

# **A Study on Corporate Social Responsibility – A case study with Canara Bank.**

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Abstract:

Creating a strong business and building a better world are not conflicting goals – they are both essential ingredients for long term success. Canara Bank is one of the leading banks in the banking sector which is serving a lot of customers. The initiatives of the Bank under CSR have been the setting up of Trusts and Institutions which have created an impact in serving the people and society at large. Bank has been engaging employees and motivating the employees for participation in CSR activities. Bank has established a Community Development Section' under FI Wing whose activities include organizing blood donation camps, health check up camps, career guidance and many more. The objective of this paper is to resolve the activities initiated by Canara Bank and the funds allotted in various areas.

Keywords: 1. Impact      2. Society      3. Activities

Introduction:

CSR is an integration of business operations and values, whereby interests of all stakeholders including investors, customers, employees, the community and environment

is reflected in company's policies and actions. It is a concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders on a voluntary basis. CSR is a tool that invokes the participation of corporate citizens for addressing larger societal issues such as poverty, hunger and social justice. It synergizes efforts of corporate and social sector agencies towards sustainable growth and development of social objectives at large.

#### Objectives:

- To study about the various CSR activities in Canara Bank.
- To study the fund allocation for the activities taken up by Canara Bank
- To determine financial support towards education.
- To recommend suggestions based on the findings.

#### Methodology:

Secondary Data: The information required for the case study is collected from Canara Banks Annual report and website.

#### Scope:

The present study is confined to Canara bank only and analysis is made based on the information available in Annual reports and Websites.

#### Review of literature

Dhingra et al., 2014 rightly said that the business has some ethical obligation towards the society. The inclusion of Corporate Social Responsibility in business is crucial both for the development of economy as well as the growth of the company. Today's business has concern for environmental sustainability, control of natural resources and identification of Corporate Social Responsibility.

CSR aims at optimistic impact on all the stakeholders i.e., employees, investors consumers and others. The society expects economic, legal and ethical from the organisations. (Csaba Lentner et al., 2015).

Zain (2008) believes that the moral values play a vital role in the corporate structure, and in the long term all the activities and responsibility of the firm creates a positive rapport between the firm and its stakeholders ie., investors, consumers and employees. CST not only includes business rules and regulation but also gives a balanced approach to the social and environmental concerns.

Sarita Moharana is of the opinion that CSR practices have begun quite a few years ago, but the functioning and awareness in India was implemented a little. RBI focussed that CSR practices should be made compulsory by a circular which was passed in 2007 saying that CSR leads to sustainable development.

Namrata Singh et al., 2013 also of the opinion that a major portion of GDP contribution especially the rural and semi urban areas enhances the GDP growth and hand in hand the meeting demands of the middle class. The Reserve bank suggested the need for CSR so as the banks can pay attention towards social and environmental concerns in business for sustainable development.

#### Data Collection

Major initiatives of the Bank under CSR have been the setting up of Trusts and Institutions which have created an impact in serving the people and society at large.

- Canara Centenary Rural Development Trust
- Canara Financial Advisory Trust

Bank continues to actively fund and also involve in the activities of these Trusts under its CSR.

In addition, Bank has facilitated setting up of below mentioned Trusts as their founder member.

- Canara Golden Jubilee Education Fund
- Canara Relief & Welfare Society

Bank has also been partnering with likeminded organizations for CSR activities in the area of livelihood creation, education, health and environment and participated in meaningful activities. The contribution of the Bank has received wide recognition and the Bank has been bestowed with various awards and accolades for its efforts under CSR arena.

#### Focus & Target Group:

While development and welfare programmes in India address all the citizens, focus is on the disadvantaged, marginalized and excluded. Marginalization in India is primarily on the basis of gender, disability, ethnicity and location. This leads to social, physical and financial exclusion of such groups. Engaging the marginalized in India is further complicated due to language and literacy variances, information asymmetry, infrastructure constraints and geographical challenges. CSR should ideally propose to target these excluded and marginalized groups. Accordingly, following weaker and vulnerable sections of the people will be the broad focus of all our CSR activities.

- Small and marginal farmers
- Artisans
- Women and girl children
- Unemployed youth and school drop outs
- Differently abled people
- Scheduled Caste/Tribes
- Minority Community
- Prisoners and ex-convicts
- Victims of heinous crimes
- Victims of natural and manmade calamities

## CSR activities of Canara Bank

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects.

Geographic Areas:

Companies Act provides that the company should give preference to local area and area around where it operates. Ours being a Bank with PAN INDIA presence, CSR activities can be taken up anywhere in the country, Service Area/command area of our branches, economically backward Districts (identified by the Planning Commission for Backward Regions Grant Fund), Districts with concentration of minorities, Scheduled Castes and Tribes and other vulnerable sectors.

### Employee Engagement under CSR

Bank has been engaging employees and motivating the employees for participation in CSR activities.

- Bank has deputed Officers in Scale I to III as Directors of RUDSETIs and RSETIs under the Canara Bank Centenary Rural Development Trust(CBCRDT). The performance at RUDSETIs and RSETIS of the deputed Officers is reckoned while assessing the performance of the Officers. Bank will consider such need based deputations for pursuing the CSR activities.
- Bank has established a ‘ Community Development Section’ under FI Wing whose activities include organizing blood donation camps, health check up camps, career guidance and other socially relevant programmes involving the employees of the Bank.
- Bank wishes to explore for further initiatives towards employee engagement under CSR by way of
  - Providing opportunities to employees to voluntarily participate in the Bank’s CSR activities, utilizing their spare time.
  - Opportunity to employees to engage full time for short duration in CSR activities and considering that duration as one on Bank’s duty.
  - The Policy shall be a part of the training curriculum for all new employees, and all employees are expected to adhere to and comply with the Policy

and its individual elements.

### Analysis and Interpretation

Table showing the allocation by Canara Bank towards CSR activities in the year 2019-20

(in lakhs)

Sl.No	Activity	Amount Sanctioned	Amount utilised
a.	Education	909.72	374.60
b.	Health	340.26	260.21
c.	Poverty & Nutrition	15.70	15.70
d.	Skill Development	921.70	921.70
e.	Swacch Bharat	22.05	22.05
f.	Rural Development	85.34	67.34
g.	Women Empowerment	46.49	46.49
h.	Financial literacy	292.41	292.41
i.	Sports Persons with Disability and other activities	49.13	49.13
	Total	2682.86	2049.63

During the year 2019-20 the banks major sanction was for skill development as per the Prime Minister Narendra Modi priority for skill development. A major portion was sanctioned i.e., 921.70 lakhs but utilised to the extent of 374.60, the second one being education, 909.72 lakhs but utilised to the extent of 374.60, the health sector was also considered for major allocation with 340.26 lakhs but utilized to an extent of 260.21 and minor allocation for Sports Persons with disability. Swachh Bharat, Women empowerment, Poverty and nutrition etc.

Chart showing the allocation of amount towards CSR activities in the year 2019-20

Table showing the allocation by Canara Bank towards CSR activities in the year 2018-19

(in lakhs)

Sl.No	Activity	Amount Sanctioned	Amount utilised
a.	Education	403.88	398.87
b.	Health	162.51	95.11
c.	Poverty & Nutrition	29.14	29.14
d.	Skill Development	1379.45	1379.45

<b>e.</b>	Swacch Bharat	27.96	13.60
<b>f.</b>	Environmental Protection	5.50	5.24
<b>g.</b>	Rural Development	52.79	52.23
<b>h.</b>	Women Empowerment	37.44	37.44
<b>i.</b>	Financial literacy	327.14	327.14
<b>j.</b>	Sports Persons with Disability and other activities	27.56	27.56
	<b>Total</b>	<b>2388.75</b>	<b>2852.97</b>

During the year 2018-19 skill development was given prominence with major allotment of Rs.1379.45 lakhs was sanctioned and was fully utilised, the second priority was Education with a sanction of 403.88 lakhs and utilised to an extent of 398.87, Women empowerment, Health, Rural development and also got their priorities.

Chart showing the allotment of amount towards CSR activities of Canara Bank in the year 2018-19

Table showing the allocation by Canara Bank towards CSR activities in the year 2017-18

<b>Sl.No</b>	<b>Activity</b>	<b>Amount Sanctioned</b>	<b>Amount utilised</b>
<b>a.</b>	Education	491.55	491.35
<b>b.</b>	Sports and others	5.07	5.07
<b>c.</b>	Health	162.51	158.99
<b>d.</b>	Poverty & Nutrition	25.88	25.88
<b>e.</b>	Person with Disability (PWD) and old age	65.29	65.29
<b>f.</b>	Skill Development	1730.59	1712.19
<b>g.</b>	Environmental Protection	28.47	23.80
<b>h.</b>	Rural Development	25.23	22.80
<b>i.</b>	Women Empowerment	59.99	44.07
<b>j.</b>	Financial literacy	303.33	303.33
	<b>Total</b>	<b>2897.91</b>	<b>2852.97</b>

(in lakhs)

During the year 2017-18, skill development was allocated 1730.59 whereas utilised was 1712.19, out of the total sanction of 2897.91 towards CSR activities of the bank. The second priority was financial literacy and health. Minority allocation was done for Rural Development, Poverty and Nutrition Sports and health and environmental protection.

Chart showing the allotment of amount towards CSR activities of Canara Bank in the year 2017-18

Table showing the allocation by Canara Bank towards CSR activities in the year 2016-17

(in lakhs)

<b>Sl.No</b>	<b>Activity</b>	<b>Amount Sanctioned</b>	<b>Amount utilised</b>
<b>a.</b>	Education	588.43	556.74
<b>b.</b>	Health	274.39	274.39
<b>c.</b>	Poverty & Nutrition	20.50	15.50
<b>d.</b>	Person with Disability (PWD) and old age	124.60	124.60
<b>e.</b>	Skill Development	1701.60	1688.00
<b>f.</b>	Environmental Protection	14.96	14.96
<b>g.</b>	Rural Development	267.81	267.81
<b>h.</b>	Women Empowerment	61.00	61.00
<b>i.</b>	Financial literacy	265.00	265.00
	Total	3318.29	3268.00

During the year 2016-17 the total amount sanctioned was Rs 3318.29 and amount utilised was 3268.00, with skill development topped the list with a sanction amount of Rs.1701.60 and the amount utilised was 1688.00. Small allocations on Poverty and Nutrition, Environmental Protection and Women Empowerment was also seen.

Chart showing the allotment of amount towards CSR activities of Canara Bank in the

year 2016-17

Table showing the allocation by canara bank towards csr activities in the year 2015-16

(in lakhs)

<b>Sl.No</b>	<b>Activity</b>	<b>No of Sponsorships</b>	<b>Amount Sanctioned</b>	<b>Amount utilised</b>
<b>a.</b>	Education	9956	769.14	472.33
<b>b.</b>	Health	36	166.92	131.92
<b>c.</b>	Poverty & Nutrition	27	35.84	35.84
<b>d.</b>	Person with Disability (PWD) and old age	31	53.37	29.77
<b>e.</b>	Skill Development	5	1459.87	1459.87
<b>f.</b>	Environmental Protection	3	37.11	37.11
<b>g.</b>	Rural Development	160	799.52	799.52
<b>h.</b>	Women Empowerment	287	65.00	53.00
<b>i.</b>	Financial literacy	65	262.60	262.60
	Total	10543	3318.29	3278.19

During the year 2015-16 skill development received a sponsorship of 5 lakhs, amount sanctioned by the bank is 1459.87 and the same amount is utilised was the same. Other allocations were education, women empowerment and rural development.

Chart showing the allotment of amount towards CSR activities of Canara Bank in the year 2015-16

## Suggestions

Corporate Social Responsibility is biggest benefiter to the organisation. Consumers support CSR activities and they enthusiastically participate with a positive outlook. This in turn improves the functioning of banks and its business. The present consumers do a bit of research the banks, about their investment pattern and often see the community

service rendered by the bank before they approach. So banks should invest in social responsibility as it creates a positive impact towards the prospective customers to build the organisation.

**Conclusion:**

Generally the banks use this CSR as a marketing tool in a tangible way such as donations to old age homes, NGO's, sponsorship to mega events etc, Most of the banks put into practice the CSR in an unprepared way, not much allied to their business process and sometimes don't declare the amount spent on CSR activities. Banks can do a lot to increase their social responsibility and achieve sustainability. They can go further in the field of education, hospitals, health care and environmental initiatives to show their growth and performances/

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