1.1 Introduction:

The society is dynamic and every major change it goes through has its impact on a large scale on nations and its people. Introduction of a new concept for a positive change is accepted fast after winning the confidence and the effects are seen in a larger scale. The beginning of the era of globalisation, in 1990’s, saw a massive change in the approach of big market players in the country and other parts of the world, when new competitive parameters began to be set in the economy.

New policies, in the garb of globalisation, led to rapid development in the economy and saw the emergence of many new commercial entities. With the growth of Gross Domestic Product (GDP) of the nation; the intellectual section of the society began discussions on the responsibility of the commercial entities towards society and the stakeholders. The logic behind this thought was that these commercial entities are very much a part of the society as whole and their activities affect the immediate environment around them which includes people and communities.

The ultimate factor is to build a better bonding between commercial entities with their clients. The responsibility of commercial entities towards the development and sustenance of the society became more prominent as an important area of the functioning of the corporate. This socio-economic bonding (between the commercial entity & the society) concept has gained its momentum with the upholding of this concept by the regulatory bodies. This bonding coupled with responsibilities is termed as Corporate Social Responsibilities.

1.2 Definition of Corporate Social Responsibility (CSR):

Different authorities have defined corporate social responsibility in different ways. A few of them are as follows:
World Business Council for Sustainable Development defines corporate social responsibility as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their formation as well as of the legal community and society at large.”

Department of Trade and Industry in the United Kingdom defines corporate social responsibility as “the integrity with which a company governs itself, fulfils its mission lives by its value, engages with its stakeholders, measures its impact and reports on its activities.”

In other words, corporate social responsibility (CSR) refers to the Responsibility of corporate houses towards the society. These business houses are operated by large number of people, who sacrifices and contributes to the development of the corporation. Therefore, it is very necessary for the corporation to do something for them.

1.3 Evolution of CSR as “Concept and Practices”

The concept of CSR and its evolution to today’s form can be understood through the analytical writings of Archie B Carroll. The following table provides a periodic view of Evolution of CSR:

<table>
<thead>
<tr>
<th>Period</th>
<th>Focus</th>
<th>Activities</th>
<th>Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to 1950s</td>
<td>Concerned with employees and how to make them more productive workers; individual philanthropy</td>
<td>Provision of hospital clinics, bathhouses, lunch rooms, profit sharing, recreational facilities etc</td>
<td>very few (it is just like individual social responsibility)</td>
</tr>
<tr>
<td>Period</td>
<td>Focus</td>
<td>Activities</td>
<td>Practices</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>During 1950s</td>
<td>Conversion from social responsibility to Corporate Social Responsibility</td>
<td>The idea of corporate managers as public trustees, the idea of balancing competing claims to corporate resources, and the acceptance of philanthropy as a manifestation of business support of good causes</td>
<td>less practices, more talk.</td>
</tr>
<tr>
<td>During 1960s</td>
<td>Philanthropy continued as the most noticeable manifestation of CSR</td>
<td>Philanthropy, employee improvements (working conditions, industrial relations, personnel policies), customer relations, and stockholder relations.</td>
<td>less practices, more talk.</td>
</tr>
<tr>
<td>During 1970s</td>
<td>CSR is more discussed amongst the educationists and intellectuals and more newer concepts evolved like corporate responsibility, public responsibility, social action, public service, corporate citizenship, and social responsiveness.</td>
<td>Minority hiring, Ecology (concern for environment), Minority training, Contributions to education, Contributions to the arts, Urban renewal, Civil rights, developing understandable accounting statements, truth in advertising, product defects, consumer complaints, consumer-oriented label changes, and guarantees and warranties, pollution control, charities, community affairs, recruitment/development of minorities, and support to education</td>
<td>visible actions</td>
</tr>
<tr>
<td>During 1980s</td>
<td>More themes developed like CSR as process, corporate social policy process, stakeholder theory and business ethics; relationship between corporate social responsibility and firm profitability</td>
<td>Environmental pollution, employment discrimination, consumer abuses, employee health and safety, quality of work life, deterioration of urban life, and questionable/abusiveness practices of multinational corporations</td>
<td>More practice</td>
</tr>
<tr>
<td>Period</td>
<td>Focus</td>
<td>Activities</td>
<td>Practices</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>During 1990s</td>
<td>The prominent themes, which continued to grow and take centre stage are like corporate social performance (CSP), stakeholder theory, business ethics, sustainability, and corporate citizenship; CSR as management philosophy or policy, strategic giving, cause-related marketing, international donations, employee volunteerism, sustainability, and global corporate citizenship, global social investment, corporate reputation, community partnerships, corporate social policy, corporate accountability.</td>
<td>Investment made in the area of education, culture and the arts, health and human services, civic and community, international drones, community partners, and NGO partners</td>
<td>More practiced by Multinational Corporations (MNC)</td>
</tr>
<tr>
<td>During 21st Century</td>
<td>A shift from theoretical to empirical research, CSR becomes global phenomenon</td>
<td>Investment made in the area cause promotion (increasing awareness and concern for social causes); cause-related marketing (contributing to causes based on sales); corporate social marketing (behavior change initiatives); corporate philanthropy (contributing directly to causes); community volunteering (employees donating time and talents in the community); socially responsible business practices (discretionary practices and investment to support causes).</td>
<td>Practice at global level</td>
</tr>
</tbody>
</table>

Source: The above data is been compiled from the research study under taken by ARCHIE B. CARROLL University of Georgia. Study is available at: [http://www.academia.edu/419517/Corporate_Social_Responsibility_Evolution_of_a_Definitional_Construct](http://www.academia.edu/419517/Corporate_Social_Responsibility_Evolution_of_a_Definitional_Construct)
It is discernable from the aforesaid table that the root of CSR is believed to be as old as business itself. However, its formal introduction to the business world can be traced back to the Industrial revolution in Europe. The scale of CSR practices was very negligible. It was limited to individual philanthropy activities like donation to churches and little bit concern about the improvement of worker productivity. The workers were provided with the provision of hospital clinics, lunchrooms, and recreational facilities. Though, such activities were undertaken by very few industrialists and that too at a very limited scale.

In 1950’s and 60’s corporate houses started to slowly accept the CSR, and provided more importance to philanthropic activities. In this era, workers’ wellbeing, relationship with customer and stakeholders got prominence in CSR activities. 1970s saw more discussion about CSR among academics and corporate. In this decade, newer concepts like corporate responsibility, public responsibility, Social action, public service, corporate citizenships, and social responsiveness emerged. This decade is experienced with the CSR activities like minority hiring, ecological concern, art and educations, consumer satisfactions etc. The decade of 1980s also encountered newer concepts related to CSR. Those concepts are corporate social policy process, stakeholder theory, business ethics, CSR in relation to profit etc. This decade too, witnesses the same CSR activities as in the last decade, but the scale of practices was on higher side. In 1990s the earlier concepts continued to grow but at the same time newer concepts also took centre stage like, Sustainability, CSR as management philosophy, global investment, community partnership, corporate accountability, etc. This decade shows the emergence of Multi National Companies in CSR practices. In this decade investments were made in the area of education, culture, arts, health and human service,
civic and community services. In 21st century, the CSR practices have become a global phenomenon. Focus shifted from theoretical to empirical research of CSR. The corporate started with more innovative ways to carry out their CSR activities and socially responsible business practices got more prominence.

In present era, the importance of corporate social responsibility is increasing. Most of the corporate houses practice CSR activities for prestige and creating value in the society. Many corporate houses use CSR as a tool for competing with its competitors. But its effectiveness depends on the scale and nature of the CSR activities. This scale and the nature of CSR of an organisation depends on the nature of the enterprise. Nearly all leading companies like TATA, BIRLA etc are involving in CSR programs in areas like education, health, livelihood creation, social development and empowerment of weaker section of the society.

Banks and financial institutions are not exceptional in this regard. The contribution of banks to sustainable development is of paramount importance. They play a crucial role in financing the economy and development activities of the world. At the same time they undertake CSR activities for the social upliftment and sustenance. Commercial banks, as responsible citizens are also important contributors to CSR. Commercial banks are the oldest, biggest and fastest growing financial intermediaries in India. Commercial banking in India is a unique system, alike of which exists nowhere in the world. Commercial bank in India are broadly categorised into schedule commercial bank and non-scheduled commercial bank. The scheduled commercial banks have been listed under second schedule of the Reserve Bank of India Act, 1934.
These banks collect excess funds of the people in the form of deposits and give short-term loans and long-term loans out of deposit to the traders, industrialists and other sectors and thereby cover their cost and earn a surplus in the form of profits, for which they charge interest. Interest is charged to meet administrative and other costs and to pay dividend to the shareholders. The banks are allowed to act as a trustee. The Indian government also hires commercial banks for various purposes like tax collection and refunds payment of pension etc. Apart from the normal banking operation, banks act as responsible and responsive corporate citizen. Commercial banks reinvest a part of its profit in various community welfare projects to improve the quality of life of the poor, the neglected, weaker and downtrodden section of the society.

1.4 Brief Profile of Select Commercial Bank

The study has been done on 14 public sector commercial Banks and 10 private sector commercial banks that are operating in India. The brief introduction of all the 24 commercial banks is discussed below:

1.4.1 State Bank of India:

State Bank of India is the largest public sector commercial bank which was established on 27 January 1921 namely as Imperial bank of India. It is a government owned corporation which has its headquarter in Mumbai, Maharashtra. The bank has a long origin. The root of State bank of India lies in the first decades of the 19th century when a presidency bank namely the Bank of Calcutta, latter which was known as Bank of Bengal, was established on 2nd June 1806. Along with Bank of Bengal, two other presidency banks namely Bank of Bombay and Bank of Madras were Amalgamated together on 27 January 1921 and re-organised Imperial Bank of India which was a joint stock company without government participation. As per the State Bank of India Act
1955, the Central bank of India, means the Reserve Bank of India, acquired a controlling interest in the imperial bank but in the year 2008, the government of India acquired the RBI’s stake in SBI. In 1959 the government passed the State Bank of India (Subsidiaries) Act and in October 1960, which made eight State Banks associated of SBI. As first five years plan, the government has given priorities in Rural Development; the government integrated these banks into the State Bank of India System to expand its rural outreach. The bank provides its financial services through its network in India and overseas. The bank has 14 regional hubs and 57 Zonal offices at important cities throughout India and 190 overseas offices spread over 36 countries as on 31st March 2014. It has branches in Moscow, Colombo, Dhaka, Frankfurt, Hong Kong, Tehran, Johannesburg, London, Los Angeles, Maldives, Muscat, Dubai, New York, Osaka, Sydney and Tokyo and its offshore banking unit in Bahamas, Bahrain and Singapore ad its representative office is in Bhutan and Cape town. The bank has now five subsidiaries i.e. State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore. Apart from its five associate banks, SBI has also some non- banking subsidiaries i.e. State Bank Capital Market Ltd, SBI Fund Management Private Ltd, SBI Factors & Commercial service Private Ltd, SBI Cards & Payment services Private Ltd (SBICPSL), SBI DFHI Ltd., SBI Life Insurance Company Limited and SBI General Insurance. As per annual Report 2013-14, the bank has 15869 numbers of branches and 43,515 numbers of ATMs services throughout India. The bank is involved in non-profit activity, which is called Community service banking since 1973. The bank is one of the largest employers in the country with 222033 employees as on 31 March, 2014, out of which 45132 are female employees
who occupy 20% of total employees, and 2610 disabled employees who occupy 1% of the total employees.

1.4.2 Punjab National Bank:

Punjab Nation Bank (PNB) is one of the largest Public sector commercial bank in India which was founded in the year 1894 and registered under the Indian Companies Act, 1882. The bank is a government owned corporation which has headquarter in New Delhi. The bank opened its first office in Anarkali Bazaar, Lahore. In 1900, the bank established its first branch outside Lahore in Rawalpindi, then branches in Karachi and Peshawar. In the year 1940, PNB absorbed Bhagwan Dass Bank, with head office in Dehra Dun. PNB lost its premises in Lahore and decided to transfer its Register office to India and established a new head office at Under Hill Road, Civil Lines in New Delhi when Pakistan became independence from India. PNB has acquired 39 Branches of Bharat Bank in 1952 and in 1960 bank has shifted its head office from Calcutta to Delhi. Punjab national bank was nationalised in 19th July 1969 along with 13 other major commercial bank by the government of India. PNB provides its financial products and services to its customers throughout India with help of its branches. The bank has 6,201 numbers of branches and 6,940 ATMs in India as on 31st March, 2014. The total numbers of Bank’s employees including its subsidiaries is 65,541 as on 31st March, 2014. Bank has also provided services outside of India. The bank has overseas presences in 10 countries including 5 branches, 2 in Hong Kong and one each in DIFC Dubai, Kabul and OBU-Mumbai and 5 representative offices in Shanghai, Osole, Dubai Almaty and Sydney (Australia), 3 subsidiaries in London, Kazakhstan and Bhutan and one Joint Venture in Nepal as on 31st March 2014.
1.4.3 Bank of Baroda:

Bank of India is also one of the largest public sector commercial bank which was set up in 1908 by Maharaja Sayajirao Gaekwad III, one of the knights of Maratha Kingdom. It is an Indian State-owned banking and financial services company with headquarter is at Varoda in Gujarat. In addition to its headquarters in its home State of Gujarat, It has a corporate headquarters in the Bandra Kurla Complex in Mumbai. Bank of Baroda established its first branch in Ahmadabad. The Bank of Baroda was nationalised with other 13 major commercial banks in the year 1969. The bank spread its services all over India with the help of its branch networks. The bank has 4,934 numbers of Branches and 6,254 numbers of ATMs in India as on 31st March, 2014. The bank has total 46001 numbers of employees out of which 9641 are women employees and 877 differently abled employees as on 31st March, 2014. BOB Capital Market (BOBCAPS) is a SEBI-registered investment banking company which is in Mumbai, Maharashtra wholly owned subsidiary of Bank of Baroda. And Bob cards Ltd is the first Indian credit card issuing company which is also a 100% subsidiary of Bank of Baroda. Bank has also expanded its services outside of India. It has 104 branches/Offices in 24 countries including 60 branches/offices of the Bank, 41 branches of its overseas subsidiaries and 1 representative office in Thailand and Bank of Baroda has a joint venture in Zambia as on 31st March, 2014.

1.4.4 Canara Bank:

Canara bank is one of the largest public sector commercial bank which was established in Mangalore, in 1906. It is a state-owned public sector commercial bank whose headquarter is situated in Bangalore, Karnataka. The bank was first established as Canara Hindu Permanent Fund by Ammembal Subba Rao Pai, a philanthropist and it
changed its name to Canara Bank Ltd in the year 1910 when it was incorporated. The Bank was nationalised by the government of India along with 13 major commercial Banks on 19\textsuperscript{th} July, 1969. The bank spread its services in the country with help of its branches network. It has 4,755 numbers of Branches and 612 numbers of ATMs as on 31\textsuperscript{st} March, 2014. The total number of bank employees was 48,794 numbers of employees as on 31\textsuperscript{st} March, 2014. The financial services of the bank have extended to abroad. It has already covered 6 countries with one branch each at London, Leicester Hong Kong, shanghai and Manama (Bahrain) and one representative office at Sharjah. The bank has some non-banking subsidiaries i.e. Canfin Home Limited (CFHL), Canbank Factors Limited, Canbank Venture Capital Fund Limited, Canbank Computer Service Limited, Canara Bank Securities Limited, Canara Robeco Assets Management Company Limited, Canara Financial Service Limited and Canara HSBC oriental Life Insurance Company Limited.

1.4.5 Bank of India:

Bank of India is one of the public sector commercial bank which was established on 7 September, 1906 under private ownership. The Headquarter of the Bank is situated in Mumbai, Maharashtra. The bank was nationalised in 19\textsuperscript{th} July 1969 along with 13 major commercial banks in India. Till the date, the bank was under the private ownership. The bank spread its services throughout India with help of its 4646 numbers of Branches and 4375 Numbers of ATMs as on 31\textsuperscript{st} March 2014. These branches of the bank controlled over 50 zonal offices. The bank has also 56 branches/ offices and 5 subsidiaries and 1 joint venture abroad as on 31\textsuperscript{st} March 2014. Presently Bank has overseas presence in 22 foreign countries over 5 continents with 56 offices including5
subsidiaries, 5 Representative offices and 1 Joint Venture, at key banking and financial
centre i.e. Tokyo, Singapore, Hong Kong, London, Jersey, Paris and New York.

1.4.6 Union Bank of India:

Union Bank of India is a public sector commercial Bank which was registered
on 11 November 1919 as a limited company and was inaugurated by Mahatma Gandhi.
The bank was set up with a vision of becoming the first choice in their chosen areas by
building beneficial and lasting relationship with customers through a process of
continuous improvement. It is one of the largest Government owned banks, which has
its headquarter situated in Mumbai. The Union Bank of India was nationalised with 13
other major commercial Banks on 19th July 1964 by the Indian Government. The bank
has 3871 numbers of Branches and 6429 numbers of ATMs and 2 foreign branches as
on 31st March 2014. The bank also has 33,806 numbers of employees as on 31st March,
2014.

1.4.7 Indian Bank:

Indian Bank is one of the leading public sector commercial bank which was
established on 15th August, 1906. It is state’s owned financial service company with
headquarter in Chennai, India. The bank was established with a vision to provide basic
banking services to the unbanked segment of the society across the Country. The bank
was also nationalised on 19th July 1969 with 13 other major commercial banks. The bank
has 2,253 numbers of branches and 2,123 numbers of ATMs in India as on 31st March
2014. It also has 19,429 numbers of employees as on 31st March, 2014. The bank has
also expanded its services to international level. Bank has three overseas branches in
Colombo and Jaffna in Sri Lanka and Singapore as on 31st March 2014. The bank has
two subsidiaries; namely, Indbank Merchant Banking services Ltd and Ind Bank Housing Ltd.

1.4.8 IDBI Bank:

IDBI Bank is a public sector commercial bank which was established in 1964 under the act of parliament as a wholly own subsidiary of Reserve Bank of India. It is a government owned financial service company which was formerly known as Industrial Development Bank of India. The Headquarter of the bank is in Mumbai, India. Reserve BANK of India incorporated IDBI as a Schedule bank under RBI Act, 1934 in September 2004. Subsequently, IDBI officially entered the portal of banking business as IDBI Limited from October 1st 2004 with a vision to be the most preferred and trusted bank enhancing value for all stakeholders. The bank has 1387 numbers of Branches, 2301 numbers of ATMs in India and one overseas branch in Dubai International Financial Centre (DIFC) Dubai as on 31st March. The bank has 16,438 numbers of Employees as on 31st March, 2014.

1.4.9 Allahabad Bank:

Allahabad bank is one of the largest public sector commercial banks which was established on 24 April, 1865 in Allahabad. It is the oldest joint stock company in India. On 24 April, 2014, the bank has completed its 150 years of establishment. The Headquarter of the bank is in Kolkata, India. The bank was nationalised on 19th July, 1969 along with 13 major commercial banks in India. The bank has 2840 numbers of Branches in India out of which 1131 are rural, 592 at semi urban, 581 at Urban and 536 at Metropolitan Centre and 901 numbers of ATMs as on 31st March, 2014. The bank has opened its first office outside India in Shenzen, Mainland China in June 2006 and
Allahabad bank opened its first overseas branch in Hong Kong on February, 2007. The bank has 24,569 numbers of employees as on 31\textsuperscript{st} March 2014.

1.4.10 Corporation Bank of India:

Corporation Bank of India is a public sector commercial bank having it’s headquarter in Mangalore, Karnataka India. It is one of the oldest banks of the India which was founded on 12 March, 1906 in the Temple Town of Udupi, by a small group of philanthropists led by Khan Bahadur Haji Abdulla Haji Kasim Saheb Bahadur. The bank has been included in the second schedule of RBI Act, 1934 in the year 1937. The bank was first known as Canara Bank Corporation limited but in 1972, the name of the bank changed to Corporation Bank Limited. The bank was nationalised in 1980 along with other five private sector Banks. The bank has 2021 numbers of branches, 2264 numbers of ATMs and 4332 numbers of branchless business units in India as on 31\textsuperscript{st} March, 2014.

1.4.11 Syndicate Bank:

Syndicate bank is one of the oldest and major commercial banks, which was established in 1925 at Udupi as Canara Industrial and Banking Syndicate Limited. The bank was founded by TM Pai, Upendra Pai and Vaman Kudva. The bank changed its name to Syndicate Bank Limited in 1964 and also shifted its head office to Manipal. At present, Bank head office is situated at Manipal, Karnataka. The bank was nationalised in 19\textsuperscript{th} July, 1969 along with other 13 major commercial banks in India. The bank has 3251 domestic branches out of which 658 Metro and part town branches, 704 urban branches, 856 semi-urban branches and 1032 rural branches as on 31\textsuperscript{st} March, 2014. Bank has 27,222 numbers of employees as on 31\textsuperscript{st} March, 2015. Bank has also provided 1946 numbers of ATMs services throughout India as on 31\textsuperscript{st} March, 2014.
1.4.12 Oriental Bank of Commerce:

Oriental Bank of Commerce is a public sector commercial bank which was founded in Lahore, Pakistan on 19th February, 1943. The bank shifted its head office from Lahore to Amritsar within 4 years from the date of foundation. At present, the head office of the bank is situated in Gurgaon, Haryana. The bank was nationalised on 15th April, 1980 along with other five private Banks. At that time OBC ranked 19 out of 20 nationalised banks. The bank has numbers of branches and ATMs in India as on 31st March, 2014. Bank has also 19,550 numbers of employees as on 31st March, 2014.

1.4.13 Andhra Bank:

Andhra Bank is one of the medium sized public sector commercial bank which was established in Machilipatnam, Andhra Pradesh in 1923. Dr Bhogaraju Pattabhi Sitaramyyya was the founder of the Bank. The bank was nationalised in April 1980 alone with other five private sector commercial Banks. The bank has 2114 branches, 10 extension counters, 35 satellite offices and 1850 numbers of ATMS as on 31st March, 2014. Now, the head office of the bank is situated in Hyderabad, Andhra Pradesh. Along with Bank of Baroda and Indian Overseas bank, Bank has entered into a tie up for setting a banking subsidiary in Malaysia. The bank has 18725 employees as on 31st March, 2014.

1.4.14 Indian Overseas Bank:

Indian Overseas Bank is one of the largest public sector commercial banks which was founded on 10th February 1937 by M. Ct. M. Chidambaram Chettyar. The Headquarter of the bank is situated in Chennai, India. The bank has 3265 domestic branches and 2533 ATMs as on 31st March, 2014. Along with domestic branches, the bank has seven full-fledged overseas branches i.e. two in Hong Kong and Sri Lanka;
one each in Singapore, South Korea and Bangkok. Bank has three representative offices, two Remittance Centres and one Joint -venture subsidiaries in abroad. The total numbers of the employees of the bank as on 31st March 2014 were 29,716 comprising 13,240 officers, 12,236 Clerks and 4,240 sub-staff.

1.4.15 ICICI Bank:

ICICI Bank is one of the largest private sector commercial bank which was founded in the year1994. The bank was established by the Industrial Credit and Investment Corporation of India as a wholly owned subsidiary. The Headquarter of the bank is situated in Mumbai, Maharashtra. The bank has a network of 3753 branches and 11,315 numbers of ATMs in India as on 31st March, 2014. The bank has spread its financial services in 17 countries including India. The bank has subsidiaries in the United Kingdom and Canada, branches in united State, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar, Dubai, Belgium, Germany, International Finance Centre and China and its representative offices in United Arab Emirates, South Africa, Bangladesh, Malaysia and Indonesia. The bank has 72,226 numbers of employees as on 31st March, 2014.

1.4.16 HDFC Bank:

HDFC bank is one of the largest private sector commercial bank which was established in August, 1994. The bank was promoted by the Housing Development Finance Corporation. The Headquarter of the bank is situated in Mumbai, Maharashtra. The bank has 3404 numbers of branches in 1845 cities and 11,256 numbers of ATMs throughout India as on 31st March, 2014. The bank has two overseas branches in Bahrain and Hong Kong and also has 3 Representative offices in Dubai, Abu Dhabi and Kenya as on 31st March 2014. The bank has got an approval from RBI to open a branch
at Dubai International Financial Centre, Dubai and is planning to open it in the next financial year means 2014-15. Bank has 68,165 numbers of employees as on 31\textsuperscript{st} March, 2014.

1.4.17 AXIS Bank:

Axis Bank is a private sector commercial bank which was established in 1990 as a UTI bank. UTI bank opened its first registered office in Ahmadabad and corporate office in Mumbai in December, 1993. The Headquarter of the bank is situated in Mumbai, Maharashtra. The bank has 2402 numbers of Branches and extension counter and the largest ATMs network among private sector banks in India with 12922 numbers of ATMs as on 31\textsuperscript{st} March, 2014. The bank has seven international offices including 5 branches at Singapore, Hong Kong, Dubai, Shanghai, Colombo and 2 Representative offices at Dubai and Abu Dhabi. The bank has 42,420 numbers of employees as on 31\textsuperscript{st} March, 2014.

1.4.18 Kotak Mahindra Bank:

Kotak Mahindra Bank is a private sector commercial bank which was established in 1985 as Kotak Mahindra Finance Ltd by Uday Kotak, is one of India’s leading financial services Conglomerates. It is the first company in India banking history to convert to a bank. In February 2003, Kotak Mahindra Finance Ltd was given licence to carry on banking business in India by the Reserve Bank of India. The Headquarter of the bank is in Mumbai, Maharashtra. The bank has more than 600 numbers of branches and more than 1100 numbers of ATMs in India as on 31\textsuperscript{st} March, 2014. The bank has its overseas offices in New York, London, Dubai, Abu Dhabi, Mauritius and Singapore as on 31\textsuperscript{st} March, 2014. The bank has 26500 numbers of employees as on 31\textsuperscript{st} March, 2014.
1.4.19 Yes Bank:

Yes bank is a private sector commercial bank which was established in 2004 and it was co-founded by Rana Kapoor. The Headquarter of the bank is situated in Mumbai. The bank has 560 numbers of branches and more than 1,100 numbers of ATMs in India as on 31st March, 2014. The bank has 8,798 numbers of employees out of which 7330 numbers of Male and 1468 numbers of Female employees as on 31st March, 2014.

1.4.20 Jammu & Kashmir Bank:

Jammu & Kashmir Bank is a private sector commercial bank which was founded by the Maharaja of Jammu and Kashmir, Hari Singh on 1st October, 1938 through the bank has commenced banking business on 4th July 1939. The Headquarter of the bank is situated in Srinagar. The bank functions as a universal bank in Jammu and Kashmir. The bank has 777 numbers of computerised branches out of which 44 are metro, 181 urban, 152 semi-urban and 400 rural branches and 800 ATMs in India as on 31st March, 2014. The bank has 9400 employees as on 31st March, 2013. The bank has not any overseas branch as on 31st March 2014.

1.4.21 Federal Bank:

Federal bank is a private sector commercial bank which was founded in 1945 at Kochi as Travancore Federal Bank. But in 1947, the bank changed its name to Federal Bank. The Headquarter of the bank is situated at Aluva, Kochi in Kerala. Federal bank became a schedule commercial bank in 1970 and also came out with its initial public offering in 1994. The bank has 1174 branches and 1359 numbers of ATMs across 24 states in India as on 31st March, 2014. The Bank has opened its first overseas Representative office in Abu Dhabi in the year 2008.
1.4.22 IndusInd Bank:

IndusInd Bank is a private sector new generation bank in India which was established in 1994 in Mumbai. The bank was inaugurated by the Former Union Finance Minister Manmohan Singh. The Headquarter of the bank is situated in Mumbai, Maharashtra, India. The bank has 602 branches, and 1110 ATMs Covering 404 geographical location of the country as on 31st March, 2014. The bank has 15,590 numbers of employees as on 31st March, 2014.

1.4.23 Karur Vysya Bank:

Karur Vysya Bank is an Indian private sector commercial bank which was established in 1916 by M.A.Venkatarama Chettiar and Athi Krishna Chettiar in Karur. The Headquarter of the bank is situated in Karur in Tamil Nadu. The bank has 572 numbers of branches and 1617 numbers of ATMs across India as on 31st March, 2014. The bank has 7339 numbers of employees as on 31st March, 2014.

1.4.24 ING Vysya Bank:

ING Vysya Bank is India based multinational private sector commercial bank which was established in 1930 as a Vysya Bank in the city of Bangalore, Karnataka. But in the year 2000, the bank merged with a foreign bank Dutch ING group and formed ING Vysya Bank. It was a first merger made between an Indian Bank with a Foreign Bank. The Headquarter of the Bank is situated in Bangalore, India. The bank has 553 branches, 10 counters, 28 satellite offices and 638 ATMs national wide as on 31st March, 2014. The bank has over 10,000 numbers of employees in the organisation as on 31st March, 2014.
1.5 Review of Literature:

Review of literature is very useful in giving the background, identifying the research gap, need of the study, and specifying its objectives. Therefore the review, relevant to the study related to the topic that has been carried out, is given as follows.

- Bala Ram Chapagain 2008 “Management view on Corporate Social Responsibility in commercial Banks of Nepal. In his studies it has found that the managers of the commercial banks in Nepal are clearly aware about the company’s moral duty towards different segments of the society. One of the crucial finding of the study is that the top level management of private sector commercial banks assume that there is a win-win relationship between CSR and financial performance of the company.

- Masud Abdul Kaium (2011), in his research study ‘CSR practices of private commercial banks in Bangladesh: A comparative strategy’ have found that the Private Commercial Banks values CSR contribution as one of the tool to avail tax benefit of 10%. The Statutory Regulatory Order issued by National Board of Revenue has defined 22 areas where corporate houses can make CSR investment and avail the tax benefits. However the selected entities are making investment in only 13 defined areas. The researcher has selected 5 top most private sector commercial banks from Dhaka Stock Exchange (DSE) on the basis of capitalization. Out of these 5 banks, Dutch Bangla Bank is highest contributors of previous year’s net profits on CSR activities during the financial year 2010 i.e. 6.25%. His study also reveals that out of 5 banks, 2 banks has contributed less than 1% of previous net profits after tax on CSR activities in the financial year 2010. The researcher has also opined difficulties in getting information as the disclosure till the year 2011 was not mandatory.
Das Sanjay Kanti (2012), in his research paper ‘CSR practices and CSR Reporting in Indian Financial sector’ has found that most of the commercial banks have used separate segment in their Annual Reports to disclose CSR activities carried out by them. But these have been done to comply with internationally accepted benchmark. He also found that major thrust areas for CSR are common for both public and private sector commercial banks i.e. Children welfare, Community welfare, education, environment, healthcare, poverty eradication, rural development, vocational training, women empowerment, protection of girl’s children and employment. He also observed that out 12 selected banks, only two banks i.e. J&K and Union bank has followed a system of pre-fixed budget for pursuing CSR i.e. 1% profits after tax. He also observed that most of the commercial banks has not followed the guidelines of Ministry of Rural Development, Government of India on setting up of Rural- self employment Institutions (RSETIs).

A study entitled ‘Corporate Social Responsibility Practices of Commercial Banks in Bangladesh: A Case Study on Southeast Bank Ltd.’ (2012) undertaken by Md. Kayssar Ahmed have focused on the CSR practices in various areas undertaken by the selected bank. He observed that bank is following transparent business practices. Their business practices are based on ethical values, respect for people, communities and the environment, and compliances with legal and regulatory requirement. The researcher has also found that the select bank has spent 2% of their net profit after tax in the year 2012.

Chiheve Herbert (2013) in his research article ‘Corporate Social Responsibility in Commercial Banks: A case of Gweru’ observed that most of the banking executive of the city are not aware about the existences of the equator principle, an
international benchmark for project finance and they also feel that CSR should not
regulated by the government as CSR is Voluntary. Study also found that banks are
not making any donations to any political parties or individuals for running public
offices. The study also found that managers of the banks values CSR as tax relief
and public image for the bank.

- A study entitled ‘Corporate Social Responsibility: A study of selected public sector
  Banks in India’ undertaken by Moharana Sarita (2013) has observed that all
  commercial banks are mostly engaged in rural development, education, community
  welfare, women and children. He also found that banks have made effort for
  implementation of CSR, but was limited to the above mention areas only.

- Shah Asheesh (2013) in his doctoral thesis ‘Development of Corporate Social
  Responsibility- A case study of selected Indian Corporate sector Banks’ found that
  the banking industry in India between 2007-2008 to 2011-12 has adopted CSR
  positively. He also observed that banks are using CSR activities more as brand
  building strategy than as commitment to the society. His study also found that most
  of the private sector commercial Banks has set up their own trusts to carry out their
  CSR activities. Among all selected public sector commercial banks, only Punjab
  National Bank has prepared a separate CSR Report, and others have disclosed CSR
  activities through Annual Reports.

- Choudhury Vikash, and Tandon Suman, on their research paper “Corporate Social
  Responsibility of Public Sector Banks in India” published in Galaxy International
  Interdisciplinary Research Journal” (2013) has found that Indian bankers have
  recognised the social responsibility and are contributing immensely in the area of
  employment generation, education, health care, farmer training, women welfare and
their empowerment. Researchers have carried out the case study of seven public sectors bank viz., Canara Bank, Allahabad Bank, Union Bank of India, State Bank of India, Punjab National Bank, Bank of India, and Bank of Baroda.

- A study entitled ‘Corporate Social Responsibility Practices of Commercial Banks in Bangladesh: Singh Namrata, Srivastava Raj, Rastogi Rajini, in their research paper entitled “CSR Practices and CSR Reporting in Indian Banking Sector” published in “International Journal of Scientific and Research Publication” (2013), have tried to focus on the major areas of CSR initiatives of the Indian Banks. The Researchers found that most of the banks are still not disclosing the amount that has spent on their respective CSR initiatives. In the study entitled ‘Corporate Social Responsibility: an analysis of Indian Commercial Banks’ by Sharma Eliza and Mani Mukta (2013) have considered nine variables for analysing the CSR score for the selected public sector, private sector and foreign banks. The nine variables they used were: Rural Branch Expansion, Priority Sector Lending, Environment Protection, Community Welfare, Women Welfare, Farmers’ Welfare, New initiative related to CSR, Financial Literacy and Education. Their study shows that Punjab National Bank among the Public sector; ICICI Bank & Jammu & Kashmir Bank among the private sector and; Royal Bank of Scotland scored highest CSR point. The researchers have also opined that the effort of Indian Banks requires more effort in CSR. They also found that RBI’s guidelines for financial literacy program are also not yielding required results.

- Md. Mizanur Rahman and Md. Feroz Iqubal (2013) “Corporate Social Responsibility practices and private commercial Banks: A case study on Bangladesh.” This study reveals that CSR is an important instrument to gaining the
competitive advantage and CSR has also a positive impact on employees’ behaviour, customers’ behaviour. It also found that most of the commercial banks have practice CSR activities in some specific areas only, though the CSR expenditure of the banks are increasing year after year.

- A Case Study on Southeast Bank Ltd.’ (2012) undertaken by Md. Kayssar Ahmed have focused on the CSR practices in various areas undertaken by the selected bank. He observed that bank is following transparent business practices. Their business practices are based on ethical values, respect for people, communities and the environment, and compliances with legal and regulatory requirement. The researcher has also found that the select bank has spent 2% of their net profit after tax in the year 2012.

- Lenka Burianova and Jiri paulik (2014) in their research article “Corporate Social Responsibility in commercial Banking- A case study from the Czech Republic” divided the CSR activities of the banks into eight main areas such as management of CSR, direct economic effect on a community, indirect economic effect on the community, human rights, social policy, employment, consumer protection and environmental policy by considering basic pillar of CSR as economic, environment and social responsibility.

- Dhingra Deepika and Mital Raman (2014) in their research paper “CSR practices in Indian Banking sector’ described the evolution of CSR initiative into four phases i.e. Phase I – 1850 to 1914, Phase II – 1910 to 1960, Phase IV- 1950 to 1990, and Phase V from 1990 to present. The aspect of CSR is different from one phase to another. In their studies, it has been found that the public sector commercial banks are actively engaged in rural development and gender equalization through women’s
empowerment whereas private sector commercial banks are actively engaged in education and employment to all. They also found that both public and private sector banks are more concerned about the social welfare. However, they are pursuing different approaches to promote CSR.

• Katara Sapana (2014), in her research study entitled ‘A comparative Analysis of CSR practices: Bank of Baroda and State Bank of India’ have found that SBI have focused their CSR activities in more diverse areas whereas Bank of Baroda has focused only on education, health, women and social welfare in Rajasthan in the year 2012-13. She also reveals that in the financial year 2102-13, SBI has spent 1% of profit after tax where Bank of Baroda has spent only 0.16% of profit after tax.

• Mrs. V. Caroline Juliya Pushpam, Dr. R. Karthi and Ms. B. Asha Daisy (2015) “Corporate Social Responsibility of Banks in India” The researcher has found that Indian banks have considered rural branch expansion, priority sector lending, Environmental protection, financial literacy, farmers’ welfare are the part of Corporate Social Responsibilities.

Research Gap:

It is discernable from aforesaid review of literature that though researchers had their research activities in the area of CSR by Commercial Banks, but their research activities were merely confined to analysis of data from secondary sources. Further those studies did not have an analytical discussion on the effectiveness of CSR investment among the beneficiaries. Moreover, the research activities conducted prior to the enactment of the Companies Act, 2013 have no relevancy with the provisions as mentioned in the Companies Act implemented on 1st April, 2014. And those works which were conducted after the enactment of the Act were almost silent about the
effectiveness of CSR activities and also the effectiveness of CSR activities conducted in
the state of Assam. As such the present research work is a bridging to the gap of
literature by way of conducting a study on the nature of effectiveness of the CSR
activities especially in the state of Assam.

1.6 Significance of the Study:

The significance of the study can be viewed both from the point of view of
Banking Regulation Act, 1949 and Companies Act, 2013. It is been seen that, CSR
initiative were launched in India during 1990s. The process of globalisation brings
changes in the economy and national runs. Accordingly, the role, relationships, demand
and expectation of various stakeholders have changed. The corporate houses are holding
great power to influence social development since then. At the same time, increased
awareness among the social group has results in the demand for more ethical business
practices and commitment of the corporate houses towards the society. The concept of
CSR has become very popular among academics for future studies and research
activities and corporate houses for its sustainability in the society. The corporate world
has accepted CSR and one can realised these through their vision and mission statement.
However, their practices are not so highly desirable. Though, CSR activities are
voluntary in nature, but society expects corporate to perform their CSR sincerely.
Impact of corporate affairs towards the society and the nature is certain. So, it is highly
expected from the corporate houses to carry out their businesses more responsibly.

It is true that commercial banks play a very important role in the development of
any country. But, at the same time it is also established fact that very their affairs and
economic activities have certain impact over the society as a whole. This concept is
very much prevalent in Indian financial institution like banks etc. As a part of economic
agenda, the bankers are trying to reach each and every corner of the country. They are mobilizing the saving from the masses and make appropriate economic cycle as the investment and earning profit out of that. Those investments are made in different projects and these projects too have great scope to create negative impact over the environment and over the society. As bankers are earning profit through the public money and also has the chances to increase its stake holding in the society so it’s become very pertinent that the banker to take part in CSR very seriously. Though, the banks are regulated by the Banking Regulation Act 1949, but as per the section 2 of the banking regulation Act 1949, the banks also falls under the purview of any Act, including the provisions of the Companies Act for the time being in force, unless explicitly inconsistent with the Banking Regulation Act. Therefore, it is implied that the provisions related to CSR of Companies Act, 2013 is also applicable to the banks. The said provisions are unequivocally applicable to private sector commercial banks as they are incorporated under the Companies Act 2013. Therefore, a huge opportunity to unearth exists on the attitudes of bankers towards their Corporate Social Responsibility, which is very significant from the societal point of view. Thus, the study bears a vital role and significant bearing in providing the benefit to the society.

Bank as a corporate citizen, are expected to be responsible towards the society. Their existence and survivable is hugely depends on the society itself. Therefore, it is necessary for the banking organizations to think and act for the benefits of the people of the places wherever they are doing businesses. There are different provisions and regulations in the aforesaid Acts regarding the social responsibility of the Banks and similarly the Banks have carried out their social activities as per the provision prescribed by the respective Acts. However, the quantum of CSR and the effectiveness
of such spending as CSR is matter to study from ground reality of the fact. It has been noticed from different sources that a casual approach is prevailing in investing in CSR activities. The spirit of CSR investment requires willingness on the part of the banking society to come forward and contribute in the sustainability of the society as a whole. However, the willingness of the banks and the need of the beneficiary should be in parity and only then, the true objectives of CSR investment would be achieved. Therefore, the present study has also focused on the effectiveness of the CSR activities practiced by the different commercial banks towards the society.

1.7 Objectives of the Study:

The present study carried out with the following Objectives:

1. To study the Corporate Social Responsibility practiced by Commercial Banks.

2. To examine the contribution made by different commercial banks through Corporate Social Responsibility activities.

3. To compare the Corporate Social Responsibility practices between public and private sector commercial banks.

1.8 Research Queries:

i. Whether commercial bank practiced Corporate Social Responsibility activities as per requisites norms?

ii. Whether the commercial banks contribute their Social responsibility with the uniform strategy?

iii. Whether Corporate Social Responsibility activities of public sector commercial banks different from private sector commercial banks?
1.9 Research Methodology:

1.9.1 Nature of research: The methodology adopted for the study is both descriptive and analytical in nature.

1.9.2 Reasons for selecting the topic: CSR is a global phenomenon. But, with respect to India, CSR is discussed/ studied among a few intellectuals only. Moreover, the most of the general people of India are also not aware about it. Therefore, there arises an opportunity and scope for the corporate houses to avoid the CSR towards the society. Therefore, it is very necessary to create awareness about CSR among the general people so that the corporate houses cannot deceive them, at the same time the overall welfare economy of the region flourishes in a balanced way. Keeping in mind the present scenario of the country, researcher has an academic attempt to make a firsthand study on this spectrum of CSR application by commercial banks both from the point of view of the Banking Regulation Act, 1949 and the Companies Act, 2013 with specific reasons and hence it justifies the very purpose of selecting the topic.

1.9.3 Size of the Universe: 47 commercial Banks are considered as the size of the universe for the secondary data. And for the primary data, the size of the universe is undefined.

1.9.4 Size of the sample: 24 commercial Banks and 67 beneficiaries.

1.9.5. Geographical territory: For analysing the primary information, the researcher has confined the present study to the geographical territory of Assam only.

1.9.6 Manner of selecting the sample unit: The study is based on both primary and secondary data. The main sources of the study are secondary data. For the secondary data, the sample units are selected on the basis of judgmental sampling. There are 89 scheduled commercial banks operating in India as on 31st March’2013 (RBI, 2013). On
25\textsuperscript{th} September, 2013 Bharatiya Mahila Bank got the banking license from RBI with which total banks increase to 90. Out of 90 banks 27 (including Bharatiya Mahila Bank and SBI associates) are public sector banks, 20 domestic private sector and 43 are foreign private sector commercial banks. For the purpose of this study, only public sector and domestic private sector commercials banks have been considered means 27+20= 47 are the size of the universe. Sample size of the study would constitute 24 banks, 50\% from each sector, i.e. 14 banks from public sector and 10 banks from domestic private sector banks. Banks are selected on the basis of their ranking in relation to their profits of average six years i.e. 2007 to 2013.

The selected public sector commercial banks are as follows:

1. State Bank of India.
5. Bank of India.
6. Union Bank of India
7. Indian Bank
8. IDBI Bank
10. Corporation Bank
11. Syndicate Bank
12. Oriental Bank of Commerce
The selected private sector commercial banks are as follows:

1. ICICI Bank.
2. HDFC Bank
3. Axis Bank
4. Kotak Mahindra Bank
5. Yes Bank
7. Federal Bank
8. IndusInd Bank
9. Karur Vysya Bank
10. ING Vysya Bank.

For the primary data, the sample unit is selected on the basis of convenience sampling method. The researcher has approached the commercial banks to know the beneficiary profile. But the banks could not divulge the information for the reasons best known to them. As a result, the researcher has approaches number of Institutions like NGOs, schools, colleges and religious places for collecting information within the geographical limit of the state of Assam. But only a few of them are getting CSR benefits from commercial banks. Therefore, the researcher was able to frame the size of the sample for the primary study up to 67 respondents consisting 38 NGOs, 12 schools, 13 colleges and 4 religious places.

1.9.7 Sources of Data: The study is based on both primary and secondary sources.

1.9.8 Procedure for collection data: Data have been collected from secondary and primary sources. The sources for secondary data are Annual Report of both selected
public sector and Private Sector commercial banks which have been collected from the respective websites of the select banks, articles published in the journals and newspapers and PhD theses etc.

Primary Data have been collected with the help structured questionnaire schedule. Researcher has approached respondents through telephonic interview and direct interview method.

1.9.9 Procedure for classification of data: The data collected from the commercial banks have been classified on the basis of ownership, years of business, and on the basis of their profits.

1.9.10 Analysis and interpretation of data: Analysis of data collected from the various secondary sources has been done with the help of various mathematical and statistical tools like percentile method, correlation and mean value analysis, table, chart, graphs etc.

And analyses of primary data have been done by using statistical tools like mean, bar diagram, pie diagram etc. And necessary interpretations have been made accordingly.

1.9.11 Research period: The concept of CSR has been emerged in India since 1990. However, the year 2007 was a land mark for CSR in relation to banking sector. In 2007, RBI issued first circular to all scheduled commercial banks regarding the role of Banks in Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting. So, for the present research work, the researcher has undertaken a study for the period beginning from 1\textsuperscript{st} April 2007 to 31\textsuperscript{st} March 2015.

1.10 Limitations of the Study:

i. The present study is confined to only public sector and domestic private sector commercial banks.
ii. Before the implementation of the Companies Act 2013, it was not mandatory to disclose Corporate Social Responsibility activities. Therefore, the corporate houses were disseminating less information on Corporate Social Responsibility activities.

iii. Non-disclosure of the list of the CSR beneficiaries by the respective banks makes hindrance for getting primary data. Therefore, the interference drawn on the sample population, may not generalized to rest of the geographical area.

1.11 Chapter Conclusion:

The concept of CSR has been evolving with the passing of time beginning with philanthropic activities to legal obligation. The CSR has been practiced in India from the time of kings and queens in the form of donations and philanthropic activities. With the passing of time, along with the concept, the practices of CSR has been changing. After the introduction of economic policy LPG, (liberalisation, Privatisation and Globalisation) brought a drastic change in Indian economy. As a result, many developments have done in Indian industrial sector. Along with the national competitors, the corporate houses have to fight with global competitors for their existence. It becomes necessary for the corporate house to make an image in the minds set of general people. So, many corporate houses are engaging in various social activities along with their operating activities. The growth of competition and pressures of various international organisations make corporation to think and do for the betterment of the people of the locality. At the very beginning, only those organisations that created social cost like air pollution, sound pollution, water pollution, and also the reason for global warming were included in various social activities like: providing
drinking water facilities, construction of schools, colleges, hospitals, parks, plantation etc. But, the Companies Act 2013 has given emphasised on CSR and also made CSR a compulsion for certain categories of corporate houses.

1.12 References:


