

A COMPARATIVE STUDY OF CSR SPENDING & CSR REPORTING PRACTICES OF SELECTED BANKS IN INDIA

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Abstract

This paper seeks to identify the Corporate Social Responsibility (CSR) practices adopted by the selected dominant Indian Public Banks, Indian Private Banks & Foreign Banks Operating in India. One on hand of the research analysis, is the Banking Sector – a dominant service industry in India, that contributes considerably towards India’s growth by maintaining the equilibrium in the financial ecosystem, and on the other side of the research, is the contemporary concept of CSR, where the society, government and corporates have joint interest and leverage. And therefore, it will be quite interesting to review the CSR practices adopted by Banking Sector. In the present study, the researcher analyzes & compares the CSR practices adopted by the sample Banks with respect to CSR Spending and CSR Reporting patterns. Further, it is endeavored to determine the most preferred and most neglected CSR areas by the sample banks. And thereby some suggestions are presented to improve the CSR practices to better serve the society and fulfill the CSR legal obligations as per the Companies Act, 2013. The results of the study confirm that Indian Private Banks are the most compliant towards CSR spending & Reporting and the most preferred CSR areas are regular CSR areas of: Healthcare, Education, Environmental Sustainability etc., and most neglected CSR areas are also continuously same: Contributions to Technology Incubators, Slum Development Projects etc.

Keywords: Corporate Social Responsibility, Indian Private Banks, Indian Public Banks, Foreign Banks Operating in India, Companies Act, 2013.

INTRODUCTION

It is since the Vedic Indian times that social responsibility was insisted through various scriptures and holy texts, in form of donation and charity through sharing the wealth, planting trees, helping the needy, constructing the infrastructure etc. The pure and whole purpose behind insisting undertaking the social responsibilities was to develop the integrity amongst the kings and kinsmen to ensure there is equality of wealth within the entire society. All these ancient texts referenced, or targeted to developing the conscience amongst the businessmen to never ignore or over-look the society whilst progressing its very existence. But with the progressing and pacing times, the Corporates and business-houses forgot (overlooked) the importance sharing and only focussed on exploiting / using the resources from the society adopting the Milton Friedman theories - that the Goal of any business is only Profit and Wealth Maximization. However, it was observed that, the more Contemporary we got, the more necessary it became to revisit and revive - CSR as a serious thought, and therefore CSR as a notion started to become a concept and was getting coined or termed by many Western Researchers. It was observed that numerous business organisations improve their business processes by harming the sustainability of the environment, decreasing the air quality index of the country or by exploiting the resources from the surrounding, whilst, when it came to CSR it was observed that not many Corporations were fond of carrying out social obligations through CSR measures, rather used CSR as a marketing tool. Interestingly, here again, India was one of those leading nations that not just conceptualized CSR but even provisioned it. Meaning to say, India became one of the first nations to mandatize or make mandatory CSR spending for certain class of eligible Companies. The new C.A. - Companies Act, 2013, introduced a landmark legislation mandating - the Big sized Companies having Net Worth of Rs. 500 Crores or more, or Turnover of Rs. 1000 Crores or more or Net Profit of Rs. 5 Crores or more during the immediately preceding financial year were mandatorily required to spend, at least two (2%) percent of the average net profits made by the Company during the three (3) immediately preceding financial years towards CSR. And since, it is clear that an organization's CSR framework and policy serves as a legal and regulatory arrangement ensuring conformity with the ethical standards, and national or international practices and norms, the new laws and the provisions made it mandatory for eligible entities to have CSR framework in format of unique CSR policy and constituting CSR committee to overlook CSR efforts and working in alignment with CSR Policy. In India, CSR has been around for a long time but it altered the form from being a moral notion to provisioned Law, and the subtle shift is reasoned due to varied needs of business and the society. Since, the change is pacing

within the society therefore the laws are required to be formulated as well as amended from time to time to remove the loop-holes and make the laws more advantageous and valuable. Thus, the series of amendments followed in the applicable Section and Rules of CSR, after the launch of the CSR mandatory provision and norms, were to make the CSR provision more transparent and scrutinize worthy. These amendments in CSR provision confirm that CSR certainly a very contemporary and new age concept where the government as well as the society are interested with expectation for better future and growth.

CSR ADAPTATIONS IN INDIAN BANKING SECTOR

Since, many Corporates are becoming dominantly operative and are gathering strength from the resources of the environment around, to become more bigger than their present appearance, while using these resources they have forgotten their moral obligation towards the surroundings around. The Bank or the Banking Sector as we say, is as such not exploiting, in particular, any severe resources from the surrounding, however, it is to be accepted that the Banking Industry is growing in size and profitability and from the support and resources from the environment around in form of either human resource or quality facilities. And therefore, it becomes obligatory for all the powerful entities to come forward and help the power-less. Now, the Banking Sector, being one of the most dominant sectors of India having considerably huge share in the Country's growth, and thus it is essential to understand their approach towards CSR. It has been discussed and argued from a pretty long time about the role the Banks should play for brining development within the Society at large. Since, it became quite essential to divert the financial sector towards their social obligations. Therefore, around in the year 2007, the Reserve Bank of India encouraged Banks to undertake efforts towards CSR measures by implementing certain CSR programs for overall societal sustainable development, and insisted on reporting, in their respective annual reports, the CSR measures undertaken whether financial or otherwise. After the RBI circular, many researchers undertook research study to scrutinize the approach adopted by the Banking Sector at large towards the Society through various CSR measures undertaken by them, and the results of the study revealed that many huge and top listed banks which were the top performers in aspect of growth, viability and profitability standings were in-fact poor performers in socio-economic sustainability when analyzed for their portraited CSR performance. It was also observed that the Banks were not precisely reporting the CSR measures in their Annual Reports, rather the narrations of CSR measures and the details of the adoptions of CSR policy was displayed on their respective websites, and not in Annual Reports, without any financial narrations. Most importantly, there was not enough actions or measures undertaken by the RBI towards the unclear reporting or non-reporting of CSR measures. Though, Reserve Bank of India, sent out circulars and notifications to Indian Banks insisting spending one percent of the profits towards CSR, but there are no mandatory norms in this regard. And thus, the approach of Indian Public Banks has been quite casual with respect to CSR spending and reporting. With the advent of Companies Act, 2013, certain class of entities were required to spend 2% of average net profit of last three financial years towards CSR. Now with these new laws in active motion and practice, certain researches have shown that, before the mandatory norms, CSR was adopted as a marketing tool to enhance the dominance of the entity in the operating eco-system and after the mandate the CSR implementations changed. Also, there was another result derived that confirmed that the Indian Private Banks altered their CSR practices in alignment with the new norms, however, it will be interesting to review the improvements adopted by the other Banks towards CSR spending and disclosures patterns. Also, in the recent years, it was observed and revealed through research studies that the Banks are attempting to align their operating activities with CSR efforts. There was another research study undertaken and the results revealed that the Indian Banks were primarily and more particularly enthusiast towards spending for environmental sustainability, social and community development, and the economic growth measures, as against any other CSR measures. All the viewpoints, taken together, it appears that the Banking Sector requires to be analyzed and evaluated on the radar of CSR performance. But here it is to understood that the comparison should not hold only for Indian Public or Indian Private Banks, in-fact the Foreign Banks Operating in India also needs to be included in review and comparison to understand and determine the CSR spending practices adopted by the Banks, the CSR reporting standards as well as the preferred and neglected CSR areas by all the three categories of Banks.

LITERATURE REVIEW

Researchers Rajul Dutt and Himani Grewal, in the year 2018, conducted analysis through the research study 'Corporate Social Responsibility in Indian Banking Sector: An Empirical Study on State Bank of India' with research aim to inspect, understand, and highlight the CSR practices adopted by SBI for the year 2014 to 2018 and to evaluate the approach of various stakeholders with respect to the CSR efforts undertaken by SBI. The information through questionnaire was circulated to the employees to gather data about their perspective on CSR programs of SBI. The study revealed that SBI undertook CSR in the weaker areas of society such as: Education, Healthcare, Sanitization, Sports Activities and other CSR actions and it was also discovered that the employees think that SBI is quite serious about sustainable development for the society.

Swapnil Patel and Gurudutta Japee, undertook research study titled 'A Comparative Study of Selected Private and Public Sector Bank with special reference to Corporate Social Responsibility in India' in the year 2019, setting out to learn and discover about the CSR interested

areas by the selected public and private banks and to determine the CSR practices areas along with understanding the amount spent towards CSR by selected Banks and for the research study 5 Public Banks and 5 Indian Private Banks were selected as Samples. According to of the research findings, it was observed that majority of the banks focused on Education, Environment and Healthcare, it was also concluded and revealed by the researchers that though Companies Act, 2013 paved way for the organizations to contribute towards CSR but the results were not-satisfactory and the study suggests chances of improvement to increase CSR performance towards society specially by public Banks.

In the year 2016, the researchers Upasana Thakur and Mamta Sharma, undertook the research study title ‘Corporate Social Responsibility Initiatives: A Comparative Analysis of State Bank of India and HDFC Bank’ with research objective to understand and compare the CSR practices adopted by SBI and HDFC Bank. According to the research findings, it was known that both banks were actively carrying out CSR measures towards the education, healthcare, employment enhancement vocational skills, infrastructural development, environmental and sustainable development. Further, the findings also reveal that though in terms of market capitalization, SBI held higher position but it is required to perform lot of CSR work since it was observed from the results studies that SBI had performed less CSR initiatives when compared to HDFC. The researchers also revealed through the findings that HDFC Bank was placed higher than SBI amongst the list of the firms with best CSR initiatives ratings.

Researcher Muhammad Juman, in the year 2016 conducted research study through content analysis ‘Corporate Social Responsibility: An Analysis of Indian Banks’ to study the significance of CSR in the Banking Sector, to evaluate the CSR activities and its strategic values in policy formulation and to understand the CSR investment pattern of sample banks and for the purpose of research study three Indian Public Banks and two Indian Private Banks are chosen, collecting data from the respective annual reports for the year 2013-14. And the research findings demonstrated that the banks are far behind the other companies in CSR as none of the Banks published separate CSR report or sustainability report even few did not even publish BRR as well. Further to the conclusions of the research study, it was observed that the banks were more responsible towards social causes and spent more money for social causes while the environmental issues remained unaddressed by most of the Banks, perhaps because the banks do not directly impact the environment, and lastly, the total income & size of the Bank was an important factor in CSR contributions since the Banks with high income spent more towards CSR.

RESEARCH GAP

From the varied range of Literature available on the research subject and review undertaken, it was observed, that researches have been undertaken to determine the dominant CSR areas selected by the Banks, or to analyze & compare the CSR practices of Banking Sector, or to determine the CSR & financial performance of Banks. It was observed from the literature review that though, pursuant to the notifications and circulars of RBI, the banks have attempted to enhance their scope of CSR practices, however, the reporting standards have been improved or not is still an unanswered question, and therefore it is becomes essential to determine the level of both dimension of CSR practices. **Therefore**, in the present research study, three dimensions of CSR are analyzed: (1) CSR involvement in form of actions and (2) the CSR disclosures and reporting standards and (3) Determine the preferred CSR areas and neglected CSR areas.

OBJECTIVES OF THE STUDY

In nexus with the research gap identified, the following are the objectives of this study;

1. To determine, analyze and compare the CSR spending patterns and practices of selected sample Banks - Indian Public Banks, Indian Private Banks and Foreign Banks Operating in India.
2. To identify the preferred and neglected CSR areas by the selected sample Banks.
3. To analyze and compare the CSR reporting practices of selected sample Banks and comment on the same.
4. To give suggestions and recommendations for ideal utilization of funds and for better CSR practices for improved compliance towards CSR Laws for overall growth & benefit of one and all.

DATA SOURCES, METHODOLOGY & PERIOD OF THE STUDY

The data and information collected in this study being secondary data is obtained from the annual reports of the selected sample banks. Further, additional data as required is gathered from the published Research Papers, journals, magazines, portals and websites, online sources. In-order to determine results for the study, descriptive analysis method is undertaken. And in this study, three financial years were analyzed vis-a-viz: 2018-19 (pre-covid), 2019-20 (during covid) and 2020-21 (post-covid).

SAMPLE SIZE

The study covers 3 categories of Banks vis-a-viz: Indian Public Banks, Indian Private Banks, and Foreign Banks Operating in India. And in each Category, top 3 well-known banks are selected for the research. The Sample Size is tabulated as follows in **Table 1**:

CATEGORY OF THE BANK	NAME OF THE BANKS
Indian Public Banks	1. State Bank of India
	2. Bank of Baroda
	3. Canara Bank
Indian Private Banks	1. HDFC Bank Limited
	2. ICICI Bank Limited
	3. Kotak Mahindra Bank Limited
Foreign Banks Operating in India	1. Standard Chartered Bank
	2. Citi Bank
	3. HSBC Bank

Table 1: Bank Category and Selected Sample Banks

DATA ANALYSIS

This section is divided into three parts, whereby, in the first part the CSR spending patterns are analyzed, in the second part the most preferred and neglected CSR areas are highlighted and in the third part the CSR Reporting patterns are commented upon.

A) Analysis of CSR Budget and Spending

The CSR details is tabulated for easy understanding and analysis in **Table-2** detailing the particulars of Prescribed / Budgeted CSR as reported by the Banks in their Annual Reports, the CSR amount actually spent by the Banks and the unspent CSR amount, if any;

Table 2: CSR Budget, CSR Spending, and CSR unspent amount of Sample Banks

CSR Details of Indian Public, Private & Foreign Banks (Amt in Crores)									
Years	2020-21			2019-20			2018-19		
CSR Details	CSR Budget	CSR Spent	CSR Unspent	CSR Budget	CSR Spent	CSR Unspent	CSR Budget	CSR Spent	CSR Unspent
Indian Public Banks									
SBI	144.88	144.88	NA	8.62	27.47	NA	NR	6.24	NR
BOB	5.46	6.90	NA	4.33	4.33	NA	NR	NR	NR
Canara	26.56	24.70	1.86	26.82	20.49	6.33	23.88	23.62	0.26
Indian Private Banks									
HDFC	627.86	634.91	NA	534	535	NA	439.20	443.80	NA
ICICI	184.53	200.50	NA	127.30	134.35	NA	118.96	92.20	26.76
Kotak	142.27	79.40	62.87	124.23	74.62	49.61	96.27	36.55	59.72
Foreign Banks Operating in India									
HSBC	91.50	91.50	NA	83.30	83.30	NA	74.80	74.80	NA
Citi	142.28	137.46	4.82	41.85	30.56	11.29	34.03	19.24	14.79
SCB	74.01	74.01	NA	70.78	63.47	7.32	52.54	35.76	16.78

According to information presented in **Table 2**, and analyzing the CSR spending and reporting for the **Indian Public Banks**, it was observed that SBI has uneven CSR spending and reporting pattern, for the first year 2018-19, there was no reporting of CSR budget but only total CSR spent was disclosed, making it difficult to analyze the CSR compliance level, whereas for the next year 2019-20, there was CSR over-spending confirming compliance with the CSR norms, and in the final year, the CSR budget and spending were at break-even point, clarifying no CSR short-spending or over-spending. Next, Bank of Baroda (BOB) did not disclose any CSR figurative information, for the year 2018-19, but for the year 2019-20 and 2020-21, BOB was able to comply with CSR norms and has duly reported the CSR information in the Annual Reports. At-last, Canara Bank was not able to meet the CSR compliance and has reported CSR short-spending for all the years, but has reported CSR information very clearly. Thus, SBI has contributed more as compared to other banks, becoming the pioneer in CSR spending as compared to other banks, followed by Canara Bank, which was followed by BOB.

Further, analyzing **Indian Private Banks**, it was observed that HDFC Bank practiced the best CSR spending and has spent more year-by-year, along-with being able to meet the 2% CSR criteria, whereas ICICI Bank was able to comply with 2% CSR norms for only two years

2020-21 and 2019-20, while having short-spending for CSR in the year 2018-19, and lastly, Kotak Bank was not able to meet the CSR 2% compliance for any of the three years and reported the short-spending towards CSR.

Lastly, analyzing the CSR spending for **Foreign Banks Operating in India (FBOII)**, it was observed that HSBC Bank practiced good CSR spending etiquettes and has spent more year-by-year, along-with being able to meet the 2% CSR criteria, whereas Citi Bank was not able to meet the CSR 2% compliance and has reported CSR short-spending for all the three years of the research study. And lastly, Standard Chartered Bank (SCB) has varied CSR spending pattern, since for the years 2018-19 and 2019-20, it was not able to meet the CSR spending criteria, whereas for the year 2020-21, the CSR budget and spending were at break-even point, confirming no CSR short-spending or over-spending.

B) Analysis of CSR Spending Area-wise / Activity-wise

Now, CSR area-wise or activity-wise spending undertaken by the selected Banks are analyzed to understand the trend adopted by the Banks towards each CSR activity as listed in Schedule VII of the Companies Act, 2013. From having knowledge of the most preferred CSR areas and most neglected CSR areas it will be possible to understand the long-term impact of CSR decisions on the society and nation at large. The CSR area-wise is tabulated for easy understanding and detailed analysis in **Table 3** where marking is done for each CSR area / activity being undertaken by each sample Bank, in order to determine the overall CSR area-wise Score, for the period of three years, and from it will be derived the most preferred and most neglected CSR area;

Banks Category	Indian Public Banks			Indian Private Banks			FBOII		
Bank Name	SBI	BOB	Canara	HDFC	ICICI	Kotak	HSBC	Citi	SCB
Years & % Score	CSR Activity Narrations and Scoring								
CSR Activity – 1 – Eradicating Hunger & Poverty, Promoting Healthcare, Sanitization etc.									
2018-19	1	NR	1	1	1	1	1	-	1
2019-20	1	-	1	1	1	1	1	-	1
2020-21	1	1	1	1	1	1	1	-	1
% Score	100%	33%	100%	100%	100%	100%	100%	0%	100%
CSR Activity – 2 – Promoting Education, Vocational Skills, Livelihood Enhancement etc.									
2018-19	1	NR	1	1	1	1	1	-	1
2019-20	1	1	1	1	1	1	1	-	1
2020-21	1	1	1	1	1	1	1	-	1
% Score	100%	67%	100%	100%	100%	100%	100%	0%	100%

Banks Category	Indian Public Banks			Indian Private Banks			FBOII		
Bank Name	SBI	BOB	Canara	HDFC	ICICI	Kotak	HSBC	Citi	SCB
Years & % Score	CSR Activity Narrations and Scoring								
CSR Activity – 3 – Reduce Gender inequalities, Women Empowerment etc.									
2018-19	-	NR	1	1	1	1	1	-	-
2019-20	1	1	1	1	1	1	1	-	-
2020-21	1	-	1	1	1	1	1	-	-
% Score	67%	33%	100%	100%	100%	100%	100%	0%	0%
CSR Activity – 4 - Environmental Sustainability, Ecological Balance etc.									
2018-19	1	NR	1	1	1	1	1	1	-
2019-20	1	-	1	1	1	1	1	1	-
2020-21	1	-	1	1	1	1	1	1	-
% Score	100%	0%	100%	100%	100%	100%	100%	100%	0%
CSR Activity – 5 - National Heritage, Arts & Culture etc.									
2018-19	-	NR	-	-	-	-	-	-	-
2019-20	1	-	-	-	-	-	-	-	-
2020-21	1	-	-	-	-	-	-	-	-
% Score	67%	0%	0%	0%	0%	0%	0%	0%	0%
CSR Activity - 6 - Benefits to Armed Forces Veterans, Widows									
2018-19	-	NR	-	-	1	-	-	-	-

2019-20	-	-	-	-	-	-	-	-	-
2020-21	1	-	-	-	-	-	-	-	-
% Score	33%	0%	0%	0%	33%	0%	0%	0%	0%
CSR Activity - 7 - Rural Sports Development									
2018-19	-	NR	-	-	-	1	-	-	-
2019-20	-	-	-	-	-	1	-	-	-
2020-21	1	-	-	1	-	1	-	-	-
% Score	33%	0%	0%	33%	0%	100%	0%	0%	0%
Banks Category	Indian Public Banks			Indian Private Banks			FBOII		
Bank Name	SBI	BOB	Canara	HDFC	ICICI	Kotak	HSBC	Citi	SCB
Years & % Score	CSR Activity Narrations and Scoring								
CSR Activity - 8 - Contribution to PM National Relief Fund									
2018-19	-	NR	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	1	-	-	-	-
% Score	0%	0%	0%	0%	33%	0%	0%	0%	0%
CSR Activity – 9 - Contributions to Technology Incubators									
2018-19	-	NR	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
% Score	0%	0%	0%	0%	0%	0%	0%	0%	0%
CSR Activity – 10 - Rural Development Projects									
2018-19	-	NR	1	1	1	1	-	1	-
2019-20	-	1	1	1	1	1	-	1	-
2020-21	1	1	1	1	1	1	-	1	-
% Score	33%	67%	100%	100%	100%	100%	0%	100%	0%
CSR Activity – 11 - Slum Development Projects									
2018-19	-	NR	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
% Score	0%	0%	0%	0%	0%	0%	0%	0%	0%
CSR Activity – 12 - Disaster Management Programs, Relief, Rehabilitation etc.									
2018-19	1	NR	-	-	-	1	-	-	-
2019-20	-	1	-	-	1	1	-	-	-
2020-21	-	-	-	1	-	1	-	-	-
% Score	33%	33%	0%	33%	33%	100%	0%	0%	0%

Table 3: CSR Area-wise Spending Score and Percentage Data

From the data analysis of **Table 3**, it is clear that the **Indian Public Banks** made highest spending towards the CSR areas of: Education, Healthcare, Women Empowerment, Rural Development and Environmental Sustainability with average CSR spending score of almost 100%. But, for BOB, it was observed that the CSR spending score was in the range of 33% and / or 67% since the CSR spending, as well as the CSR reporting was not well organized. Thereafter, it was observed that Protection of National heritage, Contributions towards the Benefits of Armed Forced Veterans, Rural Sports Development, and Disaster Management Projects, etc., are quite negligibly or casually approached by the Indian Public Banks since for only one year either of the Banks have spent towards these CSR measures and thus, the average CSR spending score is between 33% to 67%, unevenly distributed across the years and Banks. Lastly, the Contributions to PM Funds, Contributions to Technology Incubators, and Slum Development Projects, were the most neglected CSR areas with 0% CSR spending score, at large, by all the Indian Public Banks.

On the other hand, it was observed that all the three **Indian Private Banks** are very keen and enthusiast towards CSR investments in the areas of: Healthcare, Education, Women Empowerment and Environmental Sustainability and Rural Development Projects with 100% CSR spending scores, year-on-year. Whereas, the CSR areas of Contributions for the Benefits of Armed Forced Veterans, Rural Sports Development, Contributions to PM Funds, and Disaster Management measures were given casual to moderate attention with the average CSR spending score between 33% to 67%, unevenly distributed across the years and Banks. And lastly, Protection of National Heritage,

Slum Development, Contributions to Technology Incubators, were the most neglected CSR areas with 0% CSR spending score, at large, by all the Indian Private Banks.

And finally, for the Foreign Banks Operating in India, it was observed that the Foreign Banks had diverted the maximum investments towards the CSR areas of: Education, Healthcare, and Environmental Protection, with 100% CSR spending score for multiple years by varied banks overall confirming these to be preferred areas by Foreign Banks. However, it was observed that the CSR spending score was in the range of 33% to 100% with respect to CSR areas of: Reducing inequalities face by backward classes and Women Empowerment where only HSBC Bank has 100% CSR score, and the other two banks have 0% CSR score, whereas for Rural Development Projects, only Citi Bank has 100% CSR score and other two Banks have 0% score. Lastly, the Protection of National heritage, Contributions towards the Benefits of Armed Forced Veterans, Rural Sports Development, Contributions to PM Relief Funds, Contributions to Technology Incubators, Slum Development Projects, and Disaster Management Measures are the most neglected CSR areas with 0% CSR spending score.

C) Analysis of CSR Reporting Practices

Based on the content analysis undertaken for CSR spending patterns and CSR areas preference, certain reporting parameters were observed and based on the same, following is observed for the CSR Reporting Practices of the Sample Banks:

- With respect to **CSR reporting practices**, it was observed that for **Indian Public Banks**, Canara Bank has the quite decent and much better CSR reporting practices, which was followed by SBI, which was further followed by BOB. Both these later banks had uneven CSR reporting practices since the year 2018-19, there was limited to NIL CSR information and the area-wise CSR spending bifurcation is also not reported by the Banks. And the most casual reporting approach is adopted by BOB. **Whereas**, all the three **Indian Private Banks**, were at par, and had pretty good reporting practices and standards. Thus, all the private sector banks are given similar ranking for reporting practices. Also, the CSR areas-wise spending is also clearly reported by the Private Banks. **Lastly**, the **three Foreign Banks** were decent with CSR figurative representation and can be given similar ranking for reporting practices. However, here it is to be understood from observations that for none of the years, none of the foreign banks reported the bifurcation for CSR area-wise spending, only CSR areas are reported and that too on the website and not in the Annual Reports.

CONCLUSIONS / FINDINGS OF THE ENTIRE STUDY

Now, deriving the final conclusions from the research study, it is clear that:

- 1) The **Indian Private Banks are more conscious towards CSR Spending as well as CSR Reporting Practices** since all the Private Banks have narrated all information required pursuant to CSR Laws, very clearly, and **amongst the Indian Private Banks, Kotak Mahindra Bank is the most CSR Compliant.**
- 2) Whereas the **CSR spending and CSR information Reporting by Indian Public Banks, was not as accurate** as compared to Private Banks, since the CSR area-wise bifurcation is not reported, moreover, the CSR budget and expenditure is also not disclosed. **Amongst the three, Canara Bank is most CSR compliant.**
- 3) **Lastly, the foreign banks have not disclosed much figurative data regarding CSR, further the CSR areas are also disclosed on the website but not in the Annual Reports** and the CSR area-wise spending bifurcation is also not reported by the Foreign Banks. Thus, the CSR Spending and Reporting by Foreign Banks appear to be quite Casual and weak. **And amongst all the three Banks, HSBC is the most CSR Compliant.**
- 4) From all the three categories of Banks, it was found that **Indian Private Banks are the most compliant in CSR spending and Reporting Practices**, followed by Indian Public and thereafter Foreign Banks Operating in India.
- 5) From the analysis of CSR for all Banks taken together, it can be concluded that the **most preferred CSR areas are:** Promoting Healthcare, Education, Women Empowerment, Environmental Sustainability Projects, and Rural Development Projects. Casually or nominally Attended CSR areas are: Contributions towards Protection of National heritage, Benefits of Armed Forced Veterans, Rural Sports Development, and Disaster Management Measures. And the **most neglected CSR areas** by all Banks taken together are: Contributions to PM Relief Funds, Contributions to Technology Incubators, and Slum Development Projects.

SUGGESTIONS FOR BETTER CSR PRACTICES

From the analysis, it was observed that some of the CSR areas are neglected by the sample banks, and thus following are some of the suggestions provided for undertaking CSR in some of the neglected areas;

1. **Helping War Veterans:** One of the most neglected CSR areas being this and thus Banks can recruit or train or enhance the quota for recruitment of family members of war veterans or retired servicemen as a part and parcel of their CSR activities. Undertaking skill

development initiatives or enhance facilities for them to live better civilian life can be undertaken by the banks as a CSR activity as well as – an honor and reward to the ex-servicemen for their services to the country. Furthermore, banks can decide to sponsor and support War Widows Association to ensure that the widows of martyred soldiers are accessing all the monetary and non-monetary benefits. Banks can also work with various administrative departments for ensuring resettlement and rehabilitation of the family of these army veterans.

2. Contributing to Incubators: The statistical data confirm that many start-ups cease in existence due to lack of funds availability and not due lack of stability. Thus, Banks can consider making CSR investments in form of seed funds or risk capital providing support towards to the early-stage start-ups or perhaps can have some guided and governed registered scheme where the Banks can help the start-ups raise easy funds by helping these start-ups get accurate platform for showcasing the product / service, and by encouraging and assuring investors to select appropriate business. Lastly, banks can partner with the funding agencies for providing grants to these start-ups.

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