

Corporate Social Responsibility Practices of Major Indian Banks

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ABSTRACT

Corporate Social Responsibility is a mandatory requirement. CSR means the obligation of an organization towards the society. This study focuses on the Corporate Social Responsibility Practices of major Indian banks. The sample of the study consists of 12 banks included in the NIFTY Bank Index. The study could find that the companies significantly differ in the area of spending funds for Corporate Responsibility Practices.

1. Introduction

Corporate Social Responsibility is the obligations of an organization towards the society. Since the organizations working in the society by taking its resources, it has some obligations towards it.

Like every organizations Banks also have some responsibilities towards the society. Every banks should make an attempt to improve the society in some way. It must spend a portion of its profit in some Non-profit making activities like education, health care, environment sustainability etc. which is beneficial for the society.

This paper attempts to find out solution for the research question as to where the Major Indian Banks are spending their funds for CSR activities with special reference to 12 Indian banks in Nifty Bank Index.

1.1. Objectives

The study aims at to understand the major areas of Corporate Social Responsibility spending by Banking Companies. There are different areas where the banks spending their funds as their CSR practices. The study focuses on the similarities on the areas of spending by the banks.

1.2. Research hypothesis

H0: There is no significant difference in the area of spending funds for CSR activities among companies in financial services

1.3. Methodology

The study tried to find out the CSR spending of major Indian banks by collecting information from their respective official websites.

Chi-Square test is used to find out the difference between the banks in the spending areas of CSR activities.

1.4 Data Evaluation Criteria

The collected data were arranged into table highlighting the following:

- Company name
- Industry
- Major spending areas

2. Results

The information was first observed using the official websites of the companies and the following results were obtained.

Table 1
CSR Activities Undertaken By Major Indian Banks

The following table shows the different CSR spending areas of major Indian banks.

Company Name	Industry	Education	vocational education and training	Livelihood enhancement	Promotion of financial literacy	Digital literacy	Poverty alleviation	Environment sustainability	Health	Women empowerment	Rural development	Water management	Relief and rehabilitation	Sports	Infrastructure development	Drinking water supply /water security
Axis Bank Ltd.	Financial Services	1	1	1	1		1	1			1					
Bank of Baroda	Financial Services	1	1		1				1							
Federal Bank Ltd.	Financial Service	1	1					1	1	1						

HDFC Bank Ltd.	Financial Services	1	1	1	1				1		1					
ICICI Bank Ltd.	Financial Services	1	1	1		1		1	1	1						
IDFC Bank Ltd.	Financial Services		1	1	1			1	1	1			1			
IndusInd Bank Ltd.	Financial Services	1		1		1		1				1	1			
Kotak Mahindra Bank Ltd.	Financial Services	1	1	1				1	1		1		1	1		
Punjab National Bank	Financial Services	1							1						1	1
RBL Bank Ltd.	Financial Services	1							1		1					
State Bank of India	Financial Services	1	1	1					1					1		1
Yes Bank Ltd.	Financial Services	1		1	1			1	1							1
Total		11	8	8	5	2	1	7	10	3	4	1	3	2	1	3

Source: Compiled by Observing Corporate Websites

The tables shows the CSR spending by banks and by analyzing the table we could understand that education and health are the areas where most of the banks have spent their money for CSR activities followed by livelihood enhancement, vocational training and environment sustainability.

Chi-Square test produced the following results

Table 2
Major spending by Major Indian Banks

Chi-Square	Df	P Value	Inference
18.783	8	0.016	Highly Significant

The result shows that there is significant difference in the spending areas by Major Indian banks.

3. Discussion

Study reveals that there is significant difference in the spending funds for CSR activities among companies in financial services ie, the null hypothesis is failed to accept. Corporate Social Responsibility is a mandatory requirement. So that every banks in the list of Nifty Bank Index has fulfilled the requirement. Education and health are the areas where most of the banks have opt for their CSR practices. There are some banks in the list seems to be opt very few areas for CSR practices only for satisfying the statutory requirement. There is scope of further studies in other sector's CSR spending Practices.

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