



## A Comparative Study of CSR Spending among selected Banking Companies

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### Abstract

A growing number of studies have investigated the various dimensions of Corporate Social Responsibility (CSR) in the literature. However, relatively a few studies have considered its impact on Banking Sector Companies. The purpose of this study is to compare whether variables of CSR spending are different in Public Sector and Private Sector Banking Companies. The Study was conducted in three banks two from public sector (SBI and Indian Bank) and one from private sector (HDFC Bank). Present study is based on secondary sources basically data were collected from Annual Reports of selected banks. As predicted, the findings from the study indicated significant positive correlations between selected banks' CSR spending. Moreover the variables (Education and Health) are common regarding CSR spending. Based on the literature, two hypotheses were tested with the help of rank test and correlation. The results indicate that there is no significant difference between fund allocation and Net Profit; and there is no significance difference among private and public sector Banks regarding fund allocation.

**Key words:** Corporate Social Responsibility; Banking Sector Companies; Variables of CSR spending; SBI, Indian Bank & HDFC Bank.

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## **1. INTRODUCTION**

India has a long and rich history of corporate philanthropy and business involvement in social causes which has been based on strongly deep-rooted indigenous cultural traditions of philanthropy, business ethics, and community embeddings. We can trace the origin of CSR to the Vedic literatures such as the Valmiki Ramayana, the Mahabharata (includes the Bhagavad-Gita), the Puranas and Kautilya's Arthashastra. Indian statesman and philosopher Kautilya in the 4th century advocated business practices based on moral principles. India since time immemorial has witnessed corporate philanthropy, a part of CSR where corporations augment social development to support government initiatives. Trusts and foundations were set up by the founders of large business families to support local community development. Mahatma Gandhi gave the concept of 'trusteeship' whereby companies had an involvement in social welfare and the capitalist had a right to accumulate and maintain wealth and use it to benefit society. Post-Independence phase (1947 onwards), it was seen that the philanthropic approach continued but was marked by heightened business involvement in social welfare and reform.

In the post-liberalisation era in the 1990s, with the impact of globalisation and competitive business environment, Indian companies widened their understanding and practice of CSR and have since found newer ways to address social and environmental concerns within their organisational cultural context. Since 2000, India has seen a fast momentum in CSR with more and more companies coming forward and integrating social responsibility with their core business. Although the number of such companies is less we still find that to a large extent, CSR in India is still founder-led, supervised from the top and run through foundations and trusts of companies rather than as a part of business operations. There are very few Indian businesses where corporate social responsibility is not viewed as an "add-on" responsibility but it is a part of the business.

In the last decade, we have witnessed development of CSR with some companies focusing on strategic initiatives to contribute toward nation building. They have started focusing on need-based initiatives aligned with the national priorities such as public health, education, livelihoods, water conservation and natural resource management. Intensive national level deliberations on the potential role and responsibility of the corporate sector in contributing toward addressing social issues also remained on the landscape of CSR in India. In order to understand the future of CSR in India we must reflect on the models that exist presently.

Though India is one of the fastest growing economies, socio-economic problems like poverty, illiteracy, lack of healthcare etc. still grips the country. Our country is still struggling hard for an inclusive growth. The last two decades has evoked unprecedented momentum and diversity of approach in this quest. We see an intense and inventive movement to find sustainable solutions to social problems, and draw in the marginalized, deprived and weakest sections of the socio-economic spectrum to a more empowered existence. The convergence and blurring of the once-discrete lines between the business and social domains, the for-profit and not-for-profit models, and bringing of the social agenda into the core of business, has thrown up significant questions around legal and regulatory frameworks and options. The rapid economic growth, however, has not been able to sufficiently reduce socio-economic disparities that still exist across India. It is important to investigate whether this disparity can be minimized through the provisions made in

Companies Act 2013. Can businesses in India play a key role in resolving socio-economic issues which are still acting as a deterrent in making it as a developed nation? While introduction of CSR provisions in the Companies Act 2013 is a welcome step but this initiative would not yield the desired results if we do not institutionalize CSR in India.

## **2. REVIEW OF LITERATURE**

The various studies in relation to social reporting by banks have been done internationally as well as India focusing on the banks of their countries.

**Harsimran Singh (2018)**, explained that Corporate Social Responsibility (CSR) is an important feature of every business organization nowadays. The concept of Corporate Social Responsibility (CSR) has come into the policy landscape due to the new Company Bill 2012, which envisages a statutory responsibility on the companies of spending two percent of their profit on the non-business socially relevant activities primarily aimed at the localities where they are undertaking their business. In his study he deals with the concept of Corporate Social Responsibility in Banking Industry particularly the sense of responsibility of State Bank of India (SBI) towards the upliftment of common masses and protection of the environment and development of the nation. Banking as a sector has been unique and the interests of other stakeholders appear more important to it than in the case of non-banking and non-finance organizations. Regarding the banking sector Bhatt (2008) stated that banks do not exist vacuum. They make a large contribution to the country's GDP growth, meet the demand of the growing middle class, contribute to infrastructure spending, and reach out to the semi urban and rural areas. The Reserve Bank of India (RBI) (2011) on stressing the need for CSR, suggested the banks to pay special attention towards integration of social and environmental concerns in their business operations to achieve sustainable development. The Banking Sector performing their banking services more effectively in comparison with the past and started working towards social banking that is Corporate Social Responsibility.

**Nidhi (2016)**, clears in her study about the Corporate Social Responsibilities of the banking industry in India. Social Responsibility of business refers to what a business does over and above the statutory requirement for the benefit of the society. The word "responsibility" emphasizes that the business has some moral obligations towards the society. Corporate Social Responsibility also called Corporate Conscience or Responsible Business is a form of corporate self-regulation integrated into a business model. The paper is based on secondary data. Now-a-days CSR has been assuming greater importance in the corporate world including financial institutions and banking sector. Banks and other financial institutions start promoting environment friendly and socially responsible lending and investment practices. The paper consists of key areas of 6 banks and a case study on HDFC Bank.

**Sabeena, A. & Krishnamoorthi, N. A. (2016)**, explicate the role of CSR in India. They clarified that the concept of Corporate Social Responsibility is spreading very rapidly in India in all the sectors. Corporate Social Responsibility is to contribute towards the society while working with in ethics. In developing country like India, banking sector plays a very important role in upgrading the economy of the country not only by lending money or increasing the liquidity in the country but also by imposing a new practice called corporate social responsibility (CSR). RBI played a important role in supporting the concept of CSR by passing a circular in the year 2007, December,

directed banks to undertake CSR initiatives for sustainable development. The Banking sector is in a leading position in discharging CSR in the country. "CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large".

**Prabhavathi, K. & Dinesh (2017)**, make it clear that Indian banking sector is well organized and regulated. The economics and the financial situations in India are far well versed to any other country in the world. The competition that is created by the Globalization among the financial institutions and banking sector lead to perform compatible trade practices internationally. So, to withstand in this competitive world, initiated by the banks to divert their activities and perform more social welfare activities. In the recent trend, many banks in India have created their individual brand in Corporate Social Responsibility (CSR) by contributing towards the society and involving in welfare activities, the public and private sector banks concentrate on various activities like health, eradicating hunger and poverty, education, empowering woman, environmental sustainability, training, national heritage, disaster and relief management etc. to spend the CSR amount. The Company's Act of 2013 under the clause of 135 has been made for Corporate Social Responsibility. In the present research paper 41 listed banks are selected for the study. This paper mainly focuses on the key provisions of this act and on the actual spending on CSR by banking sector in the financial year 2012-13 and 2015-16. The study also tries to find the gap between the CSR spending of listed companies in banking industry.

**Singh, P.K. & Das, B.K. (2016)**, examine in their paper that CSR has become significant phenomena in today's business, be it either for public sector or private sector business. But it is of great importance and to be under consideration while designing the CSR initiatives, as these initiatives need careful planning and at the same time implementation mechanism, the reason being that, a single CSR initiative, the way it is implemented for one organization may not necessarily be as beneficial and effective as for the other organizations too. The same is in the case of CSR initiative of State Bank of India and ICICI bank. The primary concern for both these institutions are same, the area they focus to implement their CSR activities are same, but the approach is different for both the banks.

**Sandeep Kaur (2016)**, described Corporate Social Responsibility (CSR), as the continuous dedication by companies towards the socio- economic development of communities in which they operate. He concluded that CSR fetch a very important place in the development scenario of India today and can create as an alternative tool for sustainable development. The study shows that though the Indian banks are making efforts in the CSR areas but still there is a requirement of more emphasis on CSR. There are some banks which are not even meeting the mandatory requirement of law of Priority sector lending and rural branch expansion. The public sector banks have overall highest contribution in CSR activities. Private sector banks and foreign banks are still lagging in this area. Most of the Banks use CSR practices as a marketing tool and many are only making token efforts towards CSR in tangential ways such as donations to charitable trusts, NGOs, sponsorship of events, etc. Very few banks have a clearly defined CSR philosophy. Mostly banks implement CSR in an ad-hoc manner, unconnected with their business process and don't state how much they spend on CSR activities.

**Sharma, E. & Dr. Mani (2013)**, analyze the corporate social responsibility (CSR) activities carried out by Indian commercial banks. The study is based on the secondary data taken from the annual reports of the banks for the year 2009-10 to 2011-12. Variables used in the study are: rural branch expansion, priority sector lending, environment protection, community welfare, women welfare, new initiative related to CSR, financial literacy, education and farmers' welfare. The analysis shows that though the Indian banks are making efforts in the CSR areas but still there is a requirement of more emphasis on CSR. There are some banks which are not even meeting the regulatory requirements. The public sector banks have overall highest contribution in CSR activities. Private sector banks and foreign banks are still lagging in this area. The study has a scope of further research where the CSR performance of banks can be related to financial performance of the banks.

**Dhingra, D. & Mittal, R. (2014)**, 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. There are only a few banks which report their activities on triple bottom line principles. As a matter of fact, the standards for rating CSR practices are less uniform in comparison to that for financial rating. This leads to problem in comparison of corporate houses and determining the CSR rating. The study found out that among the reporting banks also, some banks are making false gestures in respect of their efforts for socio-environmental concerns. Most of the Banks use CSR practices as a marketing tool and many are only making token efforts towards CSR in tangential ways such as donations to charitable trusts, NGOs, sponsorship of events, etc. Very few banks have a clearly defined CSR philosophy. Mostly banks implement CSR in an ad-hoc manner, unconnected with their business process and don't state how much they spend on CSR activities. Further voluntary actions are required to be taken by the financial bodies to ensure the socio-environmental feasibility of projects to be financed. Indian banking sector must also portray their socially responsible behaviour through integrating triple bottom line principle. Financial Institutions can do a lot to assist efforts for social responsibility and achieve sustainability. Banks must also provide appropriate training to its employees on environmental and social risks in lending to ensure that climate change is taken into account in corporate banking decisions.

**Sethi, P. (2013)**, investigates the Corporate Social Responsibility (CSR) reporting information of Indian Banks in public private sector as well as foreign banks operating in India and explores the potential effects of financial characteristics on CSR disclosure. The results of the study demonstrate that though voluntary, overall CSR reporting by Indian Banks are rather moderate. The results also displayed no significant relationship between gearing and CSR reporting in Indian Banks. Profitability and size of the bank have been found to have significant impact on the CSR reporting. Whereas in case of foreign banks all the factors have a role to play. The study is the primary to investigate CSR reporting practices coupled with the impact of financial characteristics in the specific context of banking sectors in the developing country such as India.

### **3. STATEMENT OF THE PROBLEM**

In order to achieve an inclusive growth corporate sector will have to identify, promote and implement successful policies and practices that achieve triple bottom line results. It is essential to develop an inclusive management of CSR policies where government and industry work side by

side. It is a joint and shared responsibility of civil society, activist groups, Government and corporate sector to create appropriate means and avenues for the marginalized and bring them to the mainstream. To create a win-win situation, it is essential for all of us to work together to alleviate poverty and improve miserable living conditions that exist in rural India.

We already notice a remarkable change and find nearly all the companies trying to accept CSR as more than just planting trees or giving away charity to the needy. We observe that nearly all leading corporate in India are involved in corporate social responsibility (CSR) programs in areas like education, health, livelihood creation, skill development, and empowerment of weaker sections of society.

Even though the concept of CSR is not new to the country, its implementation has been a major concern for years. Most of the companies in India lack inclusive and strategic approach to CSR. In short, CSR is misunderstood for charity by a large number of Indian companies. It is merely considered a policy that should be implemented in business operations rather than giving importance to social good. Most domestic businesses in India are SMEs and these companies struggle to compete with large foreign multi-nationals. The highly competitive environment is seen as a reason not to adopt what is perceived as expensive CSR in the eyes of many managers of domestic Indian companies.

The present study aims to assess corporate social performance of Selected Banks before and after the amendments made in the Companies Act, 2013. It also aims to study and analyse the impact of firm level characteristics that affect the social performance of firms in India.

#### **4. RESEARCH OBJECTIVES**

- To study the perception of managers towards Corporate Social Responsibility; and
- To identify the variables which influence the CSR practice.

#### **5. HYPOTHESIS**

H<sub>1</sub> There is no significant difference between fund allocation and Net Profit; and

H<sub>2</sub> There is no significant difference among private and public sector Banks regarding fund allocation.

#### **6. RESEARCH METHODOLOGY**

The present study is based on secondary data of the selected Public and Private Sector Banks. Data has been taken from the Annual Reports of the selected Banks. These data late on tabulated, analysed and summarised with the help of statistical tools such as Mean, SD, CV and correlation.

#### **7. DATA ANALYSIS**

##### **7.1 Analysis of CSR in State Bank of India**

Corporate Social Responsibility has always been a part of the State Bank of India covering various social, environmental and welfare activities. This is rooted in the Bank's belief that it owes a solemn duty to the less fortunate and underprivileged members of the society to make a sustainable social change in their development. Since 1973, the SBI is actively involved in non-profit activities called Community Services Banking. All its branches and administrative offices throughout the country sponsor and participate in large number of welfare activities and social causes. The following Table No. 1 indicates the data relating CSR spending by SBI in Rs. Lakh :

**Table No. 1: CSR SPENDING BY SBI**

(Rs. in Lac)

Variables	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
National Donation	440	200	480	400	600	416	414	600	450
Education	1000	1200	3920	6000	7500	4120	1950	357	1088
Health	120	400	1400	2000	2500	2856	5600	4757	1311
Underprivileged	120	200	600	800	800	664	945	157	1130
R & D	80	100	400	720	800	400	198	761	904
Infrastructure	0	0	0	0	0	0	0	0	145
Environment	80	100	100	600	800	700	478	886	250
Women Empowerment	40	60	40	580	600	800	800	1400	520
Skill Development	80	100	200	600	600	824	3666	1752	4838
Sports and Others	40	40	60	600	800	800	341	312	660
<b>Total</b>	<b>2000</b>	<b>2400</b>	<b>7200</b>	<b>12300</b>	<b>15000</b>	<b>11580</b>	<b>14392</b>	<b>10982</b>	<b>11296</b>

Source: Computed from Annual Reports of SBI

Table No. 1 shows that the highest CSR spending is on Education i.e, 50% of the total amount spent on CSR activities in 2009-10 and 2010-11, further it adds more initiatives towards Education which is approximately 50% of the total amount spent on CSR Initiatives till 2013-14. In 2014-15 bank has spend approximately 30% on Education and 25% on Health respectively. During the year 2015-16 Health was given the most importance with 40% allocation of CSR spending, Skill Development, being the focus scheme of Government of India, was given second preference during the year with 25% CSR spending. During the year 2016-17 Health was in limelight, approximately 50% CSR spending was done on Health by SBI. In the last year of study bank spends 45% on Skill Development of the amount spent on CSR Initiatives.

**Table No 2: RANKING OF CSR SPENDING BY STATE BANK OF INDIA**

Variables	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total of Ranks	Ultimate Rank
National Donation	9	7.5	7	2	3	3	4	5	3	43.5	7
Education	10	10	10	10	10	10	8	4	7	79	2
Health	7.5	9	9	9	9	9	10	10	9	81.5	1
Underprivileged	7.5	7.5	8	8	6.5	4	7	2	8	58.5	4
R & D	5	5	6	7	6.5	2	2	6	6	45.5	5
Infrastructure	1	1	1	1	1	1	1	1	1	9	10
Environment	5	5	4	5	6.5	5	5	7	2	44.5	6
Women Empowerment	2.5	3	2	3	3	6.5	6	8	4	38	8
Skill Development	5	5	5	5	3	8	9	9	10	59	3
Sports and Others	2.5	2	3	5	6.5	6.5	3	3	5	36.5	9

Source: Ranks Computed from Annual Reports of SBI

On the basis of Table No. 1 ranks were given to different variables as per the CSR spending by SBI in a particular financial year. Rank 1 was given to the least CSR spending variable and Rank 10 was given as per vice versa. These ranks were then added and the variable which gets maximum total ranks is given Ultimate Rank 1 and so on.

Hence it is clear from the Table No. 2 that CSR spending of SBI was mainly on **Health**. The other variables' Ultimate Ranks are **Education (2)**; Skill Development (3); Underprivileged (4); R&D (5); Environment (6); National Donation for Disaster Management (7); Women Empowerment (8); Sports and Others (9); and Infrastructure (10).

## 7.2 Analysis of CSR in Indian Bank

Corporate Social Responsibility has been a part of the Indian Bank covering various social, environmental and welfare activities. Awareness among students is created through competition on sustainable energy and powering sustainable growth and bringing smiles by celebrating festivals with senior citizens at old age homes and children at orphanages. Bank has conducted Voluntary Blood Donation Camps and was awarded the Rolling Shield. Indian Bank maintains its Number One Position for 26 year since 1988.

**Table No. 3: CSR SPENDING BY INDIAN BANK**  
(Rs. in Lac)

Variables	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
National Donation	0	0	0	4	0	0	0	0	0
Education	9	8	0	4	0	0	5	5	0
Health	159	60	152	140	160	0	112	16	0
Underprivileged	0	0	0	4	4	0	0	3	0
R & D	0	0	0	0	0	0	0	0	0
Infrastructure	0	0	0	0	0	0	69	84	0
Environment	0	0	0	20	12	0	0	13	0
Women Empowerment	0	0	0	0	0	3	10	0	14
Skill Development	0	0	0	0	0	81	0	54	392
Sports and Others	37	36	36	40	36	34	100	90	166
<b>Total</b>	<b>205</b>	<b>104</b>	<b>188</b>	<b>208</b>	<b>212</b>	<b>118</b>	<b>296</b>	<b>265</b>	<b>572</b>

Source: Computed from Annual Reports of Indian Bank

Table No. 3 makes it is clear that till 2012-13 Indian Bank has contributed much to Health and the percentage of the amount spent are 78%, 58%, 81%, 66% and 75% respectively. During the year 2014-15, Skill Development, being the focus scheme of Government of India, was given the first preference with 67% CSR spending. In 2015-16 Indian Bank spent 38% on Health, 34% on Sports and 23% on Infrastructure. During the year 2016-17 IB's CSR spending was done on mainly on Sports (34%) and Infrastructure (13%) respectively. During the last year of study it is revealed that Indian Bank has spent 69% on Skill Development and 28% on Sports of its CSR spending.



**Table No. 4: RANKING OF CSR SPENDING BY INDIAN BANK**

Variables	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total of Ranks	Ultimate Rank
National Donation	4	4	4.5	6	3.5	4	3	2	4	35	9
Education	8	8	4.5	6	3.5	4	6	5	4	49	4
Health	10	10	10	10	10	4	10	7	4	75	2
Underprivileged	4	4	4.5	6	7	4	3	4	4	40.5	8
R & D	4	4	4.5	2.5	3.5	4	3	2	4	31.5	10
Infrastructure	4	4	4.5	2.5	3.5	4	8	9	4	43.5	6.5
Environment	4	4	4.5	8	8	4	3	6	4	45.5	5
Women Empowerment	4	4	4.5	2.5	3.5	8	7	2	8	43.5	6.5
Skill Development	4	4	4.5	2.5	3.5	10	3	8	10	49.5	3
Sports and Others	9	9	9	9	9	9	9	10	9	82	1

Source: Rank calculated on the basis of table no 3.

On the basis of Table No. 3 ranks were given to different variables as per the CSR spending by Indian Bank in a particular financial year. Rank 1 was given to the least CSR spending variable and Rank 10 was given as per vice versa. These ranks were then added and the variable which gets maximum total ranks is given Ultimate Rank 1 and so on.

Hence it is clear from the Table No. 4 that CSR spending of IB was mainly on **Sports and Others Activities**. The other variables' Ultimate Ranks are **Health (2)**; Skill Development (3); Education (4); Environment (5); Infrastructure (6.5); Women Empowerment (6.5); Underprivileged (8); National Donation for Disaster Management (9); and R&D (10).

### 7.3 Analysis of CSR IN HDFC Bank

Corporate Social Responsibility has been a regular business of the HDFC Bank as it has undertaken a multitude of initiatives for retaining children in school and arrest the rate of drop outs. In a unique initiative supported by the Bank, 30 children from Government schools have been integrated to District Public School in Ahmadabad. HDFC Bank also undertakes programmes that cover around 500 children through 'afterschool class' and out of school children though 'bridge class' in Pune, Delhi and Kolkatta.

HDFC Bank also run a programme of 'Financial Literacy' in 458 schools in the rural area of Maharashtra, Tamil Nadu and Orissa to inculcate values of money and concepts of savings. In Kolkatta, the Bank has supported the setting up of a physiotherapy training unit where visually challenged candidates undergo a diploma in Physiotherapy. Interest free loan were given to school drop-outs who underwent training as laboratory technicians and were successfully placed in hospitals through industry interface.

**Table No. 5: CSR SPENDING BY HDFC BANK (Rs. in Lac)**

Variables	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
National Donation	40	0	0	0	16	0	0	0	0
Education	12	80	64	24	108	856	2459	2548	3120
Health	0	40	0	16	64	728	826	2356	2885
Underprivileged	0	20	8	0	12	100	136	446	545
R & D	0	0	12	0	0	0	0	0	0
Infrastructure	8	0	0	0	16	8056	14089	22050	27000
Environment	8	0	0	0	0	95	72	101	125
Women Empowerment	9	4	0	0	8	767	100	0	0
Skill Development	0	80	28	0	0	1253	1799	3041	3725
Sports and Others	9	12	8	24	8	0	0	0	0
<b>Total</b>	<b>86</b>	<b>236</b>	<b>120</b>	<b>64</b>	<b>232</b>	<b>11855</b>	<b>19481</b>	<b>30542</b>	<b>37400</b>

Source: Computed from Annual Reports of HDFC Bank

It is identified from the Table No. 5 that HDFC Bank has spent 48% of the CSR spending towards National Donation in the year 2009-10 and no initiative has been taken on Health, Underprivileged and R&D. It is clear that the Bank has spent 34% towards Education and Skill Development in 2010-11, further it is found that the bank has spent 53% on Education and 23% on Skill Development in 2011-12. In 2012-13 Bank has spent 37.5% on Education, 37.5% on Health and rest on Sports. HDFC Bank has spent 47% towards Education and 28% on Health in 2013-14. During the year 2014-15 the major variable of HDFC Bank CSR spending was Infrastructure with 68% followed by Skill Development (15%), Education (7%) and Health (6%). HDFC Bank has spent 72% towards Infrastructure and 13% on Education in 2015-16. During the year 2016-17 and 2017-18 HDFC Bank CSR spending was mainly done on Infrastructure with 72% of total CSR spending.

**Table No. 6: RANKING OF CSR SPENDING BY INDIAN BANK**

Variables	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total of Ranks	Ultimate Rank
National Donation	10	2.5	3	4	7.5	2	2	2.5	2.5	36	8
Education	9	9.5	10	9.5	10	8	9	8	8	81	1
Health	2.5	8	3	8	9	6	7	7	7	57.5	4
Underprivileged	2.5	7	6.5	4	6	5	6	6	6	49	5
R & D	2.5	2.5	8	4	2	2	2	2.5	2.5	28	10
Infrastructure	5.5	2.5	3	4	7.5	10	10	10	10	62.5	2
Environment	5.5	2.5	3	4	2	4	4	5	5	35	9
Women Empowerment	7.5	5	3	4	4.5	7	5	2.5	2.5	41	7
Skill Development	2.5	9.5	9	4	2	9	8	9	9	62	3
Sports and Others	7.5	6	6.5	9.5	4.5	2	2	2.5	2.5	43	6

Source: Ranks calculated from Annual Reports of Indian Bank

On the basis of Table No. 5 ranks were given to different variables as per the CSR spending by HDFC Bank in a particular financial year. Rank 1 was given to the least CSR spending variable and Rank 10 was given as per vice versa. These ranks were then added and the variable which gets maximum total ranks is given Ultimate Rank 1 and so on.

Hence it is clear from the Table No. 6 that CSR spending of HDFC Bank was mainly on **Education**. The other variables' Ultimate Ranks are **Infrastructure (2)**; Skill Development (3); Health (4); Underprivileged (5); Sports and Others Activities (6); Women Empowerment (7); National Donation for Disaster Management (8); Environment (9); and R&D (10).

**Table No. 7: CSR SPENDING BY SELECTED BANK  
(Rs. in Lac)**

Year	SBI	INDIAN BANK	HDFC BANK
2009-10	2000	205	86
2010-11	2400	104	236
2011-12	7200	188	120
2012-13	12300	208	64
2013-14	15000	212	232
2014-15	11580	118	11855
2015-16	14392	296	19481
2016-17	10982	265	30542
2017-18	11296	572	37400
Mean	9683.333	240.8889	11112.89
Standard Deviation	4788.234	138.336	14749.12
CV	16.48273	19.14244	44.24029

Source: Secondary Data

Table No. 7 showed that HDFC Bank has spent Rs. 11112.89 lac on an average during the study period where as SBI and IB has spent Rs. 9683.33 lac and Rs. 240.889 lac respectively. SD of CSR spending showed that Indian Bank CSR spending is consistent; on the other hand, CSR spending of HDFC Bank is fluctuating during the period of study

**Table No. 8: CORRELATION ANALYSIS OF CSR SPENDING IN SELECTED BANK**

BANKS	SBI	IB	HDFC
SBI	1		
IB	0.331406	1	
HDFC	0.376856	0.777212	1

Source: Calculation based on Secondary Data

It is clear from the above Table No. 8 that there is positive correlation among the three banks regarding CSR spending. Correlation between SBI and IB as well as with HDFC Bank is low degree but Correlation between IB and HDFC Bank is highly positive. It is due to the compulsion of 2% spending of their Net Profit on CSR Activities. **(Hypothesis 1 and 2 accepted)**

- Findings:** Banking companies spending more on Education, Health, Infrastructure and Sports and Others Activities which is clear from the CSR spending of the banks
  - CSR spending of SBI was mainly on **Health (1)** and **Education (2)**

- CSR spending of Indian Bank was mainly on **Sports and Others Activities (1)** and **Health (2)**.
- CSR spending of HDFC Bank was mainly on **Education (1)** and **Infrastructure (2)**.

Banking sector in India is showing interest in integrating sustainability into their business models but CSR reporting practices are far from satisfaction. Only HDFC Bank reports its activities on triple bottom line approach. This leads to problems in comparison as well as determining the CSR rating.

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