2.1 Introduction:

The practices of CSR activities are not new to India. In India, CSR activities have been practiced since the periods of Kings and Queens. The evolution of CSR activities of India can be classified in four phases. The first phase being the pre-industrialisation periods and it lasted till 1850 where some wealthier merchants were engaged in various donation and Philanthropic activities. The second phase being basically the periods of the Independence movement when our Father of the nation Mahatma Gandhi introduced the notion of “Trusteeship” which has put pressure on the industrial sector to act towards the socio-economic development of the nation. The third phase being the periods of 1960-80. During the said periods, it emphasised on corporate governance, labour and environmental issues. During the periods, along with public sector undertaking, Private Sector Corporation had also actively involved in socio-economic development of the country. The fourth phase (1980-2013), the concept of CSR has developed and with introduction of economic policy Liberalisation, globalisation and privation has brought changes the views of corporate house towards the CSR. During the said periods, CSR became a very interesting topic among the intellectual people of the Society as well as it became as important for the corporate houses to stay in the serve competition. During that period large number of corporate houses i.e. Tata, Birla, Indian Oil, ONGC have actively engaged in the various social development activities. Different regulatory bodies have also issued number of Guidelines regarding the CSR activities of the Corporation during the said periods though CSR was voluntary for the Corporation, but after introduction of new companies
Act 2013, the CSR became a compulsory matter for the corporation that falls under section 135 (1) of the Companies Act 2013 which came into being from 1st April, 2014.

2.2 Regulatory Provisions Pertaining to the CSR Activities of Commercial Banks:

2.2.1. Pre-implementation of the regulation (non-mandatory):

The Banking Regulation Act 1949:

The Banking Regulation Act 1949 regulates the activities of the Commercial Banks. However, the Act was silent about the provision for Corporate Social Responsibility (CSR). The bank on principle needs to follow the Reserve Bank of India Act 1935. There is no specific provision regarding Corporate Social Responsibility of the Bank in the Act. But in 20th Dec 2007, RBI issued a circular regarding CSR and then making it a pertaining issue.

RBI circular “Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting – Role of Banks” to all scheduled commercial banks issued on 20th Dec’2007:

For the first time, RBI issued such guidelines to all scheduled commercial banks except Regional Rural Banks. Through this circular, RBI advises the commercial bank to imbibe the concept of CSR, Sustainable Development (SD) and Non-Financial Reporting (NFR) in their activities and to disseminate such information in public domain. The circular does not bind the commercial banks to accept advises. That circular only made an attempt to create awareness among the banks about the importance of CSR, Sustainability Development (SD) and Non-Financial Reporting (NFR) and along with different international initiatives.
Bank as a corporate entity also come under the purview of Ministry of Corporate affairs, Government of India (MCA). The MCA, for the first time emphasised on CSR activities through issuing Corporate Social Responsibility Voluntary Guidelines.

**Corporate Social Responsibility Voluntary Guidelines 2009:**

CSR Voluntary Guidelines 2009 was issued by Ministry of Corporate Affairs, Government of India (GOI). It was the first initiative on behalf of MCA to assimilate the concept of CSR with business activities in India. The guideline issued is purely voluntary in nature. It tries to indicate some core elements that a business can focus while conducting their activities. This guideline has defined the CSR more specifically. According to this guideline, the CSR is not a philanthropic act or statutory requirement or obligations. But, CSR is beyond all these. The guideline provides with Fundamental Principle. The Fundamental Principle is that CSR should be an integral part of overall business policy. The CSR policy should be framed with the participation of various level executives and should be approved by the Board. The CSR policy of the organisation should cover some core element. These core elements are as follows:

- Care for all stakeholders
- Ethical Functioning
- Respect for Worker’s rights and welfare
- Respect for Human Rights
- Respect for environment
- Activities for social and inclusive development
- This guideline was of voluntary in nature.

The very guideline also provide with the implementation guidance:

- CSR project identification and preparation of implementation framework
• Budgetary allocation
• Sharing of experience with other organisation
• Dissemination of CSR policy, activities and progress

National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business:

This guideline is the revised form of the guideline issued in 2009 by Ministry of Corporate Affairs, Government of India. The guideline provides with nine principles along with core elements. It has also provided with some suggested framework, for business responsibility report. This Guideline is applicable to all size of business including Micro, Small and Medium Enterprises (MSMEs). The principles are as follows:

• Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.
• Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
• Principle 3: Business should promote the well-being of all employees.
• Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are in disadvantaged, vulnerable and marginalised.
• Principle 5: Business should respect and promote human rights.
• Principle 6: Business should respect, protect and make efforts to restore the environment.
• Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
• Principle 8: Business should support inclusive growth and equitable development.

• Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

The above principle provides areas in which the business houses can include social, environmental and economic responsibility in their affairs. Along with the principles and core elements, the 2011 guideline has also provided with implementation guidance. To achieve the success in implementation of principles and core elements, the organisation has to take following actions:

• Leadership: Top leaders in management ladder have to take proactive initiatives in understanding and implementing the principle.

• Integration: The principle and core elements must be integrated with business policies and strategies.

• Engagement: It is crucial to build strong relationships and engagement with stakeholders on a consistent and continuous basis.

• Reporting: Implementation process includes disclosure by companies of their impact on society an environment to their stakeholders.

The commercial bank has also listed their stocks in the various stock exchange of India. We all know that the all stock exchanged are regulated by Securities Exchange Board of India (SEBI) Act. Therefore, commercial banks have to follow the guidelines of SEBI. SEBI has issued a circular regarding “Business Responsibility Report “on 13th August, 2012.
SEBI Circular “Business Responsibility Report” 2012:

SEBI has issued a circular to all Stock Exchanges on 13th August’2012 regarding the Business Responsibility Report (BR Report). The circular was issued in line with the guidelines issued by MCA, GOI in 2011 “National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business”. Through this circular, it has been mandated to include Business Responsibility Reports as part of the Annual Reports for listed entities. It would be make mandatory for top 100 listed entities based on market capitalisation at BSE and NSE as on 31st March’2012. BSE and NSE shall independently prepare top 100 lists and disseminate the same through their websites. Other listed entities may voluntarily disclose Business Responsibility Reports in their annual report. Those entities, which are already preparing and submitting the Sustainability Report on the basis of internationally accepted reporting frameworks to overseas stakeholders/regulatory agencies, can furnish the same to their stakeholders in place of BR Reports. This circular also advises to all Stock Exchanges to carry out amendments in their Listing Agreement.

As corporate body, the bank has also to follow the India companies Act. There is no specific provision regarding CSR activities that have provided in the Companies Act 1956. But the new companies Act 2013 has emphasised on the social Responsibility of Corporate houses. And it has made CSR compulsion for large corporate houses.

Income tax Act 1961

According to Income Tax Act 1961, there are some social welfare activities practiced by the corporate houses which can save the tax burden of the companies. These activities are as follows:

- As per section 143, donation to charitable Funds and Institutes.
• As per Section 144, Donation for scientific research for rural development.
• As per section 145, to set up industrial undertaking and holds in certain backward areas.
• As per section 146, to set up small scale industries in certain rural areas.
• As per section 147, set up projects outside India.
• To set up industrial undertaking or as ship or a hotel business.
• To receive royalty, commission or fees from a foreign enterprise.
• Promotion of Scientific research etc.

Under section 80 G of income tax 1961; all donation contribution to any charitable institution can claim deduction. However only donation made to the prescribe items only shall qualify as a deduction.

Donation to those where 100% deduction can be claimed under section 80 G of the income tax Act 1961, has

2.2.2 Post-implementation of the regulation (mandatory):

All the commercial Banks irrespective of ownership are regulated by the banking regulation Act 1949. But as per section 2(e) of the banking regulation Act 1949, the banking company also falls under the provision of other Act including the provision of companies Act 2013 unless these said provision inconsistent with the provision of banking regulation Act 1949. The private sector commercial banks are incorporated with the companies Act 2013, therefore the provision of the Act directly applicable to private sector commercial banks.

The Companies Act 2013 (w.e.f. 1st April’2014):

Some of the important provisions in the Companies Act 2013 regarding CSR are as follows:
- As per Sec. 1(4) (c), the provision of this Act shall also apply to banking companies, except in so far as the said provisions are inconsistent with the provisions of the Banking Regulation Act 1949.

- Sec. 134(3) (o) says that board of director has to submit CSR report regarding CSR policies and implementation in general meeting in a year.

- Sec.135 (1) provides the provision for formation CSR committee in the company. Every company having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crores or more or a net profit of rupees five crores or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The committee shall be responsible for formulation of CSR policies, budget, and its implementation.

- Sec 135 (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 percent (2%) of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. If company fail to invest the same than board should specify the reasons for not spending the amount.

- Sec 134 under clause (o) subsection (3) states that if the corporate houses fail to spent the requisite amount as CSR investment, then the corporate houses shall specify the reason of not spending the requisite amount.
- **Schedule VII**

Activities that may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:—

(i) Eradicating extreme hunger and poverty;

(ii) Promotion of education;

(iii) Promoting gender equality and empowering women;

(iv) Reducing child mortality and improving maternal health;

(v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;

(vi) Ensuring environmental sustainability;

(vii) Employment enhancing vocational skills;

(viii) Social business projects;

(ix) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and

(x) Such other matters as may be prescribed.

There are certain activities which are included in the CSR activities of the corporate houses as per the section VII of new companies Act 2013 can also save the tax burden of the corporate houses as per Income Tax Act, 1961.

2.3 **CSR Mechanism of Commercial Banks**

Every institute has their own mechanism regarding their CSR activities. Commercial banks have also adopted their own separate mechanism regarding CSR
activities. Followings are the different mechanisms of commercials banks of both public and private sectors.

2.3.1 CSR Mechanism of State Bank of India (SBI):

Fig 2.1: CSR Mechanism of SBI during the period 2007-08 to 2010 –11

Source: Annual Reports of SBI 2007-08, 2008-09, 2009-10 and 2010-11

During the study periods of 2007-08 to 2010-11, SBI has carried out its CSR activities through Community Services Banking. And during the financial year, 2011-12 the SBI formulated a comprehensive CSR policy with the approval from its Executive Body of the Central Board.

Fig 2.2: CSR Mechanism of SBI during the period 2012-13

Sources: Annual Reports of SBI 2012-13
In accordance with National Voluntary Guidelines, the SBI has instituted Director for Business Responsibility and Business Responsibility head in the period 2012-13.

During the period 2013-14 and 2014-15, SBI has constituted CSR mechanism with various elements. The most important elements of the mechanism were Business Responsibility (BR) Officer i.e. General Manager (Corporate Communication and Change) and other key roles as per the diagram.
Change) who acts as nodal officer and executes business responsibility function. BR Officer reports directly to the Managing Director & Group Executive (NB), and is responsible for implementation of the policy, identification of various initiatives and ensuring their effective implementation by the BR Function staff. She/he is responsible for overall BR policy compliance. The BR Officer is assisted by the head of each Bank unit (Branch / Department / Business Group / Vertical) in complying of the BR Policy. The staffs of BR function circulate BR Policy across all Departments / Business Groups / Verticals of the Bank. The bank has not disclosed on the basic, CSR Committee of the bank has formulated their CSR policy.

**2.3.2 Mechanism of CSR practices in Punjab National Bank:**

Fig 2.4: CSR Mechanism of Punjab National Bank 2007-08 and 2008-09

Sources: Annual reports of Punjab National Bank 2007-08 and 2008-09

The bank has disclosed the above CSR mechanism in the Annual Reports of the bank during the financial years 2007-08 and 2008-09. The bank has carried out various social welfare activities by donating to the various NGOs and Other civil Societies who are working for the downtrodden section of the society. PNB RUDSETIs (Rural Development & self- Employment Training Institutes) has provided training to the rural youth for set up their own venture. PNB Hockley Academy has also provided training to
the young players and also made those efficient to represent the country at various International level hockey tournaments. Samdhan is an employee’s forum which was set up with an objective to develop the employees both personally and professionally. From the Financial year 2009-10, the bank started disclosing the CSR Report in the Annual Report. According to the Reports the Bank carried out its CSR activities with the help of PNB Farmers Welfare Trust, PNB Centenary Rural Development Trust, Financial Literacy and Credit Counselling Centres, NGOs & other civil societies, PNB Prerna and PNB Hockey Academy etc. However, PNB Prerna and FLCCs have been set up during the financial year 2010-11. The CSR mechanism of the bank can be understood with the help of following diagram.

Fig 2.5: CSR Mechanism of Punjab National Bank 2009-10 to 2014-15

2.3.3 Mechanism of CSR practices in Bank of Baroda:

Fig 2.6: CSR Mechanism of Bank of Baroda 2009-10 and 2014-15


The bank has not disclosed any CSR mechanism during the financial year 2007-08 and 2008-09. From the financial year 2009-10 to 2014-15, the bank has carried out training programs to the rural youth for their own venture through Baroda RSETIs; Baroda Sarathee (FLCCs) has also created awareness about financial products and services and also provides credit counselling for the rural masses. Bank of Baroda has also established Baroda Gramin Paramrsh Kendra for knowledge sharing, problem solving and credit counselling for rural masses across the country. Bank also donated to various charitable Institutes targeting the welfare of the society. The bank did not mention about Baroda Gramin Paramrsh Kendra from the financial year 2013-14. The bank has also disclosed its Business Responsibility Report from the financial year 2012-13. The business responsibility policy of the bank headed by the Chief General Manager of the bank and one of the Executive Directors of the bank is responsible for implementing the business responsible policies of the bank. The bank did not mention
anything regarding the CSR committee in the Annual Report and CSR report, which has supposed to be disclosing by the bank as per the provision of Companies Act 2013.

2.3.4 Mechanism of CSR practices in Canara Bank:

Fig 2.7: CSR Mechanism of Canara Bank 2007-08 to 2014-15


Canara bank did not disclose the mechanism from the financial year from 2007-08 to 2012-13 in the Annual Reports though the bank has carried out social activities from a very long period. The bank disclosed the above mechanism in the Business Responsibility Report of the bank during the financial year 2013-14 and 2014-15. From the financial year 2007-08 to 2012-13, the bank had mentioned in the Annual Report that the bank has carried out CSR activities with the help of Canara Centenary Rural Development Trust, RSETIs and some other NGO partners. The bank had established training institutes including RSETIs to promote entrepreneurship development among rural youth and also encouraged them to start their own Venture.
2.3.5 Mechanism of CSR practices in Bank of India:

Fig 2.8: CSR Mechanism of Bank of India 2009-10 to 2011-12

Sources: Annual Reports of Bank of India 2009-10, 2010-11 and 2011-12.

The bank of India did not disclose any CSR mechanism during the financial year 2007-08 and 2008-09. The bank has mentioned that the bank carried out CSR activities like providing training programme to the rural youth through its RSETIs namely Swarojgar Prashikshan Santha and its FLCCs namely “Abhay” created awareness among the rural people about financial product and services from the financial year 2009-10 to 2011-12. From the financial 2012-13, along with these institutes, the bank carried out various social activities through various civil societies and its NGO partners who were working for the welfare of the downtrodden section of the society. The bank has also disclosed Business Responsibility Report from the financial year 2012-13, and the bank disclosed Corporate Social Responsibility Report along with BRR from the financial year 2013-14. Business Responsibility policies headed by the General Manager of the bank. The bank formulated the CSR policy based on National Voluntary Guidelines on social, Environmental and Responsibilities of business as on released by Ministry of Corporate Affairs, GOI during the financial year 2013-14 and 2014-15. The mechanism that was adopted by the bank from the financial year 2012-13 can be understood with the help of the following diagram. The bank did not mention anything regarding the CSR committee during the financial periods.
2.3.6 Mechanism of CSR practices in Union Bank of India:

From the financial year 2007-08 to 2014-15, the bank carried out its CSR activities through its Trust UBI Rural Development Foundation which was registered as on 02-03-2006 as a charitable trust. And bank had also set up Rural Self -Employment Training Institutes for imparting training to the rural people for setting up their own venture, Village Knowledge Centres (VKCs) and Financial Literacy and Credit Counselling Centre for creating knowledge about the financial products and services among the rural people under the aegis of Union Bank Social Foundation. From the financial year 2012-13, the bank started disclosing Business Responsibility Report
along with the Annual Report and Bank did mention about the formulation of CSR committee in the Report for the monitoring and evaluating the CSR activities of the bank on 2012-13 onwards.

2.3.7 CSR Mechanism of Indian Bank:

Fig 2.11: CSR Mechanism of Indian Bank of from 2007-08 to 2014-15


Indian bank did not disclose any mechanism under purview of CSR in the Annual Reports from the financial year 2007-08 to 2012-13. From the financial 2013-14, the bank started disclosing the above CSR mechanism in the Business Responsibility Report of the bank, though the bank had carried out CSR activities through these institutes from a very long period.

2.3.8 CSR Mechanism of Industrial Development Bank of India (IDBI):

Fig 2.12: CSR Mechanism of IDBI Bank 2010-2011

Sources: Annual Report of IDBI Bank 2010-11
IDBI bank has not disclosed anything about the CSR mechanism in its annual report 2007-08 to 2009-10. The bank hinted about the mechanism since 2011-12, that have been shown above in the diagram. However, since 2013-14, the bank has constituted a board level CSR committee which will formulate, recommends and monitors CSR policies and activities. This CSR committee was constituted by five directors, out of which two Directors were independent Directors. Following diagram represents the CSR mechanism of the Bank during the period 2013-14 and 2014-15.

Sources: Annual Reports Of IDBI bank 2011-12 and 2012-13
2.3.9 Mechanism of CSR practices in Allahabad Bank:

Fig 2.15: CSR Mechanism of ALLAHABAD Bank 2008-09 to 2014-15


During the financial year 2007-08, the bank did not disclose anything regarding CSR mechanism of the bank in the Annual Report. From the financial year 2008-09 to 2014-15, the bank carried out its CSR activities through its Allahabad bank Rural Development Trust and RSETIs and directly contributed fund to various charitable institutes whose were working for various welfare activities of the societies. The bank did not disclose anything regarding the CSR committee of the bank in the Annual Report till the financial year 2014-15.

2.3.10 Mechanism of CSR practices in Corporation Bank:

Fig 2.16: CSR Mechanism of Corporation Bank 2007-08 and 2010-11

Sources: Annual Reports of Corporation Bank 2007-08, 2008-09, 2009-10 and 2010-11.
From the financial year 2007-08 to 2009-10, the Corporation Bank carried out CSR activities through Corporation Bank Rural Self Employment Training Institutes and Corporation Bank Economic Development Foundation. But during the financial year 2009-10 and 2010-11, the bank also donated to various Charitable Organizations to carry out various welfare activities. In the financial year 2010-11, the bank sponsored to set up Corporation Bank Heritage Museum & Research Centre at Udupi to develop a tourist spot for the pilgrims who visit the temple town of Lord Krishna. In the financial year 2011-12, the bank did sponsor Gramina Abhyudaya Financial Literacy and Credit Counselling Trust who registered on 18.08.2011 at Udupi. It undertakes Financial Literacy and Credit Counselling in the places where the Bank has Lead Bank responsibility. In the financial year 2013-14 year, the Bank has formed Women Welfare Associations under the name “CorpKiran” to extend the CSR activities through Circle Offices and Zonal Office levels, in addition to Head Office. During the financial year 2014-15, the bank has not mentioned anything about GRAMIN ABHYUDAYA FLCCs and its RSETIs.

Fig 2.17: CSR Mechanism of Corporation Bank 2011-12 and 2012-13

2.3.11 Mechanism of CSR practices in Syndicate Bank:

The bank has not disclosed any specific CSR mechanism from the financial 2007-08 to 2014-15 in the Annual Report. The bank has disclosed that the bank has carried out CSR activities by its own and with help of its NGOs and Other Civil Societies during the periods.
2.3.12 Mechanism of CSR practices in Oriented Bank of Commerce:

Fig 2.20: CSR Mechanism of Oriented Bank of commerce 2007-08 and 2008-09

The bank has carried out CSR activities only through OBC Rural Development Trust during the financial years 2007-08 to 2008-09. From the financial year 2009-10, bank carried out CSR activities by donating directly to various needy Institutes and OBC Rural Development Trust and the bank’s RSETIs who are set up under aegis of OBC Rural Development Trust to carry out training for the rural youth to make them their self-venture in the name of CSR. The CSR mechanism of the bank from 2009-10 to 2014-15 can be understood with the help of the following diagram.

Fig 2.21: CSR Mechanism of Oriented Bank of commerce 2009-10 to 2014-15


2.3.13 Mechanism of CSR practices in Andhra Bank:

Fig 2.22: CSR Mechanism of Andhra Bank 2007-08 and 2008-09

During the financial year 2007-08 and 2008-09, the bank has carried out CSR activities through Andhra Bank Rural Development Trust and bank has also sponsored to Andhra Pradesh Banker’s Institutes of Rural and Entrepreneurship Development along with NABARD, Government of Andhra Pradesh and other selected Banks to carry out training programme to unemployed youth.

Fig 2.23: CSR Mechanism of Andhra Bank 2009-10 and 20014-15.

Sources: Annual Reports of Andhra Bank 2007-08 and 2008-09.

From the financial year 2009-10 to 2012-13, the bank conducted skill development training programme for the youth to make them self-empowered through...
RSETIs under aegis of Andhra Bank Rural Development Trust in the name of CSR.
And the bank has also set up FLCCs for creating awareness about the financial products
and services among the rural and unknown people in the name of CSR during the
periods. Besides these activities, bank has also donated fund to various charitable
institutes to carry out various charitable activities. From the financial year 2013-14, the
bank has not mentioned any mechanism of CSR under purview of CSR in the Annual
Report of the bank, though; the bank has carried out the social activities with the help of
these institutes continuously.

2.3.14 CSR Mechanism of Indian Overseas Bank:

Fig 2.24.: CSR Mechanism of Indian Overseas Bank of 2008-09.

Sources: Annual Report of Indian Overseas Bank 2008-09

The bank has not disclosed CSR mechanism in the Annual Report during the
financial year 2007-08. The bank has carried out the CSR activities with the help of its
trust namely Sakthi-Indian Overseas Bank Chidambram Chettyar Memorial Trust and
RTCS. The Trust has conducted training programme for the women to make them
financially and socially empowered and also has carried out EDP programme. Bank’s
RTCs has engaged in imparting classroom and Practical training to the Farmers, SHG
members, educated unemployed youth etc. From the financial year 2009-10 to 2014-15,
it’s Rural Self-Employment Training Institutes has engaged in providing training to the
rural youth and makes them own venture and it’s FLCCs has created awareness about financial products and services among the rural people in the name of CSR. The CSR mechanism of the bank from the financial year 2009-10 to 2014-15 can understand with the help of the following diagram.

Fig 2.25: CSR Mechanism of Indian Overseas Bank of 2008-09 to 2014-15.


2.3.15 Mechanism of CSR practices in ICICI Bank:

Fig 2.26: CSR Mechanism of ICICI Bank during the period 2007-08 and 2008-09.

Sources: Annual Reports of ICICI bank 2007-08 and 2008-09.

During the period 2007-08 and 2008-09, ICICI Bank has carried out its CSR activities through ICICI Foundations.
During the period of 2009-10 and 2010-11, the responsibility of CSR activities of ICICI Bank was entrusted to a highly empowered CSR committee. CSR Committee has carried out the activities through ICICI Foundation, TFG and with the help of Civil Societies directly.

Sources: Annual Reports of ICICI Bank 2009-10 and 2010-11.

During the period of 2011-12 and 2012-13, the responsibility of CSR activities of ICICI Bank was entrusted to a highly empowered CSR committee. CSR Committee has carried out the activities through ICICI Foundation, TFG and with the help of Civil Societies directly.

The annual reports of the bank for the periods 2011-12 to and 2012-13, have reflected the above mechanism for CSR. However, the Business Responsibility Report of 2013 of ICICI Bank also states that they have appointed Director for Business Responsibility and Business Responsibility Head.

Fig 2.29: CSR Mechanism of ICICI Bank during 2013-14 and 2014-15.


During the period 2013-14, ICICI Bank has constituted a high-level committee for CSR activities. The CSR committee is constituted with top level management. It has one chairperson and three members. They are responsible for preparing strategies for implementing the CSR. The CSR activities of the Bank are highly influenced by the
National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs. At the same time, their CSR strategy is also facilitated by the ICICI Group Code of Business Conduct and Ethic. ICICI Bank also carries out their CSR activities through ICICI Foundation for Inclusive Growth by providing them fund directly.

**2.3.16 Mechanism of CSR practices by HDFC Bank:**

Fig 2.30: CSR Mechanism of HDFC Bank 2007-08 to 2011-12.

![CSR Mechanism of HDFC Bank](image)


From the financial year 2007-08 to 2011-12, the bank has not constituted any CSR committee for formulating, implementing and monitoring the CSR policies. The bank has carried out CSR activities through its NGO partners and employee participation. The bank has constituted a broad level CSR committee in the financial year 2012-13 which is constituted by five directors out of which two are independent directors. This committee is responsible for formulation, implementation and monitoring the policies regarding CSR. The bank has disclosed its Business Responsibility Report from the financial Year 2012-13 onwards. The CSR mechanism of the bank from the financial year 2012-13 can be understood with the help of the following diagram.
Fig 2.31: CSR Mechanism of HDFC Bank 2012-13 to 2014-15.

2.3.17 Mechanism of CSR practices in Axis Bank:

Fig 2.32: CSR Mechanism of Axis Bank 2007-08 to 2012-13.


From the financial year 2007-2008 to the financial year 2012-13, the Axis Bank has delegated the responsibility of CSR activities to Axis (Formerly UTI) Bank Foundation. Axis Bank Foundation with the help of different NGOs carried out the CSR activities of the Axis Bank. However, in the financial year 2013-14, the bank constituted a Sustainable Development and CSR committee, comprising of senior executives under the headship of the Executive Director & Head (Corporate Centre). The committee is empowered to monitor the implementation of the policy and to provide guidance in fulfilling the Bank’s Social Responsibility. During the financial year 2014-15, the bank carried out CSR activities as per section VII of companies Act, 2103 with the help of its Foundation and any other trusts and agencies.

**2.3. 18 Mechanism of CSR practices in Kotak Mahindra Bank:**

Fig 2.34: CSR mechanism of Kotak Mahindra Bank 2011-12.

Sources: Annual Report of Kotak Mahindra Bank 2011-12
Kotak Mahindra Bank has carried out its CSR activities during the financial 2007-08 directly and its Kotak Education Foundation which was established in the financial year 2006-07. Bank has not disclosed any CSR mechanism during the financial period 2008-09. During the financial periods 2009-10 and 2010-11, the bank has carried out CSR activities through NGOs and other Civil Societies and support of its employees. The above mechanism has been adopted by the bank during the periods 2011-12.

Fig 2.35: CSR mechanism of Kotak Mahindra Bank 2011-12.

Sources: Annual Report of Kotak Mahindra Bank 2012-13

In the financial year 2012-13, the board of Kotak Mahindra Bank Ltd has constituted Business Responsibility Committee. The committee is empowered to oversee the business responsibility agenda and initiatives. The Business Responsibility Committee comprises of four senior executives and is chaired by a whole time director. The Head of business responsibility reports to the committee on BR issues and
initiatives. The CSR mechanism that has been adopted by the bank during the financial year 2013-14 and 2014-15 can be understood with the help of the following diagram.

Fig 2.36: CSR mechanism of Kotak Mahindra Bank 2013-14 and 2014-15.


On 14th March’2014, the Kotak Mahindra Bank Ltd had constituted a Corporate Social Responsibility committee having three executives as members. The committee is empowered to formulate and recommend CSR Policy to the board. The committee is also empowered to recommend the amount of expenditure to be incurred on the CSR activities. Moreover, the committee is responsible for monitoring the Bank’s CSR Policy and implementation of CSR projects that are undertaken from time to time. CSR activities are mainly carried out through Kotak Education Foundation (KEF) and Non Government Organisations (NGOs). At the same time the bank also carries out CSR activities itself directly.

2.3.19 Mechanism of CSR practices in Yes Bank:

Fig 2.37: CSR Mechanism of Yes Bank during the period 2007-08 to 2009-10.

Sources: Annual Reports of Yes Bank 2007-08, 2008-09 and 2009-10
During the periods 2007-08 to 2009-10, the Yes Bank has not disclosed CSR mechanism clearly through its annual reports. However, in these periods Yes Bank was carrying out its CSR activities through Responsible Banking in ‘thought’ Team and Responsible Banking in ‘Action’ Team.

Fig 2.38: CSR Mechanism of Yes Bank during the period 2010-11 to 2011-12.

Sources: Annual Reports of Yes Bank 2010-11 and 2011-12

During the periods 2010-11 and 2011-12, Yes Bank has also instituted ECMC for reducing banks contribution in Green House Gas Emissions.

Fig 2.39: CSR Mechanism of Yes Bank during the period 2012-13.

During the period 2012-13, Yes Bank had established Yes Foundation to carry forward its CSR activities. They also appointed Director responsible for Business Responsibility and Business Responsibility head in accordance with National Voluntary Guidelines.

Fig 2.40: CSR Mechanism of Yes Bank during the period 2013-14 and 2014-15.


During the period 2013-14, Yes Bank has constituted CSR committee in accordance with the Companies Act; 2013. The bank has adopted the above mechanism during the financial periods 2013-14 and 2014-15.

2.3.20 Mechanism of CSR practices in Jammu & Kashmir Bank:

Fig 2.41.: CSR Mechanism of Jammu & Kashmir Bank 2009-10

Sources: Annual Report of Jammu & Kashmir Bank 2009-10
During the financial year 2007-08, the bank had not disclosed any mechanism regarding the CSR activities of the bank in the Annual Report. During financial year 2008-09, the bank had carried out its CSR activities through NGOs and Other Civil Societies and directly by the bank. The bank had set up a trust namely Jammu & Kashmir Bank Social Conscience Trust for carrying out different CSR activities in the financial year 2009-10. From the financial year 2010-11 to 2013-14, the bank has not mentioned anything regarding the Trust in the Annual Report. As per Annual Reports of the bank, the bank has carried out its CSR during the periods through NGOs and other civil societies only. The bank had constituted its CSR committee on 06.03.2014 and during the financial year 2014-15, the committee monitored the CSR activities of the Bank. The bank has carried out its CSR activities directly by itself and with the help of NGOs, Trusts and other Civil Societies during the financial year. The CSR mechanism adopted by the Bank during the financial year 2014-15 can be understood with the help of the following diagram.

Fig 2.42: CSR Mechanism of Jammu & Kashmir Bank 2014-15

2.3.21 Mechanism of CSR practices in Federal Bank:

*Fig 2.43: CSR Mechanism of Federal Bank from 2009-10 to 2012-13.*


*Fig 2.44: CSR Mechanism of Federal Bank since 2013-14 and 2014-15*


Federal Bank has regarded the corporate social responsibility as a part of business strategy since inception. During the financial periods 2007-08 and 2008-09, the bank had carried out CSR activities directly through Fedbank Hormis Memorial Foundation, which was established in the year 1996. In the financial year 2009-10, ‘Federal Ashwas’, a Trust for establishing and running “Federal Ashwas Financial Literacy & Credit Counselling Centres” was established by the Bank. However, the CSR activities of the bank have got more thrust with the establishment of CSR Cell in the financial year 2011-12. In the year 2013-14, in accordance with the new Company
Law 2013, the bank had established a Board level CSR Committee to look after the whole gamut of CSR activities of the bank. During the financial year, the bank has adopted the same mechanism, but the bank has not mentioned about the Federal Ashwas Trust under purview of CSR section in the Annual Report.

2.3.22 Mechanism of CSR practices by INDUSIND Bank:

Fig 2.45.: CSR Mechanism of IndusInd Bank 2012-13.


The bank constituted a business responsibility committee in the financial year 2012-13, with two members one is the head of Business responsibility committee, who is the head of corporate services and another one is the managing director and Chief Executive officer who is responsible for implementing the polices. The bank had not constituted any committee from the financial 2007-08 to 2011-12 regarding the CSR. From the financial year 2007-08 to 2009-10, the bank had carried out a very few numbers of social activities in the name of CSR directly. From the financial year 2010-11 the bank had carried out its CSR activities individually and with its NGO partner namely Centre for Environmental and Research education, which is working to promote environmental sustainability. From the financial year 2012-13 onwards, the bank has disclosed its business Responsibility or Sustainability Report. In the financial year 2013-14, the bank has constituted CSR committee for formulating, monitoring and implementing the CSR policy.
2.3.23 Mechanism of CSR practices in KARUR VYSYA Bank:

Karur Vysya Bank has carried out CSR activities directly from the financial year 2007-08 to 2012-13. The bank has not disclosed any mechanism regarding CSR activities in the Annual Report of the bank during the periods. The bank constituted a CSR committee on 13.11.2013 with five members in accordance with section 135 of the Companies Act 2013.

2.3.24 Mechanism of CSR practices in ING VYSYA Bank:

ING VYSYA BANK

ING VYSYA FOUNDATION

NGO PARTNERS & OTHER CIVIL SOCIETIES

BANK’S STAFF

ING Vysya bank had carried out its CSR activities from the financial year 2007-08 to 2012-13 with help of its foundation namely ING VYSYA Foundation which was established in October 2004, along with its NGO partners and employee’s participation. The bank had not constituted any committee up to financial year 2013. The CSR mechanism of the bank has not been revealed during the financial year 2014-15, as the bank had merger with Kotak Mahindra Bank. During the financial year 2013-14, the Corporate Governance committee acted as CSR committee which consists of five members. The CSR mechanism of the bank during the period can be understood with the help of the following diagram.

Fig 2.50.: CSR Mechanism of ING Vysya Bank during 2013-14


2.4 Disclosure of Business Responsibility Report

As per the SEBI circular that issued as on 13th August, 2012 the 100 top listed entities based on market capitalization at BSE and NSE was mandatory to disclose their Business Responsibility Report (BRR) along with their Annual Report. A few banking companies also got listed in that elite group. The following select banks also got listed in top 100 listed entities at BSE as on 31st March, 2012:
Table 2.1: Commercial banks got listed in 100 top entities as per market capitalisation as on 31st March, 2012.

<table>
<thead>
<tr>
<th>Name of the banks</th>
<th>Ownership Status</th>
<th>BRR Disclosed or not</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>Public Sector</td>
<td>Not</td>
</tr>
<tr>
<td>HDFC Bank</td>
<td>Private Sector</td>
<td>Not</td>
</tr>
<tr>
<td>ICICI Bank</td>
<td>Private Sector</td>
<td>Not</td>
</tr>
<tr>
<td>Axis Bank</td>
<td>Private Sector</td>
<td>Not</td>
</tr>
<tr>
<td>Kotak Mahindra Bank</td>
<td>Private Sector</td>
<td>Not</td>
</tr>
<tr>
<td>Bank Of Baroda</td>
<td>Public Sector</td>
<td>Not</td>
</tr>
<tr>
<td>Punjab National Bank</td>
<td>Public Sector</td>
<td>Not</td>
</tr>
<tr>
<td>Canara Bank</td>
<td>Public Sector</td>
<td>Not</td>
</tr>
<tr>
<td>Bank Of India</td>
<td>Public Sector</td>
<td>Not</td>
</tr>
<tr>
<td>IndusInd Bank</td>
<td>Private Sector</td>
<td>Not</td>
</tr>
<tr>
<td>YES Bank</td>
<td>Private Sector</td>
<td>Not</td>
</tr>
<tr>
<td>Union Bank</td>
<td>Public Sector</td>
<td>Not</td>
</tr>
</tbody>
</table>


The above table reveals that out of 24 commercial banks, 12 commercial banks name were included in the list of 100 top entities based on market capitalization at BSE in the financial year 2012-13. Out of 12 commercial banks 6 are from public sector and 6 are from private sector commercial banks. All the banks have disclosed their Business Responsibility Report along with the Annual Report or their website from the financial year 2012-13 as per the circular of SEBI. No one of these banks disclosed business responsibility before 2012-13. Yes Bank and Kotak Mahindra banks have disclosed their Sustainability Report from the financial year 2011-12 on the basis of internationally accepted reporting frameworks to overseas stakeholders or regulatory agencies. It is discernable from the aforesaid table that as a matter of practice and also
to meet the regulatory requirements Commercial Banks are disclosing the Business Responsibility Report.

2.5 Chapter Conclusion:

The banking companies irrespective of ownership have been Practicing CSR in India from a very long period. Many banks have carried out various social activities like Supporting education, health with the help of their NGO partners and other civil societies. Banking companies have also set up their own Trust to carry out various social activities. Banks have also set up RSETIs and Credit Counselling centres for creating awareness about the financial product and services and also imparting the training programs for the people of rural, semi-urban areas.

2.6 References:

   [https://www.allahabadbank.in/english/investor_relation.aspx](https://www.allahabadbank.in/english/investor_relation.aspx)


