PREFACE

The term ‘Corporate Social Responsibility’ (CSR) simply refers to the responsibility of corporate houses towards the society. Corporate entity is an integral part of the society. The goods and services produced by the corporate houses serve and fulfill the needs of the people of the society. They are directly influencing the upright movement of the standard of living index. At the same time, their prosperity and development too depends on the society. Society as a whole provides corporate houses with consumers, employees, and raw materials. Over and above this equation, the activities of corporation have directly or indirectly created some social cost like water pollution, air pollution, sound pollution and global warming etc. This has created an environment whereby, the responsibility arises in the part of the corporate houses to ponder with, and act for the well-being and sustenance of the society. The said responsibilities of the corporate houses are termed as ‘Corporate social Responsibility’ (CSR).

CSR is not a new concept to India. It has been practiced in India since time immemorial. Many Corporate houses like TATA, Birla, OIL, ONGC etc have been practicing various social activities in India since long periods. However, the nature of their activities was purely voluntary and no regulatory obligations were there. In this regard, banking institutions are not exceptional. Banking institutions are carrying out various activities for the betterment of the society. However, the banking institutions are not directly engaged in creating any social cost, but they are indirectly responsible for the same. Though, the banks are regulated by the Banking Regulation Act 1949, but as per the section 2 of the banking regulation Act 1949, the banks also fall under the
purview of any Act, including the provisions of the Companies Act, for the time being in force, unless explicitly inconsistent with the Banking Regulation Act. Therefore, it is implied that the provisions related to CSR of Companies Act, 2013 is also applicable to the banks. The said provisions are unequivocally applicable to private sector commercial banks as they are incorporated under the Companies Act.

As of financial year 2012-13, there were twenty six nationalized banks (including SBI and its six associate banks), twenty domestic private banks and forty three foreign banks. These eighty nine banks had Rs. 7089300 million as capital and reserves & surplus. In the same year, the total deposit stood at Rs. 74295324 million. These very amounts reflect the size of banking business being carried out in India. Therefore, there exists an obvious reason for performing CSR activities by banking houses. This situation requires analyzing the various activities being carried out by banks for the betterment and sustenance of the society. The researcher has carried out the study on Corporate Social Responsibility of select Commercial Bank with three basic objectives i.e. to study the Corporate Social Responsibility activities practices by Commercial Banks; to examine the contribution made by different commercial banks through Corporate Social Responsibility activities; to assess the Corporate Social Responsibility practices between public and private sector commercial banks.

Most of the banks, irrespective of ownership have carried out their CSR activities in tune with schedule VII of the Companies Act, 2013. However, CSR spending of the Banks are far from their requisite norms as stated the Companies Act, 2013 which was effective from 1st April Act 2014.

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