A Study on Corporate Social Responsibility – A Case of Canara Bank

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ABSTRACT

“No companies can survive without profit, companies must earn profit but with social concern”

Canara bank is one of leading bank in banking Sector with 3,723 branches and 3,526 ATMs, serving more than 4.7 crore customers. The present study made an attempt to know the CSR initiatives taken by the Canara bank. The objectives of the paper to determine the initiatives and amount spend by Canara bank on CSR activities. From the present study, it is found that during 2012-13 Total profit after taxes of the Canara bank is Rs. 2872 Crore. Out of which total spending on Corporate Social Responsibility (CSR) is Rs.1129.53 lakh, as percentage of profit after tax 0.39% spends on Corporate Social Responsibility. It is also found that from last three years Canara Bank supported 6,19,272 students with amount of Rs. 11,920 crore to pursue their higher education in India and also abroad

Keywords: CSR, Canara Bank etc.

I. INTRODUCTION

Corporate Social Responsibility (CSR) is a concept that companies have an obligation to consider the interest of customer, employees, shareholders, communities and ecological considerations in all respect of their operations; this obligation is seen to extend beyond their statutory obligation to comply with legislation. CSR is closely linked with the principle of “sustainable development”, which argues that companies should make decisions based not only on financial factors such as profits or dividends, but also based on the immediate and long term social and environmental consequences of their activities. It is an integrated combination of policies, program’s education and practices which extend throughout a corporation’s operation and into the communities in which they operate, about how companies a voluntarily manage the business processes to produce an overall positive impact on society.

India is a fast growing economy and is booming with national and multi-national firms, at the same time the Indian land also faces social challenges like poverty, population growth, corruption, illiteracy just to name a few, therefore it is all the more imperative for the Indian companies to be sensitized to CSR in the right perspective in order to facilitate and create an enabling environment for equitable partnership between the civil society and business.

CSR is one such niche area of corporate behavior and governance that needs to get aggressively addressed and implemented tactfully in the organization. At the same time CSR is one such effective tool that synergizes the efforts of corporate and the social sector agencies towards sustainable growth and development of social objectives at large.

II. CONCEPT OF CST

Corporate Social Responsibility 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 - Lord home and Richard watts.

CSR is about capacity building for sustainable livelihoods. It respects cultural difference and finds the business opportunities in building the skills of employees, the community and the government from Ghana, through to CSR is about business giving back to society - from the Philippines.

III. NEED FOR THE STUDY

Banks are social unit. A bank uses the resources of the society. A bank provides financial service for which the society is the ultimate consumer. Since a banks unit owes its very existence to the society, it has to operate within the overall social parameters. A bank has social responsibility. A banks unit has to define “as a voluntary expenditure or activity by a corporation with charitable intent, for which marginal returns are less than those available from other alternative activities.

In this background study is choose to know what amount of profit spends by Canara bank on social responsibilities and for which activities bank is spending amount.
IV. OBJECTIVES OF THE STUDY

1. To understand the concept of CSR
2. To identify the CSR initiatives of Canara bank
3. To determine the amount of profit spend for CSR by Canara bank
4. To determine the CSR activities for which amount of profit spend by Canara bank
5. To determine financial support for student’s Education.
6. To offer suggestions based on findings of the study.

V. SCOPE OF THE STUDY

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

VI. DATA COLLECTION

Data is collected from secondary sources from annual reports of the Canara bank.

CSR initiatives of Canara Bank:

Canara Bank Centenary Rural Development Trust (CBCRDT Trust):

The Bank has established Canara Bank Centenary Rural Development Trust (CBCRDT) (For merely known a Canara Bank Platinum Jubilee Rural Development Trust) in the year 1982 in order to constructively contribute towards rural development more particularly to focus on development of the unemployed youth.

Rural Development and Self-Employment Training Institutes (RUDSETIs):

RUDSET institutes are sponsored jointly by Canara Bank, syndicate bank and Sri Dharamasthala Manjunatheswara Educational Trust. RUDSETIs concentrate on training youth in know-how and skills required for taking up self-employment ventures. At present 24 RUDSETIs institutes have been set up across the country.

Rural Clinic Service:

The twin objectives of the scheme is to provide basic health services in remote rural areas, lacking in basic medical infrastructures besides encouraging unemployed doctors to set up clinics in identified rural areas with monetary assistance from the bank. The scheme is in operations since 1983. Cumulatively 543 clinics have been set up across the country. 8 clinics have been opened in the premises of bank rural branches, which is a new initiative.

Centre for Entrepreneurship Development for Women:

Centre for entrepreneurship development for women, Head Office Bangalore, and the Centers at 34 Circle Offices across the country are working towards economic empowerment of women. Three exclusive Mahila Banking Branches at Bangalore, Chennai and Trivandrum care for the specialized needs of women. 19 Micro finance branches cater to the financial needs of women SHGs and Micro Enterprises.

CSR Activities at Canara bank during 2012-13:

Following are the Bank Corporate Social Responsibility (CSR) activities. CSR initiatives of the Bank are multifarious, covering activities like training unemployed rural youth, providing primary health care, drinking water, community development, empowerment of women and other initiatives.

Rural Development:

The Bank, through its Canara Bank Centenary Rural Development Trust (CBCRDT), has established 31 exclusive training institutes, including 24 Rural Self Employment Training Institutes, 3 Artisan Training Institutes and 4 Institutes of Information Technology to promote entrepreneurship development among rural youth and encourage them taking up self-employment activities. During 2012-13, these training institutes trained 26075 candidates, taking the tally to 1.76 lakh unemployed youth since inception, with an impressive settlement rate of 73%. The Bank has co-sponsored 27 Rural Development and Self Employment Training Institutes (RUDSETIs) across 17 States, engaged in training of rural youth for taking up self employment programmes. During 2012-13, these institutes trained 34779 candidates. These RUDSETIs have, so far, trained over 3.21 lakh unemployed youth, with a settlement rate of 73%.

The Bank has co-sponsored Andhra Pradesh Bankers Institute of Rural and Entrepreneurship Development with Government of Andhra Pradesh at Hyderabad and co-sponsored Deshpande Memorial Trust, a rural self-employment training institute with Government of Karnataka at Haliyal, a backward region of North Canara District. The Bank has supported the setting up of Entrepreneurship Development Institute at Jammu and Kashmir, Karnataka Farmers Resource Centre at Bagalkot and sponsored Dr Ambedkar Self Employment Training Institute, Puduppur, Tamil Nadu. During the year, the Bank set up its first Rural Self Employment Training Institute in Punjab at Tapa Mandi, Barnala District. Cumulatively, the Bank has sponsored/ co-sponsored/ supported 61 training institutes which have trained more than 5 lakh unemployed youth so far, with a settlement rate of 73%. The Bank has a noble scheme of Rural Clinic Services at remote villages, lacking basic medical facilities. The Bank has so far assisted over 565 doctors to run 39 such clinics across the country.

The Bank has donated a hi-tech, custom built, solar powered ‘Retail Mobile Marketing Van’ to assist women entrepreneurs, SHGs and artisans to market their products. During the year, the Bank’s Social Action Cell organized blood donation camps, health camps and assisted people affected by natural calamities and challenged section of the society. It has also encouraged students by conducting various programmes and activities.
Total profit after taxes (INR): 2872 Crore. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 0.39%

Table No. 1

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Activity</th>
<th>No. of Sponsorships</th>
<th>Amount (lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Education</td>
<td>220</td>
<td>74.6</td>
</tr>
<tr>
<td>2</td>
<td>Health</td>
<td>67</td>
<td>101.71</td>
</tr>
<tr>
<td>3</td>
<td>Charities</td>
<td>68</td>
<td>27.29</td>
</tr>
<tr>
<td>4</td>
<td>Social Welfare &amp; Relief</td>
<td>294</td>
<td>55.17</td>
</tr>
<tr>
<td>5</td>
<td>Energy Conservation</td>
<td>12</td>
<td>6.68</td>
</tr>
<tr>
<td>6</td>
<td>Women Welfare</td>
<td>32</td>
<td>33.00</td>
</tr>
</tbody>
</table>
| 7       | Skill Development   | 5                   | 831.00        |**
| Total   |                     | 697                 | 1129.55       |

Source: Annual report of Canara bank

Interpretation

The above table depicts the total amount spent on by Canara bank during financial year 2012-13. Out of total profit of Bank has spent 0.39% on different CSR activities. During the above mentioned period bank spent highest amount on skill development with amount of 831.00 lakh because skills of youth plays major role to get self employed. Bank spent 101.71 lakh on health by sponsoring 67 activities. Bank spent 74.6 lakh on education with 220 sponsorships as education plays major role in economic development of the country and Bank spent 55.17 lakh on Social Welfare and Relief.

Table No. 2

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Students</th>
<th>Education Loan (Crore)</th>
<th>% of increase in Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>1,92,805</td>
<td>2.384</td>
<td>-</td>
</tr>
<tr>
<td>2011-12</td>
<td>2,08,403</td>
<td>3.993</td>
<td>11.41</td>
</tr>
<tr>
<td>2012-13</td>
<td>2,17,434</td>
<td>4.343</td>
<td>8.76</td>
</tr>
<tr>
<td>Total</td>
<td>6,19,272</td>
<td>11.920</td>
<td></td>
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</tbody>
</table>

Source: Annual report of Canara Bank

Interpretation

The above table depicts the financial support of Canara bank for student’s education. From last three years 6,19,272 students got financial support to pursue their higher education in India and also abroad. It can observe that financial support for student’s education is increasing year by year.

VII. CONCLUSION

The relationship between business and society is just like ‘a ship and sea’. Just as no ship can reach the other side of its destination without cooperation and sanction from the sea, business can also not stay, survive and succeed for a long period without social acceptance and sanction. Hence it can be concluded in saying that the social considerations are the foundation on which the sustainable economic development of the country rests and in which corporate social responsibility has a major role to play.

At last it can be conclude that the initiatives and amount spend by Canara bank on Corporate Social Responsibilities and student’s education is commendable and worthwhile. And these types of initiatives and contribution lead to sustainable development of the economy.

“Jiyo Aur Jine Do” (a Hindi saying) i.e. “Live and Let Others Live”.

REFERENCES