5 INTRODUCTION

The fifth chapter comprises the findings of the study, answers to the research queries, suggestions and concluding remarks.

5.1 FINDING OF THE STUDY:

Any research work remains incomplete without the final findings of the study. The researcher carries out the whole research with an aim of finding an insight to an issue or discover important aspects of an area that might or might not have been explored critically in the past. The findings throw a light on what exactly the state of bonding and the position of the beneficiary. Hence, this particular chapter is devoted to the result of the whole study done during the course of the research works and the crucial findings have been presented systematically. The researcher has also included some suggestions, and the final conclusion of the study in this important section of the research work.

The following are findings of the study in chapter wise.

5.1.1. Findings of Chapter two

Followings are the important findings of second chapter which deals with the nature of commercial banks CSR funding activities:

5.1.1.i) From the financial year 2007-08 to 2010-11, SBI has carried out CSR activities through NGOs, Civil Societies and Trusts under the aegis of community service banking. During the financial periods 2011-12 the bank has formulated a comprehensive CSR policy. During the financial period 2012-13, the bank has instituted Director for Business Responsibility and Business Responsibility head as per National Voluntary Guidelines. During the financial year 2013-14 and 2014-15, the CSR mechanism at SBI constitutes of various elements i.e. Business Responsibility (BR) Officer i.e. General Manager (Corporate Communication and Change) who acts as nodal officer and
executes business responsibility functions, Managing Director & Group Executive (NB), who is responsible for implementation of the policy, identification of various initiatives and ensuring their effective implementation by the BR Function staff.

5.1.1.ii) The CSR mechanism of Punjab National Bank has changed with time to time. During the financial years 2007-08 and 2008-09, the bank has carried out CSR activities with the help of NGOs and Other civil Societies who are working for downtrodden section of the society, PNB RUDSETIs (Rural Development & self- Employment Training Institutes) who 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 “Samdhan” is an employee’s forum with a objective to develop the employees both personally and professionally. From the financial year 2009-10 to 2014-15, the bank has carried out its CSR activities through PNB Farmers Welfare Trust, PNB Centenary Rural Development Trust, Financial Literacy and Credit Counselling Centres, NGOs & other civil societies and PNB Prerna, PNB Hockey Academy etc.

5.1.1.iii) Bank of Baroda has not disclosed CSR mechanism during the financial periods 2007-08 and 2008-09 in the Annual Report. From the financial year 2009-10 to 2014-15, the bank has carried out its CSR activities through Baroda RSETIs, Baroda Sarathee (FLCCs), and Baroda Gramin Paramrsh Kendra.

5.1.1.iv) Canara bank has carried out its CSR activities through Canara Centenary Rural Development Trust, Canara Financial Advisory Trust, Canara Golden Jubilee Education Fund, Canara Relief and Welfare Societies and NGOs and other Civil Societies, though the bank has not disclosed this mechanism under purview CSR in the Annual Report from the financial year 2007-08 to 2012-13. But this mechanism has

5.1.1.v) Bank of India has not disclosed any CSR mechanism during the periods 2007-08 and 2008-09 in the Annual Reports. From the financial year 2009-10 to 2011-12, the bank has carried out its CSR activities through its RSETIs namely Swarojgar Prashikshan Santha and its FLCCs (Abhay). From the financial year 2012-13, along with these institutes, the bank has also worked with NGOs and other Civil Societies to carry out its CSR activities.

5.1.1.vi) Since 2007-08, Union Bank of India has adopted same CSR mechanism till the financial year 2014-15. The bank has carried out its CSR activities through its Trust UBI Rural Development Foundation which was registered as on 02-03-2006 as a charitable trust. The bank has established RSETIs, VKCs and FLCCs under the aegis of the trust to carry out its different CSR activities.

5.1.1.vii) From the financial year 2007-08 to 2014-15, the Indian Bank has also adopted same CSR mechanism. The bank has set up Indian Bank Self- Employment Training Institutes and FLCCs under aegis of its Indian Bank Trust for Rural Development to carry out CSR activities. The bank has disclosed the mechanism of CSR in its Business Responsibility Report 2013-14. However, the bank has adopted this mechanism before the financial year 2007-08.

5.1.1.viii) IDBI bank has not disclosed CSR mechanism during the periods 2007-08 to 2009-10. During the financial year, 2010-11, the bank has carried out its CSR activities through RSETIs, NGOs and Other Civil societies. During the financial periods 2011-12 and 2012-13, along with these institutes, the bank has also worked with the Tata Institute of Social Science to carry out CSR activities. The bank has constituted its CSR
committee in the financial year 2013-14 with five members who are responsible to formulated and implemented the CSR policy of the bank.

5.1.1.ix) Allahabad bank has not disclosed CSR mechanism during the financial year 2007-08 under the purview of CSR in the Annual Reports. The bank has disclosed its CSR mechanism in the Annual Reports from the financial year 2008-09 to 2014-15. As per the Reports the bank has carried out its CSR Activities through Allahabad bank rural development trust and RSETIs and directly contributed fund to various charitable institutes whose are working for various welfare activities of the societies. Bank has set up its FLCCs under aegis of Allahabad bank rural development trust.

5.1.1.x) CSR mechanism of Corporation Bank has been different from time to time. The bank has carried out its CSR activities from 2007-08 to 2010-11 through Corporation Bank Rural Self Employment Training Institutes and Corporation Bank Economic Development Foundation. During the financial years 2011-12 and 2012-13 along with previous Institutes the bank has sponsored namely Gramin Abhyudaya Financial Literacy and Credit Counselling Trust to carry out its CSR activities. During the financial year 2013-14, 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. The bank has carried out CSR activities during the financial years 2013-14 and 2014-15 with the same mechanism that has been adopted in the previous years, but the bank has not mentioned anything regarding GRAMIN ABHYUDAYA FLCCs and it’s RSETIs in the Annual Report in the financial year 2014-15.

5.1.1.xi) Syndicate bank has adopted same CSR mechanism from the financial year 2007-08 to 2014-15. The bank has carried out its CSR activities through NGOs and other Civil Societies and directly by the bank itself.
5.1.1.xii) Oriental Bank of Commerce has carried out its CSR activities directly and through its Trust OBC Rural Development Trust during the financial periods 2007-08 and 2008-09. From the financial year 2009-10 to 2014-15, the bank has carried out its CSR activities directly, through its Trust and RSETIs under aegis of OBC Rural Development Trust.

5.1.1.xiii) Andhra bank has carried out its CSR activities during the financial years 2007-08 and 2008-09 directly by the bank and through Andhra Bank Rural Development Trust and Andhra Pradesh Banker’s Institutes of Rural and Entrepreneurship Development. From the financial year 2009-10 to 2012-13, the bank has carried out its CSR activities through Andhra Bank Rural Development Trust, RSETIs under aegis of Andhra Bank Rural Development Trust and FLCCs. The bank has not disclosed any CSR mechanism during the financial year 2013-14 and 2014-15 in its Annual Reports.

5.1.1.xiv) Indian Overseas Bank has not disclosed any CSR mechanism during the financial year 2007-08. The bank has carried out its CSR activities during the financial year 2008-09 directly, through Sakthi- Indian Overseas Bank Chidambaram Chettyar Memorial Trust and Rural Training Centres. From the financial year 2009-10 to 2014-15, the bank has carried out its CSR activities through Sakthi- Indian Overseas Bank Chidambaram Chettyar Memorial Trust, Rural Training Centres, FLCCs and RSETIs.

5.1.1.xv) During the financial year 2007-08 and 2008-09, the ICICI bank has carried out CSR activities through ICICI Foundation only. The bank has formulated CSR committee during the financial year 2009-10. During the financial year 2009-10 and 2010-11, ICICI Foundation, ICICI Bank TFG (ICICI Bank Technology Finance Group) and other Civil Societies directly have carried out CSR activities under aegis of ICICI
bank’s CSR Committee. During the financial year 2011-12 and 2012-13, the bank has carried out CSR activities through TFG, RSETIs, NGOs and Other Civil Societies under aegis of ICICI Foundation. And ICICI Foundation has also worked under aegis of CSR committee. During the period 2013-14, ICICI Bank has constituted a high-level committee for CSR activities. The CSR committee constitute of top level management. It has one chairperson and three members. They are responsible for preparing strategies for implementing the CSR. ICICI Bank also carries out their CSR activities through ICICI Foundation for Inclusive Growth by providing them fund directly and same mechanism has adopted by the bank during the financial year 2014-15 also.

5.1.1.xvi) HDFC bank has carried out its CSR activities directly, through NGOs partners, Civil societies and with helps of its employees during the periods 2007-08 to 2011-12. The bank has constituted CSR committee with five members who are responsible for formulation, implementation and monitoring the policies regarding CSR. And from the financial year 2012-13 onwards, the bank has carried out its CSR activities under aegis of the Committee.

5.1.1.xvii) Axis bank has carried out its CSR activities directly as well as through Axis Bank Foundation and NGOs under aegis of the Foundation during the financial year 2007-08 to 2012-13. During the financial year 2013-14, the bank has formulated Sustainable Development and CSR committee. Axis Bank foundation has carried out CSR activities under aegis of the committee and NGOS carried out CSR activities under the aegis of the foundation from the financial year 2013-14 onwards.

5.1.1.xviii) The CSR mechanism of Kotak Mahindra bank is different from year to year. During the financial 2007-08 the bank has directly carried out CSR activities. The bank has not disclosed any CSR mechanism in the Annual Report during the financial period
2008-09. During the periods 2009-10 and 2010-11, the bank has carried out CSR activities directly, through NGOs and support of its staffs. During the financial year 2011-12, the bank has carried out CSR activities through Kotak Education Foundation (KEF), NGOs and its Staffs. 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. In the financial year 2013-14, the bank has constituted CSR committee to formulate and implement the CSR policy. CSR Committee continues to carry out CSR activities through KEF, NGOs and Support of its Staffs during the period.

5.1.1.xix) During the financial periods 2007-08 to 2009-10, the Yes Bank has carried out its CSR activities through ‘Responsible Banking in Thought Team’ and ‘Responsible Banking in Action Team’. During the periods 2010-11 and 2011-12, Yes Bank has also instituted Environment and Cost Management Committee for reducing banks contribution in Green House Gas Emissions. During the period 2012-13, Yes Bank has established Yes Foundation to carry out its CSR activities and also appointed ‘Director responsible for Business Responsibility’ and ‘Business Responsibility head’ in accordance with National Voluntary Guidelines. During the period 2013-14, Yes Bank has constituted CSR committee in accordance with the Companies Act, 2013 and bank has carried out its CSR activities through its foundation, its NGOs partner under the aegis of its CSR committee from the financial year 2013-14 onwards.

5.1.1.xx) Jammu & Kashmir Bank has not disclosed any CSR mechanism during the financial period 2007-08. During the financial year 2008-09, the bank has carried out CSR activities directly, through NGOs and other Civil Societies. In the financial year 2009-10, the bank has set up Jammu & Kashmir Bank Social Conscience Trust and the
bank has carried out CSR activities through the Trust and NGOs and other Civil Societies. From the financial year 2010-11 to 2013-14, the bank has carried out CSR activities through NGOs and Other civil societies only. As on 06.03.2014, the bank has formulated a committee and the committee has monitored the CSR activities from the financial year 2013-14 onwards.

5.1.1.xxi) During the financial year 2007-08 and 2008-09, the Federal bank has carried out its CSR activities directly through Fedbank Hormis Memorial Foundation which was established in the year 1996. The bank has established Federal Ashwas, a Trust for establishing and running “Federal Ashwas Financial Literacy & Credit Counselling Centres” in the financial year 2009-10 and bank has carried out CSR activities through Federal Ashwas, Fedbank Hormis Memorial Foundation and NGOs and other Civil Societies up to financial year 2012-13. In the financial year 2013-14, the bank has constituted a Board level CSR Committee to look after the whole gamut of CSR activities of the bank and this committee has monitored CSR activities from the financial year 2013-14 onwards.

5.1.1.xxii) IndusInd bank has carried out a very few number of CSR activities from the financial year 2007-08 to 2009-10 directly. From the financial year 2010-11, the bank has carried out its CSR activities individually and with the help of its NGO partner namely Centre for Environmental and Research education, which is working to promote environmental sustainability and bank has also disclosed its business Responsibility or Sustainability Report from the financial period 2012-13. In the financial year 2013-14, the bank has constituted CSR committee and this committee has monitored the CSR activities from 2013-14 onwards.
5.1.1.xiii) Karur Vysya Bank has carried out CSR activities directly from the financial year 2007-08 to 2012-13. And in the financial year 2013-14, the bank has constituted a CSR committee with five members for formulating, monitoring and implementing the CSR policy of the bank.

5.1.1.xxiv) From the financial year 2007-08 to 2012-13, ING Vysya Bank has carried out its CSR activities through ING Vysya Foundation, NGOs and other Civil Societies and with the support of its staff. In the financial year 2013-14, the corporate Governance Committee of the bank has worked as a CSR committee and bank has carried out CSR activities through ING Vysya Foundation, NGOs and other civil societies and with the support of its staff under aegis of the committee. The bank has not disclosed any CSR mechanism during the financial year 2014-15 as the bank has taken over by Kotak Mahindra Bank.

5.1.1.xxv) only two banks i.e. SBI and IDBI bank out of select 14 public sector commercial banks have constituted CSR committee on or before 2013-14.

5.1.1.xxvi) In case of private sector commercial banks, 100% of select banks have constituted CSR committee on or before 2013-14.

5.1.1.xxvii) The banks whose name have been included in the top 100 listed entities on the basis of market capitalisation at BSE as per the circular issued as on 13 August 2012, have disclosed their Business responsibility Report along with the Annual Report or through their websites from the financial year 2012-13 onward.

From the aforesaid twenty seven findings we can draw the following inference which keeps parity with the objective number 1, i.e. to study the Corporate Social Responsibility activities practices by Commercial Banks.
The banks have carried out their CSR activities from the long periods i.e. on or before the financial year 2007-08, however, they have not disclosed their CSR mechanism clearly. Most of the commercial banks have carried out its CSR activities directly, or with helps of their own established Trust, NGOs and other civil societies. The Bank has established FLCCs and RSETIs for carrying out various financial awareness programmes and training programmes respectively for the people of underprivileged section of the society. Most of the Commercial Banks, irrespective of kind of ownership, has not carried out their CSR activities by adopting the same CSR mechanism. Except SBI and IDBI, the public sector commercial banks have not formed the CSR committee where as all the select private sector commercial banks have formed CSR Committee for formulating, implementing and supervising the CSR policy from the financial year 2013-14, which was compulsion for corporate houses as per the companies Act, 2013.

5.1.2 Findings of Chapter three

Followings are the findings of the third chapter which deals with the various CSR activities that are carried out by the selected Commercial Banks:

5.1.2.i) SBI is the top most public sector commercial bank on the basis of its six years average (from 2007-08 to 2012-13) has actively engaged in the major areas like community welfare, adoption of girl children, Research and development and Green Banking up to the financial 2010-11. From the financial year , 2011-12, along with previously carried out activities, bank has engaged in some new areas like Supporting Education, Healthcare, supporting girl Children and Child development, Assistance to poor and underprivileged, Environment Protection, Clean Energy, Entrepreneur Development programme, Help in National Calamities and in Green initiative. From
the financial year 2013-14, the bank has carried out the social activities in the name of CSR that are mentioned in the section VII of new Companies Act, 2013.

5.1.2.ii) PNB (Punjab National Bank) is the 2
nd top most public sector commercial bank on the basis its six years average profits (from 2007-08 to 2012-13) has actively engaged in the major areas like providing support to people belonging to below poverty line and downtrodden section, Health, Promoting sports, Environment, Bank’s people etc during the financial year 2007-08 to 2008-09. Along with previously carried out activities the bank has engaged Sustainability, Corporate Volunteering Social Investment, Education, Health and Financial inclusion in the subsequent years. During the financial year 2014-15, along with previously carried out CSR activities, the bank has engaged in some programme and schemes i.e. PNB Asha Kiran, PNB Ladli, Swachchh Vidyalaya Campaign and PNB Ujala in the name of CSR.

5.1.2.iii) Bank of Baroda is the third top most public sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13) has engaged in the major areas of CSR activities like Socio- economic Development of underprivileged and weaker sections of the society, Training and skill Development, Village Infrastructure, Financial Literacy, Sports, Health Care, Education, Environment etc from the financial year 2007-08 to 2014-15. During the financial years, the bank has also engaged in some other activities in the name of CSR in the Annual Report, which are compulsion for the bank as per RBI and Ministry of Rural Development.

5.1.2.iv) Canara Bank is 4th top most public sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13) has continuously been engaged in Similar major areas of CSR activities i.e. Social development of under privileged area, Rural Development, Training, Health Care, Education, Women Empowerment from the
financial year 2007-08 to 2014-15. During the financial year 2014-15, along with previously carried out CSR activities the bank has engaged in some additional major areas i.e. Poverty and Nutrition, supported to the Person with disability and old age, development of Arts and Culture, Skill Development, Environment Protection. The bank has also mentioned some activities under purview of CSR in the Annual report, which should not be part of it, as these are compulsion for the bank like setting up training institute to promote entrepreneurship development, FLCCs and RSETI etc as per Ministry of Rural development.

5.1.2.v) Bank of India is the 5th top most public sector commercial bank on the basis of six years average profit (from 2007-08 to 2012-13) has mentioned that during 2007-08 and 2008-09 the bank has engaged in major activities like providing Drinking Water Facilities, Blood donation Camp, Bus Shelter Farmer’s Club, Rural sports Meet, Programme on Family planning, social and community issues etc, but details regarding the activities has not mentioned. From the financial year 2009-10 to 2012-13, the bank has engaged in the major activities like Financial Inclusion, Setting up Credit Counselling Centre and Financial literacy centre, setting up Training Centre in the name of CSR which are compulsion for the bank as per guidelines of RBI, NABARD and Ministry of Rural Development, GOI. During the financial year 2013-14, along with previously carried out CSR activities, the bank have engaged in some other activities which are philanthropic in nature. During the financial year 2014-15, along with previously carried out CSR activities, the bank has also engaged in some additional major areas i.e. Alternate/Renewable Energy, Helping Physically Handicapped Senior Citizens / Destitute, Food & Nourishment, Women Safety, Supporting Families of Ex-Servicemen, Environment. From the financial year 2013-14 onwards, the bank has
carried out most of CSR activities which are mentioned in the Section VII of the companies Act, 2013.

5.1.2.vi) Union Bank of India is the six top most public sector commercial bank on the basis of six years average profit (from 2007-08 to 2012-13) has engaged in the major activities like Financial Inclusion, Rural development, Financial literacy and Education in the name of CSR from the financial year 2007-08 to 2012-13. Out of these activities, some activities are compulsion for the bank as per the guidelines of RBI and Ministry of Rural Development. But during the financial year 2013-14 and 2014-15, the bank has engaged in some other major activities like Health Care, Education, providing safe drinking water, Support for differently abled person, Women empowerment, Environment and rural development, Community Development etc which are philanthropic in nature.

5.1.2.vii) Indian bank is the 7th top most public sector commercial bank on the basis of six years average profit (from 2007-08 to 2012-13), has involved in the major CSR activities like blood donation and Sports achievement during the financial year 2007-08. From the financial year 2008-09 to 2011-12, the bank has carried out major activities like Blood donation, Health Camp, Education, other Social Responsibilities and Sports achievement in the name of CSR. During the financial year 2012-13 and 2013-14, along with previously carried out CSR activities the bank has involved in the new areas of major CSR activities i.e. Green Initiative, Cleanliness and Waste Management. All activities are philanthropic in nature. During the financial year 2014-15, the bank has not mentioned anything regarding the CSR activities in the BRR Report and Annual Report both and bank has mentioned that CSR is not mandatory for Public sector Bank in the Annual Report.
5.1.2.viii) IDBI bank is the 8th top most public sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13), has not involved in any major area in the name of CSR activities during the financial year 2007-08. During the financial year 2008-09 and 2009-10 the bank has carried out major activities like supporting people of underprivileged and economically backward areas, medical assistance to poor people in the name of CSR. During the financial year 2010-11 and 2013-14, the bank has engaged in major CSR activities like Rural Infrastructure, Social empowerment, Education, Environment, Community Welfare, Health Care. During the financial year 2012-13, the bank has involved in the major CSR activities i.e. financial Inclusion and rural Development only. During the financial year 2014-15, along with previously carried out CSR activities the bank has engaged in some additional major areas like: Promoting education and Livelihood Enhancement, Eradication of Poverty and Promoting Gender Equality and socio- Economic etc.

5.1.2.xi) Allahabad bank the 9th top most public sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13), has not mentioned anything regarding the major CSR activities of the bank during the financial year 2007-08. During the financial year 2008-09 and 2009-10, the bank has engaged the major CSR activities like Education, Poverty Eradication, Rural Development, Financial Inclusion and Vocational Training programmes etc. During the financial year 2010-11 and 2011-12, the bank has only involved only in financial literacy and Vocational training programmes as a major CSR activities. Most of these activities are compulsion for the bank. From the financial year 2012-13 onwards, the bank has carried out major activities like Health, supported tribal girls children, donated to Institutes and civil societies for the social benefit which are philanthropic in nature.
5.1.2.x) Corporation bank is the 10th top most public sector commercial bank on the basis of six years average profits (from 2007-08 to 2013-14) the bank has involved in the major area of CSR activities like Social upliftment, Education, Arts and cultural promotion and Health from the financial year 2007-08 to 2013-14. During the financial years, the bank has also involved in some other social benefited activities in the name of CSR like setting up RSETIs for providing training programmes to the youth and FLCCs for creating awareness about the financial products and services among the people of unbanked areas as per guidelines of RBI and Ministry of Rural Development, which should not be part of CSR activities of the Bank. During the financial 2014-15, the bank has not mentioned in details regarding CSR activities in the Annual Report.

5.1.2.xi) Syndicate Bank is the 11th top most public sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13), has engaged in major CSR activities like Financial Inclusion, Water Conservation, Social lending for underprivileged, Health care and Rural Development from the financial year 2007-08 to 2009-10. From the financial year 2010-11 to 2013-14, the bank has engaged itself in major CSR activities like Economic transformation and upliftment of downtrodden, Health Care and Education. During the financial year 2014-15, along with previously carried out CSR activities, the bank has been engaged in some new major areas in the name of CSR i.e. Education, health, Community development and Environmental sustainability etc.

5.1.2.xii) Oriented Bank of Commerce is the 12th top most public sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13) has carried out major CSR activities like Social upliftment, training for economic benefit of the society through RSETIs and financial inclusion etc from the financial year 2007-08 to 2011-12.
These all activities are compulsion for the bank as per RBI guidelines and Ministry of Rural Development, GOI. But from the financial year 2012-13 onwards, the bank has involved in some major CSR activities like Rural Development, education, financial Inclusion, medical facilities and donation for social welfare etc which are philanthropic in nature.

5.1.2.xiii) Andhra Bank is the 13th top most public sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13) has engaged the major CSR activities like Community and social investment, education, rural Development, financial inclusion, health and other social services, donation to charitable trust/institutes during the financial years 2007-08 and 2008-09. From the financial year 2009-10 onwards, the bank has been involved in different major CSR activities. During the financial year, the bank has involved the major CSR activities like Financial Inclusion, training and development programme and financial literacy, donation to flood victims. The bank has got involve in the major CSR activities like donation to charitable institutes for the Upliftment of the society and poor people during the financial year 2010-11. And during the financial year 2012-13 and 2013-14, the bank has been engaged the major CSR activities like Economic transformation, rural development and donation for the relief camps etc. During the financial year 2014-15, the bank has engaged in only major CSR activities i.e. Donation to Charitable institutes for the Upliftment of the society and poor people and Community development.

5.1.2.xiv) Indian Overseas bank is the 14th top most public sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13) has been involved in major CSR activities like Social Charitable activities, Cultural, educational and sports activities, inclusive growth and Financial literacy etc from the financial year 2008-09 to
2014-15. Out of these activities some are philanthropic in nature and some are
compulsion for the bank i.e. setting up FLCCs, RSETIs and engaged in financial
inclusion and EDP (Entrepreneurship Development Programme) etc.

5.1.2.xv) ICICI Bank is the top most public sector commercial bank on the basis of six
years average profits (from 2007-08 to 2012-13) has been involved in only in inclusive
growth as major CSR activities during the financial year 2007-08. From the financial
year 2008-09 to 2014-15, the bank has carried out major CSR activities i.e. elementary
education, primary health, Sustainable development, financial inclusion, environmental
Responsibility, clean energy, Education and Research, Skill Development and Financial
Counselling.

5.1.2.xvi) HDFC bank is the 2nd top most private sector commercial bank on the basis of
six years average profits (from 2007-08 to 2012-13) has itself involved in the major
CSR activities like Socio-economic development of weaker and under-privilege section,
financial inclusion, health and hygiene, education for poor children etc during the
financial year 2007-08 and 2008-09. Along with previously carried out CSR activities,
from the financial year 2009-10 to 2013 -14, the bank has involved in some new major
areas in the name of CSR i.e. environmental sustainability, donated to flood victims and
sustainable development etc. And during the financial year 2014-15, the bank has
included in some other major areas in the name of CSR along with previously carried
out CSR activities i.e. financial literacy and empowerment, Skill Training and
Livelihood Enhancement and eradicating poverty.

5.1.2.xvii) Axis bank is the 3rd top most private sector commercial bank on the basis of
six years average profits (from 2007-08 to 2012-13) has involved the major CSR
activities like Education for underprivileged children, Trauma care, Medical relief,
Creation of livelihood and Green initiative etc from the financial year 2007-08 to 2013-14. During the financial year 2014-15, along with previously carried out CSR activities, the bank has been engaged in some additional major areas i.e. Rural Development, Healthcare, Financial Inclusion and Financial literacy, Skill Development, Environment and Sanitation facilities.

5.1.2.xviii) Kotak Mahindra bank has engaged itself in different major CSR activities from year to year. During the financial 2007-08 and 2008-09, the bank has not disclosed the CSR activities of the bank in details in the Annual Reports. During the financial year 2009-10, the bank has engaged in major CSR activities i.e. Education, healthcare and environment. During the financial year 2010-11, the bank has engaged in major CSR activities like donating to social and charitable institutes. From the financial year 2011-12 to 2013-14, the bank has involved itself in major CSR activities i.e. education, vocational training, blood donation and health care etc. During the financial year 2014-15, along with previously carried out CSR activities the bank has engaged in some additional major areas i.e. financial literacy and Swatchh Bharat Abhiyaan in the name of CSR.

5.1.2.xix) Yes bank is the 5th top most private sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13) has involved the major CSR activities like Micro Finance and Sustainable Development during the financial years 2007-08 and 2008-09. From the financial year 2009-10 to 2013-14, the bank has involved in some new major areas of CSR activities like Inclusive Growth, Agriculture and Rural development along with previously carried out CSR activities. Most of the activities of the bank are compulsory as per RBI guidelines and Ministry of Rural Development, GOI thought the bank has involve in some activities which are
philanthropic in nature. During the financial year 2014-15, the bank has engaged in some other additional major areas in the name of CSR i.e. Skill/ Employability training, Health and Social welfare, Environmental Sustainability and participated in Arts/Cultural and Sports programme.

5.1.2.xx) Jammu & Kashmir bank is the 6th top most private sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13) has engaged in the major CSR activities like Supporting society, Promoting self sustenance, health Care, Education, Eco-culture preservation, helping hand for physically Challenged and promotion of Sports and culture from the financial year 2008-09 to 2014-15.

5.1.2.xxi) Federal bank is the 7th top most private sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13) has engaged in the major CSR activities like financial inclusion and philanthropic Activities from the financial year 2007-08 to 2010-11. From the financial year 2011-12 to 2013-14 onwards the bank has carried major CSR activities i.e. education, healthcare and support to agriculture infrastructure project etc. During the financial year 2014-15, the bank has engaged in some major areas in the name of CSR i.e. Employment enhancing and Vocational Training, Social Development and Skill Building, Gender Equality and empowering women, Environmental sustainability, Promotion of Sports, Contribution to armed Forces and Protection of natural heritage, arts and culture and Rural development projects.

5.1.2.xxii) INDUSIND bank is the 8th top most private sector commercial bank on the basis of six year average profits (from 2007-08 to 2012-13) has been involved in the major CSR activities like Health Education, Sustainable Development and Green initiative etc from the financial year 2007-08 to 2014-15. During the year 2013-14 along
with previously carried out CSR activities the bank has engaged in some new areas of CSR activities i.e. Promotion of sports, Arts and Culture etc and during 2014-15, the bank has also engaged in some additional major areas i.e. Rural Development and inclusiveness, Prevention healthcare, Imparting of vocational skills, Environmental Sustainability and Awareness creation and Nature conservation.

5.1.2.xxiii) KarurVysya bank is the 9th top most private sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13) has involved itself basically in three areas i.e. education, health, and donating to the social and charitable institutes for betterment of the society from the financial year 2007-08 to 2013-14. During the financial year 2014-15, along with previously carried out CSR activities, the bank has also engaged in some additional major areas in the name of CSR i.e. Promoting prevention of healthcare, Sanitation, education and empowering women, Social business Project and Environmental sustainability.

5.1.2.xxiv) ING Vysya bank is the 10th top most private sector commercial bank on the basis of six years average profits (from 2007-08 to 2012-13) has involved in the major CSR activities i.e. Primary Education for underprivileged children, Sustainable Development from the financial year 2007-08 to 2009-10. From the financial year 2010-11 to 2013-14, along with previously carried out CSR activities, the bank has involved in some other major CSR activities i.e. Training and Development, Financial literacy which are basically compulsion for the bank.

5.1.2.xxv) It has been observed that all the select commercial banks have focused their CSR activities on some common areas like, education, health care, rural development, training and development, financial literacy & credit counselling, energy saving,
financial inclusion, women empowerment, environmental protection, supporting under
privileged section of the society, donation to relief funds, adoption of girl children etc.

5.1.2.xxvi) It has been also observed that CSR activities related to above stated areas
are in consistent with areas of CSR activities suggested by the CSR Voluntary
Guidelines 2009 , RBI circular “Corporate Social Responsibility, Sustainable
Development and Non-Financial Reporting – Role of Banks”. The same above
mentioned areas of CSR investment are also directly related to the areas prescribed by
the Companies Act, 2013, Schedule VII.

5.1.2.xxvii) Public sector commercials banks like, PNB, Indian Bank, and Bank of India
have stressed its CSR activities on the unique areas like promotion of sports, Arts and
culture, tree plantation and waste management.

5.1.2.xxviii) Among the private sector commercial banks, Axis Bank, Yes Bank, and
ING Vysya Bank have focused on some unique areas and ways of practicing CSR
activities along with traditional practices. To name a few; Axis banks’ green initiative
with a theme of “Reduce, Reuse and Recycle”; Yes bank is the first Indian bank to
become a signatory to UNEP-FI principles and it committed to work with UNEP-FI
principles; ING Vysya Bank adopted policies like General Environmental and Social
risk (G-ESR) policy, Equator Principle (EP) policy and Specific Environmental and
Social Risk (S-ESR) for environmental and sustainability development.

From the aforesaid twenty eight findings we can draw the following inference
which keeps parity with the objective number 2, i.e. to examine the contribution made
by different commercial banks through Corporate Social Responsibility activities.

Most of the commercial banks have carried out various CSR activities from the
financial year 2007-08 to 2014-15. Most of the commercial banks have carried out
similar types of CSR activities like donations to various NGOs and other civil societies who are working for the underprivileged section of the society in the areas like supporting education, health, eradication of poverty etc. Most of the commercial banks have set up FLCCs for providing financial literacy and creating financial awareness among the rural masses and also set up RSETIs for imbibing training to the people of lower section of the society. Before the introduction of the companies Act 2013, none of the regulatory bodies have prescribed specific areas for CSR activities. All the select commercial banks have considered social activities undertaken by them as CSR activities out of which some activities are compulsory as per the different regulatory bodies. However, the Companies Act 2013 under the Schedule VII has specified various areas for carrying out CSR activities. It has seen that most of the commercial banks irrespective of their ownership have carried out CSR activities from the financial year 2014-15 as per Schedule VII. The company Act 2013 has given an opportunity to corporate houses to fulfil the legal obligations as well as to avail the tax benefits as because the many of the activities which are listed in the schedule VII of the companies Act 2013 in the name of CSR are also exempted from tax as per the Income Tax Act, 1961.

5.1.3 Findings of chapter four

Followings are the Findings of the fourth chapter which deals with the comparative study of public and private sector commercial banks:

5.1.3.i) Out of 24 selected commercial banks, only three banks i.e. SBI from public sector and ICICI, Axis banks from private sector have disclosed their amount and percentage of previous year’s net profit after tax spent in current year CSR activities in the Annual Reports from the 1st year of the study periods i.e. 2007-08.
5.1.3.ii) Most of the banks have disclosed the amount and percentage of previous year’s net profit after tax spent in current year CSR activities from the financial 2012-13 only.

5.1.3.iii) Out of 14 public sector commercial banks, two banks i.e. Syndicate Bank and Indian Overseas Bank have not disclosed the amount and percentage of previous year's net profit after tax spent in current year in any financial in between 2007-08 to 2013-14. They have disclosed only from the financial year 2014-15.

5.1.3.iv) Out of 10 private sector commercial banks, two banks i.e. Jammu & Kashmir Bank and Federal Bank have not disclosed their amount and percentage of previous year’s net profit after tax spent in current year on CSR activities in any financial in between 2007-08 to 2013-14. They have disclosed only from the financial year 2014-15.

5.1.3. v) Punjab National Bank, UBI (Union Bank of India) from public sector and Karur Vysya Bank from private sector have disclosed their percentage of previous year’s net profit after tax from the financial year 2009-10, 2010-11 and 2011-12 respectively.

5.1.3.vi) None of the bank has spent 1% or more of previous year’s net profit after tax in current year on CSR activities up to the financial year 2011-12. And a very few number of banks i.e. SBI, ICICI bank and IndusInd Bank have spent at least 1% of previous year’s net profit after tax in current year as CSR activities from the financial year 2012-13. Out of these banks, two banks i.e. ICICI and Indus IND bank are from private sector commercial banks, and only one bank from public sector i.e. SBI.

5.1.3.vii) Only six banks out of 24 commercial banks have spent at least 1% of previous year’s net profit after tax in current year CSR activities during the financial year 2013-14 i.e. SBI, Canara Bank, ICICI bank and HDFC, Axis Bank and Indus IND Bank. Out of these Banks, four banks from private sector and only two banks from public sector
commercial banks. It indicates that the private sector banks have contributed a percentage of previous year’s net profit after tax spent in CSR of current year are more in numbers than public sector commercial banks.

5.1.3.viii) During the financial year 2014-15, the numbers of commercial banks have spent at least 1% or more than 1% of previous year’s net profit after tax in current year CSR activities is increases to 9 in numbers. Out of 9 commercial banks, four banks from public sector i.e. SBI, Canara Bank, IDBI Bank and Corporation Bank and five banks from private sector i.e. ICICI Bank, HDFC Bank, Axis Bank, Jammu & Kashmir Bank and IndusInd Bank.

5.1.3.ix) Among the 24 commercial banks, ICICI bank from private sector commercial banks has spent the highest percentage of previous year’s net profit after tax on current year CSR activities i.e. 2.02% in 2013-14.

5.1.3.x) During the financial year 2014-15, out of 24 commercial banks, IDBI Bank from public sector has spent the highest percentage of previous year’s net profit after tax in current year’s CSR activities i.e. 2.35%

5.1.3.xi) Among the 14 public sector commercial banks, Canara Bank has contributed highest percentage of previous year’s net profit after tax in current year CSR activities during the study periods i.e. 1.46% in 2013-14, followed by SBI i.e. 1.06% in 2013-14.

5.1.3.xii) ICICI bank has also spent highest amount on CSR activities in a particular year among 24 selected commercial banks i.e. Rs. 168 crores in the financial year 2013-14 followed by SBI with Rs. 148.93 crores in 2013-14.

5.1.3. xiii) The CSR spending pattern of SBI is continuously increasing since the financial year 2008-09, whereas the same trend is not visible in case of ICICI Bank.
When top most public sector commercial, SBI is compared with the top most private sector commercial bank ICICI bank.

5.1.3.xiv) Punjab National Bank is the 2nd top most public sector commercial has disclosed its percentage of previous year’s net profit after tax spent in current year CSR activities from the financial year 2009-10, whereas 2nd top most private sector commercial bank has disclosed percentage of previous year’s net profit after tax spent in current year CSR activities from the financial year 2012-13 only. But, the percentage of previous year’s net profit spent in current year CSR activities of HDFC bank is more than Punjab National Bank in three last disclosing years.

5.1.3.xv) The Axis bank, the 3rd top most private sector commercial bank has disclosed its percentage of previous year’s net profit after tax spent in current year CSR activities from the first year of the study periods i.e. 2007-08 whereas Bank of Baroda the 3rd top most public sector commercial bank has disclosed their percentage of previous year’s net profit after tax spent in current year CSR activities from the financial year 2012-13 only. And Axis bank has spent more percentage of previous year net profit after tax in the current year CSR activities than Bank of Baroda in all financial years of the study periods.

5.1.3.xvi) Canara Bank, the 4th top most public sector commercial bank and Kotak Mahindra bank the 4th top most private sector commercial banks both have disclosed their percentage of previous year’s net profit after tax spent in current year CSR activities from the financial year 2012-13 only. The percentage of previous year’s net profit after tax spent in current year CSR activities of Canara Bank is more than Kotak Mahindra Bank in all disclosing financial years i.e. 2012-13 to 2014-15.
5.1.3.xvii) Bank of India, the 5th top most public sector commercial bank and Yes Bank, the 5th top most private sector commercial bank both have disclosed their percentage of previous year’s net profit after tax spent in current year CSR activities from the financial year 2012-13 only. But, Yes bank has spent higher percentage of previous year’s net profit in current year in all the financial years 2012-13 to 2014-15 than Bank of India.

5.1.3.xviii) Union Bank of India, the 6th top most public sector commercial bank has disclosed its percentage of previous year’s net profit after tax spent in current year CSR activities from the financial year 2010-11 whereas the 6th top most private sector commercial bank i.e. Jammu & Kashmir bank has disclosed its percentage of previous year’s net profit after tax spent in current year CSR activities in the financial year 2014-15 only.

5.1.3.xix) The 7th top most public sector commercial bank, Indian Bank has disclosed its percentage of previous year’s net profit after tax spent in current year CSR activities from the financial year 2013-14 only, whereas the 7th top most private sector commercial bank, Federal bank has disclosed its percentage of previous year’s net profit after tax spent in current year CSR activities in the financial year 2014-15 only.

5.1.3.xx) Both the 8th top most public sector and private sector commercial bank i.e. IDBI Bank and Indus IND Bank have disclosed their percentage of previous year’s net profit after tax spent in current year CSR activities from the financial year 2012-13. IndusInd bank has spent higher percentage of previous year’s net profit after tax in current year in both financial year 2012-13 and 2013-14 than IDBI bank. But during the financial year 2014-15, IDBI bank has spent highest percentage of previous year’s net profit after tax in current year’s CSR activities.
5.1.3.xxi) The 9th top most public sector commercial bank i.e. Allahabad bank has disclosed its percentage of previous year’s net profit after tax spent in current year CSR activities only in the financial year 2013-14, whereas the 9th top most private sector commercial bank i.e. Karur Vysya bank has disclosed its percentage of previous year’s net profit after tax spent in current year CSR activities from the financial year 2011-12. The CSR investment of Allahabad bank both in Amount and percentage of previous year’s net profit spent in current year is positive trend and it is not even in case of Karur Vysya bank.

5.1.3.xxii) The 10th top most public sector commercial bank i.e. corporation bank has disclosed its percentage of previous year net profit after tax spend in current year on CSR activities from the financial year 2012-13, whereas private sector commercial bank ING VYSYA has disclosed its percentage of previous year net profit spend on CSR activities in current year only in the financial year 2013-14. But ING Vysya Bank has spent higher percentage of previous year’s net profit after tax spent in current year CSR activities than Corporation bank in the financial year 2013-14.

5.1.3.xxiii) The amount of CSR spending of most of the commercial banks irrespective of ownership are much far from the their potential CSR spending (2% of average PAT of FY 10,11 and 12 ) during the financial year 2012-13 and same picture has been seen during the financial year 2013-14 also.

5.1.3.xxiv) ICICI bank is only one of the commercial bank out of 24 selected commercial banks whose spending amount on CSR is more than the potential spending in both the financial years, 2012-13 and 2013-14 respectively i.e. Rs. 116.56 Crores against Rs. 104.28 Crores in 2012-13 and Rs. 168 Crores against Rs. 132.95 Crores in 2013-14.
5.1.3.xxv) Among all public sector commercial banks, only SBI is closer to the potential CSR spending both financial year 2012-13 and 2013-14. All other public sector commercial banks are much far than their potential CSR spending.

5.1.3.xxvi) Out of 24 commercial banks, only Axis bank from private sector has invested more amounts on CSR than its potential CSR spending i.e. 123.22 crores against its potential spending 104.26 cores during the financial year 2014-15.

5.1.3.xxvii) It has been observed that the private sector commercial banks are more conscious about the CSR activities in compare to public sector commercial banks.

5.1.3.xxviii) Out of 12 public sector commercial banks, 8 public sector commercial Banks except SBI and Indian Bank have negative correlation between the profits earned in the different current years with the CSR spending in the different current years.

5.1.3.xxix) Most of the private sector commercial Banks. i.e. 6 out of 7 have positive correlation between the profit earned in the different current years with percentage of CSR spending in the different current years.

5.1.3.xxx) out of 12 public sector commercial banks 6banks have a positive correlation between profits earned in the different previous years with percentage of profits spending on CSR in different current years.

5.1.3.xxxi)Numbers of private sector commercial banks i.e. 7 have more percentage mean of different previous years’ net profits on CSR spending in different current years than the numbers of public sector commercial Banks. Only 3 public sector commercial banks have spent more percentage mean of different previous years’ net profits on CSR spending in different current years than private sector commercial banks.
5.1.3.xxxii) Most of the respondents’ i.e. 63% of the total respondents got charity in the form of kind. And most of the respondents got charity from State Bank of India i.e. 76% of the total respondents.

5.1.3.xxxiii) Most of the respondents got charity from commercial banks on or after the financial year 2014-15. It means that most of the commercial banks have done their CSR activities after introduction of companies Act 2013.

5.1.3 xxxiv) Most of the times i.e. 55% of the total respondent approaches first to the bank for getting charity from the commercial Banks and majority of the respondents’ i.e. 54% of the total respondents got charity rarely only 6% of the total respondents got charity regularly.

5.1.3 xxxv) It found that most of times i.e. 67% of the total respondents said that the banks have not conducted need analysis before doing any charity and Majority of the respondents responded on indifferent on this issue regarding level of satisfaction on need analysis process.

5.1.3 xxxvi) Most of the times i.e. 64% of the total respondents said that the banks have investigated whether the charity properly utilized or not? And most of the respondents i.e. 71% of the total respondents have respondents on indifferent on this issue regarding the level of satisfaction on post charity investigation.

5.1.xxxvii) It has also been found that the effectiveness of the CSR activities of the commercial banks is average.

From the aforesaid thirty seven findings we can draw the following inference which keeps parity with the objective number 3, i.e. to assess the Corporate Social Responsibility practices between public and private sector commercial banks.
Before the introduction of the Companies Act, 2013, none of the regulatory body has prescribed the amount and the percentage of previous year net profit after tax to be investing on CSR activities of the corporate houses. With the guidelines of various regulatory bodies, most of the commercial banks have spent a very small proportion of their previous year’s net profit after tax spent on current year CSR activities. However, most of the commercial banks except SBI from the public sector commercial bank, ICICI and Axis bank from private sector commercial banks have disclosed their percentage of previous year’s net profit after tax spent in current year CSR activities from the financial year 2012-13 only. Whereas most of the commercial banks except ICICI bank have not invested the prescribed percentage of average three previous years’ net profit after tax spent on the current year CSR activities in the financial 2014-15 which is compulsion as per the section 135 of the companies Act 2013 that should be implement from the financial year 2014-5. The more number of private sector commercial bank have invested more than 1% of previous year’s net profit spent on current year’s CSR activities than the public sector commercial banks in the both financial years 2013-14 and 2014-15.

5.2 OUTCOMES OF THREE DIFFERENT QUERIES

In the course of the research work, an attempt has been made to get some output on three specific queries i.e. does the commercial bank practices CSR activities as per requisites norms, how does commercial bank contribute through Corporate Social Responsibility activities and how corporate Social Responsibility activities of public sector commercial banks are different from private sector commercial Banks and result of those have been mention as follows.
Most of the commercial banks irrespective of ownership have carried out their CSR activities from very long periods, though the CSR was not compulsory for the corporate houses. Most of the commercial banks have set up FLCCs (Financial Literacy and credit counselling centre) as a result of the letter of RBI on 4th February, 2009 to all the chairman/Managing director and chief executive officer of all schedule commercial bank including RRBs for creating awareness on the financial product and services among the rural, Urban and semi-urban areas and also set up RSETIs for imparting training and skill development programme for the rural masses as per the regulation of Ministry of Rural Development GOI. Out of 14th select public sector commercial banks, Most of them have disclosed their CSR activities in the Annual Reports on or before the financial year 2007-08 except Bank of Baroda, IDBI bank, Allahabad bank and Indian Overseas bank who have disclosed their CSR activities in Annual Report from the Financial Year 2008-09. Similarly, out of 10 private sector commercial banks, 8 commercial banks have disclosed their CSR activities on or before 2007-08. Rest of two private sector commercial banks i.e. Jammu & Kashmir bank and Karur Vyssya bank have disclosed their CSR from the financial year 2008-09 onwards. Most of the commercial banks have disclosed their Business Responsibility Report in the Annual Report and websites from the financial year 2012-13 as per the SEBI circular to all stock exchanges on 13th August 2012 regarding the Business Responsibility Report. However, out of top 100 listed entities based on market capitalization, only 12 i.e. 6 from public sector and 6 from private sector commercial banks have got listed in the elite group. Besides these, many commercial banks whose name are listed in the stock exchange and but not included in the elite group have also disclose their business

Most of commercial banks irrespective of ownership have not disclosed clearly their mechanism that have adopted by them during the financial year 2007-12. However, the banks have mentioned their CSR activities under the purview of CSR in the Annual Report on or before financial year 2007-08. Most of the commercial banks have clearly disclosed their CSR mechanism from the financial year 2012-13 onwards only. It has been seen that most of the commercial banks irrespective of ownership have carried out their activities directly, with the help of their own established trust, NGOs and other civil societies. The banks have not taken any feedback regarding the previous year’s CSR mechanisms that has already implemented by the banks the previous years. The banks have also set up various FLCCs for creating awareness regarding the financial products and services and also set up RSETIs for imparting the training programme for the masses of rural, urban and semi-urban areas. Most of the commercial bank has formulated their CSR committee from the financial year 2013-14 only. The Companies Act 2013 make CSR compulsion for certain categories of Corporate houses, however it has seen that many Corporate houses has done their CSR activities in that particular areas where they are getting tax exemption and getting opportunity to reduce their tax burden like donating to NGOs and some other civil societies who has come under the 80 G of Indian Income tax.

Both public and private sector commercial banks have been carrying out almost similar types of CSR activities on and before the financial years 2007-08 i.e. donation to NGOs and other Civil Societies who are engaged in various community welfare projects to improve the quality of life of poor, neglected and downtrodden section of the
society, setting up FLCCs and RSETIs for creating awareness programme and training
programme for the people of under privilege section of the society, donating various
necessary equipments to schools, Hospitals of remote and semi–urban areas from time
to time. Most of the commercial banks irrespective of ownership have disclosed their
CSR investment both in Amount and percentage of previous year’s net profit spent in
current year from the financial year 2012-13 only as CSR becomes compulsion from the
financial year 2014-15 only as per the companies Act 2013. Out of 24 commercial
banks irrespective of ownership only one bank that is ICICI bank from private sector
has spent at least 2% or more average three previous year’s net profit from the financial
year 2012-13 only. Rest of the Commercial Banks is far from their potential CSR
investment.

5.3 SUGGESTIONS OF THE STUDY

5.3.1 The banks should consider only the activities under the purview of CSR activities
in the Annual Report which are well defined by the section VII of Indian Companies
Act 2013.

5.3.2 Every bank should constitute a CSR committee and it should be well defined in
their CSR Report.

5.3.3 Employees contribution towards the CSR shouldn’t be taken under the purview of
CSR in the Annual Report.

5.3.4 Financial Inclusion and Financial literacy and Credit Counselling shouldn’t be
considered as CSR activities in the CSR Report or Annual Report of the bank.

5.3.5 The bank should disclose the Spending on CSR in both amount and % of previous
year’s net profit spent in the current financial year in the Annual Report.
5.3.6 The bank’s CSR activities should not be limited to particular areas as it is working as national level.

5.3.7 The bank should given a chance to all the stakeholders to participate in the formulation of CSR policy of the bank. And CSR policy of the bank should be well defined to all.

5.3.8 The companies Act 2013 should clearly define the amount of penalties for failure of spending the requisite amount CSR by the companies.

**Future Research Scope:** The study also opens newer area where further research in the future may be carried out. Few such prospective areas for the research in future are as follows:

- CSR investment sector wise
- Implementation of CSR provision of the Companies Act, 2013
- CSR Activities of Foreign banks
- Extensive primary data base study covering other states of North East India

5.4 **CONCLUSION**

The concept of Corporate Social Responsibility has gained popularity across the world today. The west became aware of this concept long ago and gradually the other developing countries realised as how to the CSR can be a very effective tool in a holistic development of the respective societies. The concept, and its importance are being simultaneously discussed among the commercial entities, Intellectuals, Government and Civil Societies, leading to high investments by Corporate houses on social and other welfare activities. Moreover, with the introduction of the ‘Companies Act 2013’, CSR investment has become compulsory for certain categories of commercial entities.
As being observed now-a-days, a large number of corporate houses actively get themselves involved in the various social services and development activities in the name of CSR. Banks and Financial Institutes are no exception on this. Banks, irrespective of their ownership pattern, have been engaged in social welfare activities through a long period of time. Banks can be taken as a type of corporate house which has less social cost to its name but has provided immense social benefits.

As corporate Citizens, Banks are very conscious about their responsibility towards the society. The banking companies in India fall both under the purview of Banking Regulation Act 1949 and RBI Act 1935. Besides these, they are also influenced by the Indian Companies Act 2013 has also made regulatory provisions in this respect. Banks have tried to follow the provisions of these Acts regarding CSR from time to time.

According to Annual Reports of Selected commercial Banks, studied during the course of research, it has been observed that they are not disclosing all the material facts regarding CSR investment logically. A proper disclosure of CSR activities is very much necessary as per RBI circular as on 20th December, 2007 (RBI/2007-08/216 DBOD. No.Dir.BC. 58/13.27.00/2007-08) and the Companies Act, 2013 (w.e.f. 1st April’2014), as it would also act as a step towards better CSR Investment. The Government, as the highest representative of the people, has the biggest responsibility for felicitating socio-economic activities.

The government should share its responsibility with one of the important stakeholders of the society, the corporate houses. The government has to properly implement the Companies Act 2013, as well as, has to encourage and motivate corporate houses to participate in the process. The actual participation of corporate
houses in welfare activities will bring prosperity to the people of the society and the nation as a whole, apart from enhancing their own performance as a corporate through goodwill. This will strengthen the bonding between the society and business houses for future days too.