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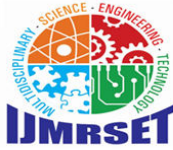
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An Analysis of Indian Banks CSR Initiatives

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ABSTRACT: Companies can build a good reputation through corporate social responsibility (CSR), which means acting ethically and helping society. CSR benefits both customers and businesses by improving funding, employee loyalty, opportunities, and brand image.

As globalization grows, banks are using CSR to connect with more customers. In India, bank CSR programs focus on healthcare, rural development, reducing poverty, financial inclusion, and socio-economic growth. Key efforts include environmental care, the Swachh Bharat campaign, and education programs like Beti Bachao Beti Padhao. This study looks at bank CSR activities based on their reports.

KEYWORDS: Corporate social responsibility, Goodwill, Ethical, Globalisation, Development, Environmental, Initiatives.

I. INTRODUCTION

The companies act of 2013 in India made corporate social responsibility (CSR) mandatory for certain companies making India the only country to officially require CSR for specific firms.

This law mandatory that companies support social welfare projects.

Globally CSR in banking has become essential. Bank around the world support thousand of education culture environment and health projects daily. They also sponsor vulnerable groups and charities. Many studies have looked at CSR in the banking sector.

By forming public-private partnerships and focusing on sustainable development goals, CSR initiatives can significantly impact India. Through CSR, companies can become more accountable to the public, their stakeholders, and themselves. While CSR is not a new concept, its focus changes based on society's and businesses' needs. The idea of CSR was first introduced by William J. Bowen in his book on social responsibility.

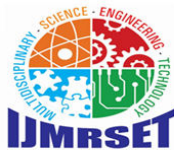
published in 1953. Let's talk about the many CSR types:

Environmental Responsibility:- Environmental Responsibility means that companies should act in ways that are good for the environment. This is a common type of corporate social responsibility (CSR). Some businesses call these efforts "environmental stewardship," which includes actions like reducing waste and using sustainable resources.

Ethical responsibility:- Ethical responsibility means ensuring that a company conducts its business in a fair and moral way. Companies that follow ethical responsibility aim to treat everyone fairly, including leaders, investors, suppliers, and customers.

Philanthropic responsibility:- Philanthropic responsibility is a company's commitment to improving society and the world. Businesses with this responsibility operate ethically, care for the environment, and donate part of their profits. Some companies support charities that match their values, while others create their own non-profits or trusts to give back and help society.

Economic responsibility:- Economic responsibility means ensuring that a company's financial activities benefit people, the environment, and society, not just increase profits. Many companies follow this through corporate social



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responsibility (CSR), driven by their values. A common guiding idea is the "triple bottom line," focusing on profit, people, and the planet.

This means businesses track their profits along with their environmental and social impact, aiming for sustainability.

Corporate social responsibility (CSR) means that companies choose to include social and positive actions in their operations to benefit society and their stakeholders. The goal is to increase social responsibility and environmental awareness.

The CSR regulations, however, are applicable to any business that met any of the following requirements during the previous fiscal year:

- Net worth of more than Rs.500 crore
- Turnover of more than Rs.1000 crore
- Net profit of more than Rs.5 crore

Under CSR regulations, companies must have a Board of Directors that confirms the company's commitment to following its CSR policy. Each year, companies must spend 2% of their average net earnings from the previous three fiscal years on CSR activities. If a company is new and hasn't completed three years, it uses the average net income from the years available.

Corporate social responsibility has become especially important in the banking and financial sectors. Banks are now promoting socially and environmentally responsible lending and investing. The Reserve Bank of India has prioritized energy-efficient building methods to reduce negative environmental impacts. Its branches in Bhubaneswar and New Delhi received star ratings from the Bureau of Energy Efficiency. Four other buildings in Bhubaneswar, Chennai, Kochi, and Kolkata are also recognized as five-star energy-efficient buildings. In 2007, the Reserve Bank of India (RBI) directed Indian banks to start including social, environmental, and economic issues in their CSR efforts and non-financial reporting for sustainable development. Through CSR, businesses can address social and environmental concerns in their operations and interactions with stakeholders.

Both public and private Indian banks focus on similar CSR areas, such as child welfare, healthcare, education, rural development, women's empowerment, and poverty reduction for girls and women. The Small Industries Development Bank of India, which supports small and medium businesses, has also included social and environmental issues in its main operations. It offers flexible loans to businesses that implement pollution control and energy-saving measures.

CSR is a broad term that describes a company's efforts to positively contribute to society. The key reasons CSR matters include:

It improves a company's reputation by supporting social initiatives and attracting customers. It boosts media coverage by portraying the company positively. It strengthens a business's connection with its customers, building social capital. It helps businesses stand out from competitors when engaging with communities. **Examples of corporate social responsibility**

ICICI Bank is providing the Swatchh Bharat Kosh with free healthcare, reducing hunger, and

II. REVIEW OF LITERATURE

Corporate social responsibility (CSR) is not a new idea; it changes to meet the needs of society and businesses (Aupperle, 1985). CSR includes more than just making a profit; it also involves protecting the environment and contributing to society. It has become more important as companies combine social responsibility with their operations, recognizing the need to give back to the communities they impact.

CSR emerged in the 1960s to connect business and society, focusing on using resources to improve social welfare along with economic growth. The goal was to use production tools in a way that benefits overall well-being.

Friedman (2006) stated that a business has one main social obligation: to use its resources to earn profits while following ethical practices.

The State Bank of India (SBI) introduced the concept of CSR in 1973, focusing on improving the financial conditions of



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underprivileged groups. Initially, SBI's efforts included community initiatives like health camps and educational programs. Today, SBI uses Community Service Banking Schemes to fulfill its CSR commitments and act as a responsible corporate citizen.

According to SBI's DMD and CDO, Rana Ashutosh Kumar Singh, the bank believes it has an obligation to contribute to society's welfare.

Anjali jha (2020) SBI has its own CSR foundation on called SBI foundation through which it utilises it's CSR funds. It also earned with some grassroot level organisation/NGDs for implementation of program. If you want to take grant for your program or any other social initiatives you can get in touch with the contact person at SBI foundation. If your program is addressing to any such issue for which SBI is also working then they might moj you / your organisation implementing partner of fund your program.

Dusuki and Dar (2005) noted that CSR programs are gaining importance due to increased media attention, regulatory demands, and market expectations regarding ethical and social issues. Sharma (2011) highlighted that weak CSR activities in emerging markets, especially in banking, stem from a lack of regulations on CSR reporting.

Kaur (2016) discussed how banks focus their CSR efforts on women and children's welfare, education, and rural development, emphasizing the need for banks to expand their CSR activities to address more social issues. Public banks lead in contributions, while private banks and foreign banks lag behind.

Sharma and Sathish (2022) stressed the need for banks to develop a comprehensive approach to assess the real-world impacts of their CSR initiatives. They suggested that banks should focus on specific areas that contribute positively to long-term economic growth. Current research indicates a need for a detailed review of sustainable banking and CSR practices to guide future research. Masud Rana (2015) discussed the pros and cons of CSR from the perspectives of public and private banks, noting that modern banks must operate ethically and contribute to social development to succeed. Saxena (2016) pointed out that some banks fail to uphold CSR, negatively affecting society and the economy. CSR is not just about charity; it aims to reduce poverty and improve lives. Dutta and Durga Mohan (2009) found that education, social causes, and health are key areas for CSR efforts. Similarly, a 2001 survey highlighted that companies value CSR aspects like national wealth, employment, and social programs. CSR has become a key part of strategic decision-making, helping businesses weigh costs and benefits. Wilson (2000) argued that companies must succeed to provide returns to shareholders, leading to a respect for stakeholders and a forum for dialogue. Certification programs and codes of conduct have emerged to guide responsible business practices (Kapstein, 2001).

Research by Chaudhury, Das, and Sahoo (2011) indicated a global rise in awareness of non- financial reporting, sustainable development, and CSR, highlighting the vital role of banks in these areas.

CSR initiatives in the hotel industry show the need to separate "green practices" from CSR, as sustainability focuses on improving processes and practices, while CSR is a broader concept with multiple dimensions.

The findings suggest that public sector banks contribute more to CSR than private banks. The Indian banking sector's CSR activities emphasize social welfare and environmental conservation. The research also highlights how banks use CSR as a marketing strategy while focusing on the impact of their initiatives on bank performance.

III. RESEARCH METHODOLOGY

We used five Indian banks as an example for this paper. Which are

- State Bank of India
- Punjab National Bank
- Bank of Baroda
- HDFC bank



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- ICICI bank

We studied the corporate social responsibility (CSR) initiatives of each of these Indian banks, emphasizing on the areas in which they are excelling and those in which they still have room to improve more dynamic and creative. Topics like education, the growth of rural areas, women's and children's welfare, and poverty eradication have all been discussed. Health Initiatives in CSR As part of their corporate social responsibility (CSR), organizations provide various health services across the country, especially in rural areas where access to medical care is limited. The banking sector participates in several key health initiatives, including:

Organizing medical camps Supporting blood donation drives Donating ambulances Providing water purification systems Supplying generators Distributing medical equipment Offering financial aid to patients Giving out prosthetic limbs Operating mobile clinics Supplying hospitals with adult diapers and clothing Assisting people with disabilities These initiatives aim to enhance healthcare access and improve the overall health of communities. The main CSR activities related to health discussed in this paper include healthcare and medical camps, financial support for patients, hygiene and sanitation facilities, ambulance and medical equipment donations, and the provision of mobility aids and artificial limbs.

Environmental Initiatives in CSR

The rapid growth of industries leads to the excessive use of available resources. Organizations consume large amounts of natural resources, making it important to focus on corporate social responsibility (CSR) in environmental actions. The goal of these actions is to minimize the negative impact that business operations can have on the environment.

Social Development Initiatives in CSR

Corporate Social Responsibility (CSR) initiatives help improve the standard of living in society. Businesses and communities support each other's growth. Organizations use social resources to expand their business and, in turn, contribute positively to society.

The banking sector has embraced several initiatives for social development, including: Job creation Skill development Women's empowerment Rural development

Infrastructure improvement

Providing livelihoods (such as food for the underprivileged, water filters, and gas stoves) Training programs for people with disabilities

This article focuses on CSR activities related to skill development, women's empowerment, social welfare, livelihoods, and rural development.

Education Initiatives in CSR

CSR initiatives play a crucial role in improving education quality in the country. A lack of good educational resources contributes to a high dropout rate among students. To address this, the banking sector participates in various CSR initiatives aimed at providing better educational resources.

Some key education-related CSR initiatives by banks include:

Providing study kits for students Offering computer and laptop loans Supplying furniture and uniforms Supporting skill development and training Promoting financial literacy Establishing e-learning facilities and digital libraries Donating projectors for smart classrooms

Running public awareness campaigns

This article focuses on CSR activities related to scholarships, financial literacy, vocational skills, promoting education, and providing study materials and tools.



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Table 1: Comparison of various schemes of CSR part 1

Name	Health and Care	Environmental activity	Tree plantation	Education	Social Service
State of India	Yes	Yes	No	No	Yes
Bank of Baroda	Yes	Yes	No	No	Yes
HDFC	Yes	Yes	No	No	Yes

ICICI	Yes	Yes	No	No	Yes
Punjab National Bank	Yes	Yes	No	Yes	Yes

SBI

Table 2: Comparison of various schemes of CSR part 2

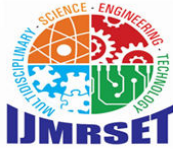
Name	Women Empowerment	Rural Development	Welfare Society	Skill Development	Financial literacy
State of India	Yes	Yes	No	No	Yes
Bank of Baroda	Yes	Yes	No	No	Yes
HDFC	Yes	Yes	No	No	Yes
ICICI	Yes	Yes	No	No	Yes
Punjab National Bank	Yes	Yes	No	Yes	Yes

State Bank of India (SBI), the largest bank in India, is deeply committed to uplifting the communities it serves and is a leader in corporate social responsibility (CSR) efforts. In FY2023, the bank allocated ₹316.76 crore to CSR initiatives.

A significant portion, around 70-80%, of these projects focus on helping underprivileged and marginalized groups, highlighting the bank's strong impact in these areas. SBI continues to emphasize its commitment to ethical and sustainable banking practices.

Bank of Baroda

Bank of Baroda actively participates in CSR activities through programs like RSETIs, FLCC centers, and various other



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initiatives. The bank focuses on promoting socio-economic development in areas such as: Sanitation, healthcare, education, clean drinking water, and literacy

Women's empowerment, social welfare, economic development, and youth training Encouraging digital payments In addition to these e orts, the bank spent ₹1,350.50 crore in 2022–2023 on categories like RSETIs, healthcare, women's welfare, empowerment programs, and social and economic development.

HDFC Bank

HDFC Bank was one of the leading contributors to CSR in India for the financial year ending March 2023. By March 31, 2023, the bank had spent ₹820.89 crore on CSR initiatives across the country. It also made a significant impact by reaching over 9.93 crore beneficiaries nationwide during this period.

Parivartan Fact Sheet (as of March 2023):

1. Around 14,000 solar lights have been installed.
2. Over 74,500 farmers have received skill development training.
3. Approximately 94,000 women have been trained as entrepreneurs.
4. More than 750 school facilities have been developed.
5. Nearly 1,000 water-saving structures have been constructed.
6. Over 4,300 biomass stoves have been distributed.
7. More than 2,600 sanitation units have been installed.
8. Over 1.40 lakh financial literacy workshops have been conducted.

These figures include both direct and indirect beneficiaries.

ICICI Bank

ICICI Bank has announced a ₹1,200 crore donation to the Tata Memorial Centre (TMC), a renowned institution managing cancer treatment and research facilities across India. This contribution will be used to build three advanced facilities, totaling 7.5 lakh square feet, at TMC centers in Navi Mumbai (Maharashtra), Sultanpur (Punjab), and Visakhapatnam (Andhra Pradesh), equipped with state-of-the-art technology.

Through its CSR arm, the ICICI Foundation, the bank has also undertaken several impactful initiatives. These include planting over 2.6 million trees across the country, installing rooftop solar panels in rural schools, creating infrastructure to collect 17.1 billion liters of rainwater annually across 5,000 rural schools and watershed structures, and enhancing the lives of over 2.9 million people through skill-building programs, with more than half benefiting from skilled labor training.

PNB

Each CSR project by Punjab National Bank (PNB) is focused on a specific sector, such as education, healthcare, rural development, or environmental protection. However, the bank does not disclose the exact spending for each sector. For detailed information, their full CSR report for 2022–2023 is available on their website.

Out of nearly 3.5 lakh beneficiaries, 55,898 individuals were directly impacted by various initiatives. Upgrades were made to six health centers and two government hospitals, including the addition of modern labs and equipment. Hearing aids were provided to 250 children with hearing impairments. Additionally, advanced infrastructure, like e-learning systems, was installed in 73 schools, and seven businesses were established to promote economic growth.

IV. CONCLUSION

While the Indian banking sector is eager to integrate sustainability into its business models, its CSR reporting practices still fall short of expectations. Many banks treat CSR as a marketing tool, focusing on symbolic actions such as donating to charities, NGOs, or sponsoring events. This study gives an overview of CSR practices in both public and private sector banks in India, showing their e orts to improve underdeveloped areas and contribute to society.



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The key focus areas for leading banks include supporting MSME growth, raising awareness about internet banking, educational reforms, skill development, and rural development.

These initiatives should be expanded across all areas of development. Banks need to identify and implement a broader range of social responsibility programs.

CSR efforts by Indian banks are often concentrated in specific regions, leaving others underserved. Both public sector banks like State Bank of India, Punjab National Bank, and Bank of Baroda, as well as private sector banks like HDFC and ICICI Bank, have excelled in CSR in areas such as education, skill development, healthcare, financial inclusion, environmental sustainability, and rural economic development.

However, issues like women's empowerment, sports, vocational skills, sustainable livelihoods, poverty alleviation, nutrition, and water scarcity are still largely overlooked. For banks to make climate change a part of their corporate decisions, they must also ensure their employees are adequately trained to understand the environmental and social risks linked to lending.

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