

CSR Initiatives By Banks During Pandemic

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I. INTRODUCTION

CSR refers to all the activities and responsibilities which a business owes. These activities are beyond the legal and economic obligations of the business. Companies or businesses put in place these practices in order to uphold the principles of sustainable development. The concept of Corporate Social Responsibility (CSR) is not new in India. It emerged from the 'Vedic period' when history was not recorded in India. During that period kings used to impose their business responsibilities onto the society and merchants.

As per the obligations laid down in the section 135, Every company having a net worth of rupees five hundred crores or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crores or more during the immediately preceding financial year, shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Amid the pandemic the role of the banking sector has come under the spotlight. On January 22, 2021 the Government of India amended the existing Companies Corporate Social Responsibility Policy Rules, 2014, and brought into effect the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

The amendments made in the rules in 2021 made the CSR mandatory from the voluntary. The act directs the CSR board of every company to ensure that the company spends at least two percent of the average net profits of the company in areas or subject, specified in Schedule VII in every financial year, made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

II. INDIAN BANKING SECTOR: OVERVIEW

The concept of banking is not new in India. The concept of banking in India was introduced in the last decades of the

18th century. Former RBI Governor Late Mr. Maidavolu Narasimham was known as the Father and the architect of modern Indian banking, Former Reserve Bank of India (RBI) governor Maidavolu Narasimham died in Hyderabad at the age of 94. He was known for being the chair of two high-powered committees on banking and financial sector reforms. State Bank of India is the oldest bank of the Indian Banking Sector which is still providing its services to the customers all over India. Banks can be majorly categorised in 3 sectors: private sector banks, public sector banks, foreign sector banks. In this study we will discuss the CSR activities of these 3 sectors.

Reserve Bank of India is the regulatory authority of the Indian banking sector. It keeps a check on the functionality of the banks of different sectors operating in India. Several banks and financial institutions have announced various measures to set up and enhance infrastructure across the country in various fields to assist the fight against the pandemic. The purpose of this paper is to study the initiatives of Private, Public, and Foreign Sector banks and the Regional Rural Banks during the pandemic.

III. LITERATURE REVIEW

YEAR	NAME OF AUTHOR	OBJECTIVE OF STUDY	DATA METHODOLOGY	CONCLUSIONS
2012	Suman Kalyan Chaudhury Berhampur University, Bhanja Bihar, Odisha Sanjay Kanti Das Lumding College, Lumding, Nagaon, Assam Prasanta Kumar Sahoo Utkal University, Bhubaneswar, Odisha	To know the status of CSR and strategies adopted for CSR in the Banking sector.	Twelve banking and financial institutions were selected under a stratified random sampling method. Data was collected from the secondary sources most particularly from concerned Banks Annual Report, web sites, newsletters and other secondary sources.	It was observed that all the financial and banking institutions of the country were directly engaged in social banking and developing banking approaches and all banking and financial institutions under study undertake both fund based and non-fund based activities as a part of CSR

				activity.	2007	Mahabir Narwal Social Responsibility Journal	The purpose of the research was to highlight the corporate social responsibility (CSR) initiatives taken by the Indian Banking Industry.	The research was based on the survey questionnaire, administered to 33 public-private sector banks in Northern Haryana which was analyzed with the help of descriptive statistics and factor analysis.	As per the findings of the study the banks were found to have a similar nature of CSR activities. They were mainly concentrating on education, and balanced growth of the different sections of the society, health, environmental marketing and customer satisfaction. The entire industry was found to be adopting an integrated approach towards CSR and customer satisfaction.
2014	Deepika Dhingra Research Scholar, Faculty of Management Studies, University of Delhi Rama Mittal Assistant Professor, Jagannath Institute of Management Science	To analyze the CSR practices in Indian banking sector.	The data used in the research was secondary data based on various studies, websites and annual reports of banks.	The study showed that in developing nations the situation of CSR activities by financial institutions is not so satisfactory.					
2013	Namrata Singh Research Scholar, Department of Management, Sri Ram Swaroop Memorial University Rajlaxmi Srivastava Assistant Professor, Department of Management, Sri Ram Swaroop Memorial University Rajni Rastogi Assistant Professor, Department of Management, Sri Ram Swaroop Memorial University Professor Department of Management, Institute of Engineering and Technology, Sitapur	To evaluate the different dimensions of Corporate Social Responsibility by studying the following objectives: ✓ The concept of CSR ✓ The Major areas of CSR initiatives in Indian Banking Sector. The CSR Reporting Practices in Indian Financial Sector ✓ The Present Status of CSR in Banking.	The Research design in the study was Descriptive and Random Sampling technique was used for selecting the Banks for the Study in which the major players two from each Public and Private Sectors were selected. Data was collected from secondary sources most particularly from concerned Banks Annual Report, Web sites, newsletters and data from various journals.	It was concluded from the study that in developing countries like India, the 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 new CSR activities. RBI played an important role in supporting the concept of CSR. The Banking sectors' proved to be in a leading position in discharging CSR in the country.	2011	Suresh Chandra Bihari, Sudepta Pradhan	To find out the impact of CSR practices on the performance and image of the major players in the Indian Banking Sector.	Based on several published records of CSR activities of major Indian banks in the last few years, the impact of such practices on the performance and image of such banks were analyzed in the study.	According to the findings of the research, the increased CSR activities of the Banks in India had a positive impact on performance of the business, by improving their image and goodwill..
					2015	Mobin Fatma, Zillur Rahman, Imran Khan	To investigate the effect of corporate social responsibility (CSR) initiatives on the two marketing outcomes - corporate reputation (CR) and brand equity (BE), based on the perception of consumers regarding banks in India.	A survey of banking consumers was carried out, which received 303 valid responses. In order to address research objectives and test the hypothesis, structural equations modeling method was used.	This study showed the direct and indirect influence of CSR activities on CR and BE. In addition, the mediating role of trust was found to be significant between CSR and CR and CSR and BE. Also The study showed that CSR activities build consumer trust in a company which in turn positively impacts CR and BE.
2021	Manish Kumar Dwivedi and Vineet Kumar Jagatpura National University	To examine the impact of Lockdown and the CSR activities undertaken by the corporates during COVID-19 pandemic in India.	The data was collected from secondary sources such as the reports of WHO, journals' research papers, data of COVID-19 cases, newspaper articles, Press Trust of India (PTI) reports, reports of International Monetary Fund, The Federation of Indian Chambers of Commerce and Industry (FICCI).	It was observed that all the sections of the people in the society were affected due to imposition of lockdown by the government. Also, the study propagated information regarding corporate social responsibility (CSR) activities undertaken by the corporates during COVID-19.	2020	Deepti Prakash, Meenakshi Bisla & Shweta Gupta Rastogi	The purpose of the paper was to assess the impact of COVID-19 on different business areas and to identify the initiatives taken by corporations during the pandemic era.	This paper consists of different initiatives taken by the corporate sector for their employees and the rest of the world to minimise the impact of COVID-19. The qualitative analysis was done using QSR NVivo 12.	This paper highlights that COVID-19 has affected the health and well-being of different stakeholders. The corporate sectors in India under several initiatives spent huge amounts of money as CSR activities to support the stakeholders, which indicates their willingness to support.

2020	R. Satya Pavan Kumar Program Manager & Internal verifier, Commercial Studies Division Bahrain Training Institute, Ministry of Education, Kingdom of Bahrain. S. Sankara Muthu Kumar Assistant Professor, Commercial Studies Division Bahrain Training Institute, Ministry of Education, Kingdom of Bahrain.	The objective was to study the concept of CSR and its dimensions, to highlight the CSR mandate as per the Company's Act 2013 and RBI's provisions, and to explore the CSR activities of selected public and private banks in India.	To achieve objectives of the study, purposive or judgmental sampling technique was used for selecting the banks. The top 3 banks from the public sector and top 3 banks from private sector were selected based on number of branches, total revenue and total assets for the financial year 2019—2020.	It was concluded that the Indian Banking Sector plays a major role not only for the economic development of the country but also by playing a key role with their CSR practices for rural and social development of people of India. The banking sector was showing keen interest in implementing the CSR practices after RBI's mandate.
2020	Dr. Khushboo Sharma Assistant Professor, Khandelwal Vaish Girls Institute of Technology, Jaipur Deepak Kumar Yogi Assistant Professor, Jaipur National University, Jaipur	The aim was to analyse how corporate social responsibility support in COVID19 situation and this healthcare investment changed health care investment of CSR policies impact on consumers' perception, trust and motivation to the company.	To accomplish the objective of study The research model of the causal relationship was tested with a sample of 392 consumers of top corporate contributors in COVID-19. The correlation method had been chosen to analyze the data.	The study concluded that quick CSR initiatives in the COVID-19 increased perception, trust, and motivation of the consumer. This study of consumers oriented CSR allowed competitive advantage and improved the long term consumer relationships.
2014	Ashutosh Verma, CVRS Vijaya Kumar	The purpose of the study was to analyse the expenditure pattern of corporates towards CSR activities in the period of voluntary spending.	The study was done on the basis of the number of companies spending on CSR, details of their expenditure, amount of CSR spending as percentage of sales and profits for each year and on an overall basis.	The analysis shows that the CSR spending has been very low as percentage of revenue and profits during the phase of voluntary spending. The results also suggest that spending on environment and pollution control is not on the priority list of companies.

- ✓ To interpret the initiatives took place in the banking sector towards social responsibilities by foreign and regional rural banks during pandemic.

IV. RESEARCH METHODOLOGY

For the present study, secondary data is used by the researcher. The data of the banks is collected from their respective websites and from the official website of RBI and other government websites. Since the objective is to analyze contribution of banks towards the CSR activities, the data is collected from various Published and unpublished including journals, magazines, reports etc.

ANALYSIS AND INTERPRETATION OF STUDY

The analysis is divided into 4 segments:

1. PUBLIC SECTOR BANKS	CONTRIBUTIONS
Bank of Maharashtra	On 17 th April 2020 Employees of the bank contributed INR 5.00 Crore to the PM-Cares Fund to fight the pandemic and tackle the deadly "Novel Corona Virus"
Canara Bank	In the year 2020 the employees of the bank contributed INR 15.53 crore to PM CARES Fund. Also bank spent INR 4.35 crore for COVID-19 relief as a part of its CSR initiatives.
Central Bank of India	Central Bank of India in collaboration with TATA AIA Life Insurance Co Ltd have donated protection gear like face masks, shields, sanitizers, disposable bedsheets and water dispensers to the Mumbai City Hospitals, to ensure the safety of healthworkers and patients in the pandemic.
Punjab National Bank	PNB came forward to do its bit by distributing approximately 10 lakh masks and sanitizers in 662 districts of the country through its over 10,000 branches to the needy sections. It also launched Gram Sampark Yojna on 2 nd October 2020 to provide special facilities to the farmers of 500 districts.
Union Bank of India	In May 2020, Staff members of Union Bank of India contributed an amount of INR 30 lakhs towards Chief Minister Care fund, Maharashtra. The cheque was handed over to Deputy Chief Minister Ajit Pawar by M Venkatesh, General Manager Mumbai Zone, Union Bank of India.
State Bank of India	SBI employees provide INR 100 crore to PM CARES Fund. The bank

OBJECTIVES

- ✓ To study the contribution made by public sector banks towards social activities during pandemic.
- ✓ To find out the support given by private sector banks in fulfilling their social responsibilities at the time of pandemic.

	also announced to provide 0.25% of its net profit of the financial year 2019-20 to combat against COVID-19.
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2. PRIVATE SECTOR BANKS	CONTRIBUTIONS
AXIS Bank	AXIS Bank Foundation announced an amount of INR 100 crores to support its customers, employees, vendors, government agencies and the community. Also, its employees committed to donate a day's salary to the PM Cares Fund.
Federal Bank	Federal Bank's employees and customers donated funds on the portal of the Bank's website. These funds were to be used for supporting community kitchen and providing testing kits. Also, the CSR Foundation of the bank in association with HelpAge India provided 5,000 food packets to migrant workers and slum dwellers.
HDFC Bank	The Bank committed an amount of Rs.100 crores under Parivartan Scheme in 2021-22 for COVID-19 relief initiatives and in the year 2020-21 an amount of Rs.120 crores towards COVID-19 Relief. HDFC along with Piramal Foundation decided to setup 100 COVID Care Centres in 112 districts across India in partnership with NITI Aayog.
ICICI Bank	ICICI Group pledged INR 100 crores in support of COVID-19 relief measures in India. From the above amount INR 80 crores were transferred to the PM Cares Fund, with the bank donating INR 50 crores. Also, the ICICI Foundation provided medical gears worth Rs.20 crores to Local and State Governments.
IDBI Bank	To fight the pandemic IDBI Bank contributed an amount of Rs.3.95 crores (Rs. 3,95,46,223) to the PM CARES Fund towards containment and relief efforts.
IDFC First Bank	The Bank pledged to contribute INR 5 crores to PM CARES Fund to support the Nation. The Bank extended its support to the frontline workers. 1 lakh meal packets were distributed under the Share-a-Meal Programme for the Economically weaker sections. The Foundations provided 1.5 lakh masks to the frontline workers and made available

	transport facility for Hinduja and Lilavati Hospitals Mumbai.
IndusInd Bank	The Bank committed its part by contributing INR 30 crores for the pandemic. The bank also provided safety gears such as face masks and sanitizers and gloves in the affected areas and Personal Protective Equipments (PPE) kits for Medical Officials.
J & K Bank	The employees of J & K Bank contributed an amount of INR 5 crores to the Lieutenant Governor's relief Fund in the year 2020.
Karur Vysya Bank	The Karur Vysya Bank contributed Rs.1 crore to Tamil Nadu Chief Minister's Public Relief Fund. The Bank's President and Chief Operating Officer J Natarajan handed over the demand draft to transport Minister M R Vijayabhaskar in view of the Coronavirus outbreak.
Nainital Bank	Nainital Bank contributed Rs. 11 lakhs to Chief Minister's Relief Fund under CSR for COVID-19 outbreak victims. Dinesh Pant, Chairman and CEO of the Bank donated his 1 month salary to PM CARES Fund.

3. FOREIGN SECTOR BANKS	CONTRIBUTIONS
Citibank	Citibank committed INR 200 crore for the next three financial years towards India's recovery and relief efforts against COVID-19.
Standard Chartered Bank	Standard Chartered Bank partnered with World Vision India to provide COVID relief services to 6,000 families from Uttar Pradesh, Jharkhand, Bihar, Orissa, West Bengal and Madhya Pradesh. The Bank and its Charity partner reached out to the communities and provided them with food, unconditional cash transfers, Personal Protective Equipments (PPE) kits and hand wash facilities.
HSBC Bank	HSBC India contributed a decent amount of 10 million USD (RS. 75 crores) in view of the pandemic. This amount to be utilized for supplying medical equipment for COVID Care Centres including Oxygen supplies, hygiene kits and vaccination.
Deutsche Bank India	Deutsche Bank and its charity partner Akshaya Patra Foundation served 2 million meals to the

	deprived communities as a part of COVID-19 Food Relief effort. Also the duo supported the daily wage earners and economically challenged people across various states.
Barclays Bank	Barclays India along with its charity partner Akshaya Patra Foundation provided midday meals to the school children from low-income families even during the pandemic. The Barclays India and its charity partners actively distributed food and essential items and provided shelters to the vulnerable communities during the pandemic.
DBS Bank	DBS Bank with the support of Singapore High Commission in India injected an amount of Rs. 10 crores as COVID Relief measures to uplift the Healthcare Infra in India. These funds were to facilitate the supply of medical equipments , oxygen supplies, vaccinations and ICU beds.

Saurashtra Gramin Bank	The bank extended a moratorium of 3 months to all borrowers on all installments and EMIs on term loans. Accordingly the total moratorium period for all term loans was extended by 6 months.
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V. CONCLUSION

4. REGIONAL RURAL BANK	CONTRIBUTIONS
Himachal Pradesh Gramin Bank	Uday Chandra chairman of Himachal Pradesh Gramin Bank contributed an amount of rs. 6,51,000 towards 'HP SDMA COVID-19 State Disaster Response Fund On behalf of the bank to fight the pandemic.
Karnataka Vikas Grameena Bank	The bank launched a loan scheme to MSME borrowers whose business activities got disrupted in the pandemic. Under this scheme a loan of upto rs.1 lakh will be provided without any collateral security.
Puduvai Bharthiar Grama Bank	The bank has contributed a one-day salary of all the employees to the PM CARES Fund and a one-day salary to the CM Relief Fund. The bank donated additional Rs.5 lakhs to Chief Minister Relief Fund and Rs. 50,000 to Collector Karaikal for COVID -19 pandemic.

<u>BANKING SECTORS</u>	<u>CONTRIBUTIONS</u>
PRIVATE SECTOR BANKS	This sector made the major share by donating an amount of Rs.434.06 crores as direct funds contributed by 10 banks and apart from this Rs.100 crores are proposed for tackling the further situations.
PUBLIC SECTOR BANKS	6 public sector banks came forward during these times and contributed an amount of Rs.125 crores (approx.) as direct funds. In the above sum, an amount of Rs. 100 crores were solely donated by State Bank Of India.
FOREIGN SECTOR BANKS	Currently there are 46 international banks in india. Out of these 6 banks together contributed an amount of Rs. 285 crores and provided other COVID Relief services.
REGIONAL RURAL BANK	RRBs share in the combined donation is the least. Out of 43 RRBs in India only 4 banks jointly contributed an amount of Rs. 12.01 Lakhs.

- ✓ All the three sectors including RRBs jointly contributed an amount of Rs. 804.18 crores (Rs.804,18,01,000 crores).
- ✓ Private sector banks hold the top spot as they contributed the major share of more than 50%.
- ✓ Public sector banks contributed 15.54% of the total amount and held the third spot.
- ✓ Foreign sector banks hold the second spot by contributing 34.68% of the total amount.
- ✓ RRBs share in the fund is 0.014% which is the least among all.

From the above details we can clearly see which sector contributed the major part. In a chronological order the banks stand this way in terms of their share of contribution, "Private Sector Banks, Foreign Sector Banks, Public Sector Banks and then RRBs."

But if we talk about the percentage of banks from each sector which participated in this donation programme then the figure differs. If we talk about the Private Sector Banks then we see 52.63% of private sector banks performed CSR activities during pandemic and for Public Sector Banks, Foreign Sector Banks, And RRBs the percentage is 50%, 13.04%, and 9.30% respectively. This needs to be made clear that the percentage of the amount contributed and the percentage of level of participation are two different things. Out of 43 RRBs only 4 banks performed their CSR activities and out of 46 Foreign Sector Banks very few banks performed their CSR activities, so these sectors really need to focus on their CSR activities.

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