Introduction:

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 endeavour and therefore has a number of responsibilities towards different stakeholders – management, workers, customers, shareholders, government and the society. Realisation and fulfilment 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. It is the responsibility of the business to produce and supply goods at fair prices, provide fair wages and facilities to its employees, provide a fair return on shareholders’ funds, pay taxes and duties regularly and contribute to social development in which it is prospering.

The Basel Committee in the year 1999 had brought out certain important principles on corporate governance for banking organizations which, more or less have been adopted in India. Corporate Social Responsibility (CSR), also known as corporate responsibility, corporate citizenship, responsible business, sustainable responsible business (SRB), or corporate social performance is a form of corporate self-regulation integrated into a business model. CSR policy basically works as a standard of built-in, self-regulating mechanism and ensure their harmony with law, ethical standards and international norms. The three keys to an effective CSR policy are commitment, clarity and congruence with corporate values.

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. There was a need to make business a part of the society and to maximize positive benefits that business endeavor can bring to human and environmental well-being and to minimize the harmful effects of irresponsible business.

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 cause.

According to a study undertaken by an industrial body in June 2009, which studied the CSR activities of 300 corporate houses, it was found that corporate India has spread its CSR activities across 20 states and Union territories, with Maharashtra gaining the most from them. About 36 per cent of the CSR activities are concentrated in the state, followed by about 12 per cent in Gujarat, 10 per cent in Delhi and 9 per cent in Tamil Nadu.

Besides the private sector, the Government is also ensuring that the public sector companies participate actively in CSR initiatives. 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 utilise 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.
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.
Statement of Problem:

Corporate social responsibility is becoming a relevant subject and it appears repeatedly in the vast majority of academic and professional journals. Most of them have dedicated a special issue to it, and an increasing number of articles have been published concerning corporate social responsibility. Some of them consider it as a new fashionable concept while some others consider it as a new management tool. There are number of dilemma about the concept of corporate social responsibilities, especially in the developing country like India, where such concepts need legal enforcement. However, a number of Indian banks have taken initiatives to implement the concept of corporate social responsibilities. The present research focuses on the initiatives taken by the Indian banking industry and resulting impact on its overall performance. Against this background it is worthwhile to analyse the concept of corporate social responsibility under the title “Corporate Social Responsibility in Indian Banking Industry”.
Objectives of the Study:

The present study endeavours to achieve the following objectives:

(1) To critically evaluate the concept of corporate social responsibility (CSR) in India and significances in the overall operations of the business organisation.

(2) To study various CSR initiatives in selected Indian bank and their impact on their performance standards.

(3) To make comparative analysis of CSR initiatives of selected banks in the Indian banking industry.

(4) To give suggestions for enhancing the role of banks in promoting economically and socially sustainable business that will decide the direction of future growth.

(5) To study the impact of CSR initiatives on various stakeholders, society and environment at large.
Statement of Hypothesis:

H1: There is adequate awareness among various stakeholders about the concept of CSR and its significances.

H2: Social concerns are no longer a cost or a risk but it is an opportunity for bankers to expand their operations.

H3: There is a significant role of CSR of top management in enhancing CSR initiatives in a bank.