"IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON CORPORATE SUSTAINABILITY: A STUDY OF THE INDIAN BANKING INDUSTRY"

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Abstract

Corporate Social Responsibility (CSR) is a tool used by the corporate to live up to the people's demand that organizations be more responsible to the environment they operate in. This paper makes a humble attempt to examine the impact of CSR on Corporate Sustainability (CS), defined in terms of an organization's financial performance, in the Indian banking industry. It tries to draw a relationship between CSR rating and an organization's financial performance indicators like Profit After Tax (PAT) and Earning Per Share (EPS) after controlling for the effect of other variables like size of the organization (defined in terms of assets) and age of the organization (defined in terms of difference between the year of establishment and year of survey). The study would find relevance as it tries to sensitize the managers in the banking sector or any other organization to probe further and deeper to understand the impact of CSR on their sustainability while taking decisions about investing in CSR areas.

Key words- Corporate Social Responsibility, Corporate Sustainability, Financial Performance, PAT, EPS.

Introduction

A well-aware society today does not subscribe to Friedman's principle that the business of business is to do business. It keeps a keen eye on the socially responsible investments made by organizations, thus, literally forcing corporate to include all their multiple stakeholders in order to be successful and sustain it in this scenario of high competition (Robbins & DeCenzo, 2006 in Saxena, 2012). The increasing appetite of a conscious society for socially responsible investments made by organizations' demands that organizations be more responsible to the environment they operate in. Corporate Social Responsibility (CSR) is a tool used by the generation Next (GeNxt) organizations or corporate to live up to people's demand that organizations be more responsible to the environment they operate in and to manage their own sustainable development. Though the CSR approach dates back to the mid-20th century, it still finds difficulty in comprehension by managers when it comes to its implementation and implications.

To ensure sustainable development, CSR needs to be integrated with the important activities of the business (Sharma, 2011). The main objective of the paper is to understand the impact of CSR on Corporate Sustainability (CS) in the Indian banking industry. After performing a systemic review of the available authentic documents in the concerned area along with information given on the website of the banks and their annual reports, correlation and regression analysis have been used to achieve the aforesaid objectives.

CSR and CS: The Connection

The world Business Council for Sustainable Development defines CSR as " 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" (Holme and Watts, 2000). The European CSR model focused more on operating the core business in a socially responsible manner as it not only invests in communities but also is more sustainable as it believes that social responsibility is an integral part of the whole wealth creation process.

Brundtland Commission of the United Nations defined sustainability and sustainable development as " Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." CS creates both consumers and employees' value by integrating every dimensions of business with social, cultural, economic and natural environment for longevity. Kanji and Chopra (2010) exemplify the fact that CSR failures can prove to be too costly for firms, like in the case of Bhopal Gas Tragedy. General Electric failures to clean up Hudson River of organic pollutants, Exxon Valdez incident in Alaska, recalls of millions of toys globally by toy giant Mattel for using lead poisoning paint, etc. This proves, as they further reinstate, that often it takes a crisis to precipitate attention to CSR. Some more recent example are recall of some Nanos, Honda Citys, Toyatas, etc. for one reason or the other.

Not everything can be incorporated by an organization; hence different organizations have have different priorties and values that determine how the business acts. CSR is the purposeful inclusion of society's needs into corporate planning thus impacting the triple bottom line (3Ps): People (social bottom line), planet (ecological bottom line), and profit(economic bottom line). CSR has been identified as a tool to contribute directly or indirectly to the company's bottom line and to ensure its long-term sustainability as stated by Bihari and Pradhan (2011) and the same is reiterated in Kanji and Chopra (2010). They claim that recent studies have revealed that organizations involved in CSR activities continue to exist for much longer duration in comparision to those not involved in such activities in their attempt to qualitatively relate the bank's profit after tax over a period of time with its CSR initiatives. As the association of British Investors put it, incorporating social responsibility may in all likelihood increase the returns (Gupta and Sharma, 2009).

According to Gupta and Sharma (2009), researchers have found a strong correlation between social performance and financial and nonfinancial performance of a business. They strongly believe that CSR practices can significantly improve the long-term profitability of corporations and enhance benefits to individual and society. Kim (2010) indicates that CSR can be considered as a market-based asset. Cannon (1992) in Bihari and Pradhan(2011) quotes Lord Sieff (Former Chairperson of Marks & Spencer Plc),"Business only contributes fully to a society if it is efficient, profitable and socially responsible" (p.33). But, according to Stanwick and Stanwick(1998), previous research on the relationship between Corporate Social Performance(CSP) and Corporate Financial Performance(CFP) has provided conflicting results. They found some studies that identified positive relationship, i.e., having a high level of CSR is more than offset by the increased benefits in employee morale and productivity(Soloman & Hansen. 1985 in Stanwick and Stanwick, 1998). On the other hand, they also found some studies that found a negative relationship, i.e., the cost of being socially responsible forces the firm into an unfavourable financial position vis—vis firms that are not socially responsive(Aupperle et al.,1985 in Stanwick and Stanwick, 1998).

Internal and external stakeholders have been considered as the two main dimensions of CSR by the Green paper of the commission of the European Communities(2001), while Sharma(2011) states that CSR attempted to apply the resources possessed by business in a socially responsible manner in the 1960s. Today, it attempts to bring sustainable development by linking economic, legal, social and ethical standards. Raghubir et al.(2010) conclude that firms are continually exploring the values of CSR and sustainability to them.

According to Sharma and Tyagi(2010), the emergence of UN Global Compact in 2000 made the implementation of CSR programs more structured and broad-based. As the authors put it, it brought several changes in the strategic decision making of its participants along with general attitude change and helped internalize the principles amongst all concerned. CSR practices impact an organization's reputation and further its profitability, states Sharma(2011). Pava and Krausz(1996) and Preston and O'Bannon(1997) in Sharma(2011) reiterated the positive correlation between CSR and Financial performance of the organization. On the other hand Hopkin and Cowe(2003) and Lan(2005) in Sharma?(2011) proved the negative impact of socially irresponsible operation on shares prices and brand reputation of a bank. Shrama(2011) further states that around the globe, the banking industry seems to be committed to CSR principles. In their efforts to pursue positive steps towards the society and environment, the corporate can elongate their own life as CSR may have an impact on the CS of the organization. According to Kapoor and Sandhu(2010), CSR is one of the variables that may affect the firm's financial performance.

CSR, CS and Indian Banking Sector

Bihari and Pradhan(2011) define CSR as the contribution to sustainable development by business. Financial institutions, they say, are well capable of extending efforts for CSR and achieving sustainability. The authors argue that sustainable financial promotion is the call of the hour. Sustainable and Responsible Investment/Socially Responsible Investment(SRI) is an investment strategy that identifies both investment targets that provide financial growth in tandem with Environmental, Social, and Governance(ESG) issues. CSR by the banks has two separate dimensions:first is the outright grant provided by them, thus more philanthropic. The second support mainstream commercial activities like providing microcredit to the rural poor. Narwal(2007) points out that banks concentrate mainly on education, balanced growth(different strata of society), health, environmental marketing and customer satisfaction.

Karmayog provides the ratings (0-5) to the organizations. According to it, a rating of 0 implies only nominal CSR (philanthropy); a rating of 1 implies some or any activity is undertaken for CSR; 2 means CSR is done to reduce the negative impact of company's own

Table-1: Comparative Depiction of Karmayog Survey Pan Imdia

Years	2009	2010	2011	2012
Number of banks surveyed	42	40	36	38
Number of banks doing CSR	13(30.95%)	23(57.5%)	33(91.67%)	37(97.37%)

Source: *Data taken from the survey conducted by Karmayog for CSR rating and Ranking, 2009, 2010, 2011, and 2012(Karmayog's websit).*

Table 2: Comparative overview of Karmayog CSR Rating for Industry Sector 'Banking'

Karmayog CSR Rating	No of Banks in 2009	Percent	No. of banks in 2010	Percent	No. of banks in 2011	Percent	No. of banks in 2012	Percent
5/5	0	0	0	0	0	0	0	0
4/5	0	0	0	0	1	3	0	0
3/5	7	17	6	15	11	31	12	32
2/5	4	10	9	23	15	42	14	37
1/5	2	5	8	20	6	17	11	29
0/5	29	69	17	43	3	8	1	33
total	42	100	40	100	36	100	38	100

Source: *Data taken from the survey conducted by Karmayog for CSR Rating an Ranking, 2009, 2010, 2011, and 2012 (Karmayog's Website) in Saxena (2012)*

products or processes; 3 implies CSR for the community; 4 means CSR is embedded in business operations, and 5 means innovative ideas and practices are developed for CSR. Table 1 shows the progress in the participation of the banking sector in CSR over the years 2007-2010, according to the Pan India Karmayog Survey. It is heartening to see the consistent increase in percentage for the same. Table 2 presents a comparative overview of CSR ratings for Indian banking industry for the period 2007-2010.

According to the results of the Karmayog CSR Ratings(2009), 26% of all the companies surveyed were not doing any CSR activity, and none was at 5(this was true for all the four years). The banking sector, on the other hand, is more into CSR activity, may be due to the mandatory regulation for PSUs on social sector expenditure. Only the banks that are listed on the Indian stock exchanges were surveyed and those not listed were not considered for the survey by Karamyog.

A further probe into the areas of CSR reveals that, CSR was mainly focused towards the development of the society in general and the local community in particular(Saxena, 2012).Saxena(2012) puts forward the example of HSBC staff survey conducted in Hong Kong in 2005 which revealed some interesting facts. The staff shares the belief that the social and environmental responsibility, including the supporting community services of HSBC, are very important and amongst the top five criteria for assessing its success as a large business. So, HSBC has developed a corporate sustainability framework, starting from the bottom of the pyramid and aligned it with the business to maintain sustainability.

Literature Review for Research Gap Analysis

The relationship between a firm's CSR and its financial performance has been the subject of debate since the mid-20th century. Researchers have failed to strike a consistent relationship between these variable. In fact, a work which reviewed seven earlier empirical studies, concluded that "economic performance is not directly linked, in either a positive or negative fashion, to social responsiveness" (Arlow and Gannon, 1982, p. 240 in Cochran and Wood, 1984).

The management needs so understand whether or not a relationship exists. Some initial research works found a positive between CSR and from market value. But Kim (2010) indentifies that most efforts have been on examining the relationship between CSR and short- term financial performance. He points out that among those marketing capabilities and actions that might ensure high financial performance; CSR has grown exponentially in the last decade. He concludes that CSR is positively related to higher long-term-based financial performance of the firm and that being socially responsible might create a favourable company image and brand image. Despite the early findings in support of a positive CSR-CEP inkage, most past researches have failed to uncover any significant correlation (Gunther, 2003 in Carr et al., 2004) However, recent studies revealed that companies with internally embraced codes of ethics post better results in *Business week's* corporate rankings, on Fortune's most admired' list, and no the Stern Stewart's Performance 1,000 (Versochor, 1988 in Carr et al., 2004). Also, the Moskowitz Prize-winning study (Orlitzsky et al., 2003 in Carr et al., 2004) in 2004 revealed a statistically prositive correlation between CSP and CFP. The results in Artiach et al. (2010) indicate that leading CSP firms are significantly larger have higher free cash flows or lower leverage than other firms. Other variables, namely, size, risk, leverage, R&D intensity, skill, industry type, and age of firm may also affect financial performance of a firm as per Kapoor and Sandhu (2010). According to Tsoutsoura (2004) in Kim (2010), it is important that the CSR strategy in aligned with the company's specific corporate objectives and core competencies Therefore, firm size and type of industry should be controlled in investigating the relationship between CSR and its financial outcome (Kim, 2010). Kim's (2010) analysis shows that CSR can improve firms' favouable image and familiarity with a longitudinal approach, increasing their financial performance (but the cautions that the unlike prior research that merely finds a high overall CSR score and does not guarantee the firm's financial success, his article seeks to explain the complicated relationship between CSR and financial performance using composite CSR scores and eight CSR dimensions simultaneously.

Survey on 'Employees Value CSR' by Kenexa Research institute identified that "Accepting CSR helps the firm in terms of employment, brand building, creating an elevated sense of teamwork among employees, and helping to establish an emotional tie between the employees and the organization: (Sharma and Tyagi, 2010). Companies perceived to have a strong CSR commitment often have an increased ability to attract and retain employees, according to Turban and Greening (1997) in Kim (2010). Similarly, CSR indirectly affects market share through customer satisfaction, and returns to CSR can be both positive and negative, depending on the level of the firm's capabilities as stated by Luo and Bhattacharya (2006) in Kim (2010). Kim (2010), in his assessment of the long-term financial performance of ethical companies, concludes that CSR might increase favorability in investors' and consumer's minds.

OBJECTIVES OF THE STUDY:-

Against the backdrop of a constant debate on the relationship between CSR and CS, the present study attempts to examine whether CSR has any impact on CS (defined as financial performance in terms of Profit After Tax, PAT, and Earning Per Share, EPS) after controlling for some other variables, which may affect the CS in the Indian banking industry. As we are studying only one industry, i.e. banking, no effect of other industrial types are considered. By taking banks that are similar in terms of size (assets) and age, this factor can be controlled. We also call them extraneous or confounding variables as these are variables other than the independent variables that influence the response of the test units (individuals, organizations or other entities whose response to independent variables or treatments is being studied) and hence unless they are controlled for, they confound the results (Malhotra, 2004). We use, multiple regression analysis for the same, as a multivariate analysis has three basics functions: control, interpretation and prediction.

Thus, the following hypotheses are tested:

Null Hypothesis:

H_0: CSR and corporate Sustainability have no linear relationship.

Alternative Hypothesis:

H_a: CSR and CS have a relation and CS is a function of CSR. i.e.

$CS=f\ (CSR)$

H_{a1}: CSR and CS have a positive relationship.

H_{a2}: CSR and CS have a negative e relationship.

Research Methodology:

To study the CSR in the Indian banking industry, a sample was drawn from the banks (38) surveyed by Karmayog in 2010. Only the banks (11 of them were not rated in either one or more of the years, i.e., 2007-2010, under consideration for the study) that have been consistently rated over the period of research were included in the sample, and this leaves us with 27 banks. Three banks were associates of State Bank of India (SBI) and hence were dropped, as SBI had already been included in the study. Further, to give an equal representation to public and private banks, eight in each were selected, as only eight private banks were a paet of the survey. Out of this, one bank (City Union Bank Ltd.) had a zero CSR rating in all the years, hence it was left out. Thus, seven private and seven public banks were studied. This leaves us with only 14 banks.

Corporate sustainability has to be quantified in terms of financial and non-financial performance. The financial performance indicators are reputation, brand image, etc. For the purpose of the study, we considered only financial performance indicators in the form of PAT and EPS after controlling for the size (defined in terms of assets) and age of the banks over the period studied. Secondary data was analyzed through content analysis of annual reports, survey reports of Karmayog and individual websites of 14 banks for the five-year period from 2006-07 to 2010-11. Though the information on PAT, EPS, assets and age was available in the annual reports of the respective banks for the year 2011, their CSR rating was not available for this year (2011) as Karmayog has recently come out with its 2010 CSR reporting that covers the financial year 2009-10. Description of the data used and their sources are presented in Table 3.

Table 3; Data Description

Variable	**Measure**	**Operationalization**	**Date Source**
Independent	CSR	Composite CSR Rating	Karmayog Website
Dependent	-PAT -EPS		Annual Reports
Control	-Size -Age	• Assets • Year of Study- • Year of Establishment	Annual Reports, Bank Websites and Wikipedia

We conduct a 2-tailed (as answer can lie on both sides of the normal distribution graph) t-test at 5% significance level and 95% level of confidence (as the sample in small). CS is the dependent variable and CSR the independent variable. CSR has been measured and scored in terms of the CSR ratings given by Karmayog.

Statistical tests like correlation and regression analysis are applied using Excel. The correlation results are presented in Table 4. To understand the impact of CSR on CS, we need to relate CSR rating in one year to the bank's FP in the next year. Multivariate regression analysis is used for the purpose. Though regression is concerned with the nature and degree of association between the variables, it does not imply or assume anything about causality between them (Malhotra, 2004). Causation, as Malhotra (2004) puts, is very difficult to predict.

Table 4: Correlation Coefficients (r)				
	Av. PAT(bn)	**Av. EPS**	**Av. CSR Rating**	**Av. Assets (bn)**
Av. PAT(bn)	1			
Av. EPS	0.840117606	1		
Av. CSR Rating	0.463209204	0.363927003	1	
Av. Assets (bn)	0.985832019	0.88086745	0.397476756	1
Av. Age(years)	-0.1955826	0.078412826	-0.233623323	-0.168636665

The regression equations use is as follows:-

CS=F (CSR)

$PAT_{t+1} = a + b_1CSR_t + b_2Size_t + b3Age_t$

$EPS_{t+1} = a + b_1CSR_t + b_2Size_t + b3Age_t$

Where a = constant/intercept; and b_1, b_2 and b_3 are the respective partial regression coefficients.

Data Analysis and Results

PAT as the Dependent Variable- R is the multiple correlation coefficient and r is the simple correlation coefficient between the actual value of the dependent variable Y)PAT in this case) and predicated value of Y. R^2, the coefficient of determination, tells the strength of association between the two variables (dependent and independent).Here R^2 is 0.9782,i.e. 97.82% of the variation is explained by the three variables CSR, assets and age (see table 5, Panel A). Adjusted R^2 increases with the increase in the number of independent variables. The value of adjusted R^2 (0.9716) is close to that of R^2 and both are higher than r^2 (0.2146), calculated from Table 4) for the bivariate was (PAT and CSR). This suggests that the addition of other variable (i.e. assets and age) contributes in explaining the variation in PAT of the bank.

Table 5: Summary Output- PAT as the Dependent Variable	
Panel A: Regression Statics	
Multiple R	0.989019618
R^2	0.978159804
Adjusted R^2	0.971607745
Standard Error	3.663857358
Observations	14

Panel B: ANOVA					
	df	SS	MS	F-Value	Significance F
Regression	3	6012.1518189	2004.05273	149.2904509	1.33287E-08
Residual	10	134.2385074	13.42385074		
Total	13	6146.396697			

Panel C: Coefficient						
	Coefficients	Standard Error	*t-Stat*	p-*Value*	Lower95%	Upper 95%
Intercept	0.471489615	3.064510699	0.153854779	0.88078485	6.35666571	7.2996449
Av. CSR Rating	2.014069133	1.279771275	1.57377273	0.146616329	-0.83743896	4.8655772
Av. Assets (in bn)	0.009632103	0.000517876	18.59926312	4.35922E-09	0.008478205	0.010786
Av. Age(years)	-0.00883489	0.026289294	-0.33606403	0.7433767561	-0.06741108	0.0497413

Significance testing involves the overall regression equation as well as specific partial regression coefficients. The null hypothesis for the overall test in that the coefficient of multipl;e determination of the population, R^2, is zero.

H_0: $R^{2\ ppp} = 0$

This is equivalent to the following:-

H_0: $b_1 = b_2 = b_3 =$ ----------------------- $= b_k = 0$

i.e., all the partial regression coefficients are zero.

F Significance is the probability that the variance is not by mere chance. And if is F < 0.05, we have a meaningful correlation. Hence sig F = 1.33287E-08 (1.33*10-8,0.05), hence the overall null hypothesis which state that the variable have no relationship is rejected (see Table 5, Panel B). Thus, the relationship between the variable is significant at a = 0.05 to determine which specific coefficient (b_i's) are non-zero, additional tests are required.

The significance of the partial regression coefficients for CSR, assets and age can be tested by observing their t-value, and for the direction of the relation, the sign of the coefficient is considered. The p-value gives the probability that the variation in the dependent variable due to in independent variable is not by chance. This probability value should be small in order to ensure that the independent variable really influence the dependent variable, preferably it should be less than 0.1 (10%), and it is near to 50%, we can try another fit without this variable.

- The p-value for CSR (0.`1466) is >0.05, implying that the null hypothesis which states that the coefficient of this variable is zero is accepted. Thus, CSR has a statistically insignificant relation to PAT thought it is positively correlated to it (see Table 5, Panel C).
- The p-value of assets (4.35922E-09) is >0.05 and thus the null hypothesis that the coefficient of this variable is zero is rejected, and thus, the assets is not only positively correlated but also has a statistically significant relation with income. An increase in assets by Rs. 1 bn will result in a result in a Rs. 0.0096 bn increase in the PAT.
- The p-value of age (0.7438) is >0.05, so the null hypothesis that the coefficient of this variable is zero is accepted, which implies that age is not only negatively correlated but also has a statistically insignificant relation wit PAT.

There is a 95% probability that the true value of the coefficient lies between the lower 95% and upper 965% values. The probability that it lies below the lower value and above the upper value is 2.5% respectively. the narrower this range, the better it is. A high R^2 and significant partial regression coefficients may be good enough, but the accuracy of the regression model should be further checked by examination of the residuals.

EPS AS THE DEPENDENT VARIABLE

In this case, the R^2 is 0.7082, adjusted R^2 is 0.1324 calculated from Table 4). Thus, 70.82% of the variation is explained by the three independent variables, further suggesting that the addition of other variables makes contributions in explaining the variation in EPS of the bank (see Table 6, Panel A).

Here sig F (0.498) <0.05, thus relationship between the variable is significant at a = 0.05 (see Table 6, Panel B).

- The p-value for CSR (0.01669) is < 0.05, hence CSR has a statically insignificant relation with EPS thought it is positively correlated to it (see Table 6, Panel C).
- The p-value of assets (0.03137) is <0.05, so the assets are not only positively correlated but also has a statistically significant relation with EPS. An increase in assets by Rs. 1bn will result in a Rs.0.0131 increase in the EPS.
- The p-value of age (0.2073) is < 0.05; this implies age has a statistically insignificant relation with EPS thought it is positively correlated.

Table 5: Summary Output- PAT as the Dependent Variable	
Panel A: Regression Statics	
Multiple R	0.841155899
R^2	0.708221549
Adjusted R^2	0.620688013
Standard Error	21.4521903
Observations	14

Table 6: Summary output- EPS as the Department Variable

Panel B: ANOVA

	df	SS	MS	F-Value	Significance F
Regression	3	11170.18502	3723.395007	8.090859641	0.004978621
Residual	10	4601.977012	460.197012		
Total	13	15772.16203			

Panel C: Coefficient

	Coefficients	**Standard Error**	***t-Stat***	**p-*Value***	**Lower95%**	**Upper 95%**
Intercept	0.410318021	17.94298967	0.022867874	0.982205543	-39.5691542	40.38979
Av. CSR Rating	3.868835248	7.49317755	0.51631437	0.616858652	-12.8270047	20.564675
Av. Assets (in bn)	0.0131135141	0.003032208	4.331872536	0.001485184	0.006378959	0.0198913
Av. Age(years)	0.207550465	0.153926212	1.348376358	0.207282767	-0.13541851	0.5505194

CONCLUSION:

Though is seems most logical and rational to state that only when an organization is sustainable does it think on the lines of social responsibility, this paper makes an effort to understand whether CSR can be thought of as one of the ingredients to be incorporated from day one to enhance this sustainability further.

According to the analysis done, there still seems to be a weak support for a link between CSR and financial performance. The results indicate an insignificant impact of CSR on both the dependent variables: PAT and EPS. Thus, the result of this study shed doubt on the results of some previous studies that showed a neutral or a negative relation. Though the study brings out no concrete relation between CS and CSR (even when PAT and EPS showed a positive correlation with CSR) the fact remains that banks are performing CSR and are allowing themselves to be rated consistently for the same over the years, thus confirming that there is some purpose and benefit that they foresee in being socially responsible. One of the reasons for no significant relationship might be that the CSR activities have little relation with the actual business operations. Kim (2010) suggests that management and CEO should vigilantly ensure that there is no tradeoff between CSR aims and financial performance after making a social investment. They should prioritize long-term social investments and uphold social responsibility to ensure sound financial performance in the future.

LIMITATION OF THE STUDY:

Any study conducted, is not foolproof and hence its results should not be studied in isolation. This study has been conducted with utmost care but is naturally subject to some limitation.

The sample size can be further increased to ascertain the results. 14 banks have been considered (hence the confidence level at which we worked could be 90% in place of 95%). A study of more banks, including foreign banks in India, could be more representative of the banking industry in India.

In Kim's (2010) study, the negative impact of CSR was found right after social responsibility scores were announced, but the positive impact appeared within a one or two-year time lag. After a three-year time lag, this CSR impact starts to disappear, which means it takes some time for CSR to have an effect on financial performance. In our study, the impact has been studied only with a one-year lag and hence in many of the places it fails to show an significant association, thought it shows correlation. Any CSR activity would take at least two, three or more year to show its impact on PAT or EPS, as CSR is a long-term rather then a short-term investment. In place of CSR rating. CSR expenditure for the year could be taken as the variable. The age has a high variations range from average 14 to 144 years.

There can be some moderating variables like customer satisfaction, employee satisfaction, brand equity etc., and more control variables like leverage and R&D costs that influence the dependent variable, CS. After performing correlation and regression analysis using Excel, residual can be further probed to understand the error part. It goes unsaid that time and resources are two of the most important restraints in the study.

FUTURE SCOPE:

Future research in this area could proceed in many directions, but firstly, better measure of CSR is need to the hour to make it more objective. Many previous studies have used reputation index. CSR expenses, individual Environments performance, or S&P'S. ESG ratings and rakings. Al this makes a standard measurement more desirable. Therefore, research in this are could focus on perceptions of CSR with the help of surveys of the concerned stakeholders explored.

The study, to some extent, gives a vivid picture of the relationship CSR and CS on basis of some financial performance indicators for 14 banks. The same can be extrapolated for the industry after considering the suggested recommendations and taking care of the limitation. It can provide a cue to study other industries whether service or manufacturing. By including more public and private sector banks, a comparison too can be drawn between the two.

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