

An Analysis of Csr Activities in Select Public and Private Sector Banks In Dimapur Town

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ABSTRACT OF THE STUDY:

Business is basically a socio-economic entity. Although business is fundamentally an economic activity, it cannot be carried out in isolation of society. It is a group endeavor and therefore has a number of responsibilities towards different stakeholders – management, workers, customers, shareholders, government and the society. Realisation and fulfillment of responsibilities towards these stakeholders is termed as corporate social responsibilities. Further, business cannot function

independently and depends on the society for supply of raw materials, capital, labour and other requirements. Business is a part of the society and has to follow and operate within the limits of the rules and regulations prescribed by the society.

The main purpose of this study is to find out the thrust area and scope of CSR activities from the common public point of view and also to find out the gap in the activities carried on by the banking institutions and the areas for CSR as per the public. In order to fulfill the above purpose a comparative

analysis of both public and private sector institutions in carrying out their CSR activities is also included in the paper. This study is based on both primary as well as secondary data which is collected from the public directly and reports of the banking institutions of the past 3 years have also been analyzed. The areas of CSR activities being vary vast in its own nature cannot be studied wholly as a result of which only specific areas which has been mentioned in the annual reports of different banking institutions has been included in the study. The analysis has been carried out in two parts, the first part shows the areas and the unique activity or schemes being undertaken by each individual bank the other part of analysis show the general public views on CSR.

The study has scope of further research in those areas of CSR which can directly contribute towards developing the state economically as well as sociologically.

Key words: - Banking sector, Corporate Social Responsibility, Education, Disaster Management, Health.

MEANING OF CORPORATE SOCIAL RESPONSIBILITY:

Corporate social responsibility is defined as the voluntary undertaken by various companies to operate in an economic, social and environmentally sustainable manner⁵. It is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their shareholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders. A properly implemented CSR concept can bring along a variety of competitive advantage, such as enhanced access to capital market, increased sales, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes. In order to limit the scope of the term 'stakeholder', various authors have sub-categorized them. The most widely used

is the external/internal stakeholder framework. So, different stakeholders can be – management, workers, customers, shareholders, government and the society. So, in simple terms we can say that realization and fulfillment of responsibilities towards these stakeholders is termed as Corporate Social Responsibilities.

DEFINITIONS OF CSR:

The World Business Council for Sustainable Development has defined CSR :-“ CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large”

In the USA, CSR has been defined much more “in terms of a philanthropic model, companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of profit to charitable causes”.

Business Dictionary defines CSR “A company’s sense of responsibility towards the community and environment in which it operates. Companies express their citizenship, through their waste and

pollution reduction processes, by contributing educational and social programs and by earning adequate return on resources employed”.

One of the most contemporary definitions is from the World Bank Group, stating, “Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large, to improve their lives in ways that are good for business and for development”

The WBCSD defines CSR as “the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large.”

Corporate Social Responsibility is a concept whereby financial institutions not only consider their profitability and growth and also the interests of society and the environment by taking responsibility for the impact of their activities on stakeholders, employees, shareholders, customers, suppliers and civil society represented by NGOs. The economic globalization resulted

in a demand for corporations to play a central role in efforts to eliminate poverty, achieve equitable and accountable systems

of governance and ensure environmental security.

The Pyramid of Social Responsibility



Source: Carroll (1991)

PRESENT SCENARIO OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA:

Corporate social responsibility (CSR) is generally understood as a moral obligation that is supposed to be shown by organizations towards the society in lieu of profits generated through customers who are a part of the same society. Companies also have to show a concern for CSR to prove the value proposition of the brand to the current as well as prospective customers. Today customers are of the view that if it is a well-

known company, it undertakes certain activities not merely for the motive of profit but also for a social cause⁸. In the present scenario, many top companies contribute a part of their profit for CSR activities. Objective of CSR in these days is to maximize the company's overall impact on the society and stakeholders. CSR policies, practices and programs are being comprehensively integrated by an increasing number of companies throughout their business operations and processes. Companies have specialized CSR teams that

formulate policies, strategies and goals for their CSR programs and set aside budgets to fund them. These programs are often determined by social philosophy which have clear objectives and are well defined and are aligned with the mainstream business. The programs are put into practice by the employees who are crucial to this process. CSR programs ranges from community development to development in education, environment and healthcare etc.

The Reserve Bank of India (RBI) has asked the banks to pay special attention towards integration of social and environmental concerns in their business operations. Stressing the need for Corporate Social Responsibility (CSR), RBI pointed out that these initiatives by the banks are vital for sustainable development. Issues such as global warming and climate change pose a great risk to the environment and can be quite damaging to the business models of companies. Only a scenario in which the quality of environment and social systems synergize with business models, can lead to sustainable development. Many of the newly formed private and foreign banks are aware of the importance of such a step and therefore are having an active corporate

social responsibility department. RBI has asked the banks to start non-financial reporting, which will be used to audit their initiatives towards the corporate social responsibility (CSR). Such a reporting will cover the work done by the banks towards the social, economic and environmental betterment of society.

The Department of Public Enterprises (DPE) has prepared guidelines for central public sector enterprises to take up important corporate social responsibility projects to be funded by 2-5 per cent of the company's net profits. As per the guidelines, companies with net profit of less than US\$ 22.5 million will earmark 3-5 per cent of profit for CSR, companies with net profit of between US\$ 22.5 million - US\$ 112.5 million, will utilize 2-3 per cent for CSR activities and companies with net profit of over US\$ 112.5 million will spend 0.5-2 per cent of net profits for CSR.

PROVISION FOR CORPORATE SOCIAL RESPONSIBILITY LAID DOWN BY THE INDIAN COMPANIES ACT, 1956 (AMMENDMENT 2013):

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013,

which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. The CSR provisions within the Act is applicable to companies with an annual turnover of 1,000 crore INR and more, or a net worth of 500 crore INR and more, or a net profit of five crore INR and more. The new rules, which will be applicable from the fiscal year 2014-15 onwards, also require companies to set-up a CSR committee consisting of their board members, including at least one independent director.

The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. The ministry's draft rules, that have been put up for public comment, define net profit as the profit before tax as per the books of accounts, excluding profits arising from branches outside India. The Act lists out a set of activities eligible under CSR. Companies may implement these activities taking into account the local conditions after seeking board approval. The indicative activities which can be undertaken by a company under CSR have been specified under Schedule VII of the Act.

According to Schedule-VII of Companies Bill the following activities can be included by companies in their CSR Policies:-

- (i) Eradicating extreme hunger and poverty;
- (ii) Promotion of education;
- (iii) Promoting gender equality and empowering women;
- (iv) Reducing child mortality and improving maternal health;
- (v) Ensuring environmental sustainability;
- (vi) Employment enhancing vocational skills;
- (vii) Social business projects;
- (ix) Contribution to the Prime Minister's National Relief Fund or any other fund set by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women; and
- (x) Such other matters as may be prescribed.

GUIDELINES ON CSR FOR PUBLIC ENTERPRISES:

The Department of Public Enterprises had issued Guidelines on Corporate Social Responsibility (CSR) for CPSEs in April, 2010 which have been issued formally to the Ministries/Departments for compliance in the Central Public Sector Enterprises

(CPSEs) under their administrative control. As per the above guidelines on CSR issued by the Department of Public Enterprises (DPE) in April, 2010, all profit making Central Public Sector Enterprises (CPSEs), including Maharatna CPSEs are required to select CSR activities which are aligned with their Business strategy and to undertake

them in a project mode. CPSEs are mandated to spend their funds on CSR projects selected by them with the approval of their respective Boards. All profit making CPSEs are required to allocate budget mandatorily through a Board Resolution as percentage of net profit (previous year) in the following manner.

PAT of CPSES in the Previous year	Expenditure range of CSR in a Financial Year (% of profit)
Less than Rs 100 crore	3%-5%
Rs 100 crore- Rs 500 crore	2%-3%
Rs 500 crore and above	0.5%-2%

STATEMENT OF THE PROBLEM

Corporate social responsibility is becoming a relevant subject and appears repeatedly in the academic and professional journals as majority of the corporate societies has given a special focus to it. A number of Indian banks have taken necessary steps to implement the concept of corporate social responsibility. The present research focuses on the initiatives taken by the Indian

banking industry and resulting impact on its overall performance. CSR has played a vital role in the context of the development of the country. It enhances the corporate entities to contribute a part of its profit for the social cause. Even though CSR is being made mandatory by the Companies Act 1956(Amendment 2013), there is a need to study whether the laws are being implemented or not. There also a question as

to how far the society as well as the general public is aware of the CSR initiatives made by the banks.

Being Nagaland, one of the backward regions of the country and Dimapur, the commercial town of the state, there arises a need of, as to what extent the CSR activities are undertaken by the public and private sector banks of the state, and also the level of general awareness regarding the CSR initiatives by the bank and to make a comparative analysis with regard to it, under the title, "An Analysis of CSR activities in select Public and Private sector banks in Dimapur Town".

OBJECTIVES OF THE STUDY

The purpose of research is to discover answers to questions, the objectives of the study helps to solve the research problem. The objectives of the as to why the researcher is conducting the study are:-

- 1) To make a comparative analysis of the various CSR activities initiated by selected public and private sector at the corporate level and in Dimapur.

- 2) To study the level of awareness of CSR activities with regard to the customers of the bank and the employees of the bank.

REVIEW OF LITERATURE

A literature review is a text of a scholarly paper, which includes the current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. In the context of a research paper the literature review is a critical synthesis of the previous research. The evaluation of the literature leads logically to the research question.

- **According to Friedman (2006)**

"There is one and only one social responsibility of business- to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud". In contrast to Friedman's statement, Robbins and Coulter (2007) explained that the management's social responsibility goes beyond making profit to include

protecting and improving social's welfare of its stakeholders and the environment in which the firm carries out its operations. They also have the responsibility to the society that allow their formation through various laws and regulations and support them through purchasing their products and services. (Carroll, 2008) & Zain (2008) extending the Carroll's statement said that ethical standards play an important role in a firm's success in the long-run. The social responsibility standards and moral activities by a firm can create a positive rapport between the firm and all its stakeholders.

- **Sharma (2011)** made an attempt to analyze CSR practices and CSR reporting in India with special reference to banking sector and concluded that banking sector in India is showing interest in integrating sustainability into their business models but its CSR reporting

practices are far from satisfaction.

- **CHAUDHRI and WANG (2007)**, in an article, they examines CSR communication undertaken by the top 100 information technology (IT) companies in India on their corporate Web sites, with an analytical focus on the dimensions of prominence of communication, extent of information, and style of presentation. The findings indicate that the number of companies with CSR information on their web sites is strikingly low and that these leading companies do not leverage the web sites to their advantage in terms of the quantity and style of CSR communication. Although the findings do not necessarily imply absence of CSR action on the part of IT companies in India, they attest to a general lack of proactive CSR communication. The article concludes with managerial implications for CSR

communication on corporate Web sites. The research is done on primary data.

- **GAUTAM and SINGH (2010)**, The purpose of this study is to explore the various definitions and descriptions of Corporate Social Responsibility (CSR); elaborate upon development of CSR in India; study the theoretical concepts expounded by various researchers and study the deployment of current CSR practices in India. This paper examines how India's top 500 companies view, and conduct their CSR, identifies key CSR practices and maps these against Global Reporting Initiative standards. The main findings of the study are that CSR is now presented as a comprehensive business strategy, arising mainly from performance considerations and stakeholder pressure. CSR policies vary with turnover and profit. The study suggests that business and CSR strategy appear to be on a convergent

path, towards business and CSR integration across the company. Out of the top 500 companies, 229 did not report on CSR activities and were therefore filtered. 49% of the remaining 271 companies were reporting on CSR. Many companies are making token gestures towards CSR and only a few companies have a structured and planned approach.

- **SRIVASTAVA, NEGI, MISHRA and PANDEY (2012)**, This research paper moves around developing an understanding about the corporate social responsibility (CSR), delving into its concept and finding out its scope taking the case study of the TATA Group under Mr. Ratan Tata who has exemplified the sense of responsibility towards the upliftment of common masses and protection of the environment and development of the nation. Exhaustive literature survey regarding the topic and

related concepts has been done. Secondary data inclusive of quantitative and qualitative data as well collected from various sources including books, research papers, newspapers, magazines, and websites is used for the purpose of study. The findings are: As business is an integral part of the social system it has to care for varied needs of the society, Business which is resourceful has a special responsibility to the society, Social involvement of business would enhance a harmonious and healthy relationship between the society and business seeking mutual benefit for the both and Social involvement may create a better public image and goodwill for the company which further becomes instrumental in attracting customers, efficient personnel and investors.

- **GHOSE (2012)**, in his article, he studied the theoretical aspect of CSR including the Global Reporting Initiative and CSR

Legislation norms. He has also studied few specific cases of CSR activity and CSR violation in India. Finally, have studied the possible impact of CSR investment on Sales of few companies selected at random to see whether there is any significant correlation between the two sample of 9 companies at random from different sectors and collected the details of their annual sales figure. The actual investment that these companies have made in CSR activities in 2007-08 was considered as a benchmark. Based on this he tried to find a correlation between the annual sales and CSR investment of these companies. The researcher have used Pearson's Correlation (2 Tailed) test to study the relationship between CSR investment and the Sales of sample. He suggested that every company (especially MNCs) needs to emphasize on CSR activities to strengthen their

market position, improve goodwill and thereby profitability and last but not the least to give back something positive to the society and environment.

- **JOSE and SARAF (2013)**, this study analyses the sustainability initiatives of India's top 100 companies across multiple variables related to sustainability. The study reveals significant variance in reporting across sectors as well as on the variables reported. The highest reported variables were related to corporate governance, followed by those related to CSR initiatives and measures to improve operational efficiency. Most initiatives in the area of CSR focused on four areas—education, healthcare, community livelihood, and infrastructure development. Operations-related measures included resource conservation (energy, water, paper) and waste management (emissions, solid

waste, water). The research findings regarding the Corporate Sustainability Initiatives (CSIs) incorporated by the sample companies are reported in three sections—Organization and Management; Operations and Core Business Practices; and Corporate Social Responsibility (CSR).

LITERATURE GAP

CSR has played a very vital role for all the companies in contributing towards social obligations that help them in building the reputation of the concern.

After surveying literatures in regard to the CSR initiatives, it has been found that not many studies have been conducted relating to the awareness of CSR and activities undertaken by the public and private sector banks to fulfill its social obligations. Thus, the present study entitled, “An analysis of CSR activities in Select Public and Private sector banks in Dimapur” is conducted to know the social responsibilities of the banks towards the resident of Dimapur as the region is considered as one of the backward region of the country. The study is also

conducted to know the awareness level of the various CSR activities done the sample banks operating in Dimapur.

RESEARCH METHODOLOGY

Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. It defines the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. Research Methodology maps out the whole research work and gives credibility to whole effort of the researcher. Researcher Methodology help us to consider the logic behind the methods we use in the context of our research study and explain why we are using a particular technique and why not using the others.

RESEARCH QUERIES

The queries that arise for the research study are:-

- 1) What are the CSR activities initiated by the selected public and private sector banks?
- 2) What is the level of general awareness of CSR in regard to the customers and general public?

SCOPE OF THE STUDY

The study of CSR activities covers the scope of those activities that are undertaken by the companies for the societal cause:-

GEOGRAPHIC SCOPE: In order to make the study of the CSR initiatives of the banks, Dimapur Town is taken as the geographic area.

PERIODIC SCOPE: The study is carried out by taking into consideration of the annual reports of the banks for the last three year i.e. 2011-12, 2012-13, and 2013-14.

TYPE OF STUDY

Since the study is made to understand the various CSR initiatives of the various banks, the study is descriptive as well as analytical.

SAMPLING DESIGN

A sampling design is a definite plan for obtaining a sample for from a given population. It refers to the techniques or the procedure the researcher would adopt in selecting items for the sample. Sample design may as well lay down the items to be included in the sample i.e. size of the sample.

SAMPLING UNIT: The samples are collected from respondents residing in Dimapur Town

SIZE OF SAMPLE: In order to make the study of the CSR initiatives among the public and private sector banks, 3 banks from each sector have been selected, i.e. STATE BANK OF INDIA, BANK OF BARODA and ALLAHABAD BANK from public sector; and ICICI BANK, AXIS BANK and HDFC BANK from private sector. Also, to know the level of awareness among the employees and general public, a sample size of 60 has been taken, 30 are the employees of the public and private sector banks and 30 are the general public of the banks.

SAMPLING PROCEDURE: For conducting the research for the CSR initiatives of the bank, the sample of the banks are selected randomly; to know the level of awareness of

CSR activities of employees and public samples are selected on the basis of convenience sampling.

SOURCES OF DATA

In order to carry out the research processes and achieve the objectives, data has been collected from two sources i.e. primary data and secondary data.

TECHNIQUES OF DATA

COLLECTION

- a) **Primary data**, which is collected by distributing questionnaires to various employees of the bank and the general public of the respective public and private sector banks. Primary data is collected in order to know the level of awareness of CSR activities among the respondents. Oral interview is also conducted from the Branch Manager of the sample banks in order to know the initiatives of the bank.
- b) **Secondary data**, which is collected from the annual reports of the public and private sector banks. Also, literatures such as journals,

articles, newsletters, books, website, statistical reports and etc.

This research paper extensively analyzed relevant studies and surveys that have been conducted by different researchers that reflect and discuss the CSR initiatives by the public and private sector banks.

FINDINGS OF THE STUDY:-

AREAS OF CSR ACTIVITIES INITIATED BY PUBLIC SECTOR BANKS AT THE CORPORATE LEVEL FOR THE LAST THREE YEARS:

Table 1:

Areas in which CSR activities has been initiated by selected public banks

YEARS AREAS	STATE BANK OF INDIA			BANK OF BARODA			ALLAHABAD BANK		
	2011-12	2013-14	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
EDUCATION	1	1	1	1	1	1	0	1	1
HEALTH	1	1	1	0	1	1	0	1	1
WOMEN &CHILD	1	1	1	0	1	1	0	1	1
ENVIRONMENT	1	1	1	1	1	1	1	1	1
FLCC	1	1	1	1	1	1	1	1	1
RSETI	1	1	1	1	1	1	1	1	1
SOCIAL WELFARE	1	1	1	0	1	1	0	0	0

Explanation: For the above, rating method has been used, where ‘0’ indicates that no initiatives have been made by the bank and, ‘1’ denotes that initiatives have been made by the bank. From the above table it can be seen that SBI is very efficient to meet its social obligations for the last three years. While in case of Bank of Baroda, the bank fails to provide CSR initiatives in terms of Health sector, Women & Child and Social Welfare during the year 2011-2012, but it has contributed in all the above seven CSR activities during the next two years i.e. 2012-13 and 2013-14. And for Allahabad Bank, it had contributed in every above social responsibility sector, except in the social welfare sector during the year 2012-13 and 2013-14, and in the year 2011-12

the bank didn't provide any responsibility in the education, health, women & child sector, and social welfare sector.

Thus, from the rating method, it can be seen that every bank contributes for the establishment of RSETI centers and FLCC in order to impart skill development training and to create financial literacy in the rural areas. It can also be seen that SBI is consistent in imparting its social responsibility as compared to the other two banks.

Percentage of funds spent by the public sectors bank at the corporate level for the last three years:

Table 2

YEARS	PUBLIC BANKS		
	SBI	BOB	ALLAHABAD BANK
2011-12	1%	0	0
2012-13	1.05%	0.16%	0
2013-14	1.37%	0.33%	0.16%

AREAS OF CSR ACTIVITIES INITIATED BY THE BANK FOR THE LAST THREE YEARS AT THE REGIONAL LEVEL:

Table 3

YEARS	STATE BANK OF INDIA			BANK OF BARODA			ALLAHABAD BANK		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
1. Education	1	1	1	1	1	1	0	0	0
2. Health	1	1	1	0	0	0	0	0	0
3. Women & Child	1	0	1	1	1	1	0	0	0
4. Environment	0	0	0	0	0	0	0	0	0

7.Social Welfare	1	0	1	0	0	0	0	0	0
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Explanation: For the above rating method has been used, where ‘0’ indicates that no initiatives have been made by the bank and, ‘1’ denotes that initiatives have been made by the bank. From the table, it can be seen that SBI is contributing in all the above social sectors except in the environment. During 2012-13, SBI has initiated only in two sectors i.e. Education and Health. Bank of Baroda is performing its social obligations only in two sectors i.e. Education and Women & Child for the last three years. In the case of Allahabad Bank, it has not done any social responsibilities in Dimapur region for the last three years.

Thus, it can be said that SBI performs well, in terms of CSR initiative in Dimapur region by making various contributions for the society in various sector.

CSR ACTIVITIES AT THE CORPORATE LEVEL FOR PRIVATE BANKS FOR THE LAST 3 YEARS:

Areas in which the banks initiate CSR for the last three years:

Table 4

YEARS AREAS	AXIS BANK			ICICI BANK			HDFC BANK		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
Education	1	1	1	1	1	1	1	1	1
Health	1	1	1	1	1	1	0	1	1
Women & Child	1	1	1	1	1	1	0	1	1
Environment	1	1	1	1	1	1	1	1	1
Sustainable livelihood	1	1	1	1	1	1	1	1	1

Explanation: From the above table it can be seen that the private banks initiates towards its CSR activities consistently in every sectors for the last three years. It can also be seen that AXIS Bank and ICICI Bank contributes in every sectors for the last three years. However, for HDFC bank, it does not provide for CSR consistently for the last three years.

PERCENTAGE OF FUNDS SPENT BY THE BANK OUT OF ITS TOTAL PROFIT FOR THE LAST THREE YEARS:

Table 5

BANKS YEARS	AXIS BANK	ICICI BANK	HDFC BANK
2011-12	1%	---	---
2012-13	1%	1.4%	0.58%
2013-14	1%	2%	0.83%

Explanation: from the above table it can be seen that the private banks contributes towards its CSR, a part out of its profit for the last two years. However, for ICICI Bank and HDFC Bank it can be seen that during the year 2011-12 no disclosure of funds spent has been made even though they initiated activities, for the same. Whereas, Axis bank, every year they have expended a fund of 1% of its profit after tax for CSR purpose.

AREAS OF CSR ACTIVITIES INITIATED BY PRIVATE BANK FOR THE LAST THREE YEARS AT THE REGIONAL LEVEL (DIMAPUR TOWN):

Table 6

YEARS AREAS	AXIS BANK			ICICI BANK			HDFC BANK		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
1.Education	1	1	1	0	0	0	0	0	0
2.Health	0	0	0	0	0	0	0	0	0
3.Women&Child	1	1	1	0	0	0	0	1	1
4. Environment	1	1	1	0	0	0	0	0	0
7.Social Welfare	0	0	0	0	0	0	0	0	0

Explanation: For the above, rating method has been used, where ‘0’ indicates that no initiatives have been made by the bank and, ‘1’ denotes that initiatives have been made by the bank. From the table above it can be seen that Axis bank initiates CSR activities in the Education, Women & Child and Environment sector for the last three years. HDFC Bank contributes towards the

women & child sector for the last two years, and did not made any contribution of their funds in any sector for the year 2011-12. In case of ICICI bank, no information regarding the CSR has been found from the branch.

PERCENTAGE OF FUNDS SPENDS BY THE PRIVATE BANKS FOR THE LAST THREE YEARS AT THE REGIONAL LEVEL (DIMAPUR TOWN):

It has be found that Axis Bank, contributes 1%-2% out of total funds allocated for CSR activities in the Dimapur region, and for HDFC it can be seen that the bank contributes 0-1% of funds in the Dimapur Town. However, it has been concluded that ICICI bank makes no contribution towards its CSR initiatives for Dimapur Town due to unavailability of data.

Thus, it can be said that Axis bank performs well, in terms of CSR initiative in Dimapur Town by making various contributions for the society in various sector.

COMPARATIVE ANALYSIS OF THE CSR INITIATIVES BY BOTH THE PUBLIC AND PRIVATE SECTOR BANKS:

Table: 7

AREAS	PUBLIC SECTOR BANKS	PRIVATE SECTOR BANKS
EDUCATION	✓	✓
HEALTH	✓	✓
WOMEN & CHILD	✓	✓
SUSTAINABLE LIVELIHOOD/ SOCIAL WELFARE	✓	✓
SKILL DEVELOPMENT	✓	✓
FINANCIAL LITERACY	✓	✓
ENVIRONMENT	✓	✓

From the above table it can be seen that both public and private sector initiates for CSR activities in the similar areas.

Table: 8: FUNDS SPENT (%):

YEAR & BANKS	SBI	BOB	AB	AXIS	ICICI	HDFC
2011-2012	1	---	---	1	---	---
2012-2013	1.05	0.16	---	1	1.4	0.58
2013-2014	1.37	0.33	0.16	1	2	0.83
TOTAL	3.42	0.49	0.16	3	3.4	1.41
MEAN	1.14	0.163	0.053	1	1.13	0.47

Some of the major findings after the analysis and interpretations of the data are:-

- ❖ From the study conducted for public sector banks it has been found out that Allahabad Bank does not initiate much CSR activities both in the corporate and regional level as compared to the other two banks.
- ❖ Bank of Baroda initiated CSR activities in various sectors for the last three years however the amount spent for the purpose is very less.
- ❖ State Bank of India undertakes CSR activities in various areas and accordance to RBI guidelines, they also have a strict policy formulated by its BR group. The other two banks don't have any such policies.
- ❖ From the study it has also been found out that out of the three sample banks State Bank of India spends the highest as compared to other.
- ❖ The number of RSETI and FLCC centers for Bank of Baroda is more than that of Allahabad bank, but no disclosure for the number of such centres has been made for State Bank of India.
- ❖ From the analysis for the public sector banks with regards to CSR initiatives in Dimapur Region, it has been found out that SBI initiates more activities as compare to the other two banks, in compliance with CSR policy as formulated.
- ❖ ICICI bank undertakes more CSR activities as well as more funds for CSR, in comparison to the other two sample private banks, in the corporate level for the last three years.
- ❖ All the private sector banks follows a strict CSR policy in regard to its CSR activities implementation.
- ❖ Even though training centers have been established by all the private

sector banks selected for the study but no disclosure for number of centers has been made by the banks.

- ❖ While making the comparative analysis for the public and private sector banks with regards to its CSR spending, it has been found out that private sector banks initiates and spends more as compared to public sector banks.

- ❖ From the study the researcher have found out that from amongst other sample private sector banks Axis bank undertakes more CSR initiatives, in the Dimapur Region.

- ❖ While conducting the awareness level of CSR among the customers and employees, it has been found out that employees as well as customers of the public sector banks are well aware as compared to private sector banks.

- ❖ The researcher has also found out that the source of awareness among employees is from their co-workers, whereas majority of the customers are aware from books for both public and private sector banks.

- ❖ From the study it has been found out that majority of the employees and customers are aware of the CSR activities initiated by the public

sector banks, however less number of employees and customers are aware in private sector banks

- ❖ Both the employees and customers have equal preference that more CSR activities need to be initiated in the Women & Child and Education sector in the public and private sector banks especially for the region.

CONCLUSIONS:

Business is an integral part of the society, it cannot operate in isolation, thus, society play a very important role in the activities of the business. Traditional accounting system basically focuses on the receipts, payments, revenue, expenses etc and other such aspects of business, however with the changes in various accounting thoughts social accounting started emerging rapidly. Social Accounting deals with that aspect of business which measures the business responsibility towards the society in which it operates. As business operates in the society and earns profit from the use of it, it is the business responsibility to contribute a part of such profit for the cause of the society. This study aims to know the responsibility of the banks of India towards the society. It has

been ascertained from the study that both the public and private sector of banks contribute a part of their profits for the upliftment of the society in various areas for the last three years. The spent for CSR purposes by the bank is usually carried out in the Corporate Level, however, few banks attempts to initiate some portion of funds in the Regional Level, i.e. (Dimapur Town) also. With the new Amended Companies Act, all the concern having an annual turnover of Rs 500 crore are obliged to spent 2% of their funds for CSR purposes. This obligation binds every concern to spend for the cause of the society. However, this law will be applicable from the year 2014-15, even though few banks have already started adopting the same.

Thus, from the study it can be concluded that even though both the public and private sector banks initiates a number of CSR activities in various areas with the help of some NGOs, organizations and even programs, the activities are not enough to meet all the needs of the society.

SUGGESTIONS:

Some of the few suggestions are:-

- ◆ Even if CSR activities are being implemented at the Corporate Level, BR group must direct the head of the branch operating in the region to implement CSR in these areas and should realize funds, specifically for this region.
- ◆ The branch office should create more awareness regarding its CSR among the public i.e. customers as well as employee of the banks.
- ◆ The enforcement of the CSR activities which have been made mandatory by the Amended Companies Act should be evaluated from time to time.
- ◆ The funds spent in various areas related to CSR activities should also be disclosed in the bank's Annual Reports.
- ◆ Instead of centralizing the responsibility of CSR initiatives, the Corporate Level must delegate the authority to the Regional Offices, if any, operating in the Town or the

Branch Head of its respective banks to initiate CSR.

- ◆ Even though funds have been spent in various areas, it has been suggested that both the public as well private banks should spent their funds in all the areas in an equal manner, and also special focus needs to be given in the Women & Child Sector as well as the Education Sector.

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