relationship-building activity with subsequent relationship benefits for the firms involved in corporate social responsibility activities. Due to this acceptance, retail banks' spending is going higher on CSR initiatives every year to strengthen their reputations and relationships with all stakeholders (especially with customers).

In the the Indian context, content analysis of previous studies showing that Indian banks concentrate its CSR activities more on traditional areas such as education, rural area development, health and environmental marketing, and also on the incorporation of customer satisfaction. The banking and financing institutions of developing economies like India forms the backbone for the growth and development of other core areas through provisions of loans and capital (as these are the main factors of production).

Authors in this study resulted that collective efforts were done only for four areas namely- environment, rural area development, community welfare and marketplace were practiced differently by different category of the banks. These differences in CSR orientation of banks was due to the business metric, size of the bank and the ownership type. As an example- the public sector banks also operate in the rural areas so they developed their relationship with the rural stakeholder which they proactively do through their CSR activities in the rural area development. On the other hand, private sector banks have less presence in the rural areas so it leads them to focus on other CSR dimension like- environment.

**Sarita Moharana (2013)** in her article, ' Corporate Social Responsibility: A Study of Selected Public Sector Banks in India' emphasizes that In order to attain the social objectives there is a need to frame a CSR policy in every bank and prioritization of activities for social spending and allocation of separate funds should be given for this specific activity. For the better impact of spending and utilization of allocated budget by CSR, there should be a system of periodical monitoring and reporting to the Board of Directors. Current status of CSR in India is mainly due to the lack of coordination between the banks, government, and non-government organizational efforts.

**Vassiliki Grougioua, Stergios Leventis, Emmanouil Dedoulis, Stephen Owusu-Ansahe (2013)** in a scholarly article, ' Corporate social responsibility and earnings management in U.S. banks'. By using simultaneous equations, the authors examined the bi-directional CSR–EM relationship in U.S. commercial banks. They also demonstrate that, although banks that engage in EM practices are also actively involved in CSR, the reverse relationship is not significant.

Authors employed a sample of 116 listed commercial banks in the U.S. during a five-year period (2003–2007) to examine whether the commitment to CSR activities has any relationship to the quality of financial reporting. Article findings suggest that banks engaged in EM practices also tend to be deeply involved in CSR activities as expected.

**Andrea Pe´rez and Ignacio Rodrı´guez del Bosque (2014)**, in their article ‘Customer CSR expectations in the banking industry’ examined two factors, customer corporate social responsibility (CSR) expectations in the crisis context of the Spanish banking industry and also the role that corporate governance structure plays in customer CSR expectations. They took the sample of the 648 customers of savings banks and 476 customers of commercial banks.

During the financial crisis, when capital and consumer markets have experienced a loss of credibility towards companies’ effectiveness. The managers of most institutions were burdened with the challenges of improving their institutions’ images and regaining trust by developing attractive marketing strategies.

For the above said purpose, institutions have recently focused on corporate social responsibility (CSR) with the purpose of improving intangible attributes such as brand image, reputation, trust and credibility. But the potential of CSR to improve corporate images, reputations and trusts depend on the fact, that how much expectations of stakeholders’ would be met if implemented properly.

The author duo presented the focus areas of CSR- Customer, employee, shareholder, society and general. Results of this study show that the customers of both types of banking companies have similarly high expectations concerning the CSR benefits, oriented to banking customers, shareholders, employees, to the community, legal and ethical CSR.

**Anupam Singh and Dr. Priyanka Verma (2014)** in their article,' From Philanthropy to Mandatory CSR: A Journey towards Mandatory Corporate Social Responsibility in India ' mentioned that India is a country of contradictions, despite growing as one of the largest economies in the world and as an important player in the emerging global economy. On the other hand, it also hosts the largest number of people living in absolute poverty and the largest number of undernourished children.

This paper attempts to mark the journey of transformation of corporate social responsibility (CSR) from philanthropy to mandatory corporate social responsibility (MCSR) in the Indian context. In the era of **'global village concept'** The well being of a business depends directly on the well being of society. The corporate need to understand and to look beyond government-initiated development programs. They should take charge of directing initiatives aimed towards improving the health and standard of living of their stakeholders. A pie that comes from the people should go back to the people, only this way society would be able to sustain in the near future.

Many Indian companies have made their way into the business boom and are today globally acknowledged as major players of a free-market economy. Few pieces of evidences have pointed out that the practices of CSR in India still remains within the philanthropic arena but has now started moving from institutional building (educational and cultural) to community development through various projects.

In the Indian context, CSR not even remains largely restricted to community development but it is getting more strategic in nature (by getting linked with business) than philanthropic.

The Companies Act, 2013 has enforced the idea of CSR to the forefront and through its disclose-or-explain mandate. Schedule VII of the Act, which lists out the CSR activities to be performed with priority by corporations, also suggests communities to be the focal point.

Works of the literatures suggest that among other countries, India has one of the richest traditions of CSR activities. More than ever has been done in recent years to make Indian Entrepreneurs aware of social responsibility as an important segment of their business practice but CSR in India has yet to receive widespread recognition from both, the stakeholders' side and the corporations' side.

Government data represents that our country continues to grapple with problems of poverty, unemployment, illiteracy, malnutrition and law and order. Corporate growth is sometimes seen as widening the gap between India and Bharat (rural India) through its income-skewing capability, so area-specific bridges are expected from corporations' side, as it will leave space for the government to perform sectoral reforms.

**Eshani Beddewela and Jenny Fairbrass (2014)** in scholarly research, ' Seeking Legitimacy Through CSR: Institutional Pressures and Corporate Responses of Multinationals in Sri Lanka' accepts that corporate social responsibility (CSR) practices of multinational enterprises (MNEs) are influenced by a wide range of both internal and external factors. Most influencing external factor among all is that one exerted by state and other key institutional actors in host countries. Most of the MNEs use their CSR activities to strategically manage their relationship with these external factors in order to gain legitimisation advantages in host countries.

**Ganga S. Dhanesh (2014)** in a research article, 'Why Corporate Social Responsibility? An Analysis of Drivers of CSR in India' aimed to generate a more nuanced and socio-culturally grounded analysis of the key drivers of corporate social responsibility (CSR) in India. This study employed a qualitative interview method and the purposive sampling procedure. The study further proposed that the ancient Indian concept of dharma might be a probable theoretical framework within which these key drivers of CSR in India could be further understood and can be evaluated.

The author also mentioned four models of CSR in India which was synthesized by Kumar, Murphy, and Balsari in 2001.

**(a)** The ethical model, based on Gandhi's trusteeship theory, calling for voluntary commitment to public welfare

**(b)** the statist model, based on state-driven policies, including state ownership and extensive corporate regulation

**(c)** The liberal model, based on Milton Friedman’s conceptualization of CSR as primarily focused on owner objectives

**(d)** The stakeholder model, based on Freeman’s concept of stakeholder responsiveness.

The author described ancient texts such as the Vedas, Upanishads, Puranas, Shastras, Bhagavad Gita, and the Pali Tipitaka and identified nine core principles that could have driven CSR in India.

**Sophie Hadfield-Hill (2014)** in a study, ' CSR in India: reflections from the banking sector' explored corporate social responsibility (CSR) within the Indian context, focusing on the banking sector. This is of particular importance at this time given the financial industry’s pivotal role in driving forward India’s growth story. This paper presents empirical, on-the-ground qualitative evidence from the Indian finance sector with regard to CSR operations and motivations. In this paper, four phases of corporate social engagement were outlined-

**During the period 1850 to 1914,** CSR was in the form of donations to temples and social welfare causes, predominantly determined by religious and traditional family values.

**During the period 1914 to 1960,** CSR played a crucial role in India’s struggle for independence and its post-independence social upheaval. Mahatma Gandhi primarily influenced this form of CSR, with theories of trusteeship.

**During the period 1960 to 1988,** CSR was characterised by legislation, in the form of labour and environmental standards.

**Last and current phase** is characterised partly by India’s traditional engagement with philanthropy but also seems influenced by western practices. Results of this study show that financial institutions are ready to join hands with the academic community to enter into discussions with large corporations to assist them with their understanding of the impacts they are having on local communities and environments.

**Mobin Fatma Zillur Rahman (2014)** in a scholarly article, ' Building corporate identity using corporate social responsibility: a website based study of Indian banks' focused on the CSR or social responsibility reporting in developing nations like India.

Banks list has been taken from the website Karamyog.org (http://www.karmayog.org), which rates the Indian companies CSR activities on a 0 to 5 scale. The sample includes thirty-six public and private sector banks operating in India that report their CSR activities on their websites.

This article uses the web content analysis which was first applied by Mc Millan (2000), which covers a wide range of content, including interactive message content and systematic identification of link patterns that are most prevalent on the web (Herring, 2010).

Results indicate that private sector banks give their attention to creating economic value and incorporating better technologies for their customers. Also Within the CSR dimension of community, the most communicated information in the education category includes children education/girl education, vocational training for unemployed youth and financial assistance for colleges and universities.

**Mobin Fatma, Zillur Rahman and Imran Khan (2014)** in an article, ' Multi-Item Stakeholder Based Scale to Measure CSR in the Banking Industry' dive deeply to develop a measurement scale for corporate social responsibility activities in the Indian banking industry based on a stakeholder framework. A multistage method is applied to develop a valid and reliable scale for the fore-said purpose.

This study contributed to CSR literature through the practical application of stakeholder theory in the banking industry. In India, the shareholder domain is least rated, as it has been demonstrated that the responsibilities towards the shareholders are the inherent activity of the organization and are not considered to be part of CSR also CSR activities oriented to reduce consumption of natural resources are poorly rated.

The present study reflects the perception of internal stakeholders, i.e. the perception of employees toward the CSR activities of their bank. Also, it tries to fill this void by providing a reliable and valid scale to measure the CSR activities of the Indian banking sector.

**Marian Mocana, Simona Rusa, Anca Draghicia, Larisa Ivascua and Attila Turi (2014)** in a global conference presented an article, ' Impact of Corporate Social Responsibility Practices on The Banking Industry in Romania' this article explored the role of corporate social responsibility (CSR) in value creation in the banking industry, and during periods of financial instability.

This paper presented the situation of CSR practices in Romania and globally. In that bearish economic situation in Romania, CSR is considered an actual instrument even in the banking industry. There are a number of benefits provided for the banking institutions performing CSR, including economic efficiency, improved company reputation, employee loyalty, communication between the banking industry and society, attracting new opportunities and increase organisational commitment and future benefits also.

**Ameeta Jain, Monica Keneley and Dianne Thomson (2015)** in a research paper, 'Voluntary CSR disclosure works! Evidence from Asia-Pacific banks' evaluates corporate social responsibility (CSR) reporting in six large banks each from Japan, China, Australia and India over the period of 2005-2011. This paper evaluates the themes of ethical standards, extent of CSR reporting, environment, products, community, employees, supply chain management and benchmarking.

Result of this study indicates that over the seven-year period ranging from 2005 to 2011, CSR disclosure by banks improved in all of the four countries examined. Australian and Japanese banks had established reporting protocols in place in 2005. The extent of reporting in both countries continued to expand between 2005 and 2011, indicating a growing voluntary commitment to CSR activities. Indian and Chinese banks demonstrated an increasing involvement in community activities and performed best in the areas of - financial inclusion, financial literacy and rural outreach programmes.

**Bree Devin(2015)** in a brief research paper, 'Half-truths and dirty secrets: Omissions in CSR communication' introduced the notion of half-truths; a term which describes the communication of technically correct, truthful information that has been, or has the potential to be, undermined by the omission of key pieces of information.

In this paper terms like green-washing also discussed to explain the organization's behaviour, though this term was not technically accurate in describing the bank's CSR communication. Going through a public relations perspective, Crawford and Clark Williams (2011) have acknowledged that organizations may wish to use their CSR reports as marketing or public relation instrument.

**Laivi Laidroo and Maia Sokolova (2015)** through their scholarly article, ' International banks' CSR disclosures after the 2008 crisis' have made an attempt to determine the corporate social responsibility (CSR) disclosure level of 35 international banks across the world at the end of 2013 and analyse the changes in their disclosure patterns compared to 2005 from the institutional perspective.

This article is based on Content analysis of international banks' websites and CSR reports of respective banks. They concluded that despite the overall converging trends in CSR disclosures, in 2013 country-based differences are still present there. International banks based in Europe have taken a more implicit approach to CSR than Northern American banks. Environmental management disclosures in Northern American banks are larger than in European ones.

**Rajul Jain and Lawrence H. Winner (2015)** in a research paper, 'CSR and sustainability reporting practices of top companies in India' discussed CSR reporting practices of the 200 largest state-owned and private companies in India. This study provides insights into an emerging and complex economy such as India, where corporations are assuming roles of corporate citizens and are actively using web-based communications to engage and interact with stakeholders on issues that are of general concern.

Paper takes the notion of Some voluntary guidelines based on Global Reporting Initiative (GRI) standards have been developed by the Securities and Exchange Board of India (SEBI) that provides companies with a reporting template to include in their annual reports. According to author adoption of GRI reporting standards has also been found to vary across regions. Next to it is not clear whether companies in India are influenced by the cultural traditions of the country or they are starting to respond to the changing regulatory environment by adhering to the recently released reporting guidelines.

Findings of this study also suggest that there is room for more improvement and constructive changes in the ways CSR issues are communicated on corporate websites. A few companies incorporate interactive features in their CSR communication with stakeholders and none of the companies reviewed provides links to social media, missing the opportunity to further enhance stakeholder engagement and relationships.

**Satyajit Majumdar and Gordhan K. Saini (2016)** in a depth effort wrote an article, 'CSR in India: Critical Review and Exploring Entrepreneurial Opportunities'. In this article the author duo established that corporate social responsibility (CSR) is dominated by 'middle path approach' establishing collaboration and attempting to define the balancing roles of business.

Indian corporates offer to support social causes to enhance visibility about their intentions. Sometimes, visibility goes to the extent of the marketing strategy. It is also important to gauge the expectations of society as a stakeholder of a business entity. Entrepreneurs have enough capacity to design innovative models for the purpose of social welfare, nowadays this skill is termed as 'social entrepreneurship'. This is considered as a response to either market failure, state failure or both in meeting social needs.

The term 'stakeholder' was coined at the Stanford Research Institute (SRI). According to Sternberg, stakeholders are those 'without whom an organisation could not survive, those in whom the organisation had a stake. He further emphasised that stakeholder represents a radical shift from those who affect the organization to those who are affected by it.

The author concluded that business and society have complementary roles to each other for the development of a country. This study reveals that a lot of CSR activities performed with an approach of communication and marketing efforts which are not able to generate desired positive impact on society.

**Andrea Pérez and Ignacio Rodríguez del Bosque(2017)** in a research paper, ' Personal traits and customer responses to CSR perceptions in the banking sector' explore that customer responses to CSR perceptions are consistently moderated by gender, age and CSR support. This research paper used the model of multisampling analysis to determine the roles of gender, age, educational level, CSR support, collectivism and novelty-seeking moderate customer responses to CSR perceptions.

Result of this paper sketched that men, people aged over 45 years and highly supportive customers respond to CSR perceptions more positively than women, younger people and customers exhibiting a low level of CSR support. Also, findings presented that customer responses to their CSR perceptions in the banking sector are moderated by three customer demographic traits (gender, age and educational level) and two psychological features (CSR support and novelty-seeking).

**Bhaskar Chatterjee and Nayan Mitra (2017)** in their contribution, 'The Genesis of the CSR Mandate in India: Demystifying the Chatterjee Model' endeavoured to view the CSR policy of India through a pragmatic approach. India, In 2013, India has come out with the Companies Act, 2013, replacing the previous and 6 six-decade-old Act of 1956. Section 135 of this act has created a storm in India's socio-economic movement.

Dr. Bhaskar Chatterjee was the man who was instrumental in incorporating this mandate to outline his logic behind each of its aspects. Paper also probes deeper to know more about **'Chatterjee Model'**.

Literally, the perception of CSR gets affected by every nation, every geography or every individual human being. Chatterjee model of CSR is different from other models of CSR namely- Porter model, Elkington model, Prahalad model, etc. This model of CSR is specifically developed in the Indian context.

Chatterjee model of CSR is a step by step development of logics in favour of mandatory CSR. These steps are as below-

1. Quantify CSR Spent
2. Projectivise Your CSR
3. Assign CSR Accountability to People
4. Assign CSR Budget
5. Align CSR According to Schedule VII
6. CSR Must Be Outcome-Oriented

7. Go Beyond the Legislative Duties of the Company

8. CSR Cannot Be the Core Business of the Company

9. Harness the Strengths of the Corporate Sector

10. CSR Implementation

11. CSR Reporting

12. Audit Your CSR

13. Measure Your CSR

**Francisco Javier Forcadell1 and Elisa Aracil (2017)** in their research paper, 'European Banks' Reputation for Corporate Social Responsibility' have attempted to highlight the Dow Jones Sustainability Index (DJSI). Member banks are considered top sustainable companies within each sector. Thus, DJSI inclusion signals a reputation for strong Corporate Social Responsibility (CSR) engagement, which should contribute to enhancing institutes' performance. This study is to analyze the link between performance and reputation for CSR (RCSR) in European banks listed in the Dow Jones Sustainability Index (DJSI).

Investment in CSR activity can be justified as a way to boost both corporate reputation and firm performance because CSR is a mechanism that contributes to restoring a tarnished institute image. Institute, in turn, represents a strategic resource, specifically in the banking sector whose intangible and replicable products need to be differentiated from parallels.

**Isabel-María García-Sánchez and Emma García-Meca (2017)** through a research paper, 'CSR Engagement and Earnings Quality in Banks, The Moderating Role of Institutional Factors' tried to analyse that following CSR practices enhance earnings quality and also differences in earnings quality that is driven by CSR engagement are affected in a complementary or substitutive manner by levels of investor protection and bank regulation for financial institutions across countries.

After analysing 159 banks from 09 countries in the period 2004–2010. Ethics, reputation, and financial performance motivations justify the positive influence of CSR activities on banks' earnings quality. Results confirm that banks conducting

CSR activities select and attract more creditworthy borrowers, which contributes to the higher profit and better asset quality of such banks.

**Sandra Waddock (2018**) in an article, “Beyond CSR to System Change: Creating a New Socio-economic Narrative’ argued that corporate social responsibility (CSR) will be insufficient to generate the transformation needed for businesses, economies, and societies. So a new socio-economic narrative of CSR needs to be created to underpin thinking about economies, societies and nature.

Article highlights the fact that Companies engage in CSR and generally continue with their extant business model rather than changing the business model or narrative about the functions and purposes of businesses in our societies and ecosystems.

The neoliberal narrative of CSR pushes the fact that businesses of all sorts as well as other operational institutions, need to be integral elements of a new approach that incorporates the SDGs and safe operating space for not only for employees but for humanity also along with respect for ecological boundaries.

**Ministry of Corporate Affairs (Government of India) in 2015 constituted a High-Level Committee under the chairmanship of Shri. Anil Baijal** 'to suggest measures for improved monitoring of the implementation of Corporate Social Responsibility (CSR)' was established. India is the first and only country in the world to have statutorily mandated Corporate Social Responsibility (CSR) for certain corporate entities, as defined in the Companies Act, 2013. The year 2014-15 was the first year of implementation of CSR policy. Following are the main key points of this report-

**a.** Development experience suggests that high growth is often accompanied by widening economic inequality. In social indicators such as health and education, India ranks lower than other emerging market economies.

**b.** Corporate Social Responsibility was conceived as an instrument for integrating social, environmental and human development concerns in the entire value chain of corporate business. Ministry of Corporate Affairs had issued "Voluntary Guidelines on Corporate Social

Responsibility, 2009" as a first step towards mainstreaming the concept of Business Responsibilities.

**c.** National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released· by the Ministry of Corporate Affairs (MCA) in July 2011, is essentially a set of nine principles that offer Indian businesses an understanding and approach to inculcate responsible business conduct.

**d.** The principle of NVG was subsequently translated into a and mandatory provision of Corporate Social Responsibility in Section 135 of the Companies Act 2013.

**e.** Section 135 of the Companies Act, 2013 contains CSR provisions, Schedule VII of the Act enumerates the activities ·that can be undertaken under CSR and Companies (CSR Policy) Rules, 2014 prescribe the manner in which the companies can undertake their CSR projects/ programs/ activities. Section 135 amended Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014 were notified on 27th. February 2014 and came into force from 1st April 2014.

**Recommendations of this High-level committee are-**

**1-** The intent of the law is to generate a conducive environment for enabling the corporate to conduct themselves in a socially responsible manner.

**2-** Using corporate innovations and management skills in the delivery of 'public goods' is at the core of CSR practices.

**3-** Schedule VII of the companies Act 2013, has been expanding continuously to accommodate more and more activities.

**4-** There should be a sunset clause of five years, after which the unspent balance of CSR fund should be transferred to one of the funds listed in schedule VII.

**5-** Ceiling on administrative overhead cost should be increased from the present 5% to not more than 10% of the CSR expenditure of the company.

**6-** Engagement of company employees in CSR activities will no doubt generate interest/pride in CSR activity but corporations should not monetize the services of their employees.

This committee successfully tackled most of the issues currently in need. It also states that government funds are against the soul of CSR basics as it bypasses the tools and techniques of corporations towards social upliftment.

After above review of literature, the researcher found that in Indian context most of the work was done to measure the impact of Section 135 of Companies Act 2013 on year to year basis but the comparative analysis of two types of bank groups is not performed till the date. Due to above research gap, the researcher felt that FY 2014-15 to FY2017-18, is perfect for CSR analysis of these bank groups. All these FYs have seen larger amalgamation than ever before. Many large pie holder banks of each sector witnessed heavy gains after these amalgamations. So it felt necessary for the researcher to gain access to these banks' CSR policy, expenditure and its effects onwards.

# CHAPTER 3

# RESEARCH METHODOLOGY

## 3. Introduction

Research is not only an academic activity but this term is suitable for all aspects of life. According to Clifford Woody, the research comprises defining and redefining problems, formulating a hypothesis or suggested solutions; collecting, organising and evaluating data; making deductions and reaching conclusions; and at last, carefully testing the conclusions to determine whether they fit the formulating hypothesis or not.

Slesinger and Stephenson in the Encyclopaedia of Social Sciences define research as **"the manipulation of things, concepts or symbols for the purpose of generalising to extend, correct or verify knowledge, whether that knowledge aids in the construction of theory or in the practice of an art."**

Research is, thus, an original contribution to the existing stock of knowledge making for its advancement. It is the pursuit of truth with the help of study, observation, comparison and experiment.

A research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. A research methodology is also considered as some logic behind the methods we use in the context of our research study and explain why we are using a particular method or technique and why we are not using others so that research results are capable of being evaluated either by the researcher himself or by others.

**Role of a Government:** Government actions are essential for creating an enabling environment for private sector development that causes fewer harms to society and also creates greater opportunities for competitive and responsible private enterprises. The challenge for governmental agencies in promoting a CSR agenda is to identify priorities, raise awareness, create incentives and supports and mobilise resources from cross-sectoral cooperation that are meaningful in the national context as well as for global scenario also. Some key roles which a government actively chooses to engage to promote CSR activities are- the form of laws, regulations, penalties and associated measures. Governments at different levels like in India where three tiers of governance exist; can regulate the behaviour or practice of business by defining minimum standards for business performance embedded within the legal framework

The aim of this study is to make contributions to understanding the changing role of banks in promoting corporate social responsibility. This study is focusing on the analysis of strategies adopted by the banks of India. The study mainly relies on an explanatory framework, leading to the development of a relational analytical framework through the content analysis technique.

The research is based on the analysis of the status, vision, role and modus-operandi adopted by the banks of India. This is necessary to look into this matter as banks are often found in engagement with some social organisations to practice their corporate social responsibility; such as- elected bodies of government, voluntary organisation (NGOs, SHGs, etc.), academic organisations (universities, ITIs, schools, etc.).

The research tries to evaluate the effects of the section,135 of companies act,2013 on nationalised banks. It also compares the corporate social responsibility initiatives and the process of implementation, adapted by the nationalised banks as well as private banks. Also, this study attempts to explore the area wise expenditure of corporate social responsibility initiatives in the alignment of the section,135 of companies act,2103.

This study explores the internal stakeholders' responsiveness towards corporate social responsibility initiatives. Further, branch managers are taken into consideration for this study, because they are the main pillars between the banking industry and customers. Branch managers are a key participant in CSR policy formulation as they are asked for CSR proposals to benefit their nearby areas.

### 3.1 Research Design

The research design refers to the overall strategy that a researcher chooses to integrate the different components of the proposed study in a scientific and logical way. By ensuring this, A researcher will effectively able to address the research problem. It constitutes the blueprint for the collection, measurement, and analysis of data. A research problem determines the type of design you should use, not the others scattered around. ( De Vaus, D. A. *Research Design in Social Research.* London: SAGE, 2001; Trochim, William M.K.)

The functions of a research design are to ensure that the evidence obtained during the research process can effectively address the research problem logically and as unambiguously as possible**.** In social sciences research, obtaining information relevant to the research problem generally entails specifying the type of evidence needed to test a theory, to evaluate a program, or to accurately describe and assess meaning related to an observable phenomenon.

Mixed method research is the type of research in which a researcher or team of researchers combines elements of qualitative and quantitative research approaches (e. g., use of qualitative and quantitative viewpoints, data collection, analysis, inference techniques) for the broad purposes of breadth and depth of understanding and corroboration. (Johnson et al. 2007, p. 123)

Each true mixed methods study has at least one "point of integration" – called the "point of interface" by Morse and Niehaus (2009) and Guest (2013) –, at which the qualitative and quantitative components are brought together. Points of integration are the distinguishing feature of a design based on multiple components. At this point, the components are "mixed", hence the label "mixed methods designs". The term "mixing", however, is misleading, as the components are not simply mixed, but have to be integrated very carefully.

In this research, the researcher attempted to collect the responses of bank managers with the help of a questionnaire. This questionnaire has both types of questions, open-ended as well as close-ended.

Exploratory research is a lot like exploration or detective work fuelled by curiosity and it is advisable for researchers to use their instincts to find clues and venture into new territories in search of information. Flexibility is important in exploratory research and it is bound to result in new ideas, revelations and insights. Corporate social responsibility in its nature is a boundless concept for the new age businesses in a new age of world order. So, to define an ambiguous problem more precisely, to gain a better understanding of an issue and to determine if some research would be practical and to set priorities for the future. This strategy is all seemed good to be fitted here.

Exploratory research often forms the basis for descriptive research and the knowledge acquires through exploratory research is used to select respondents, setting priority issues, framing and asking questions as well as setting the time and place for the respondents like when and where to ask questions.

A descriptive study is one in which information is collected without changing the environment (i.e., nothing is manipulated). It is used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. This method involves a range from the survey to developmental studies. In this study, descriptive research is found useful as respondents for questionnaire are selected on the basis of random sampling and efforts were made to define and describe the behavioural aspect of corporate social responsibility in the Indian context.

**Sequential Transformative Design**[2] has two phases that allow the theoretical perspective of the researcher to guide the study and determine the order of data collection. The results from both methods are integrated together at the end of the study during the interpretation phase. In short, Sequential Transformative Design encompasses qualitative then quantitative or quantitative then followed by qualitative.

### 3.2 Objectives of the Study

1. To compare the corporate social responsibility expenditures of nationalised banks and private sector Indian banks.
2. To analyse the sector wise expenditures of nationalised banks and private sector Indian banks.
3. To investigate the factors affecting corporate social responsibility efforts of banks.

[2] *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*

### 3.3 Sample Description

In research terms, a sample is a group of people, objects or items that are taken from a larger population for measurement. The sample should be representative of the population to ensure that the researcher can generalise the findings from the research sample to the population as a whole.

In this research, the researcher wants to explore the corporate social responsibility practices of banks having a business in India, this can be understood as a sample universe. After purposive sampling, the researcher took 3 nationalised banks and 3 private sector banks as a sampling unit.

There was a total of 19 nationalised banks in India, but after the Amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda in 2019; now nationalised banks are reduced to 17[3]. (December 2018, RBI Data warehouse), namely below-

1. Allahabad Bank
2. Andhra Bank
3. Bank of Baroda
4. Bank of India
5. Bank of Maharashtra
6. Canara Bank
7. Central Bank of India
8. Corporation Bank
9. Indian Bank
10. Indian Overseas Bank
11. Oriental Bank of Commerce
12. Punjab National Bank
13. Syndicate Bank
14. Union Bank of India
15. United Bank of India
16. Punjab & Sind Bank
17. UCO Bank

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[3] *30 august declaration of amalgamation of banks, Nationalised banks shrinked to 12.*

Among the above nationalised banks, top 9 banks (50%) are mentioned below according to their total income in the financial year 2017-18 (as on March 31) in decreasing order.

**Table: 3.1**

**Top 9 Nationalised Banks**

| S. No. | Banks | Total Income (crore) |
|---|---|---|
| **1** | Punjab National Bank | 56876.63 |
| **2** | Bank of Baroda | 50305.69 |
| **3** | Canara Bank | 48194.94 |
| **4** | Bank of India | 43805.17 |
| **5** | Union Bank of India | 37737.86 |
| **6** | Central Bank of India | 26657.86 |
| **7** | Syndicate Bank | 24581.85 |
| **8** | Indian Overseas Bank | 21661.64 |
| **9** | Andhra Bank | 20346.59 |

**Source: https://www.iba.org.in/depart-res-stcs/key-bus-stcs.html**

There is a total of 9 private sector banks currently operating in India. These banks were incorporated as per the revised guidelines issued by the Reserve Bank of India (RBI) regarding the entry of private sector banks in 1993.

1. Axis Bank
2. Development Credit Bank (DCB Bank Ltd)
3. HDFC Bank
4. ICICI Bank
5. IndusInd Bank
6. Kotak Mahindra Bank
7. Yes Bank
8. IDFC
9. Bandhan Bank of Bandhan Financial Services.

Among the above, top 5 private sector banks (50%)[4] are mentioned below according to their total income in the FY 2017-18 (as on March 31) in the decreasing order.

[4] *Round-off to 50%*

**Table: 3.2**

**Top 5 Private Sector Banks**

| S. No. | Banks | Total Income (crore) |
|---|---|---|
| **1** | HDFC Bank Limited | 95461.66 |
| **2** | ICICI Bank Limited | 72385.52 |
| **3** | Axis Bank Limited | 56747.4 |
| **4** | YES Bank | 25491.25 |
| **5** | Kotak Mahindra Bank Ltd. | 23800.71 |

**Source: https://www.iba.org.in/depart-res-stcs/key-bus-stcs.html**

## Valid Sample Size

For this study, the researcher took top 3 banks from each sector, namely- Punjab National Bank, Bank of Baroda, Canara Bank, HDFC Bank Limited., ICICI Bank Limited., Axis Bank Limited. Thus a total of 6 banks was analysed for this study.

## Sampling Procedure

A sampling procedure is a method for selecting sample members from a population. It can also be termed as a technique for choosing the part of a population to test the results about the entire population. Keeping this in mind the researcher chosen appropriate sampling procedure to get the results for this study.

**Purposive sampling** (also known as judgment, selective or subjective sampling) is a sampling technique in which the researcher relies on his or her own judgment when choosing members of the population to participate in the study. Purposive sampling is a non-probability sampling method and it occurs when elements selected for the sample are chosen by the judgment of the researcher. Researchers often believe that they can obtain a representative sample by using a sound judgment which will result in saving time and money.

For the selection of 6 banks, purposive sampling was applied. The purpose was based on the requirement of study as the researcher wants to analyse the current efforts made by top 3 nationalised and private sector banks to enhance the corporate social responsibility efforts.

Top 3 banks from each category were drawn on the basis of this sampling method because these selected banks represent more than 75% income of their respective category. Hence the results of this study would be able to generalise.

There are 5 states which able to get top positions in Crisil-Inclusix, 2018 (volume 4). Delhi (NCT) is the only state which has bagged the highest numbers of new bank branches of nationalised and private banks(as of December 2018). It also has the highest population density among all top 5 states, which further leaves larger space for CSR practices.

**Table: 3.3**

**Top 5 States in Crisil-Inclusix 2018**

| S. No. | States | Branches opened in FY 2017-18 | Population density |
|---|---|---|---|
| **1** | Kerala | 51 | 860 |
| **2** | Goa | 5 | 394 |
| **3** | Puducherry | 7 | 2547 |
| **4** | Chandigarh | 10 | 9258 |
| **5** | Delhi NCT | 56 | 11320 |

**Source: https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!17**

There are 11 districts in Delhi, NCT (according to delhi.gov.in). As mentioned below-

- Central Delhi
- East Delhi
- New Delhi
- North Delhi
- North East Delhi
- North West Delhi
- Shahdara
- South Delhi
- South East Delhi

- South West Delhi
- West Delhi

The researcher randomly selected 5 districts out of 11. Thus, districts covered under survey are- New Delhi, Central Delhi, North Delhi, West Delhi, South Delhi.

**Convenient sampling** (also known as availability sampling) is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in the study. Convenient sampling is a type of sampling where the first available primary data source will be used for the research without additional requirements. In other words, this sampling method involves getting participants wherever a researcher can find them. In convenience sampling, no inclusion criteria identified prior to the selection of subjects. All subjects are invited to participate.

For the selection of respondents, this sampling method seemed fruitful for this study. Hence primary data was collected by using convenient sampling method. For this, the researcher chosen the branches located in Delhi (NCT) for the collection of responses from branch managers of above 6 sampled banks.

### 3.4 Sources of Data Collection

An approach for this research is survey method. Normally a researcher can gather data from two sources namely, primary and secondary. Data gathered through the questionnaire or survey is primary data and the data acquired from optional sources like- magazines, books, documents, journals, reports on the web and more; represents secondary data.

**Secondary Data:** A researcher can break the sources of secondary data into internal as well as external sources. Inner sources incorporate data that exists and is stored in an organization. External data refers to the data that is gathered by other individuals or associations from your association’s outer environment. This study is based on both kinds of data sources which includes-

- Information collected from Head Offices
- Annual financial reports

- Inventory records
- Foundations
- Media (Including telecast, print and Internet)

**Primary Data:** A researcher gathers this type of data particularly with the end goal of a research venture. Leverage of primary data is that it is particularly customised for analysis needs. Primary data is also called the raw information, the information gathered from the first source to obtain responses like a questionnaire in this study. Present study accommodated 50 % of respondents from each category of banks, namely- nationalised and private as well. To give equal weight to each category and make this research easily understandable to all stream scholars, the researcher chooses this option. This approach also made calculations easy.

**Table: 3.4**

**Sample Description**

| Type of Banks | Number of Respondents | Percentage of Respondents |
|---|---|---|
| **Nationalised** | 75 | 50 % |
| **Private Sector** | 75 | 50 % |
| **TOTAL** | 150 | 100 % |

**Source: Discussion with Supervisor**

## 3.5 Data Collection Tool

To achieve the aim of this study, a structured questionnaire was used to collect data; having both types of questions, close-ended as well as open-ended. Corporate social responsibility has an umbrella effect on all stakeholders so this type of combination of questions was necessary to get capture every aspect of the current scenario of activities. Close-ended questions are necessary for assessing the values behind current practices having limited aspects. While open-ended questions felt necessary for the futuristic approach to be considered with wide aspects.

## 3.6 Research Strategy

There was a total of 21 items in the questionnaire. Out of which, 7 items were related to getting the priority of banks' about Corporate social responsibility practices (this has been rated with five-point Likert scale, ranging from strongly agree to strongly disagree). 6 items were there to measure the banks' approach for internal stakeholders and 3 descriptive items were there for tracing roadmap for pan-India programmes and to get suggestions regarding current practices of CSR in India.

For achieving the **first objective**, the researcher analysed annual financial reports of the banks for the FY 2014-15 to FY 2017-18. The researcher collected secondary data with the help of Right to Information Act, 2005 from nationalised banks, namely- Punjab National Bank, Bank of Baroda, Canara Bank. for the comparison between expenditure on CSR of nationalised and private sector banks.

For the **second objective**, the researcher identified some common sectors of CSR expenditure among all valid sample of banks. The data for these CSR expenditures are obtained with help of Right to Information Act, 2005 from nationalised banks, namely- Punjab National Bank, Bank of Baroda, Canara Bank. Common sectors are identified to get real and valid results. Keeping the point in mind that for the referenced year no fund should be dropped, the researcher took all non-common sectors under all others row/column.

For the **third objective**, the researcher categorised all primary data in a manner which might be helpful for better understandings to the other scholars. To get the fact about fund allocations, the researcher put all data together in a table and also represented all that data in a graph. Here, the analysis posed a better comparison between nationalised and private sector banks.

### 3.7 Scaling Technique

The scaling technique used for this study is ordinal. Ordinal scale reports the ranking and ordering of the data without actually establishing the degree of variation between them. The Likert scale is a variant of the ordinal scale that is used to get the responses of the bank managers about respective CSR activities.

### 3.8 Sample Description in Brief

The sample of this study is a true representative of the banking sector of India. All banks included in this study are collectively larger than the Gross Domestic Product (GDP) of some of the states.

## 1. Punjab National Bank

Punjab National Bank (PNB) is an Indian multinational bank, based in New Delhi, India. The bank has over 110 million customers, 7133 branches (as on October 2018) and 10681 ATMs across 764 cities. PNB is the first Indian bank to have been started solely with Indian capital that has survived to the present. PNB has had the privilege of maintaining accounts of national leaders such as Mahatma Gandhi, Jawahar Lal Nehru, Lal Bahadur Shastri, Indira Gandhi, as well as the account of the famous Jalianwala Bagh Committee.

A pioneer association of wives of senior Executives of the Bank under the aegis of 'PNB Prerna' supports CSR initiatives of the Bank and a number of CSR activities have been undertaken since its inception. Besides, the Bank contributes to social development by way of various trusts and institutes such as PNB Farmers Welfare Trust, PNB Centenary Rural Development Trust (PNBCRDT), Farmers' Training Centres (FTCs), Rural Self Employment Training Institutes (RSETIs) etc. PNB Hockey Academy is one of the major initiatives towards supporting the national game. This academy nurtures young and talented players by providing all logistic support and prepares them for the national team.

During the period from 2017 to 2018, a sum of 2861.82 lakh has been incurred on CSR initiatives with details as under-

- Spreading literacy through the distribution of learning kits
- Donation to charitable trusts
- Social service like- organizing tree plantation, promoting the use of renewal source of energy like solar power, wood power, tidal power
- Free Health Checkup camps
- Blood donation camps
- Free distribution of artificial limbs
- Supporting underprivileged and downtrodden sections of society, orphanages etc
- Community service by providing water cooler, health & sanitation
- Opening & Maintaining Library & Reading Rooms

### 2. Bank of Baroda

Bank of Baroda was founded by the Maharaja of Baroda, Maharaja Sayajirao Gaekwad III on 20 July 1908 in the Princely State of Baroda, in Gujarat. Approximately 10 banks have been merged with the Bank of Baroda during its journey so far. Bank of Baroda is amongst first in the industry to complete all inclusive customer-centric initiatives like- setting up of specialized NRI Branches, Gen-Next Branches and Loan Factories with an assembly line approach of processing loans for speedy disbursal for all types of needs.

Bank has a long tradition of contributing actively to the social and economic development of the communities in which it operates through various development activities in the realm of education, health, human welfare and other social activities. Some are below-

- To promote self-employment on a sustained scale to the unemployed rural youth by providing them training and handholding support, the bank has set up 49 Baroda Swarojgar Vikash Sansthan (Baroda-R-SETI) in seven states.
- Bank has also established 51 Financial Literacy and Credit Counseling Centres (FLCC) in the name of 'SAARTHI' in nine states to provide the financial counselling services, financial literacy and awareness of banking services in rural and urban areas.

Bank's lead districts program is running in 44 districts of 6 states.

**Table: 3.5**

**State wise Distribution of Lead District Programme**

| S. No. | State | No. of Lead Districts |
|---|---|---|
| **1** | **Gujarat** | 12 |
| **2** | **Uttar Pradesh** | 14 |
| **3** | **Uttaranchal** | 2 |
| **4** | **Rajasthan** | 12 |
| **5** | **Madhya Pradesh** | 2 |
| **6** | **Bihar** | 2 |

**Source: www.canarabank/annualreports/pdf.**

### 3. Canara Bank

Canara Bank was established at Mangalore in 1906 by Ammembal Subba Rao Pai. It is one of the oldest public sector banks in the country. The bank had a network of 6506 branches and more than 8851 ATMs (31 March 2019) which is spread across 4467 centres. The bank also has offices in abroad.

CSR initiatives of the bank are multifarious, covering activities, like- training unemployed rural youths, providing primary health care, drinking water, community development, empowerment of women and other social initiatives.

- **Rural Development**

The Bank, through its Canara Bank Centenary Rural Development Trust (CBCRDT), has established 34 exclusive training institutes, including 26 Rural Self-Employment Training Institutes (RSETIs), 5 Institutes of Information Technology and 3 Artisan Training Institutes to promote entrepreneurship development among rural youth and encourage them to take up self-employment activities. The Bank has co-sponsored another 27 Rural Development and Self Employment Training Institutes (RUDSETIs) across 17 States, engaged in training of rural youth for taking up self-employment programs.

- **Environment Protection**

The Bank has undertaken an ambitious project of providing RO water plant for pure drinking water to Sree Sreekanteshwara Swamy Temple Trust, Nanjangud, Mysore.

- **Health care for the Underprivileged**

2D Echocardiography Colour Doppler Systems are provided freely for the treatment of underprivileged and also provided Auto haematology analyzer to Arogya Kendra (Primary Health Centre), Gollahalli, Bangalore. E-Rickshaw was donated for transporting patients from one place to another in hospital campus at ICMR- NIRTH Jabalpur, Bhopal.

- **Canara Vidya Jyothi Scholarship scheme to meritorious SC/ST Girl Students**

The scholarship was provided for those studying in Government and Government aided schools for the fifth successive year and 10,518 students have been benefitted utilizing a total amount of `3.99 crores.

- **Financial Assistance to combat Poverty & Child Development**

The Bank has given financial assistance to the Academy of Magical Sciences, Trivandrum for construction of House to street magicians.

- **Supporting Persons with Disability to lead a better life**

The Bank assisted M/s Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), an artificial limbs manufacturing NGO at Jaipur, for distributing tricycle and artificial limbs and partnered with M/s Banyan, Chennai for a Rural Mental Health Programme (RMHP).

**4. HDFC Bank**

HDFC Bank Limited is an Indian banking and financial services company headquartered in Mumbai. HDFC Bank' was incorporated on August 1994, when the Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector. HDFC Bank is India's largest private sector lender by assets. HDFC Bank merged with Times Bank in February 2000. This was the first merger of two private banks in the new generation private sector banks category. HDFC bank has 4787 branches across India. HDFC Bank has been publishing its Annual Sustainability Report for five consecutive years.

As a step towards progress, the Bank, through Parivartan is reaching out to communities to help them shift from a vicious cycle of poverty to a pattern of growth and empowerment. The CSR initiatives of HDFC Bank are driven by the ideology of giving back to society in a meaningful way. The Bank works directly through its businesses and in partnership with various Non-Governmental Organisations (NGOs) to create social value. Parivartan addresses the need for socio-economic empowerment through its five distinct areas of intervention:

**1. Financial Literacy and Inclusion**

In FY 2017-18, over 19 lakh participants have benefitted through workshops held at literacy camps and banking outlets conducted by Business Units as well as NGO partners. Digidhan or Dhanchayat is the Bank's financial literacy programme on wheels. Through this programme, people in rural areas are educated about the risks of borrowing from the unorganised sector. Through this, they are also informed about the benefits of digital banking. Awareness is imparted through a film created by the Bank under the aegis of its Swachh Banking CSR initiative. The Dhanchayat vans are equipped with micro-ATMs and biometric facility which enable instant e-KYC and Re-KYC using Aadhar Card while visiting the villages.

Multi-function Terminals (MFTs), popularly known as Milk-to-Money ATMs were developed as a unique solution to improve the efficiency of the dairy supply chain. These are deployed in the dairy societies to facilitate transparency in the milk procurement and payment process.

The campaign ‘Bank Aapki Mutthi Mein’ was the starting of the digital journey of the Bank. Digitization within the Bank has certainly given customers, a convenient banking experience while also decreasing the Bank’s carbon footprint by minimizing footfalls and physical transactions at ATMs and Branches.

**2. Rural Development**

Holistic Rural Development Programme (HRDP) is the Banks flagship project within Parivartan. Spread over 16 states, the programme covers over 2.9 lakh households across 870 villages. Over 18,000 acres of arable land have been treated to enhance productivity. In FY 2017-18, Umpathaw in Meghalaya became the 750th village to be covered under this programme. Some initiatives are mentioned below-

- Soil conservation also encompasses educating people about the use of organic fertilisers.
- Water management includes construction, renovation and maintenance of water harvesting structures for improving surface and groundwater availability.
- Likewise, educating people on renewable energy often forms part of the natural resource management efforts.
- 47 Grain Banks have been set up to mitigate food security problems across 21 villages from 4 districts.

**3. Promoting Education**

The programmes focused on teacher training encompass training in alternate pedagogy and soft skills, promoting innovation through identification, replication of innovative practices and Teacher Learning Material. The initiative works towards improving the quality of education through remedial classes, learning camps, special scholarships etc. It also helps in improving school infrastructure through refurbishment, library set up, science labs, sports material provision, building toilets in schools and improving classrooms.

- A zero-investment idea on 'Community Participation' by a village teacher at Prathmik Vidyalaya has been adopted in more than 12,500 schools.
- Through 57 Masti ki Paathshalas, over 5,450 children are being educated and engaged. Zero Investment Innovations for Education Initiatives (ZIIEI) is one of the largest programmes of the Bank under education. It is a platform to recognise and encourage innovation in education across state-run schools. Started in 2016 as a pilot project in Uttar Pradesh, has now extended to 12 states and 1 Union territory.
- The Bank intends to improve the quality of education for students of government schools in remote locations through Project 'Disha'. To implement this, the Bank has partnered with Magic Bus India Foundation.

**4. Skill Training and Livelihood Enhancement**

To upskill people and to enable beneficiaries to earn a living, the Bank initiated the Skill Training and Livelihood Enhancement programme. This programme is focused on people in rural India especially women and youth, with the objective to help these people find jobs locally, enhance their income and prevent migration. Sustainable Livelihood Initiative is a unique programme of the Bank, which aims at 'Creating Sustainable Communities' by empowering women and helping them break the vicious circle of poverty. The Bank believes that empowering women is equivalent to empowering families.

**5. Healthcare and Hygiene**

The core programs are community-led sanitation campaigns that promote hygienic conditions in rural areas through appropriate wastewater and sewage disposal. These initiatives are supplemented by the construction of toilets and provision of clean drinking water.

- The annual blood donation drive of the Bank has been recognised by Guinness World Records as the largest effort of its kind for collecting the highest units of blood in a single day. In FY 2017-18, approximately 2,19,000 units were collected which was almost 30 per cent higher than the previous year.

- The Banks projects work on setting up separate sanitation units for boys and girls in schools, ensuring adequate water supply in the units and bringing about behavioural change in students through the WASH program.

**5. ICICI Bank**

ICICI Bank Limited is an Indian multinational banking and financial services company headquartered in Mumbai, Maharashtra. As on March 31, 2018, the bank has a network of 4867 branches. ICICI Foundation for Inclusive Growth was founded by the ICICI Group in early 2008 to continue building upon the ICICI Group's legacy of promoting inclusive growth. The Foundation has been carrying out the Corporate Social Responsibility (CSR) mandate of the ICICI Group. Foundation is continuously trying to promote inclusive growth in India through focused initiatives in the identified areas, including primary healthcare, elementary education, skill development and sustainable livelihood, financial inclusion and rural development. Some of the CSR activities are mentioned below-

**ICICI Digital Villages programme: Economic Inclusion Model**

The programme follows a comprehensive strategy for addressing the various challenges faced by the rural population of the country. It has four components, skill development, providing credit linkages, facilitating market linkages, and digitising transactions. In FY2018, we trained more than 87,000 individuals under this programme, of which 63% were women. Over 75% of the trained individuals have been linked to the market for selling their produce.

**ICICI Academy for Skills**

In 2013, ICICI Foundation had launched a national-level initiative, ICICI Academy for Skills (ICICI Academy). The aim was to meet the demand for skilled labour and create sustainable livelihood opportunities for underprivileged youth. Presently, the Academy offers industry-relevant and job-oriented vocational training in 10 technical and office skills at 24 academies across the country. ICICI Academy for Skills provides placement assistance to its trainees through industry partnerships and has continued to achieve 100% placement for all the youth trained at the Academies.

In FY 2017-18, the ICICI Academy for Skills has trained 28,000 urban youth across India, with 100% placement and 40% women participation.

**ICICI Rural Self Employment Training Institutes (RSETIs)**

ICICI Foundation operates two RSETIs at Udaipur and Jodhpur. The ICICI RSETIs are driven by the need to provide employment opportunities to the semi-urban and rural youth that belong to marginalised communities. Apart from the residential centres in both these districts, ICICI RSETIs has initiated many innovative approaches, such as setting up block-level satellite centres in both the districts. At present, 16 satellite centres are successfully running skill development training. ICICI RSETIs provide wage-employment/ self-employment opportunities for all the candidates and the settlement rate is over 70%. In FY 2017-18, ICICI RSETI has trained more than 15,000 youth, with 61% women participation.

**Elementary Education**

ICICI Foundation had entered into six-year collaborative partnerships, with the Government of Rajasthan and Government of Chhattisgarh, with the objective of facilitating child-centric learning environments in government schools across the states. The programme was in line with the National Curriculum Framework (NCF) 2005, National Curriculum Framework for Teacher Education (NCFTE) 2009, and Right to Education (RTE) Act, 2009.

**Other Initiatives**

Financial inclusion is an integral part of the vocational training undertaken by ICICI Foundation, across all our programmes. ICICI Bank set up Disha Trust in 2012. The operations of Disha Trust are being managed by ICICI Foundation. Disha Trust currently focuses on improving financial literacy through outreach events. In FY 2018, over 2,50,000 individuals were provided with financial literacy training.

Blood-donation camps provide an ideal platform for ICICI Group's employees for volunteering. Blood donation takes only 15 minutes per donor, and it provides an opportunity for the employees to participate in a noble cause.

Daan Utsav is celebrated every year in the country as the festival of giving. Daan Utsav, earlier called the Joy of Giving Week, was pioneered by GiveIndia (Give

Foundation) in the year 2009, and ICICI Group has been participating in Daan Utsav since 2012. ICICI Bank also enables its customers to participate in Daan Utsav through various digital channels, including e-mailers, SMS and ATMs.

**6. Axis Bank**

Axis Bank is the third-largest of the private-sector banks in India with more than 4000 branches. Its head office is located in Mumbai, Maharashtra. The primary purpose of the Bank's CSR philosophy is to make a meaningful and measurable impact in the lives of economically, physically and socially challenged communities of the country through an integrated approach of development focusing on creating sustainable livelihoods, financial inclusion and literacy, environmental sustainability, education and skill development. CSR initiatives are driven directly as well as through the Axis Bank Foundation. The Axis Bank Foundation was formed in 2006 as our CSR arm with an aim to provide CSR interventions greater focus and structure.

The Bank undertakes several CSR programs guided by its Policy on Corporate Social Responsibility. The activities are implemented by the Bank or by the Axis Bank Foundation(ABF) or through any other Trust or agencies and entities as deemed suitable. Partnering with reputed NGOs across the length and breadth of India since it was set up, ABF has created 1 million livelihoods in September 2017 of which 63% were women. ABF now aspires to reach out to 2 Million Households by 2025.

Many of the ABF-supported programs are closely aligned with the Government of India's rural development schemes such as The Mahatma Gandhi National Rural Employment Guarantee Act and Pradhan Mantri Krishi Sichai Yojana. In the FY 2017-18, ABF organized its 3rd Annual Conference on 14th March 2018 at Mumbai, with the theme 'Partnerships for Sustainable Development Goals'.

In the FY 2017-18, the Bank launched 'Axis DilSe – Connecting Remote Communities', an ambitious initiative to reach out to the remote communities in the Ladakh region of Jammu & Kashmir. The three-year program aims to transform over 100 village schools in Leh and Kargil districts by creating as well as strengthening physical and educational infrastructure. The initiative is in alignment with the

Government of India's 'Border Area Development Program' (BADP) that aims to promote growth and development in underserved border villages.

Aligning with the Government's Digital India programme and its impetus on digital financial transactions, the Bank introduced the Digi Support program as an extension of its ongoing Digi Prayas program, wherein new branches opened in rural or unbanked geographies aim to educate and empower the villagers/local communities around them. In the FY 2017-18, the Bank launched its initiative - 'Connecting Borders', in Kohima, Nagaland by adopting 20 villages where it conducted financial literacy camps.

Six new programs through reputed partner NGOs were taken up during the year covering various activities, including environmental sustainability, financial literacy, health, livelihoods and skilling. The Bank also collaborated with a reputed NGO to create awareness on the Rights of Persons with Disabilities (RPWD) Act and to train organizations involved in skilling the Persons with Disabilities (PwDs) to ensure that the PwDs are included in the workforce.

The Bank, in a pioneering initiative, extended support to the 'Buddha Fellowship' program which is an attempt to bridge the human resource gap faced by the developmental sector by engaging with bright young minds from reputed educational institutes like the IIM, IIT, etc. to enable the youth to do fieldwork in NGOs and government.

The tabular presentation of the number of respondents of each banks is as follows-

**Table: 3.6**
**Tabular Presentation of Samples**

| S. No. | Type of Banks | Name of Banks | North Delhi | South Delhi | West Delhi | Central Delhi | New Delhi | Total Number of Branches |
|---|---|---|---|---|---|---|---|---|
| 1 | Nationalised Banks | PNB | 5 | 5 | 5 | 5 | 5 | 25 |
| | | BOB | 5 | 5 | 5 | 5 | 5 | 25 |
| | | CANARA | 5 | 5 | 5 | 5 | 5 | 25 |
| 2 | Private Sector Banks | HDFC | 5 | 5 | 5 | 5 | 5 | 25 |
| | | ICICI | 5 | 5 | 5 | 5 | 5 | 25 |
| | | AXIS | 5 | 5 | 5 | 5 | 5 | 25 |
| **Grand Total** | | | | | | | | **150** |

**Source: Discussion with Supervisor**

As above table represents that 5 branches from each district are taken in to survey, this is because the researcher wants to cover more or equal to 50% geographical area of each district and also5 branches were the maximum common number of branches (if each and every bank was considered).

### 3.9 Data Analysis Tests

As this study covers various aspects of corporate social responsibility practices and explorative in nature, so various data analysis tests were found to be useful such as- Reliability, Validity, Frequency, Relational content analysis, measures of central tendency. The software used for this study is- **SPSS v25[5], MS Excel 2007, Zotero and Citation Machine.**

#### 3.9.1 Reliability and Validity

**Reliability** is a measure of the stability or consistency of test scores. A researcher can also think of it as the ability for a test or research findings to be repeatable. Cronbach's alpha is such a tool for measuring internal consistency for tests with multiple possible answers. After using the SPSS software scale recorded Cronbach's alpha coefficient value. (Reliability coefficient of .70 that is considered "acceptable" in most social science research situations).

**Formula for the Cronbach's alpha[6]:**

$$\boldsymbol{\alpha} = \frac{\mathbf{N} \cdot \bar{\mathbf{c}}}{\bar{\mathbf{v}} + (\mathbf{N} - \mathbf{1}) \cdot \bar{\mathbf{c}}}$$

In this formula,

**N** = the number of items
$\bar{\mathbf{c}}$ = the average inter-item covariance
$\bar{\mathbf{v}}$ **=** the average variance.

**Table: 3.7**
**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | Number of Items |
|---|---|---|
| .745 | .802 | 18 |

**Source: SPSS Results1**

5 *Trial Version form IBM*
6 *Mohsen Tavakol and Reg Dennick. Making Sense of Cronbach's Alpha. International Journal of Medical Education. 2011; 2:53-55 Editorial*

Above table shows the results of **Cronbach's alpha is .745[A]** which establishes that the scale used for this study is highly reliable and capable of giving similar results following a recurrence of the study.

**Validity** simply means that a test or instrument is accurately measuring what it's supposed to. Content validity is defined as "the degree to which items in an instrument reflect the content universe to which the instrument will be generalized" (Straub, Boudreau et al. 2004). Content validity involves evaluation of a new survey instrument in order to ensure that it includes all the items that are essential and eliminates undesirable items to a particular construct domain (Lewis et al., 1995, Boudreau et al., 2001). The judgmental approach to establish content validity involves literature reviews and then follow-ups with the evaluation by expert judges or panels. The final evaluation to retain the item based on the CVR is depends on the number of panels. This formula yields values which range from +1 to -1; the mean content validity ratio (CVR) may be used as an indicator for overall test content validity.

**Lawshe's Method,** The content validity ratio (CVR) proposed by C. H. Lawshe (1975) is a linear transformation of a proportional level of agreement on how many "experts" within a panel rate an item "essential" calculated in the following way

**Formula for the Content Validity Ratio:**

$$\mathbf{CVR}^{7} = \frac{ne - \frac{N}{2}}{\frac{N}{2}}$$

In this formula,

**ne** = the number of panel members indicating "essential"

**N** = the total number of panel members

For this study, CVR was calculated by contacting the subject matter expert. For each item, this question was asked to experts; Is the skill (or knowledge) measured by this item- Essential ?/ Useful but not essential ? why ?/ Not necessary ? why ?

The number of Experts = 5

The number of items = 27

---

[7] *Content Validity Ratio*

**The mean CVR was calculated = 0·541.** Thus, overall content validity of instrument is quite good for further study.

### 3.9.2 Demographic Analysis of Respondents

The initial questions of questionnaire represented the information about demographic characteristics of respondents. The data was analysed by using frequency, percentage and distribution method.

- **Gender wise**

**Table: 3.8**

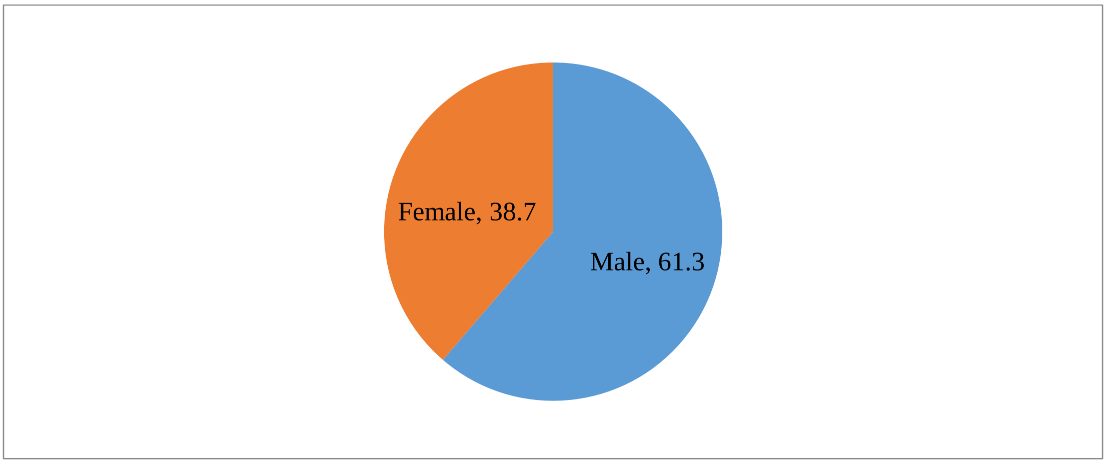
**Gender wise Distribution of Respondents**

| | | Frequency | Percent | Valid Percent | Cum[8]. Percent |
|---|---|---|---|---|---|
| **Valid** | **Male** | 92 | 61.3 | 61.3 | 61.3 |
| | **Female** | 58 | 38.7 | 38.7 | 100.0 |
| | **Total** | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

Table: 2 shows the details about the size of the respondents according to their gender. Out of 150 respondents, 92 were males and 58 are females. Further, this constitutes 61.3 % males have participated and 38.7% females also took part in this survey. The graphical representation of these data are as follows

**Graph: 3.1**




**Gender wise Presentation of Respondents/ Source: Primary Data**

[8] *Cumulative*

- **Education wise**

**Table: 3.9**

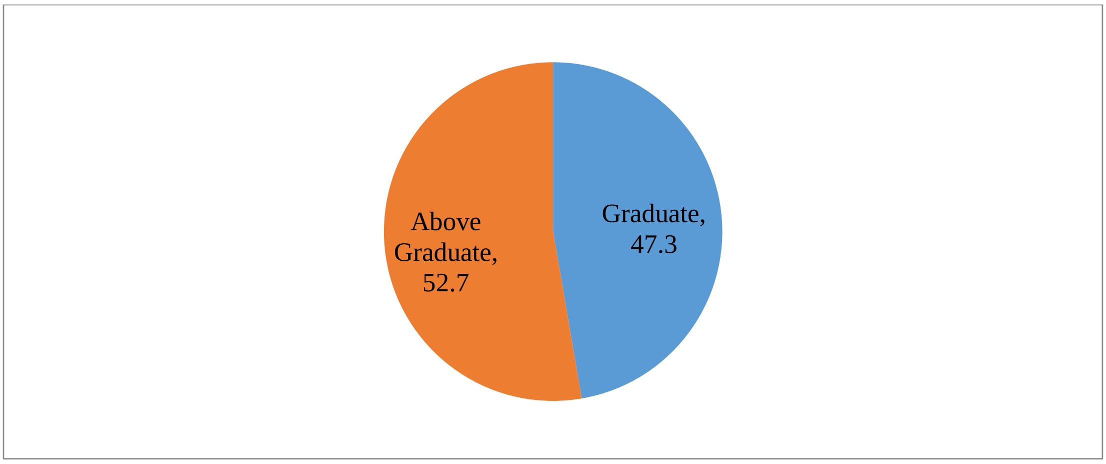
**Education wise Distribution of Respondents**

| | | **Frequency** | **Percent** | **Valid Percent** | **Cum[9]. Percent** |
|---|---|---|---|---|---|
| **Valid** | **Graduate** | 71 | 47.3 | 47.3 | 47.3 |
| | **Above Graduate** | 79 | 52.7 | 52.7 | 100.0 |
| | **Total** | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

Table: 3 shows the details about the size of the respondents according to their educational qualification. Out of 150 respondents, 71 were graduate and 58 are above graduate. Further, this constitutes 47.3 % graduates have participated and 52.7% above graduates also took part in this survey. The graphical representation of these data are follows.

**Graph: 3.2**




**Education wise Presentation of Respondents/ Source: Primary Data**

[9] *Cumulative*

# CHAPTER 4

# CORPORATE SOCIAL RESPONSIBILITY EXPENDITURES OF BANKS

## 4. Introduction

By practising corporate social responsibility, corporations can mitigate the negative impacts of their business operations in all aspects including economic, social, and environmental. Corporate social responsibility is a broad concept that can grab many forms depending on the company, industry and also geography. CSR is important for both- community as well as for corporations.

Past few years witnessed a rising emphasis on banks' Corporate Social Responsibility (CSR). A simple definition refers to CSR for banks is how they consider the impact on society occurred due to their operational activities. CSR can be also, termed as a self-regulating mechanism whereby banks would monitor and ensure their adherence to the law, ethical standards, and international norms to produce an overall positive impact on society. Nearby community involvement is the basis of all accomplished CSR policy initiatives and extends far beyond the standard charitable measures.

Innovative and targeted Corporate social responsibility (CSR) practices aim to have positive impacts on the environment and stakeholders including consumers, employees, investors, communities and all others. CSR is not only about the business regulations but also pushes the business to success through balanced, voluntary approaches to social and environmental concerns helpful to society at large. The current economic growth in India depends on a well organised financial system which comprises a sub-system of financial institutions, financial market and financial instruments (Sarita Moharana, 2013). The CSR practices have started a long time ago but the implementation and its awareness in India were slow. This credit goes to RBI, in focusing the CSR practices in Indian Banking sector by passing a circular in the year 2007 directed banks to undertake CSR initiatives for sustainable development (Namrata Singh et al., 2013). The banks make a large contribution to the country's GDP growth, meeting the demand of the lower and middle class, reaching out to the semi-urban and rural areas. The reserve Bank of India (RBI, 2011) suggested the need for CSR and asked banks' to pay attention to social and environmental concerns in business for sustainable development of the country. The activities like- hunger and poverty eradication, health care, rural development, sponsorship for the athletes, self-employment training and financial literacy training, infrastructure development, education and environmental sustainability etc. are carried out by banks.

The banking sector has gained more importance in today's world. The economy of the country in one way is reflected by the performance of the banks. With the advanced change in technology, the banking sector has tapped all the unreached areas in the last few years and also giving back the society with social welfare activities. Many researches suggests that If the company shows the interest in the wellbeing, welfare (environment, health, education, secured working environment) and fair treatment of its employees (fair rewards for their performance, extended family welfare schemes), the morale and loyalty of the company increases thereby reducing the absenteeism and employee turnover which indirectly increases the productivity and reduces the costs of hiring, training and attracts the talents. When the company cares about its customers by providing safe products, services and also essential life support facilities that satisfy the need and demand will lead to earning customer trust and loyalty which advantages company to increase its market share and profit, add to brand value and reputation of the company (Arpita Ghosh, 2013).

Studies say that banks are performing very well than in the past. They have started contributing to CSR activities by all means. Most of the banks whether it is private, public or foreign banks, have taken corporate social responsibility as one among their priorities. Further, it is established that the public sector banks are more involved in CSR activities directly and the foreign banks are least involved directly. Perhaps the main reason behind this is the lesser connection with communities and local issues. It can be understood that CSR is now an integral part of the functioning of an organisation. The performance of a business should be judged beyond the financial parameters.

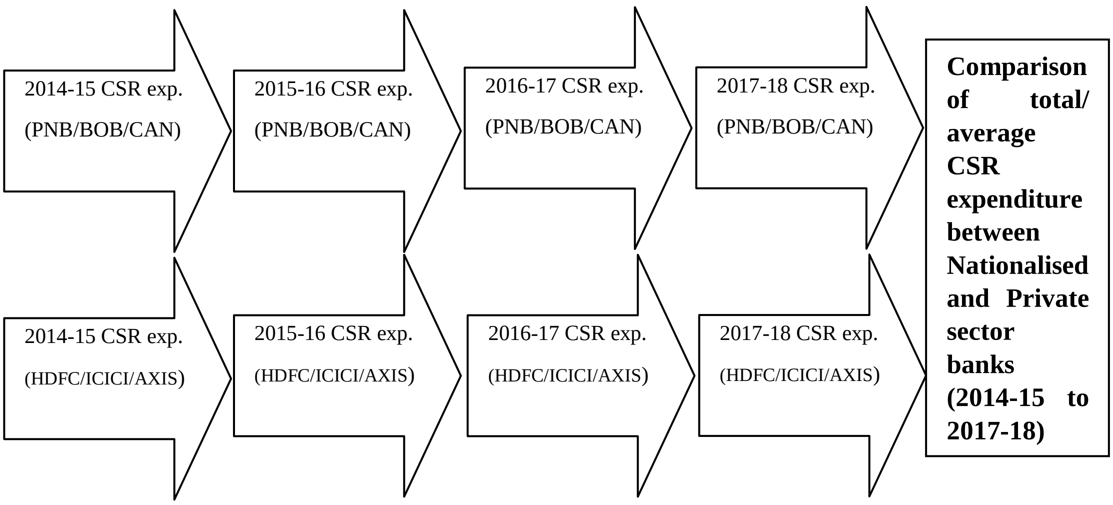
While considering the Indian context, it can be observed that mandatory provision for CSR fund brought more companies into the fold. Also, it is likely that the total CSR spends will increase with profit. A clear message to many companies by this step is, that if increased spending is to achieve results on the ground then it needs to be done strategically, systematically and thoughtfully.

After data collection from the bank managers, the researcher analysed all these data and presented the results in an easily understandable manner with the help of charts and graphs. The researcher analysed corporate social responsibility expenditures for the FY 2014-15 to 2017-18 of all sampled banks separately then integrated these data to get the final output.

**First** is 'To compare the corporate social responsibility expenditures of nationalised banks and private sector Indian banks' and the **second** one is 'To analyse the sector-wise expenditure of nationalised banks and private-sector Indian banks.' Data for these two purposes were collected with the help of Right To Information Act, 2005 and content analysis of Annual Financial Reports from FY 2014-15 to FY 2017-18 of sampled banks available on the CSR Box. Details of data analysis are as follows-

### 4.1 To compare the corporate social responsibility expenditures of nationalised banks and private sector Indian banks.

**Graph: 4.1**




**Pictorial Representation of strategy-1/ Source: Discussion with Supervisor**

**Table: 4.1**

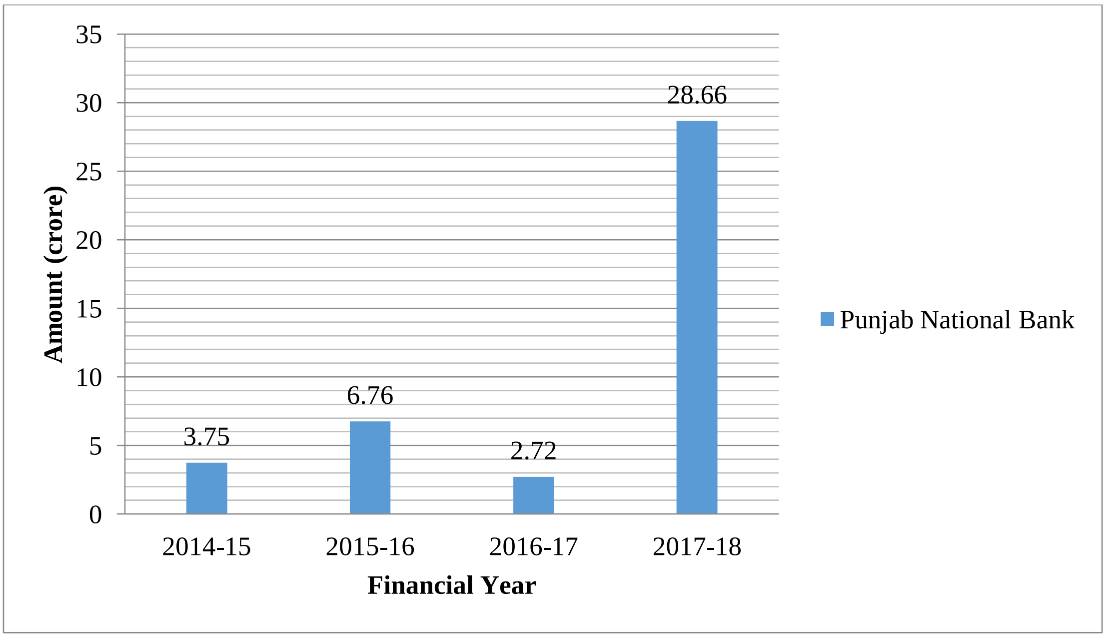
**CSR Expenditures of PNB**

| S. No. | Financial Year | Expenditure (crore) |
|---|---|---|
| **1** | 2014-15 | 3.75[10] |
| **2** | 2015-16 | 6.76[11] |
| **3** | 2016-17 | 2.72[12] |
| **4** | 2017-18 | 28.66 |

**Source: RTI cell & CSR Box Reports**

Table 4.1 shows the data pertaining to the corporate social responsibility (CSR) expenditures of Punjab National Bank. The data was collected with the help of Right to Information Act 2005 and annual financial reports of the respective years. CSR expenditure of PNB was growing rapidly except the FY 2016-17.

**Graph: 4.2**




**Comparison of CSR Expenditures of PNB/ Source: RTI cell & CSR Box Reports**

Graph 4.2 shows that the comparison between the CSR expenditures of PNB for the different above mentioned financial years.

---

10 *Core CSR expenditure*
11 *Core CSR expenditure*
12 *Core CSR expenditure*

**Table: 4.2**

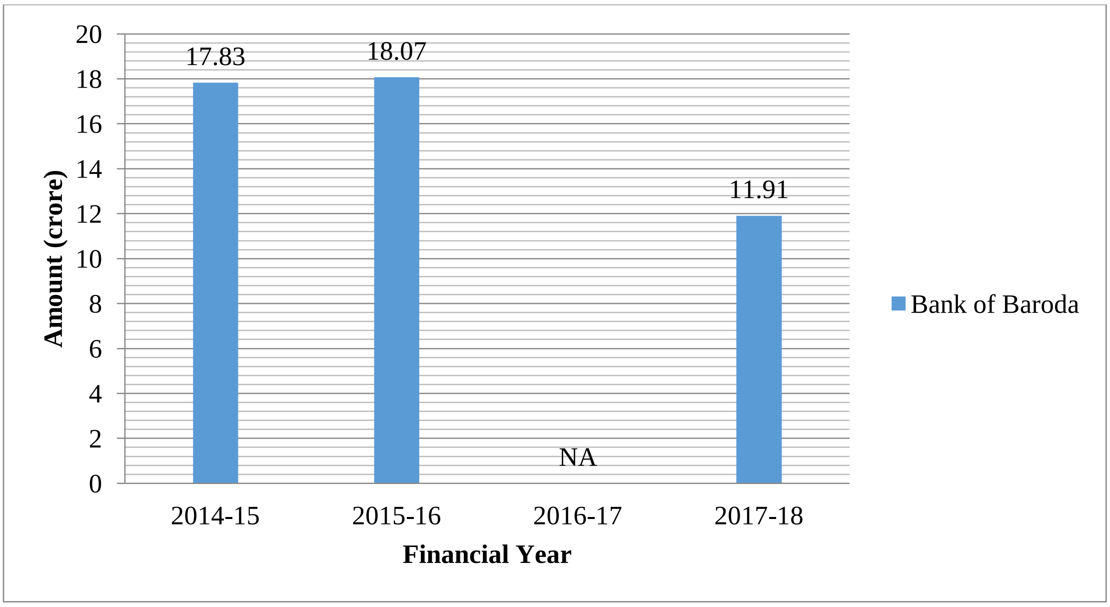
**CSR Expenditures of BOB**

| S. No. | Financial Year | Expenditure (crore) |
|---|---|---|
| **1** | 2014-15 | 17.83 |
| **2** | 2015-16 | 18.07 |
| **3** | 2016-17 | NA[13] |
| **4** | 2017-18 | 11.91 |

**Source: RTI cell & CSR Box Reports**

Table 4.2 shows the data pertaining to the corporate social responsibility (CSR) expenditures of Bank of Baroda. The data was collected with the help of Right to Information Act 2005 and annual financial reports of respective years. CSR expenditure of BOB was growing rapidly. A huge jump in CSR expenditure was witnessed in the FY 2016-17 against the FY 2015-16.

**Graph: 4.3**




**Comparison of CSR Expenditures of BOB/ Source: RTI cell & CSR Box Reports**

Graph 4.3 shows that the comparison between CSR expenditures of Bank of Baroda for the different above mentioned financial years; except the FY 2016-17(due to non-availability of data).

[13] *Not Available*

**Table: 4.3**

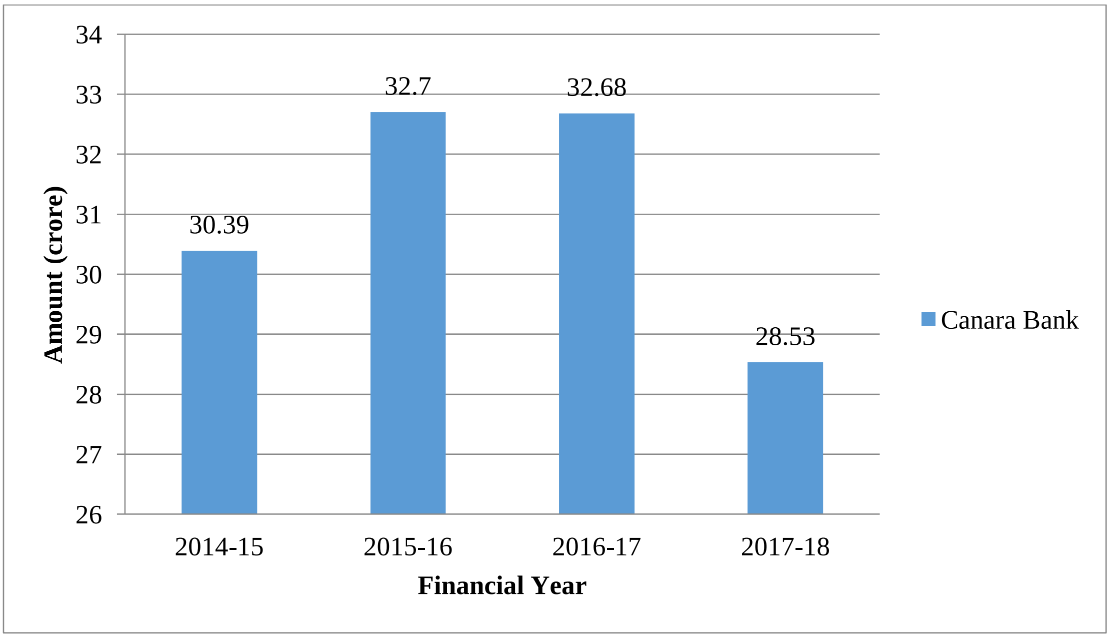
**CSR Expenditures of Canara Bank**

| S. No. | Financial Year | Expenditure (crore) |
|---|---|---|
| **1** | 2014-15 | 30.39 |
| **2** | 2015-16 | 32.70 |
| **3** | 2016-17 | 32.68 |
| **4** | 2017-18 | 28.53 |

**Source: RTI cell & CSR Box Reports**

Table 4.3 shows the data pertaining to the corporate social responsibility (CSR) expenditures of Canara Bank. The data was collected with the help of Right to Information Act 2005 and annual financial reports of respective years. CSR expenditure of Canara Bank was grown in the first year of implementation of section 135. But from FY 2015-16 to FY 2016-17, CSR expenditure was stabled and after that started declining.

**Graph: 4.4**




**Comparison of CSR Expenditures of Canara Bank/ Source: RTI cell & CSR Box Reports**

Graph 4.4 shows that the comparison between the CSR expenditures of Canara Bank for the all above mentioned financial years.

**Table: 4.4**

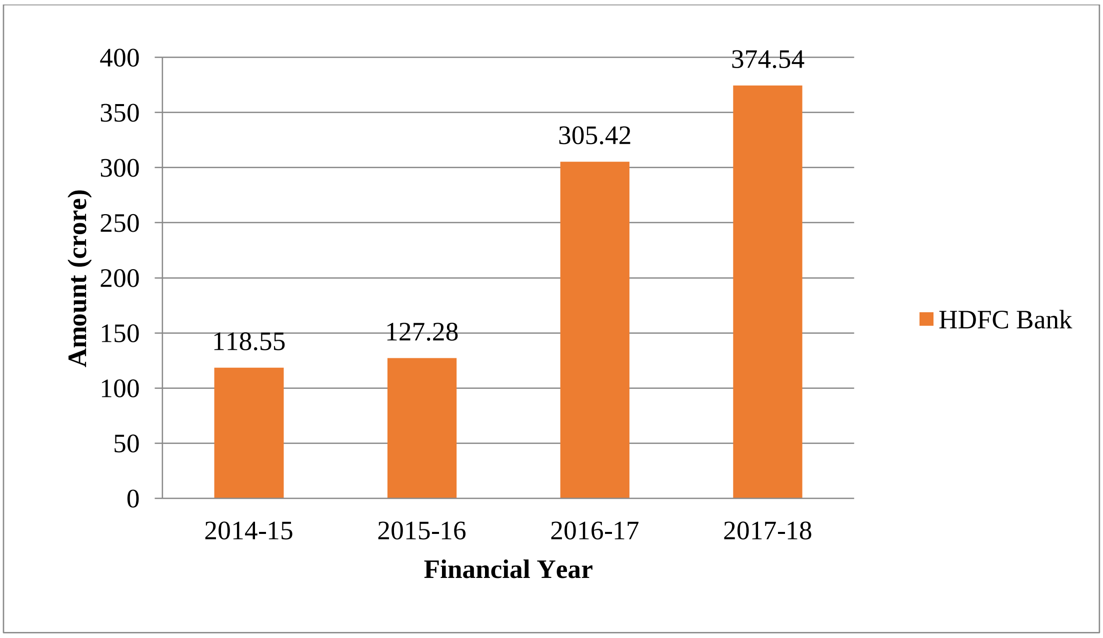
**CSR Expenditures of HDFC Bank**

| S. No. | Financial Year | Expenditure (crore) |
|---|---|---|
| **1** | 2014-15 | 118.55 |
| **2** | 2015-16 | 127.28 |
| **3** | 2016-17 | 305.42 |
| **4** | 2017-18 | 374.54 |

**Source: CSR Box Reports & Annual Reports**

Table 4.4 shows the data pertaining to the corporate social responsibility (CSR) expenditures of HDFC Bank. The data was collected with the help of CSR Box reports and annual financial reports of respective years. CSR expenditure of HDFC Bank was growing rapidly on year to year basis for the studied FYs.

**Graph: 4.5**




**Comparison of CSR Expenditures of HDFC Bank/ Source: CSR Box Reports & Annual Reports**

Graph 4.5 shows that the comparison between the CSR expenditures of HDFC Bank for the different above mentioned financial years. This graph proves that CSR expenditure of HDFC Bank was going upward with the upcoming FYs.

**Table: 4.5**

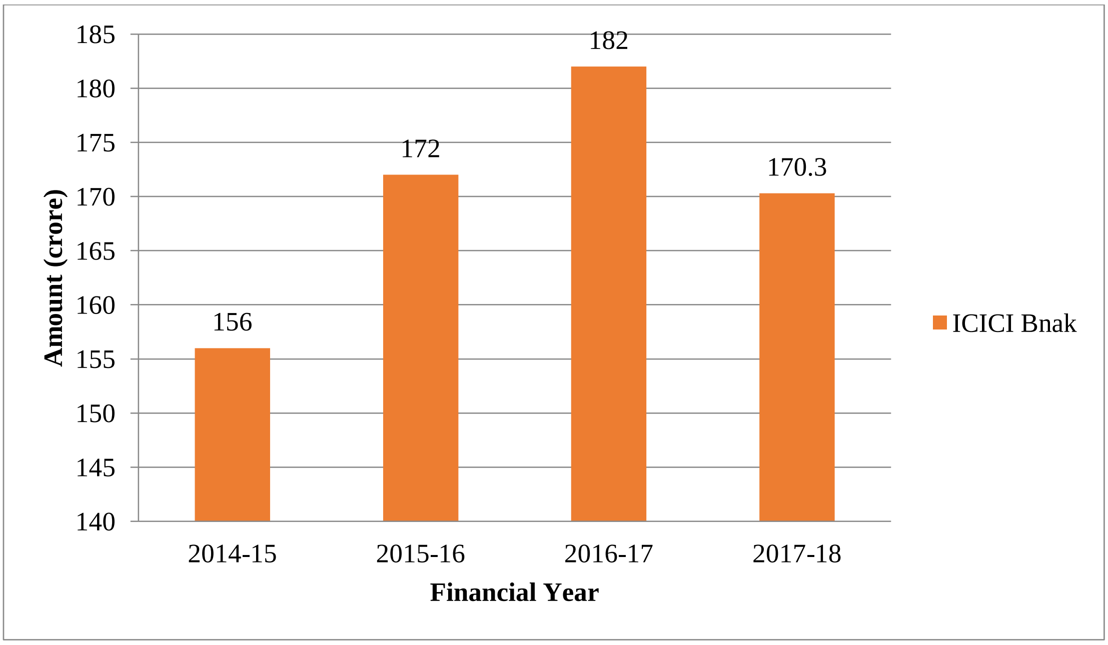
**CSR Expenditures of ICICI Bank**

| S. No. | Financial Year | Expenditure (crore) |
|---|---|---|
| **1** | 2014-15 | 156.00 |
| **2** | 2015-16 | 172.00 |
| **3** | 2016-17 | 182.00 |
| **4** | 2017-18 | 170.30 |

**Source: CSR Box Reports & Annual Reports**

Table 4.5 shows the data pertaining to the corporate social responsibility (CSR) expenditures of ICICI Bank. The data was collected with the help of CSR Box reports and annual financial reports of respective years. CSR expenditure of ICICI Bank was growing rapidly on year to year basis till the FY 2016-17. After that, it was declined in the FY 2017-18.

**Graph: 4.6**




**Comparison of CSR Expenditures of ICICI Bank/ Source: CSR Box Reports & Annual Reports**

Graph 4.6 shows that the comparison between the CSR expenditures of ICICI Bank for the different above mentioned financial years.

**Table: 4.6**

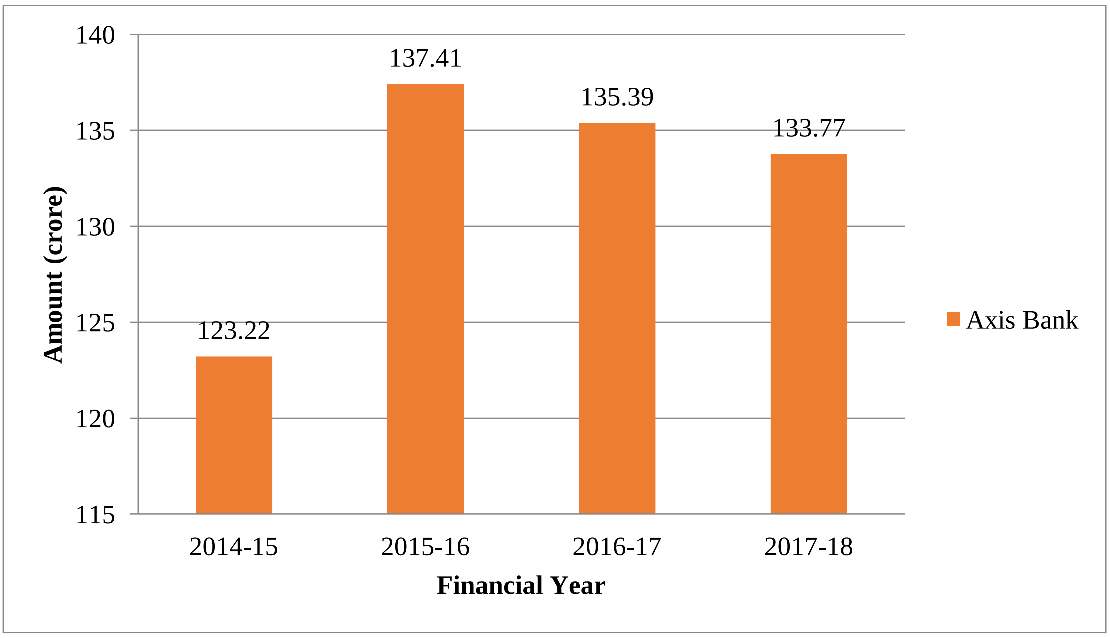
**CSR Expenditures of Axis Bank**

| S. No. | Financial Year | Expenditure (crore) |
|---|---|---|
| **1** | 2014-15 | 123.22 |
| **2** | 2015-16 | 137.41 |
| **3** | 2016-17 | 135.39 |
| **4** | 2017-18 | 133.77 |

**Source: CSR Box Reports & Annual Reports**

Table 4.6 shows the data pertaining to the corporate social responsibility (CSR) expenditures of Axis Bank. The data was collected with the help of CSR Box reports and annual financial reports of respective years. CSR expenditure of Axis Bank was grown rapidly from the FY 2014-15 to the FY 2015-16. After that, it was declined slightly till the FY 2017-18.

**Graph: 4.7**




**Comparison of CSR Expenditures of Axis Bank/ Source: CSR Box Reports & Annual Reports**

Graph 4.7 shows that the comparison between the CSR expenditures of Axis Bank for the different above mentioned financial years. After 2015-16, the CSR expenditure of Axis Bank binds itself into a tunnel.

**Table: 4.7**

**Comparison of Total and Average CSR Expenditures**

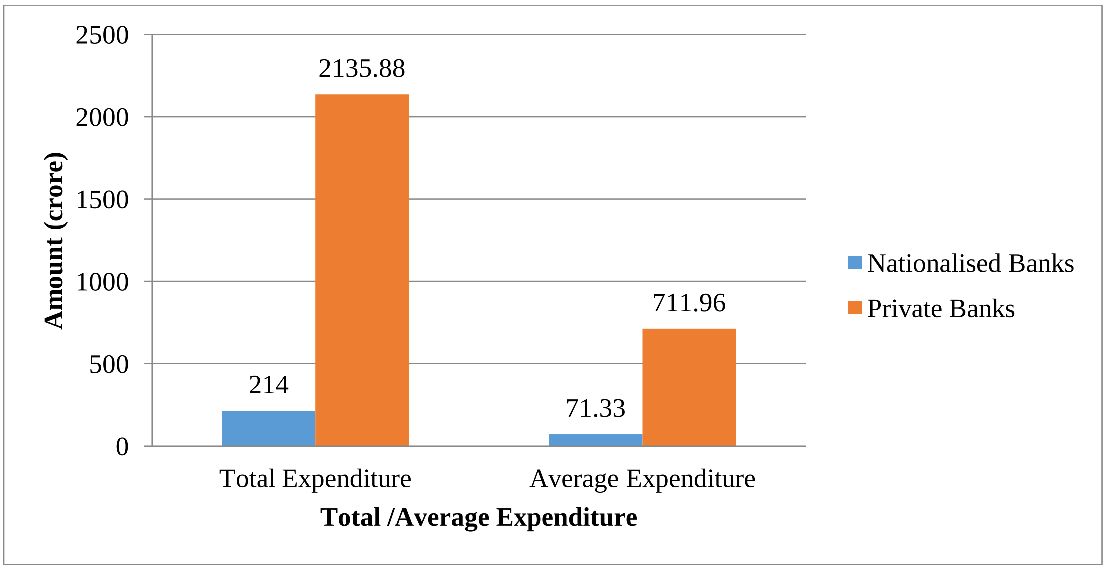
| S. No. | Nationalised | | Private Banks | |
|---|---|---|---|---|
| | **Bank** | **Expenditure (crore)** | **Bank** | **Expenditure (crore)** |
| **1** | **PNB** | 41.89 | **HDFC** | 925.79 |
| **2** | **BOB** | 47.81 | **ICICI** | 680.30 |
| **3** | **CANARA** | 124.30 | **AXIS** | 529.79 |
| | **Total/Average** | **214.0/71.33** | **Total/Average** | **2135.88/711.96** |

**Source: RTI cell & CSR Box Reports**

The data pertaining to the corporate social responsibility (CSR) expenditures, was collected with the help of Right to Information Act 2005 and Annual Financial Reports. Table 4.7 shows that out of 6 sampled banks, 3 nationalised banks' total expenditure[14] was 214.0 with an average of 71.33. While private sector banks' total expenditure was 2135.88 with an average of 711.96.

This huge difference in total and average CSR expenditure shows the other side of the fact that profitability is the most expected factor for CSR expenditure in India. As most of these nationalised banks are not surviving well in terms of profit, there CSR expenditure is also lower compared to profit-making private sector banks.

**Graph: 4.8**



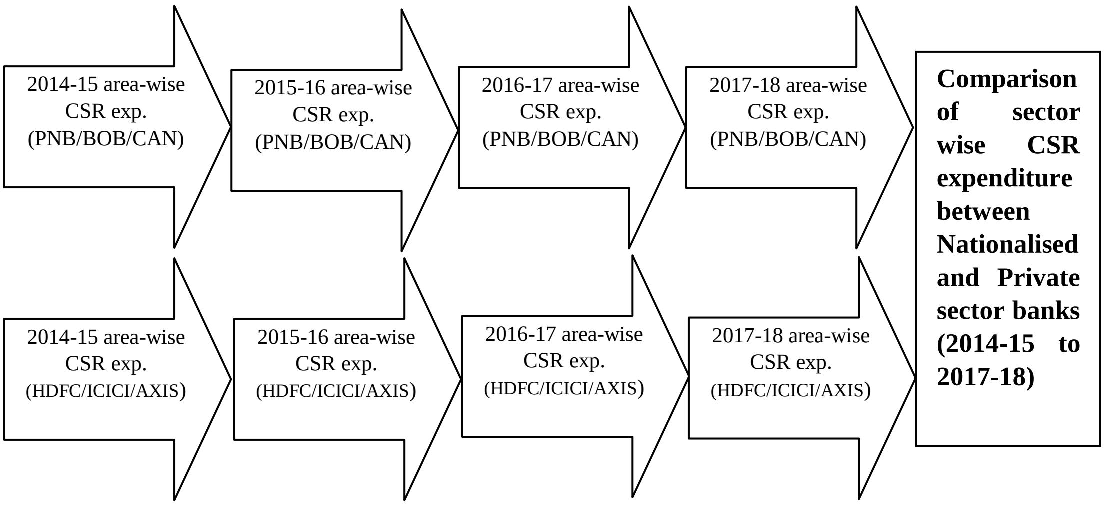

**Comparison of Total and Average CSR Expenditures/ Source: RTI cell & CSR Box Reports**

14 *From FY 2014-15 to FY 2017-18*

Graph 4.8 shows a comparison between the nationalised and private sector banks. Nationalised banks' total CSR expenditure between the FY 2014-15 to FY 2017-18, is very less than private sector banks' CSR expenditures. Thus, the average CSR expenditure in the above said period is also found very less compared to private sector banks.

## 4.2 To analyse the sector wise expenditures of nationalised banks and private sector Indian banks.

**Graph: 4.9**




**Pictorial Representation of strategy-2/ Source: Discussion with Supervisor**

**Table: 4.8**

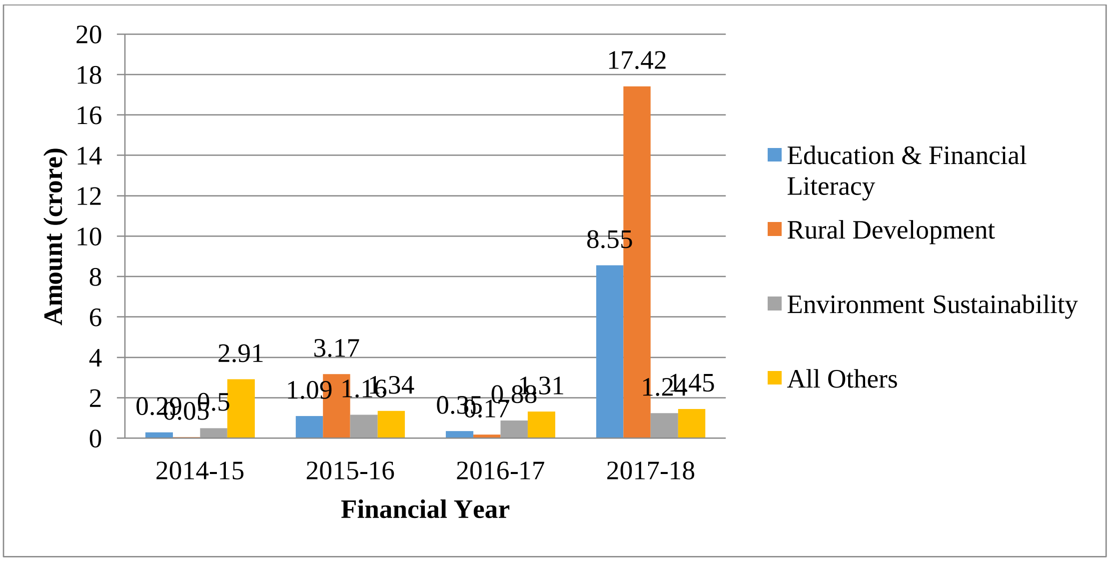
**Sector/Area wise CSR Expenditure of PNB**

| S. No. | Sector/Area | Expenditure (crore) | | | |
|---|---|---|---|---|---|
| | | 2014-15[15] | 2015-16[16] | 2016-17[17] | 2017-18 |
| 1 | **Education and Financial Literacy** | 0.29 | 1.09 | 0.35 | 8.55 |
| 2 | **Rural Development** | 0.05 | 3.17 | 0.17 | 17.42 |
| 3 | **Environment Sustainability** | 0.50 | 1.16 | 0.88 | 1.24 |
| 4 | **All Others[18]** | 2.91 | 1.34 | 1.31 | 1.45 |

**Source: RTI cell & Annual Reports**

Table 4.8 shows the sector wise CSR expenditure of Punjab National Bank. The bank has expanded his social responsibility heavily in the area of rural development and education & financial literacy in the during the financial year 2014-15 to 2017-18.

**Graph: 4.10**




**Sector/Area wise CSR Expenditure of PNB/ Source: RTI cell & Annual Reports**

Graph 4.10 shows the pictorial representation of above data and it also establishes that education and financial literacy is the priority of Punjab National Bank respectively.

---

[15] *Core CSR*
[16] *Core CSR*
[17] *Core CSR*
[18] *Except 1 to 3, all are added*

**Table: 4.9**

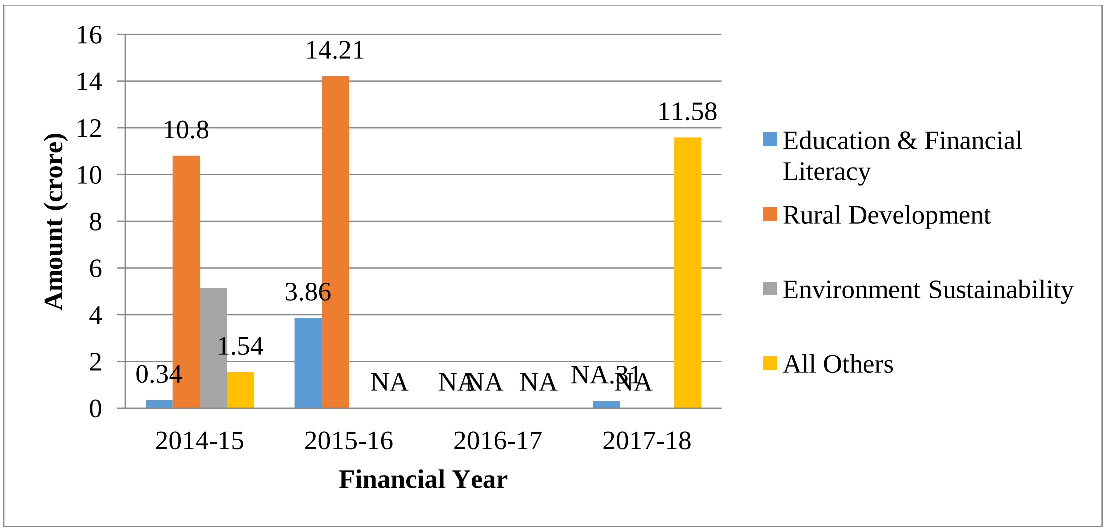
**Sector/Area wise CSR Expenditure of BOB**

| S. No. | Sector/Area | Expenditure (crore) | | | |
|---|---|---|---|---|---|
| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| 1 | Education and Financial Literacy | 0.34 | 3.86 | NA[19] | 0.31 |
| 2 | Rural Development | 10.80 | 14.21 | NA | NA |
| 3 | Environment Sustainability | 5.15 | NA | NA | NA |
| 4 | All Others[20] | 1.54 | NA | NA | 11.58 |

**Source: RTI cell & Annual Reports**

Table 4.9 shows the sector-wise CSR expenditure of Bank of Baroda. The bank has distributed its CSR expenditure almost in each sector in the financial year 2014-15 but after that bank reduced its effort up to 2 sectors. For the FY 2016-17 data is not available for analysis of specific areas while 2017-18 witnessed sufficient CSR expenditure but much of this was spent in 'all others' sector.

**Graph: 4.11**




**Sector/Area wise CSR Expenditure of BOB/ Source: RTI cell & Annual Reports**

Graph 4.11 shows the pictorial representation of above data establishes that in each year, the bank focuses on any one sector heavily and let others nominally, as in the FY 2014-15 to 2015-16, the bank focused on 'rural development' while in the FY 2017-18 it was 'all others'.

---

[19] *Not Available*
[20] *Except 1 to 3, all are added*

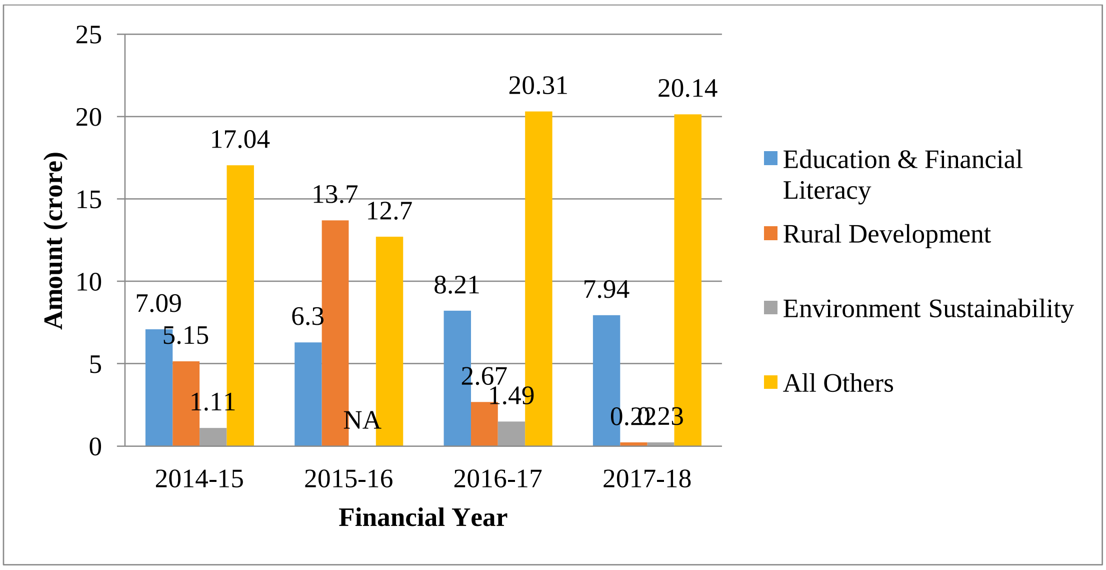
**Table: 4.10**
**Sector/Area wise CSR Expenditure of Canara Bank**

| S. No. | Sector/Area | Expenditure (crore) | | | |
|---|---|---|---|---|---|
| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| 1 | Education and Financial Literacy | 7.09 | 6.30 | 8.21 | 7.94 |
| 2 | Rural Development | 5.15 | 13.70 | 2.67 | 0.22 |
| 3 | Environment Sustainability | 1.11 | NA[21] | 1.49 | 0.23 |
| 4 | All Others[22] | 17.04 | 12.7 | 20.31 | 20.14 |

**Source: RTI cell & Annual Reports**

Table 4.10 shows the sector-wise CSR expenditure of Canara Bank. The bank has distributed its CSR expenditure almost in each sector from the financial year 2014-15 to the FY 2016-17. 'all others' sector witnessed larger CSR expenditure than others. Except this sector, Education sector was also the second priority for the bank.

**Graph: 4.12**




**Sector/Area wise CSR Expenditure of Canara Bank/ Source: RTI cell & Annual Reports**

Graph 4.12 indicates that the bank's first priority was 'all others' sector and the second was education in most of the analysed financial years.

21 *Not Available*
22 *Except 1 to 3, all are added*

**Table: 4.11**

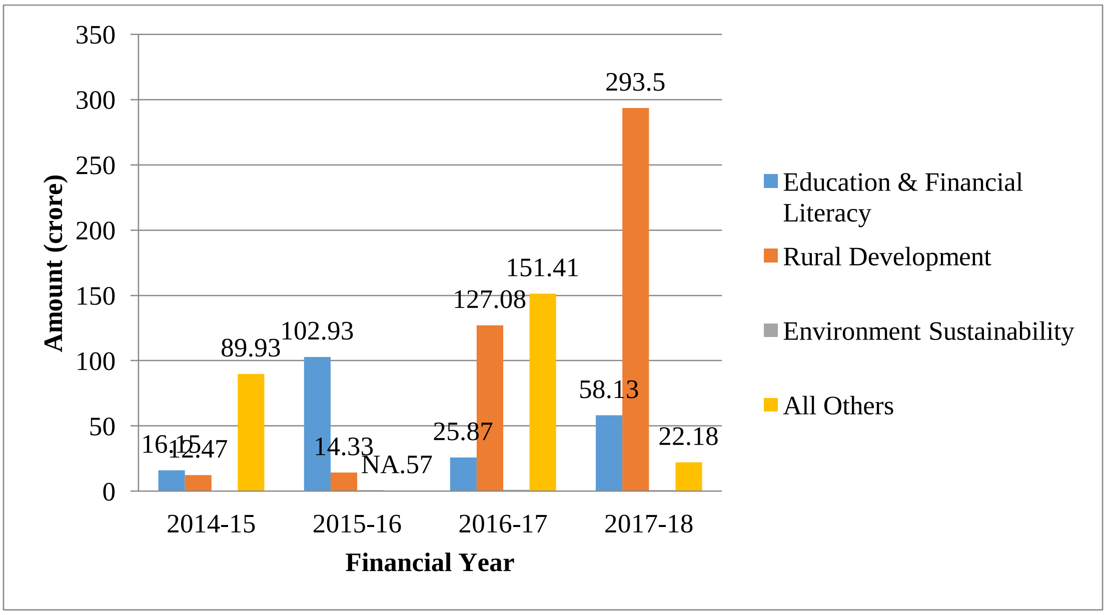
**Sector/Area wise CSR Expenditure of HDFC Bank**

| S. No. | Sector/Area | Expenditure (crore) | | | |
|---|---|---|---|---|---|
| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| 1 | **Education and Financial Literacy** | 16.15 | 102.93 | 25.87 | 58.13 |
| 2 | **Rural Development** | 12.47 | 14.33 | 127.08 | 293.50 |
| 3 | **Environment Sustainability** | NA[23] | 0.72 | 1.01 | 0.73 |
| 4 | **All Others[24]** | 89.93 | 0.57 | 151.41 | 22.18 |

**Source: CSR Box & Annual Reports**

Table 4.11 shows the sector-wise CSR expenditure of HDFC Bank. Among all analysed sectors of CSR expenditure, rural area development got the highest priority among all analysed sectors. The exceptions to this statement are the financial year 2014-15 and 2015-16 (as all others, Education and financial literacy got highest attention respectively).

**Graph: 4.13**




**Sector/Area wise CSR Expenditure of HDFC Bank/ Source: CSR Box & Annual Reports**

Graph 4.13 depicts that rural area development became the first priority of HDFC bank since 2016-17 to 2017-18 and got the jump in 2017-18 than previous years.

[23] *Not Available*
[24] *Except 1 to 3, all are added*

**Table: 4.12**

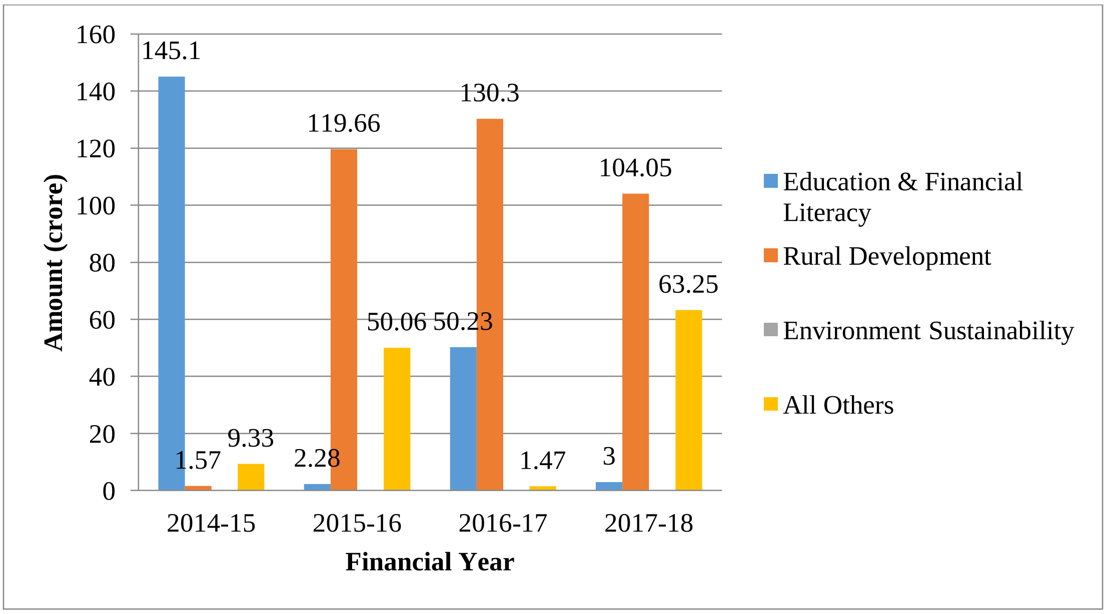
**Sector/Area wise CSR Expenditure of ICICI Bank**

| S. No. | Sector/Area | Expenditure (crore) | | | |
|---|---|---|---|---|---|
| | | **2014-15** | **2015-16** | **2016-17** | **2017-18** |
| 1 | **Education and Financial Literacy** | 145.10 | 2.28 | 50.23 | 3.00 |
| 2 | **Rural Development** | 1.57 | 119.66 | 130.30 | 104.05 |
| 3 | **Environment Sustainability** | NA[25] | NA | NA | NA |
| 4 | **All Others[26]** | 9.33 | 50.06 | 1.47 | 63.25 |

**Source: CSR Box & Annual Reports**

Table 4.12 shows the sector-wise CSR expenditure of ICICI Bank. The bank in the financial year 2014-15 which was also the first year of mandatory CSR provisions, spent a huge pie on education and financial literacy sector. After that, the bank spent the maximum of its fund for rural development until FY 2017-18.

**Graph: 4.14**




**Sector/Area wise CSR Expenditure of ICICI Bank/ Source: CSR Box & Annual Reports**

Graph 4.14 depicts that except FY 2014-15, all other FYs until 2017-18 witnessed bulky expenditure on rural development by the ICICI bank.

25 *Not Available*

26 *Except 1 to 3, all are added*

**Table: 4.13**

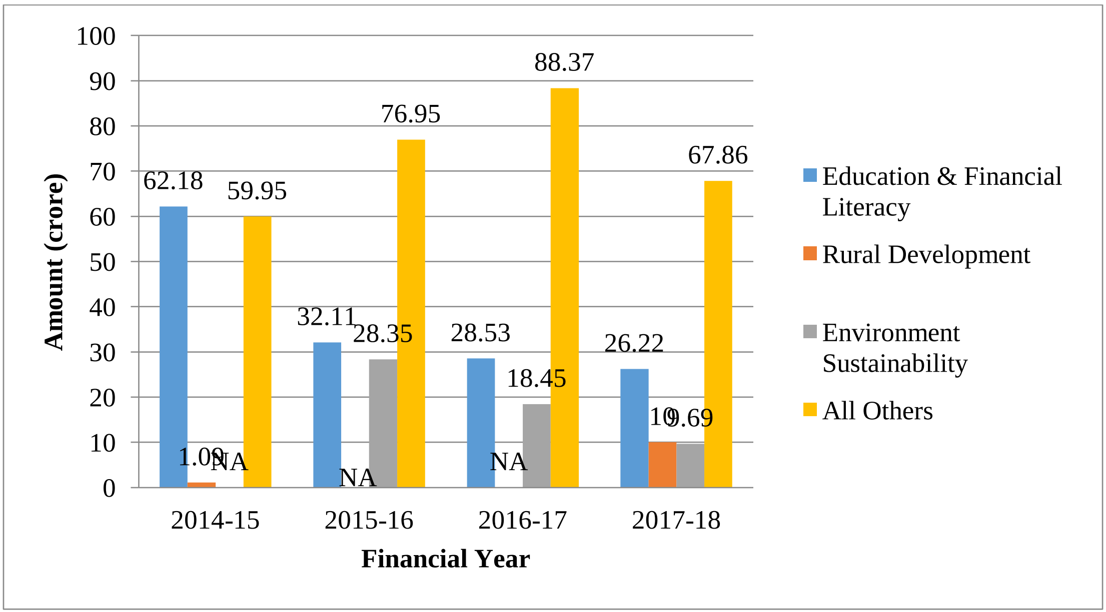
**Sector/Area wise CSR Expenditure of Axis Bank**

| S. No. | Sector/Area | Expenditure (crore) | | | |
|---|---|---|---|---|---|
| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| 1 | **Education and Financial Literacy** | 62.18 | 32.11 | 28.53 | 26.22 |
| 2 | **Rural Development** | 1.09 | NA[27] | NA | 10.00 |
| 3 | **Environment Sustainability** | NA | 28.35 | 18.45 | 9.69 |
| 4 | **All Others[28]** | 59.95 | 76.95 | 88.37 | 67.86 |

**Source: CSR Box & Annual Reports**

Table 4.13 shows the sector-wise CSR expenditure of Axis Bank. Table discloses the sector-wise allocation of Axis bank. Except FY 2014-15 (in which education sector the more funds), 'all others' sector got maximum attention by the bank until FYs 207-18.

**Graph: 4.15**




**Sector/Area wise CSR Expenditure of Axis Bank/ Source: CSR Box & Annual Reports**

Graph 4.15 shows that all others sector was growing steadily from FY 2014-15 to 2016-17, after that in FY 2017-18, the fund for all others sector dropped which gave room for other sectors to grow.

---

27 *Not Available*

28 *Except 1 to 3, all are added*

**Table: 4.14**

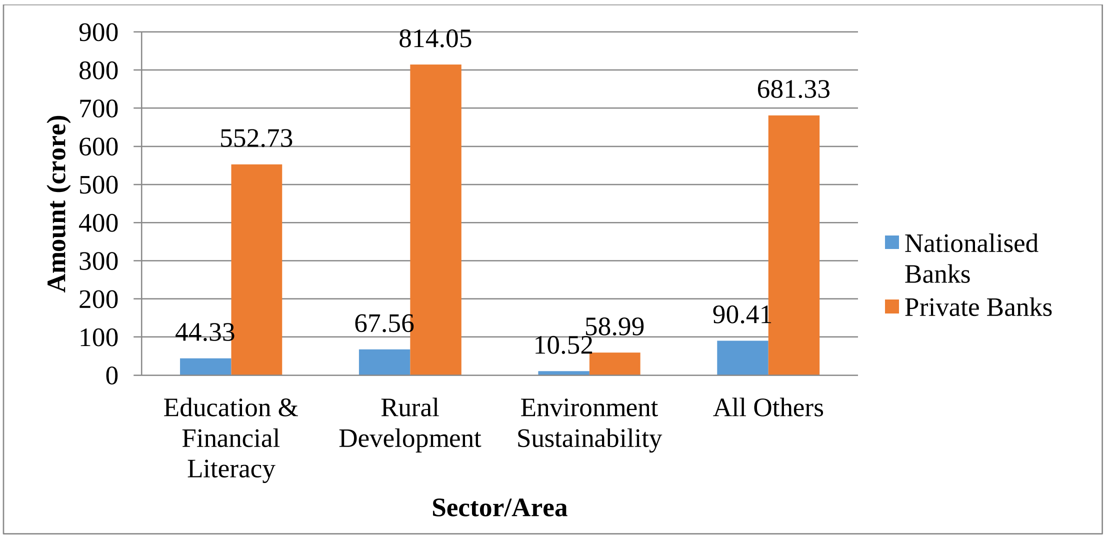
**Sector/Area wise Total CSR Expenditure**

| S. No. | Sector/Area | Nationalised Banks (crore) | Private Banks (crore) |
|---|---|---|---|
| 1 | **Education and Financial Literacy** | 44.33 | 552.73 |
| 2 | **Rural Development** | 67.56 | 814.05 |
| 3 | **Environment Sustainability** | 10.52 | 58.99 |
| 4 | **All Others**[29] | 90.41 | 681.33 |

**Source: RTI cell & CSR Box Reports**

The data pertaining to the corporate social responsibility (CSR) expenditure, was collected with the help of Right to Information Act 2005 and Annual Financial Reports. Table 4.14 shows that in all above mentioned CSR areas, private banks' performed very well in all the aspects, but private banks' performance in rural area development was remarkable from FY 2014-15 to FY 2017-18 compared to all other areas.

**Graph: 4.16**




**Comparison of Sector/Area wise Total CSR Expenditure/ Source: RTI cell & CSR Box Reports**

Graph 4.16 shows that the comparison between nationalised and private sector banks for different common sectors. It was established that private banks took holistic

[29] *Except 1 to 3, all are added*

efforts with their foundations, especially designed for CSR activities. These banks outperform in all areas but rural development got most attentions.

The main reason behind this huge performance gap is their continuous engagement with field expert social organisations like- NGOs, SHGs ASHA etc. This helped them to eradicate the targeted issues which have deep roots in society.

## 4.3 To investigate the factors affecting corporate social responsibility efforts of banks.

Today, CSR in India has moved beyond just ‘contributions and aid’ and is looked upon in a more structured manner. CSR is developing into an essential part of the corporate stratagem. Institutions have dedicated infrastructure and teams that identify needs and plan schemes and objectives for their CSR programs and activities. These specific programmes could range from overall community development to supporting specific causes like- manmade disasters, natural calamities.

The main areas for CSR practice in Indian banks are common in the public sector and private sector banks. Some of these areas are- community welfare, basic education, environment, preventive healthcare camps, poverty eradication efforts, holistic rural development, vocational training, women's empowerment through awareness, protection to girl child and assistance for self-employment and help for the marginalised section of society.

Involving social activities can encourage business to act ethically. By doing CSR activities a business can contribute to society and make some difference. The academic analyst found that though the Indian banks are making efforts in the CSR areas and enhancing their capacity but still there are requirements of more emphasis on CSR.

- **Awareness about CSR Terminology**

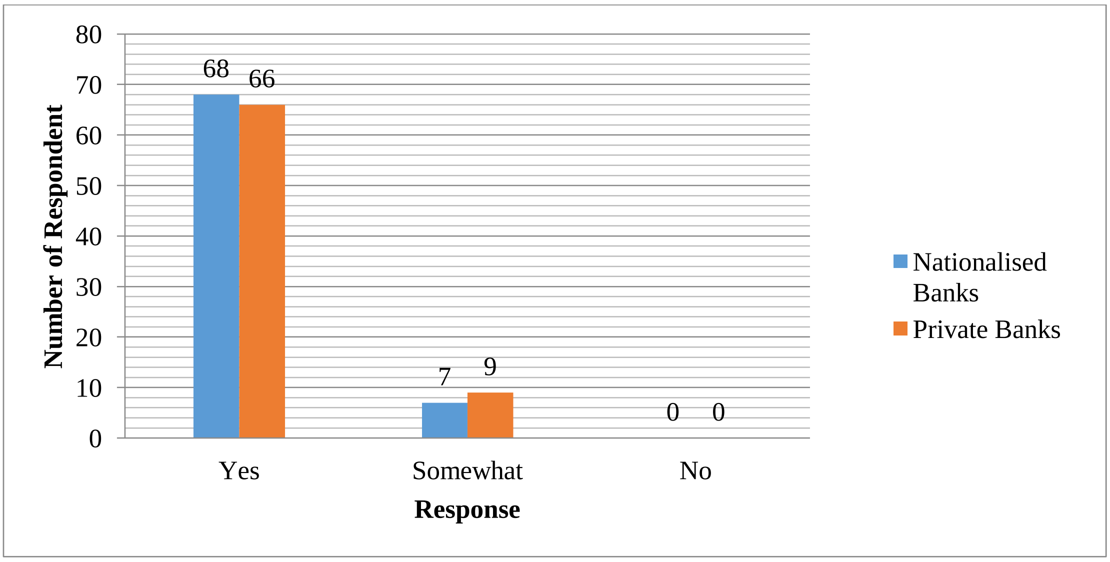
**Table: 4.15**
**Awareness about CSR**

| | | Freq.[30] | Percent | Valid Percent | Cum.[31] Percent |
|---|---|---|---|---|---|
| **Valid** | **Yes** | 134 | 89.3 | 89.3 | 89.3 |
| | **Somewhat** | 16 | 10.7 | 10.7 | 100.0 |
| | **Total** | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data pertaining to awareness about corporate social responsibility (CSR) was collected with the help of question number 1 in the questionnaire. Table 4.15 shows the details of whether the respondents are aware of CSR or not. Out of 150 respondents, 134 are aware of the term, constituting 89.3%, whereas 16 respondents accepted that their awareness about CSR is somewhat clear constituting 10.7%. None of the respondents is unaware of the CSR.

**Graph: 4.17**




**Comparison of Awareness about CSR/ Source: Primary Data**

Graph 4.17 shows that the nationalised banks' respondents are more aware than private sector banks' respondents. Somewhat awareness level is also greater in private sector banks' respondents than nationalised banks' respondents. Awareness level between both types of respondents is near equal.

---

30 *Frequency*
31 *Cumulative Percent*

- **Awareness about Several CSR Activities**

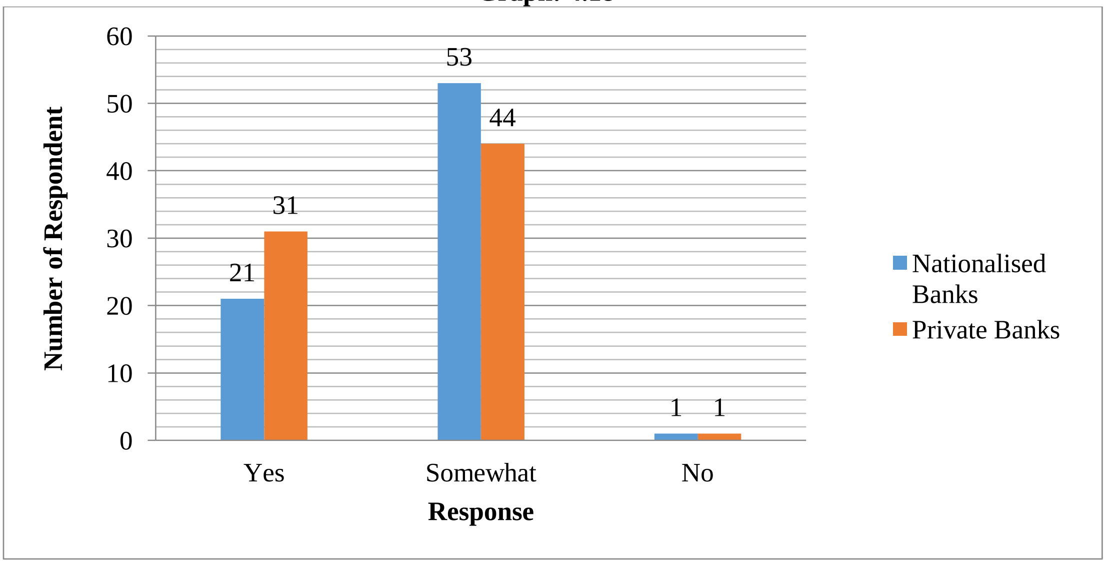
**Table: 4.16**
**Awareness about CSR activities**

| | | Freq.[32] | Percent | Valid Percent | Cum.[33] Percent |
|---|---|---|---|---|---|
| **Valid** | **Yes** | 52 | 34.7 | 34.7 | 34.7 |
| | **Somewhat** | 96 | 64.0 | 64.0 | 98.7 |
| | **No** | 2 | 1.3 | 1.3 | 100.0 |
| | **Total** | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data pertaining to awareness about corporate social responsibility (CSR) activities was collected with the help of question number 2 in the questionnaire. Table 4.16 shows the details of whether the respondents are aware of the respective CSR activities or not. Out of 150 respondents, 52 are aware, constituting 34.7%, whereas 96 respondents accepted that their awareness about CSR activities is somewhat constituting 64.0%. 2 of the respondents are unaware of the CSR activities, constituting 1.3%.

**Graph: 4.18**




**Comparison of Awareness about CSR activities/ Source: Primary Data**

Graph 4.18 shows the comparison between both type of banks. Nationalised banks' respondents are less aware of CSR activities of their banks than private sector banks' respondents. Somewhat awareness level about CSR activities is greater in nationalised banks' respondents than private sector banks' respondents.

[32] *Frequency*
[33] *Cumulative*

- **Awareness about CSR Workshop/Seminar**

**Table: 4.17**

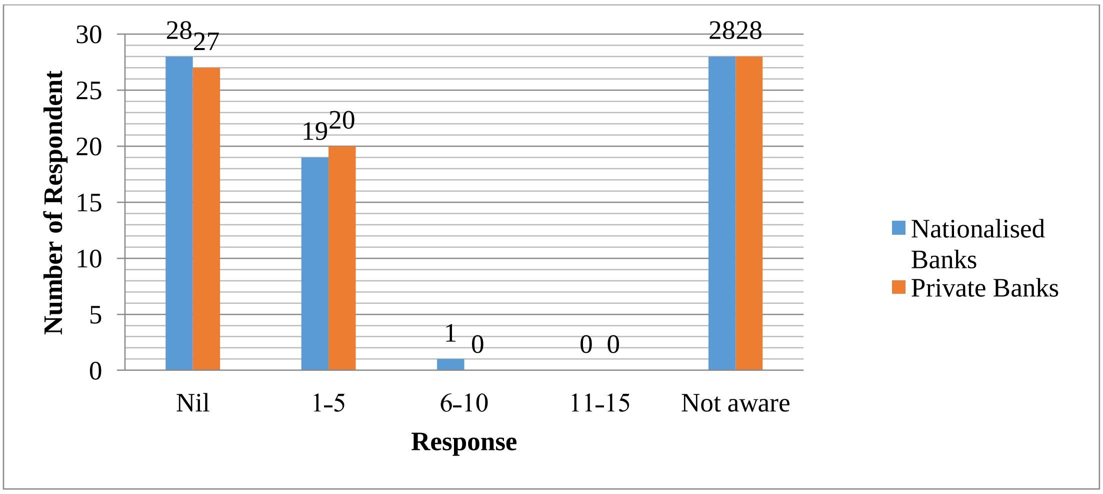
**Awareness about CSR Workshop/Seminar**

| | | Freq.[34] | Percent | Valid Percent | Cum.[35] Percent |
|---|---|---|---|---|---|
| **Valid** | **Nil** | 55 | 36.7 | 36.7 | 36.7 |
| | **1-5** | 38 | 25.3 | 25.3 | 62.0 |
| | **6-10** | 1 | .7 | .7 | 62.7 |
| | **Not aware** | 56 | 37.3 | 37.3 | 100.0 |
| | **Total** | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data pertaining to awareness about the corporate social responsibility (CSR) workshop/seminar attended until the date was collected with the help of question number 10 in the questionnaire. Table 4.17 shows that out of 150 respondents 55 have not attended any workshop/seminar, constituting 36.7%, 38 respondents have attended 1-5 workshops/seminars, constituting 25.3%, 1 respondent has attended 6-10 workshops/seminars, constituting 0.7%, 56 respondents have accepted that they are not aware of the data, constituting 37.3%.

**Graph: 4.19**




**Comparison of Awareness about CSR Workshop/Seminar/ Source: Primary Data**

Graph 4.19 shows that the nationalised banks' respondents have attended less CSR workshop/seminar than private sector banks' respondents. No awareness about data pertaining to CSR workshop/seminar is equally distributed among nationalised banks' respondents and private sector banks' respondents.

---

[34] *Frequency*
[35] *Cumulative*

- **Volunteered for CSR Activities**

**Table: 4.18**

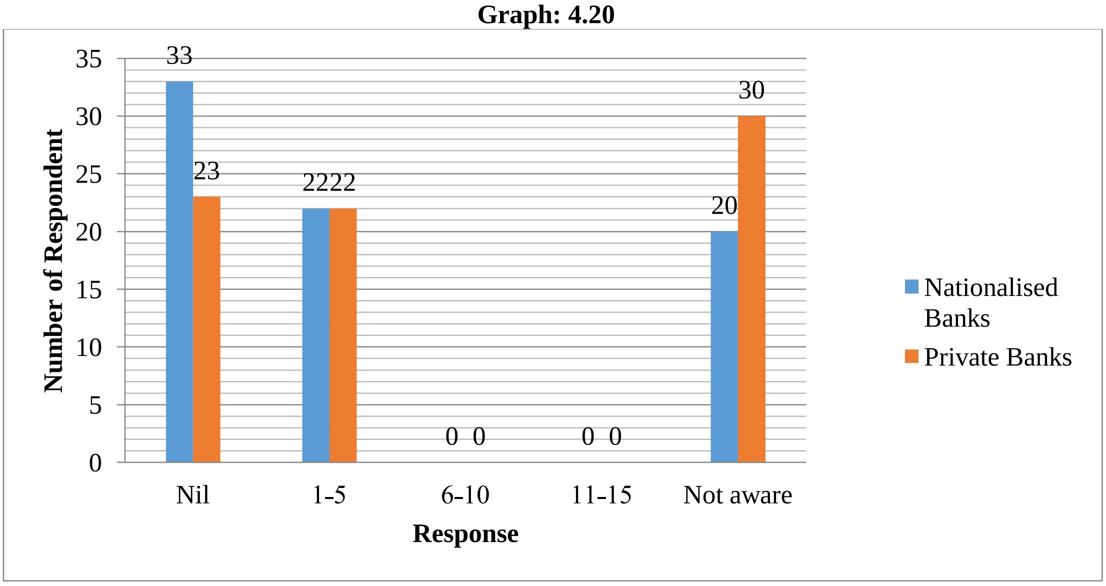
**Number of CSR activities volunteered**

| | | Freq.[36] | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| **Valid** | **Nil** | 56 | 37.3 | 37.3 | 37.3 |
| | **1-5** | 44 | 29.3 | 29.3 | 66.7 |
| | **Not aware** | 50 | 33.3 | 33.3 | 100.0 |
| | **Total** | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data pertaining to the number of activities volunteered for corporate social responsibility (CSR) was obtained through the question number 11 in questionnaire. Table 4.18 shows that out of 150 respondents 56 have never volunteered for CSR activities, constituting 37.3%, 44 have volunteered for 1-5 activities, constituting 29.3%, 50 respondents have accepted that they were not aware of the data, constituting 33.3%.

**Graph: 4.20**




**Comparison of Number of CSR activities volunteered/ Source: Primary Data**

Graph 4.20 shows that the nationalised banks' respondents have less participation in volunteer activities of CSR than private sector banks' respondents. While no awareness about data pertaining to volunteer activities by employees is greater in private sector banks.

---

[36] *Frequency*

- **Awareness about CSR Fund Allocations**

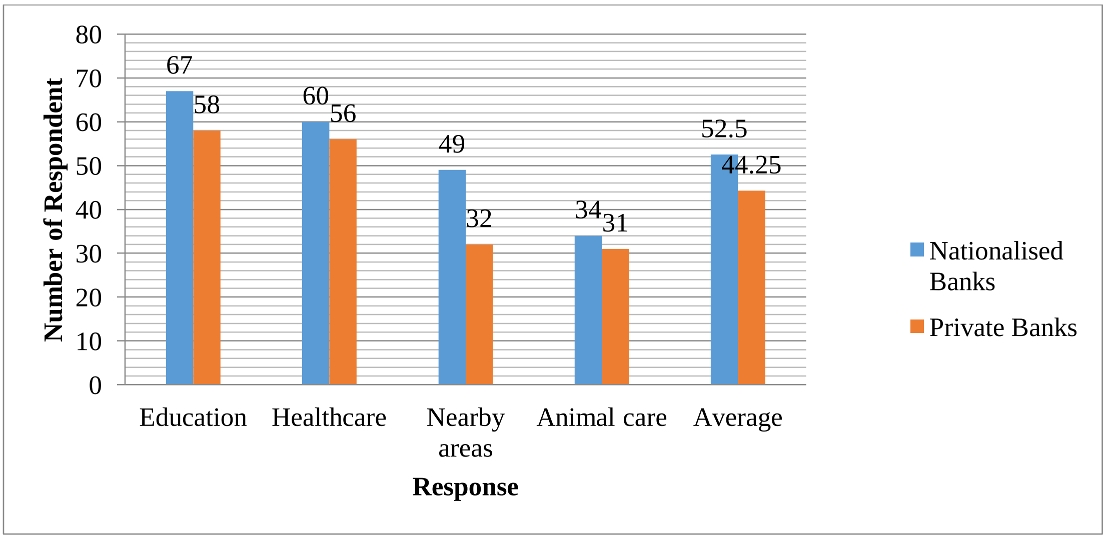
**Table: 4.19**
**Awareness about CSR Fund allocation**

| Sector/Area | Nationalised Banks | Private Banks |
|---|---|---|
| **Education** | 67 | 58 |
| **Healthcare** | 60 | 56 |
| **Nearby areas** | 49 | 32 |
| **Animal care** | 34 | 31 |
| **Average** | 52.5 | 44.25 |

**Source: Primary Data**

Table 4.19 shows the data pertaining to the awareness in nationalised banks about funds allocated for certain activities are as- 67 respondents have known about education funds, 60 about healthcare, 49 about nearby areas, 34 about animal care. While 58 respondents in private sector banks are aware of education funds, 56 about healthcare, 32 about nearby areas, 31 about animal care. An average of awareness about funds of these certain CSR activities in nationalised banks' is 52.5% and in private sector banks, it is 44.25%.

**Graph: 4.21**




**Comparison of Awareness about Fund allocation/ Source: Primary Data**

Graph 4.21 shows that the nationalised banks' respondents and the private sector banks' respondents both are aware of these certain funds in decreasing order- education, healthcare, nearby areas, animal care. This graph also demonstrates that the nationalised banks' respondents are more aware of these CSR funds as compare to the private sector banks' respondents while considering the average of all key areas.

- **Potential to Attract New Customers**

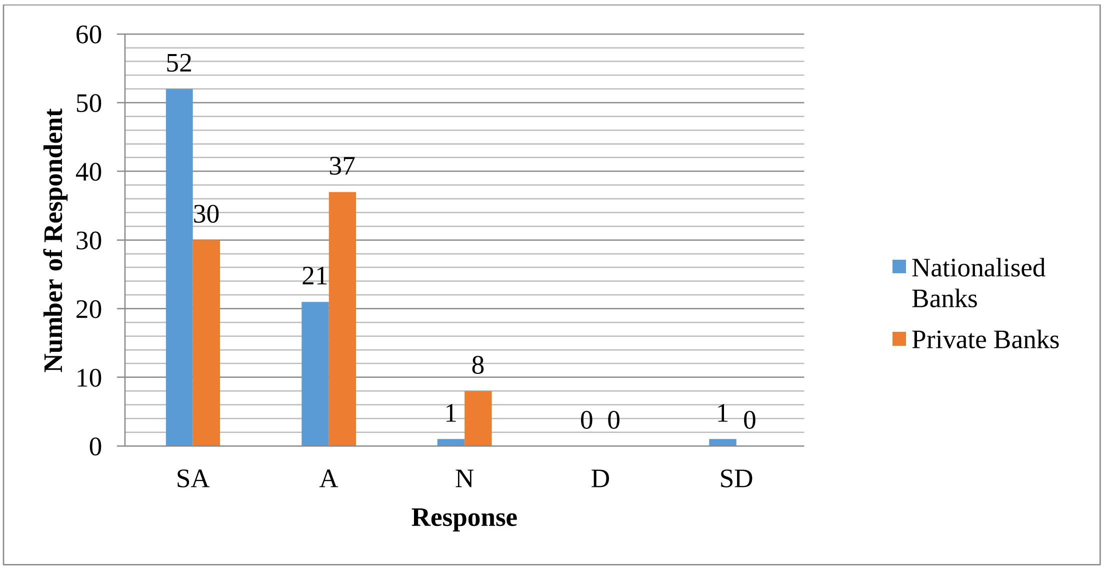
**Table: 4.20**
**Potential to Attract New Customers**

| | | Freq.[37] | Percent | Valid Percent | Cum.[38] Percent |
|---|---|---|---|---|---|
| Valid | Strongly Agree | 82 | 54.7 | 54.7 | 54.7 |
| | Agree | 58 | 38.7 | 38.7 | 93.3 |
| | Neutral | 9 | 6.0 | 6.0 | 99.3 |
| | Strongly Disagree | 1 | .7 | .7 | 100.0 |
| | Total | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data about CSR potential to attract new banking customer was collected through question number 12 in the questionnaire. Table 4.20 shows that out of 150 respondents 82 strongly agreed, constituting 54.7%. 58 of them agreed, constituting 38.7%. 9 of them were neutral, constituting 6% and 1strongly disagreed, constituting 0.7%.

**Graph: 4.22**




**Comparison of Potential to Attract New Customers/ Source: Primary Data**

Graph 4.22 shows that the majority of nationalised banks' respondents (73) either strongly agreed or agreed about the positive effects of CSR as compared to the private sector banks' respondents (67). This clearly indicates that nationalised banks respondents have clear faith about the potential of CSR.

---

37 *Frequency*
38 *Cumulative*

- **Customer Participation in CSR**

**Table: 4.21**

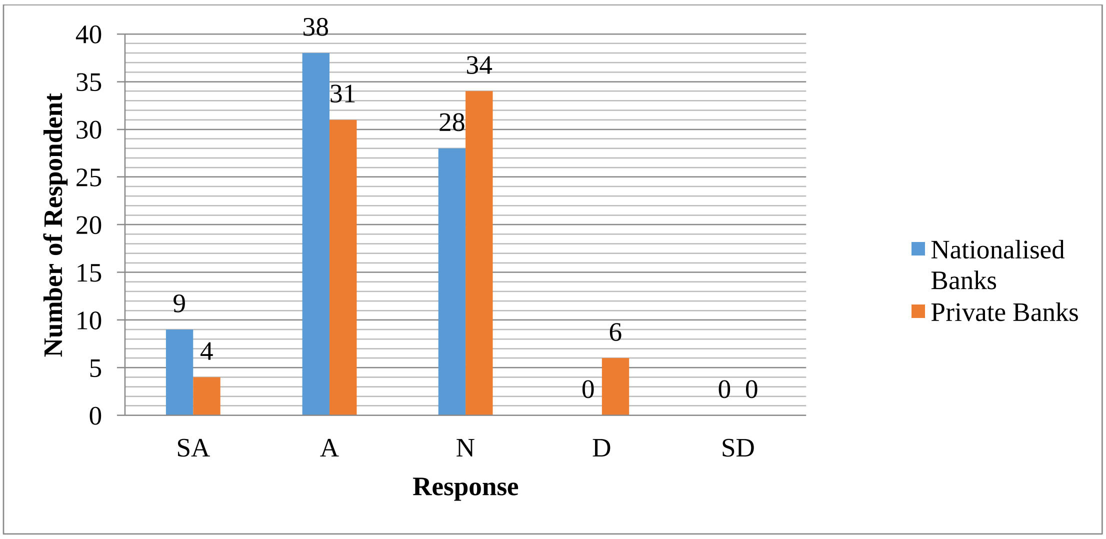
**Customer Participation in CSR**

| | | Freq.[39] | Percent | Valid Percent | Cum.[40] Percent |
|---|---|---|---|---|---|
| **Valid** | **Strongly Agree** | 13 | 8.7 | 8.7 | 8.7 |
| | **Agree** | 69 | 46.0 | 46.0 | 54.7 |
| | **Neutral** | 62 | 41.3 | 41.3 | 96.0 |
| | **Disagree** | 6 | 4.0 | 4.0 | 100.0 |
| | **Total** | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data about customer participation in CSR activities was collected through question number 13 in the questionnaire. Table 4.21 shows that out of 150 respondents only 13 strongly agreed, constituting 8.7%. 69 of them agreed, constituting 46%. 62 of them reported neutral, constituting 41.3%. 6 of them disagreed, constituting 4%.

**Graph: 4.23**




**Comparison of Customer Participation in CSR/ Source: Primary Data**

Graph 4.23 shows that the majority of nationalised banks' respondents (47) either strongly agreed or agreed about the customer participation for CSR as compare to the private sector banks' respondents (35). This graph establishes that nationalised banks are ahead in accepting customer participation.

39 *Frequency*
40 *Cumulative*

- **CSR Fund for Environment Protection**

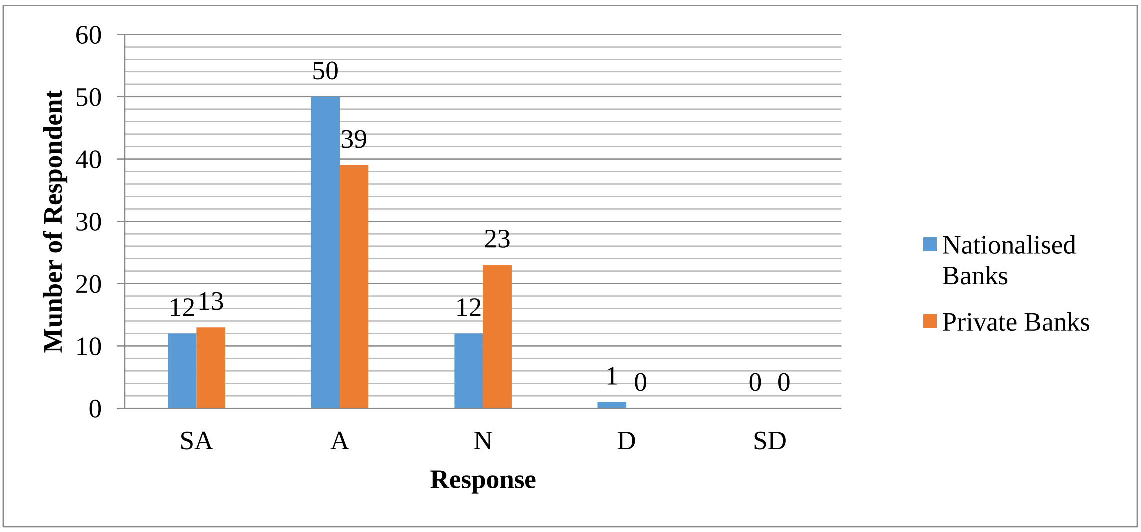
**Table: 4.22**
**CSR Fund for Environment Protection**

| | | Freq.[41] | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| **Valid** | **Strongly Agree** | 25 | 16.7 | 16.7 | 16.7 |
| | **Agree** | 89 | 59.3 | 59.3 | 76.0 |
| | **Neutral** | 35 | 23.3 | 23.3 | 99.3 |
| | **Disagree** | 1 | .7 | .7 | 100.0 |
| | **Total** | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data about the CSR fund used for environment protection was collected through question number 14 in the questionnaire. Table 4.22 shows that out of 150 respondents 25 strongly agreed, constituting 16.7%. 89 of them agreed, constituting 59.3%. 35 of them stayed neutral, constituting 23.3%. 1 of them disagreed, constituting 0.7%.

**Graph: 4.24**




**Comparison of CSR Fund for Environment Protection/ Source: Primary Data**

Graph 4.24 shows that the majority of nationalised banks' respondents (62)either strongly agreed or agreed about the sufficiency of the CSR fund used for the environment protection as compared to the private sector banks' respondents (52). It can be stated that nationalised banks' CSR expenditure for environment is placed well, while considering all CSR expenditures.

41 *Frequency*

- **CSR Fund for Education**

**Table: 4.23**
**CSR Fund for Education**

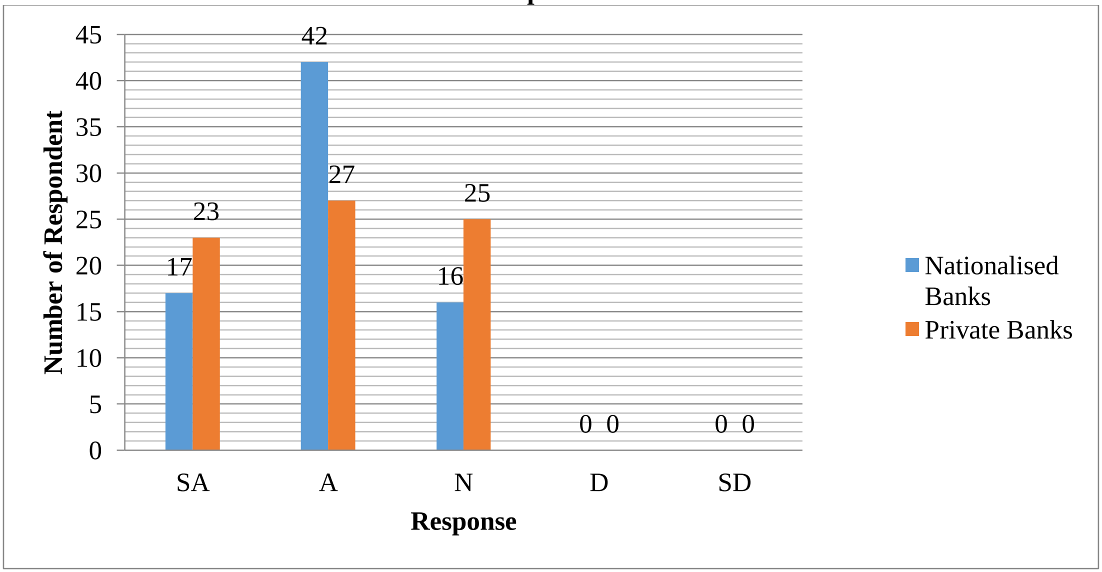
| | | Freq.[42] | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly Agree | 40 | 26.7 | 26.7 | 26.7 |
| | Agree | 69 | 46.0 | 46.0 | 72.7 |
| | Neutral | 41 | 27.3 | 27.3 | 100.0 |
| | Total | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data about the CSR fund used for education was collected through question number 15 in the questionnaire. Table 4.23 shows that out of 150 respondents 40 strongly agreed, constituting 26.7%. 69 of them agreed, constituting 46.0%. 41 of them stayed neutral, constituting 27.3%.

It can be understood that CSR is now an integral part of the functioning of an organisation. The performance of a business should be judged beyond the financial parameters.

**Graph: 4.25**




**Comparison of CSR Fund for Education/ Source: Primary Data**

Graph 4.25 shows that the majority of nationalised banks' respondents (59) either strongly agreed or agreed about the sufficiency of the CSR fund used for education compared to the private sector banks' respondents (50).

[42] *Frequency*

- **CSR fund for Rural Area Development**

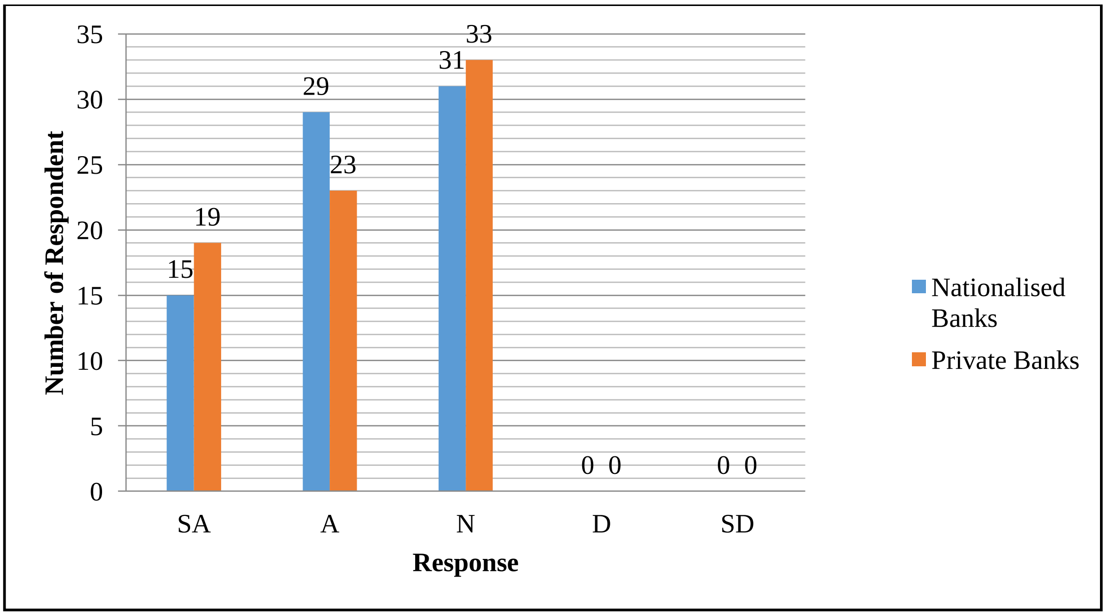
**Table: 4.24**
**CSR fund for Rural Area Development**

| | | Freq.[43] | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly Agree | 34 | 22.7 | 22.7 | 22.7 |
| | Agree | 52 | 34.7 | 34.7 | 57.3 |
| | Neutral | 64 | 42.7 | 42.7 | 100.0 |
| | Total | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data about the CSR fund used for rural area development was collected through question number 16 in the questionnaire. Table 4.24 shows that out of 150 respondents 34 strongly agreed, constituting 22.7%. 52 of them agreed, constituting 34.7%. 64 of them stayed neutral, constituting 42.7%.

**Graph: 4.26**




**Comparison of CSR fund for Rural Area Development/ Source: Primary Data**

Graph 4.26 shows that the majority of nationalised banks' respondents (33) stayed neutral about the sufficiency of the CSR fund used for rural area development compared to the private sector banks' respondents (31). It can be established here that rural area development was focused enough through CSR fund but should go for larger volume of funds by both types of banks in near future.

[43] *Frequency*

- **CSR Fund for Health and Sanitation**

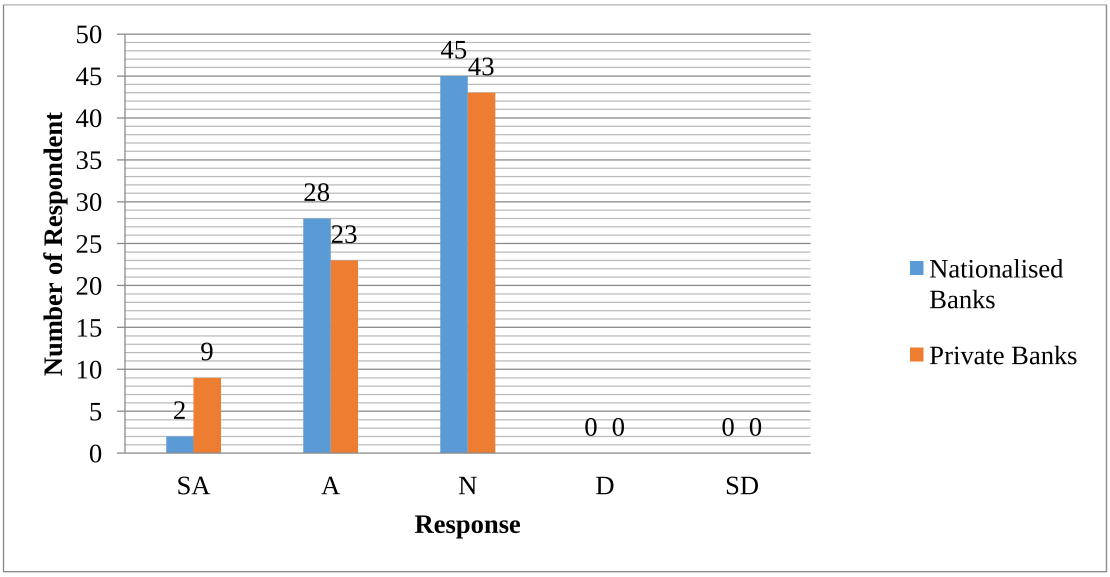
**Table: 4.25**
**CSR Fund for Health and Sanitation**

| | | Freq.[44] | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| **Valid** | **Strongly Agree** | 11 | 7.3 | 7.3 | 7.3 |
| | **Agree** | 51 | 34.0 | 34.0 | 41.3 |
| | **Neutral** | 88 | 58.7 | 58.7 | 100.0 |
| | **Total** | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data about the CSR fund used for health and sanitation was collected through question number 17 in the questionnaire. Table 4.25 shows that out of 150 respondents 11 strongly agreed, constituting 7.3%. 51 of them agreed, constituting 34.0%. 88 of them stayed neutral, constituting 58.7%.

**Graph: 4.27**




**Comparison of CSR Fund for Health and Sanitation/ Source: Primary Data**

Graph 4.27 shows that the majority of nationalised banks' respondents (45) stayed neutral about the sufficiency of the CSR fund used for health and sanitation compared to the private sector banks' respondents (43). This sends clear message that fund for health and sanitation should be increased by both types of banks.

[44] *Frequency*

- **CSR Fund for Arts and Culture**

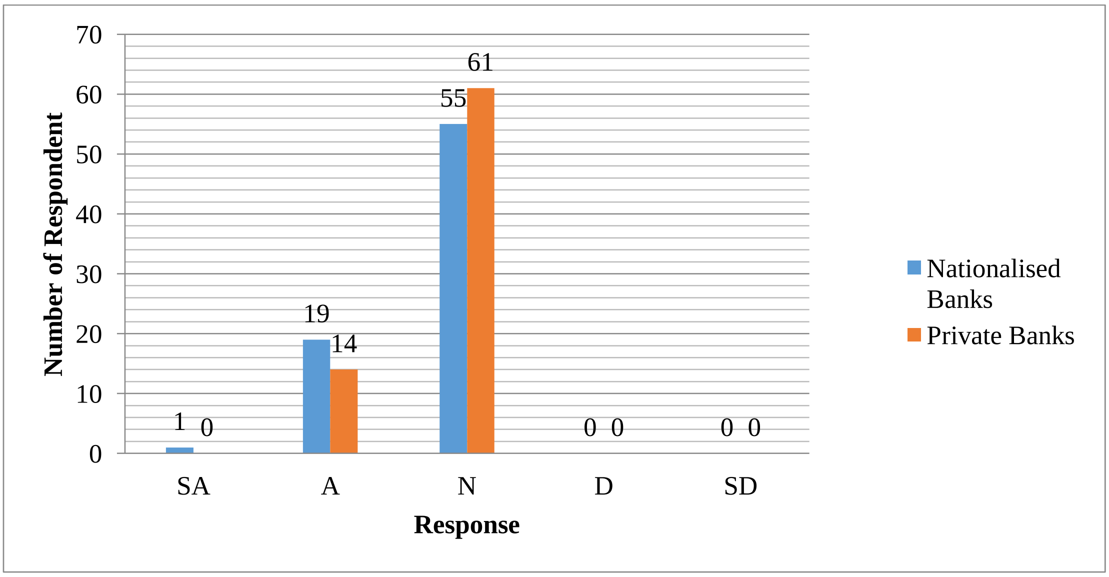
**Table: 4.26**
**CSR Fund for Arts and Culture**

| | | Freq.[45] | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| **Valid** | **Strongly Agree** | 1 | .7 | .7 | .7 |
| | **Agree** | 33 | 22.0 | 22.0 | 22.7 |
| | **Neutral** | 116 | 77.3 | 77.3 | 100.0 |
| | **Total** | 150 | 100.0 | 100.0 | |

**Source: Primary Data**

The data about the CSR fund used for arts and culture was collected through question number 18 in the questionnaire. Table 4.26 shows that out of 150 respondents only 1 strongly agreed, constituting .7%. 33 of them agreed, constituting 22.0%. 116 of them stayed neutral, constituting 77.3%.

**Graph: 4.28**




**Comparison of CSR Fund for Arts and Culture/ Source: Primary Data**

Graph 4.28 shows that the majority of nationalised banks' respondents (61) stayed neutral about the sufficiency of the CSR fund used for arts and culture compared to the private sector banks' respondents (55). Both types of banks should heed on this issue for the betterment of arts and culture and the artisans also.

45 *Frequency*

# CHAPTER 5

# CONCLUSION

## 5. Conclusion

India is considered among one of the largest democracy of the world. Our constitution paved the way for a welfare state. Acting towards the establishment of social welfare via economic means and others as needed, is considered the prime responsibility of the elected government.

Adam Smith who wrote the Bible of capitalism 'An enquiry into the nature and causes of the wealth of nations'(1776), more importantly also wrote 'A Theory of Moral Sentiments' in later years, by which he emphasised that sympathy and proper regards for other people is the basis of a civilised society.

Gandhi jee was a pro-advocate of trusteeship doctrine. The ideas of Mahatma Gandhi on trusteeship got expressed in his speeches, writings, press interviews and informal discussions about futuristic India. According to the trusteeship model, business organisations have to be viewed as socio-economic institutions of our society, thus these should be run and owned by 'Trust Corporation' with considerably diluted shareholdings.

Organisations and individuals whoever is possessing surplus wealth over and above their legitimate and genuine requirements should spend it on community welfare programmes (nation-building) as part of their social responsibilities. Society is to be regarded as a donor to the individual and accordingly. Thus, the parts of society are required to share part of the acquired wealth also for mutual benefit. Gandhi jee observed that the principle of trusteeship is applicable to the trade unions in the same way as they were to the business organisations/individuals.

The Indian government is trying tooth and nail from beginning to achieve equality at all levels among the citizens of the country. Basic services and amenities which are essential to life always topped the attention of our policymakers. Following various measures, our country pulled more than half of its population out of poverty line.

GDP growth of our country was been accompanied by poverty decline. The proportion of the population below the poverty line (at $1.08 a day in 1993 PPP USD) declined from about 44.5 per cent in 1983–84 to 27.5 per cent in 2004–05 (Mitra, 8/1998).

After the liberalisation of the Indian economy, we are now in a faceoff condition with many societal issues like- unemployment, poverty, corruption and other issues. After adopting the LPG model, corporations are now playing a key role in the growth story of India; due to this section,135 of companies act is introduced and all stakeholders are concerned simultaneously.

This study focuses on the service sector which in nature is financial type. The researcher took nationalised banks and private sector banks to analyse the tendency of corporate social responsibility (CSR) in India. Nationalised banks are focused more on financial inclusion than profit-making but private sector banks are running for the cause of profit-making. Nationalised banks are existing, because of providing enough room for private sector banks to become competitive in the near future.

Nowadays, banks are establishing their businesses in cooperation with common people and their property, like- hiring premises for installation of ATMs, security guards, cash vans and etc. Thus banks are getting multiple benefits from the society, now it’s their turn to part some relief for the society. Here corporate social responsibility (CSR) comes into light and societal expectation is not worthless.

It was observed that assuming all 6 banks as a unit, it is found that 61.3% of the respondents are male and 38.7% are females. That means at managerial level authorities are male-dominated in the financial sector. It was also found that 47.3% among all respondents are graduate and rest with 52.7% are above graduate degree holders. Thus most of the respondents are above graduate qualified and have a better understanding of CSR.

**After analysing the annual financial reports of each nationalised banks following results were drawn-**

Punjab National Bank, one of the largest nationalised banks among sampled banks had spent 6.76 crores in 2015-16 against 3.75 crores in 2014-15. The reason behind this huge jump was the implementation of section135 of companies act, 2014. After this financial year, CSR expenditure dropped to 2.72 crores but as the bank has braced itself for section 135 and prepared their CSR reports separately. The holistic data for CSR expenditure was shot up to 28.66 crores.

The second sampled nationalised bank, Bank of Baroda has an upward swing in CSR expenditure from 17.83 crores in the financial year 2014-15 to 18.07 crores in the financial year 2015-16. The data for 2016-17 was unavailable to analyse within the study period. So, the researcher analysed the financial report of 2017-18 which witnessed 11.91 crores for CSR expenditure. The main cause behind this drop in CSR expenditure was due to low profitability in the bank's balance sheet for the FY 2016-17 year.

Canara Bank has spent 30.39 crores in the financial year 2014-15 on CSR activities and go-up with 32.70 crores in 2015-16. In the FY 2016-17 and 2017-18, the amount of CSR activities was gone down from 32.68 crores to 28.53 crores, the reason behind this decline was the downsized market share of nationalised banks in 2016-17.

The top annual income earner among private banks is HDFC Bank. This bank has spent a growing amount on CSR from 2014-15 to 2017-18, respective amount was 118.55 crores, 127.28 crores, 305.42 crores and 374.54 crores. This shows the commitment of the bank towards society and sustainability. Bank has developed a gross root channel for the holistic development of rural areas in collaboration with social organisations. Bank also enlarged its capacity in total market share and gained huge profit from its credit services.

The second positioned private bank ICICI has established, a foundation for CSR activities namely- ICICI Foundation. Since its establishment this foundation worked in collaboration with many NGOs in a targeted manner. This foundation achieved many awards for its contribution in the areas of- rural area development and skill development. The bank has spent 156.00 crores in the FY 2014-15 and in the next consecutive years the amount was 172.00 crores, 182.00 crores and 170.30 crores. In FY 2017-18, a big chunk was donated to some welfare funds to meet the legal requirements.

Axis Bank has spent 123.22 crores in the FY 2014-15 and after that 137.41 crores in FY 2015-16 after that, the CSR amount was downsized to 135.39 crores in FY 2016-17 and again in FY 2017-18 it 133.77 crores due to operational losses in FY 2016-17. Axis bank foundation was continuously engaged with partners in comparatively high-income states. This foundation has done a lot in the area of primary education and teacher training.

After analysis of annual financial reports, CSR box reports and RTI replies, it was found that sampled nationalised banks' total CSR expenditure (214.0 crores) weight a little against sampled private sector banks' total CSR expenditure (2135.88 crores). The main reason behind this lag was grabbed only after a detailed analysis of above-mentioned documents. The researcher found that this is because of the difference between the profits of these two categories. Private sector banks' performed much better in terms of profit-making which made them ahead in CSR expenditures also. As CSR expenditure is derived from the last three years' average profits. It is established that while considering CSR expenditure, profitability should be considered also.

Another reason behind this difference was, due to targeted policies and long-term collaboration with expert external organisations. All three private banks' have their own pan India dedicated foundations for CSR activities. These foundations collaborated with many governments and NGOs for performing in particular geographical areas, which led larger impact on targeted social problems.

**After analysing sector-wise CSR expenditure of banks following results were drawn-**

Punjab National Bank has categorised its expenditure under mentioned areas of section 135, going year by year, the bank has focused on mainly two areas such as-rural area development and education and financial literacy. In the financial year 2017-18, these two areas got 17.42 crores and 8.55 crores respectively.

Bank of Baroda in the financial year 2014-15, spent huge CSR amount first on the rural development (10.80 crores) and second on the environment sustainability (5.15 crores). Due to data unavailability of the rest of the years, it is clearly understood that in next FY 2015-16. The bank has focused more on rural development (14.21 crores).

After deep examination of annual financial reports of Canara Bank. It can be stated that the bank has done a lot of effort in a diversified manner because A chunk of CSR amount was spent on all others category since the FY 2014-15 to 2017-18, except the FY 2015-16, where rural development got the top position. Another continuous spent was made on the second priority area- education and financial literacy except the FY 2015-16 (in which the priority area was rural development).

After analysing the financial reports of HDFC Bank, the researcher found that the bank successfully diverted all other expenses into certain categories as mentioned in section135. The CSR fund continuously flowed into the education and financial literacy sector (102.93 crores) for the FY 2015-16. From FY 2016-17 to 2017-18, the flow was diverted towards rural development (127.08 cores and 293.50 crores, respectively). This shows the convergent effort of the HDFC bank.

Annual financial reports of ICICI Bank revealed that the bank has disbursed heavy CSR amount on the education and finance sector in FY 2014-15 but from 2015-16 to FY 2017-18, the bank has stated spending in rural development as a top priority of CSR. The main reason behind this was due to the government call for inclusive development of ‘ Bharat’. As a result of this call, ICICI Foundation has adopted many villages in Rajasthan and Chhattisgarh, established RSETIs in many backward areas.

Axis bank also established its own foundation for CSR activities. The first year of study FY 2014-15 witnessed two priority sectors for CSR expenditures namely- education & financial literacy and all others (ordinal). But till FY 2017-18, the bank changes its course for all others sector as first priority and education & literacy as the second. All other sector got first priority because this sector has diversification in CSR activities due to tie-ups with expertise social organisations. From the FY 2015-16, environment sustainability sector became less important for Axis bank CSR expenditure until FY 2017-18.

The researcher in this study found that if the area wise expenditure of CSR fund considered, all mentioned areas got larger attention from private banks’ side. Among all these areas, rural area development activities got a larger pie. This was happened due to two main reasons- one is due to their dedicated own foundations and another is working in cooperation with NGOs and other social institutions. Rural area development got maximum thrust because this area has less interference with local administration and also leaves greater scope for multidimensional projects at the same time and same place.

**Primary data analysis put forth the following results-**

It was found that out of 150 each, 68 nationalised banks' respondents were aware of CSR, constituting 45.33%. While 66 private sector banks' respondents were aware of CSR, Constituting 44.0%. Thus it can result that nationalised banks are slightly ahead about awareness of CSR.

Out of 150 respondents from each, 68 nationalised banks' respondents were aware of several CSR activities of their respective banks, constituting 45.33%. While 66 private sector banks' respondents were aware of several CSR activities of their respective banks, Constituting 44.0%. Thus it can result that nationalised banks are slightly ahead about awareness of CSR.

From amongst the 150 respondents of each, 47 nationalised banks' respondents have attended either 1 or more workshop/seminar on CSR, Constituting 62.67% and 47 private sector banks' respondents have attended 1 or more workshop/seminar on CSR, Constituting 62.67%. So it can be stated that the private sector and nationalised banks, both have focused on the CSR related workshops/seminars.

The study revealed that 55 nationalised banks' respondents have volunteered for 1 or more CSR activities, constituting 73.33%. But 45 private sector banks' respondents have accepted that they volunteered in 1 or more CSR activities, constituting 60.00%. This means that nationalised banks' employees are much ahead in volunteering for CSR activities.

It was explored that out of 150 respondents each, 67 nationalised banks' respondents are aware of CSR fund for education while 58 private sector banks' respondents are aware of this allocation. Thus, nationalised banks' respondents are doing well on this issue. 60 nationalised banks' respondents are aware of CSR fund for healthcare while 56 private sector banks' respondents are aware of this allocation. Thus, nationalised banks’ respondents are ahead by 4 on this issue.49 nationalised banks’ respondents are aware of CSR fund used in nearby areas of their branch offices while only 32 private sector banks’ respondents are aware of these allocations. Thus, nationalised banks’ respondents are much aware of nearby CSR activities. 34 nationalised banks’ respondents are aware of CSR fund animal care while 31 private sector banks’ respondents are aware of this allocation. Thus, nationalised banks are slightly ahead about CSR fund for animal welfare.

**Overall,** nationalised banks got lead in this arena. If calculated by an average (divided by 4) nationalised banks got 70.0% while private sector banks got 59.0%. Thus, nationalised banks’ respondents are found more aware of CSR funds of their banks.

It was observed that out of 150 respondents from each category, 73 nationalised banks’ respondents either strongly agreed or agreed about the potential of CSR activities in attracting new banking customers, constituting 48.67%. On the other hand, 67 private sector banks’ respondents either strongly agreed or agreed about this issue, constituting 44.67%. This clearly indicates that nationalised banks are ahead in accepting the importance of CSR.

After analysing the data it was established that 47 nationalised banks’ respondents either strongly agreed or agreed about the customer participation in their respective banks, constituting 31.33%. On the other hand 35, private sector banks’ respondents either strongly agreed or agreed about this issue, constituting 23.33%. This can be stated that nationalised banks are more serious in accepting customer participation for CSR.

It was noticed that 62 nationalised banks’ respondents either strongly agreed or agreed about the sufficiency of CSR fund for environmental protection of their respective banks, constituting 41.33%. While 52 private sector banks’ respondents either strongly agreed or agreed about this issue, constituting 34.67%. This is obtained that nationalised banks are performing well on this issue.

It was found that 59 nationalised banks’ respondents either strongly agreed or agreed about the sufficiency of CSR fund for education, constituting 39.33%. 50 private sector banks’ respondents either strongly agreed or agreed about this issue, constituting 33.33%. Respondents of nationalised banks' were more satisfied with the pie of fund used for education.

It was observed that 44 nationalised banks' respondents either strongly agreed or agreed about the sufficiency of CSR fund for rural area development, constituting 29.33%. 42 private sector banks' respondents either strongly agreed or agreed about this issue, constituting 28.0%. Thus, nationalised banks' respondents were more satisfied with the fund used for rural area development by their banks.

The study revealed that 45 nationalised banks' respondents stayed neutral for the CSR fund used for health and sanitation, constituting 30%. 43 private sector banks' respondents were also stayed neutral, constituting 28.67%. Thus, nationalised banks' respondents and private sector banks' respondents, both remain neutral in large numbers. This clearly indicates that there is enough space for CSR spending in health and sanitation by both types of banks.

It was explored that out of 150 respondents 55 nationalised banks' respondents stayed neutral for the CSR fund used for arts and culture, constituting 36.67%. 61 private sector banks' respondents were also stayed neutral, constituting 40.67%. Thus, both types of banks should emphasis further, on allocation for CSR funds for arts and culture.

# CHAPTER 6

# SUGGESTIONS, LIMITATIONS AND SCOPE FOR FURTHER RESEARCH

## 6. Suggestions

Real and solid intent behind mandating CSR regulations in India and getting businesses involved in solving socio-economic challenges is to leverage the corporate innovations and management skills for social welfare. As coined in one of the committees' report (constituted by the Ministry of Corporate Affairs, GoI) **"CSR should not be interpreted as a source for financing the resources gaps in government schemes. Practising of corporate innovations and management skills in the delivery of 'public goods' is at the core of CSR implementation by companies".**

A rough estimate suggests that banking and finance companies would have spent a whopping figure of 2390 crore rupees on corporate social responsibility (CSR) activities in the financial year 2018-19, which is the second huge pie following the oil and refineries sector (2018). With the condition of using this amount wisely, India can get rid of various vicious circles of a developing country.

By using CSR fund rationally, India can easily able to fulfil the needs of its' marginalised people and also improve its' position on various international parameters.

- **Focus on sustainable projects with long-term impact**

A decade ago when National voluntary guidelines (NVG) were issued in India, the most common CSR activity with a focus on the environment was planting trees and tree guards. Now companies in India, are instead focusing on projects that have a sustainable long-term impact, such as installing solar-powered lighting systems and water conservation projects.

By far, the most attractive environment-related CSR initiative involved the use of renewable energy, ranging from solar street lamps and lanterns to biomass cook stoves and various rooftop solar projects. The other emerging focus area tackles water-related issues with several projects on watershed development and rainwater harvesting.

One of the reasons why companies may prefer such projects to tree plantation drives is that access to clean water and energy has several cascading effects on social and economic development. Activities ranging from opportunities for better education, health, and income to increased safety for women and lower deaths due to reduced indoor pollution are now getting the attention of CSR policymakers.

- **A shift towards responsible business and strategic CSR**

With mandatory CSR provisions, Companies have started moving away from traditional philanthropic projects and have begun institutionalising the efforts for strategic CSR activities, thereby bringing business responsibility to the forefront. Thus, for FMCG firms that source raw material from farmers, issues like securing and sustaining the livelihoods of farmers growing inputs for their products as well as local water regeneration has become extremely critical. Similarly, oil and energy companies, which are often considered to be the worst climate offenders, should involve in CSR activities, positive effect on the environment. These projects serve to mitigate their risks from a reputation point of view.

- **Sustainability and the rise of shared value projects for CSR activities**

For several of the largest spenders on environment-related projects, sustainability has become a way of doing business. ITC’s CSR Committee is aptly called the "CSR and Sustainability Committee." Similarly, HUL’s projects focus on water stewardship tie-in with Unilever’s global focus on addressing water scarcity. Private-sector bank namely, Axis Bank spent nearly INR 28 crore on reducing GHGs emissions through the use of renewable energy sources and optimising energy-efficient products, By choosing these efforts, the bank demonstrated its commitment on reducing the company's footprint on the environment.

At the same time, several large companies are starting to work on shared value projects which create value for both the community and for the business. For example, as per their Sustainable Living Plan 2015, HUL has a clear road map to source 100% of agricultural raw material sustainably by 2020. And their sustainable tea procurement project carried out as a part of the CSR activities serves a dual purpose- meeting the 2% criteria as well as the company's own responsible business targets.

- **Reducing carbon footprint is still not mainstream among a majority of banks**

Despite the emergence of individual thought business leaders, sustainability is still not at the forefront of CSR activities among a majority of Indian businesses. This trend is apparent even among the top 100 companies. About a third of the top 100 companies registered in Companies act, spent a significant portion of their CSR budget on environment-related activities, such projects account for a merely 10% of the total number of CSR projects carried out in FY15-16, as per the study conducted by NextGen to analyse the CSR expenditure of companies.

- **Greenwashing**

Greenwashing is deceptively used to promote the perception that an organisation's products, aims or policies are environment-friendly. The use of Greenwashing has increased over recent years to meet consumers’ demand for environment-friendly goods and services. Private sector banks are sometimes found engaged in these activities for promoting their schemes which are expensive than the rest of market players. This practice gives them the advantage to satisfy the customer for overpriced policies. For the better outcome of CSR policies, this must be eliminated by supervisors’ of policies.

- **Policy partnership with bottom line**

In this study, it was revealed that beneficiaries are not getting chance for actively participating in CSR activities at each level. The front office management staff is participating by preparing proposals for the possible beneficiaries at the time. These staff members are in direct touch with the bottom line, So their active partnership will enhance soft skills in their day to day operations. CSR practices should be performed in a branch rotation manner. This will also bring awareness among all stakeholders, may be internal or external.

- **Prepare for Pan India programmes**

Programmes carrying the importance of country-level welfare, irrespective of state boundaries would be up tasked in the near future for CSR activities. Only fund donation for these vast programmes does not seem to be fitted for the soul of mandating CSR. Huge customer strength and potential, both give enough field for incorporating common man into mainstream governance. Thus the aim of **"Minimum government Maximum governance"** would no longer be absolute in India.

- **Raise hands for International Commitments**

CSR in India, irrespective of their parental corporations, should do well in the achievement of Sustainable Development Goals (SDGs). This doesn't mean that fund donation at the time of natural calamities but also raise hands for feeding people, providing shelter to needy people and so on. In SDGs, environment protection doesn't mean for planting trees but to count on the survival of those saplings.

- **Strict following of Section VII of Companies Act**

After the completion of this study, a new thing got the limelight. All type institutions engaged in CSR activities must follow the schedule VII strictly, this is because institutions are mixing the funds for hybrid areas. The reason behind this, hidden into the fact that effective CSR would remain untraceable while it looks legit for expenditure purpose.

**In summary,** The trends visible in the CSR projects about the environment highlights a dichotomy in the way companies approach environmental protection interventions in India. While some are thought leaders in the space and see sustainable development and environment protection as an opportunity, for many others, the pressing need for acting on conserving natural resources hasn't arrived yet.

As we move towards a low carbon economy (as a part of the Paris Climate Treaty, India pledged in its Intended Nationally Determined Contribution (INDC) document to reduce its carbon output intensity -emission per unit of Gross Domestic Product (GDP)- by 33-35% from 2005 levels over 15 years), it is hoped that more companies take their cue from the emerging thought leaders and use the opportunity of the 2% CSR obligation to work towards mitigating their impacts on the environment.

The above-stated suggestions should not be taken as mandatory for any institution as these are the suggestions fully depend on this study and sample. These suggestions are heavily depended on the question number19.20 and 21 of the questionnaire. So better suggestions would be placed in if the further study will be practised in the future.

### 6.1. Limitations and Scope for Further Research

Every study has its own limitations. In academic study limitations can exist due to constraints on research design or methodology including data collection tools and these factors may however impact the findings of a research study or survey. Limitations show that the researcher has considered the impact of research weakness thoroughly and have an in-depth understanding of the research topic.

This study too had few limitations and hence scope of further studies leftover. Following points describe the limitations and subsequent scope for further studies.

- **No uniform definition of Corporate Social Responsibility**

The coverage area or activities falls under corporate social responsibility is boundless, also the number of beneficiaries can go up to last citizen. These factors make difficult to pack corporate social responsibility in a particular definition. The directives of a particular government are usually get affected by respective developmental goals; thus it also widens the scope of corporate social responsibility practices. Finally, binding corporate social responsibility in words seems to be a unicorn until the study concluded. So future studies can do better with better definitions.

- **The Time frame of the Study**

As this study is based on the time duration form the financial year 2014-15 to 2017-18. This time duration is actually a probation period of mandatory corporate social responsibility practices in the Indian context. Banks are accepting and assessing this tool and also trying hard to make a strategy that can achieve both, profit-maximising along-with social responsibility. Due to the complexity and lack of clarity on this issue, banks are still bracing themselves at the policy level. So if the banks CSR reports were analysed with more than 4 years time duration it will give better results and opinions. Thus there is a gap for further study which includes more than above mentioned financial years.

- **One-way Analysis**

This study measured the significant factors affecting the corporate social responsibility efforts, from the internal stakeholders' side. This observation is done because of the objectives of the research study but it also left scope for further studies. As researchers can include both sides- banking respondents' and CSR beneficiaries. Further, it depends upon the objectives of future research.

- **Awareness of Corporate Social Responsibility**

During data collection, it was found that respondents in general not aware of the true potential of corporate social responsibility, many people take it as a philanthropy activity. They know less about the strategic value of corporate social responsibility activities. Sometimes the researcher felt that in India it would take some-time to have a better understanding of this issue among stakeholders. If awareness about this issue goes upward, it would certainly affect the outcomes. Thus, at this point this study got limited.

- **Profile of the Respondents**

As the respondents of this study were from the desk job side, they also represent different back-grounds from the perspective of- education, financial status, geographical areas. This research uniformed all these differences but could do better if all of the respondents have near to similar background. This is not a limitation but rather than that a scope for further studies.

- **Sample Selection Criteria**

In this study, Researcher had taken the total sample of 300 people if this number goes up maybe the results would do better justice with corporate social responsibility efforts. Banks selected for this study are based on the objectives of the research, accommodating more banks would be better, as per future research. For future researchers, it is suggested to take a large sample of respondents. This can be a scope for future research.

- **Geographical Coverage**

Banks respondents selected for this study, have their job location in Delhi (capital of India). This is mainly because of the highest bank offices density among all other states. But it’s a truth that despite the fact that, there is enough room for CSR activities in Delhi but it cannot be ignored that vigilance for these activities by their management is also higher here. If further studies cover will more regions, results may be spread throughout the country.

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# ANNEXURE A

**Survey Questionnaire about Corporate Social Responsibility (CSR) of banks**

(The information requires below will be used **strictly for literary purposes**)

## Part- A

Name of respondent ______________________________

Gender [ M ] [ F ]

Designation ______________________________

Educational qualification [ Graduate ] [ Above Graduate ]

Bank name ______________________________

Experience ______________________________

1. I am aware of the term CSR.

(a) Yes (b) Somewhat (c) No

2. I am aware of the several CSR activities of my bank.

(a) Yes (b) Somewhat (c) No

3. I am aware of CSR funds of my bank.

(a) Yes (b) Somewhat (c) No

4. My bank has separate department/foundation for CSR.

(a) Yes (b) Somewhat (c) No

5. My bank publishes CSR reports regularly.

(a) Yes (b) Somewhat (c) No

6. Approximate share of CSR fund allocated for education by my bank.

(a) Nil (b) 1-25% (c) 26-50% (d) Above 50% (e) Not aware

7. Approximate share of CSR fund allocated for healthcare by my bank.

(a) Nil (b) 1-25% (c) 26-50% (d) Above 50% (e) Not aware

8. Approximate share of CSR fund allocated for nearby areas of my bank.

(a) Nil (b) 1-25% (c) 26-50% (d) Above 50% (e) Not aware

9. Approximate share of CSR fund allocated for animal care by my bank.

(a) Nil (b) 1-25% (c) 26-50% (d) Above 50% (e) Not aware

10. How many CSR workshop/seminar, your branch employee attended till the date.

(a) Nil (b) 1-5 (c) 6-10 (d) 11-15 (e) Not aware

11. How many times your branch employees volunteer for CSR activities.

(a) Nil (b) 1-5 (c) 6-10 (d) 11-15 (e) Not aware

## Part- B

For each question below, tick the response that best reflects your approach for CSR activities, where: **SA= Strongly Agree, A= Agree, N= Neutral, D= Disagree, SD= Strongly Disagree.**

12. CSR has potential to attract new banking customers.

**SA** **A** **N** **D** **SD**

13. Customer participation for CSR is well placed in my bank.

**SA** **A** **N** **D** **SD**

14. CSR fund used for environment protection by my bank is sufficient.

**SA** **A** **N** **D** **SD**

15. CSR fund used for education by my bank is sufficient.

**SA** **A** **N** **D** **SD**

16. CSR fund used for rural area development by my bank is sufficient.

**SA** **A** **N** **D** **SD**

17. CSR fund used for health & sanitation by my bank is sufficient.

**SA** **A** **N** **D** **SD**

18. CSR fund used for Arts & Culture by my bank is sufficient.

**SA** **A** **N** **D** **SD**

## Part- C

19. Kindly provide the information about problems faced while CSR implementation by your bank.

______________________________________________________________

______________________________________________________________

______________________________________________________________

20. How can banks' consider Pan India programs such as- Universal Basic Income, MGNAREGA, etc. with Corporate Social Responsibility (CSR) activities?

______________________________________________________________

______________________________________________________________

______________________________________________________________

21. How can banks' consider Sustainable Development Goals (SDGs), with Corporate Social Responsibility (CSR) activities?

______________________________________________________________

______________________________________________________________

______________________________________________________________

**Thanks for your response and co-operation.**

A

| Cronbach's alpha | Internal consistency |
|---|---|
| α ≥ 0.9 | Excellent |
| 0.9 > α ≥ 0.8 | Good |
| 0.8 > α ≥ 0.7 | Acceptable |
| 0.7 > α ≥ 0.6 | Questionable |
| 0.6 > α ≥ 0.5 | Poor |
| 0.5 > α | Unacceptable |