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Relationship between Corporate Social Responsibility and Financial Performance: A study on Indian Banking Sector

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Abstract
Purpose: The main purpose of this paper is to examine the impact of Corporate Social Responsibility (CSR) on the financial performance of few Indian Commercial Banks listed on stock exchange, for a period of 5 years from FY2015-16 to FY2019-20.
Design: This research is basically a causal study and Cross sectional models are employed to identify the impact of CSR expenditure. Financial indicators such as ROE, PAT, ROA, EPS, Operating profit margin, will analyze bank's financial performance and later it will be correlated with the CSR score assigned to the selected banks.
Findings: This research paper shows that there is a positive relationship between the CSR expenditure and the financial performance indicators of bank. The results reveal that CSR has a positive and significant influence on Operating profits of the banks. However, CSR shows only a slight correlation but no significant influence with Earnings per Share, Return on Equity and Return on Assets of the banks. CSR activities help the bank in contributing towards the welfare of the society and also again profitable result. Most of the banks who don't even fit into the criteria of contributing their share as CSR are also doing their best to avail the social and economic advantages of this investment.
Research Limitation: Since the banking sector consists of many private, public and foreign banks, hence it becomes impossible to study all the banks to come to a result. Therefore, the study includes analysis of the financial performance of 4 commercial banks in the Indian Banking sector.
Originality value: The originality value of this study lies in the deep analysis and quality check of the data. This is the only study that involves descriptive analysis and correlation tools to analyze the financial performance of the banks. Many researches have been done in the past but most of them include ratio analysis. Therefore this study will add new method of analysis to the existing pool of knowledge.
Keywords: Corporate Social Responsibility, Financial stability, Linear Regression Model, Descriptive Analysis, Correlation Analysis, Return on Assets, Operating Efficiency

I. INTRODUCTION

According to the United Nations Industrial Development Organization (UNIDO) Corporate Social Responsibility is explained as "A management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders." It is basically considered as the best way to achieve a balance of economic, environmental and social responsibilities and simultaneously address the expectation of shareholders and stake holders. The benefits of CSR are innumerable. It is equally important for both, the community as well as the company. It helps to fabricate a powerful connection between the employees and the corporations and help both fell more associated with the world around them. A rightfully implemented CSR concept brings a lot of competitive advantage in form of enhanced access to capital, enhancing the brand image, increased productivity and quality, better decision-making and risk management. The term CSR and Philanthropy are often used interchangeably, but they are different from each other. Philanthropy is basically a part of CSR activity whereas there is much more to CSR than just the philanthropic gestures.

According to Section135 and Schedule VII of The Companies Act, 2013, all the private limited or public limited companies, which either have a net worth of Rs. 500 crore or a turnover of Rs. 1,000 crore or net profit of Rs. 5 crore, are entitled to spend at least 2% of their average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. Under The Companies Act (Amendment), 2019 the companies are now supposed to deposit the unspent CSR funds into a fund prescribed under the same act, within the fiscal year, falling to which may cause a penalty from Rs.50,000 to Rs. 25,00,000, also leads to imprisonment in some cases. Since this activity became mandatory in India, a significant rise was observed ever since. In 2019-2020, companies spent over 231% more as compared to the amount in 2013-14, as shown in Figure 1 below.

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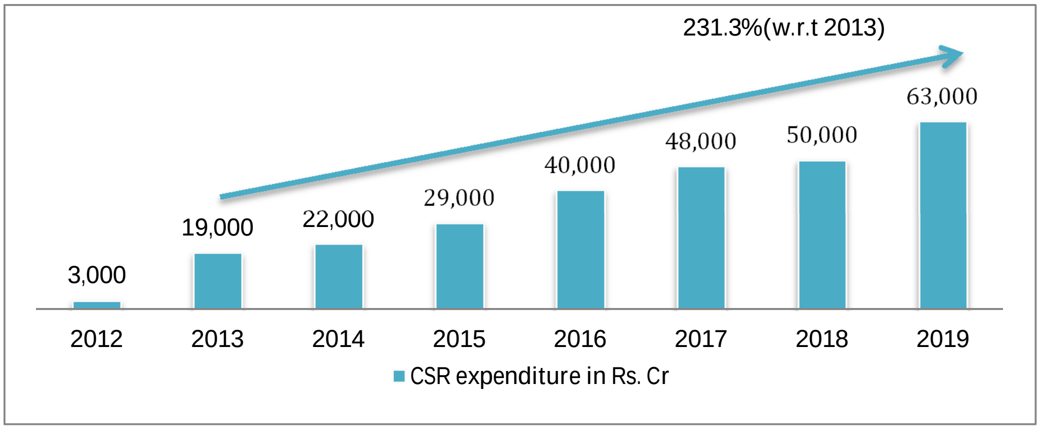

Figure 1. CSR expenditure (In Rs. Crore)

(Source – Economic Times, 2019)

Carroll's CSR pyramid is the complete framework that tells us about why and how social responsibility should be taken care off by the companies. Archie Carroll introduced the framework. The framework highlights the four most important types of responsibility of organisations. These responsibilities basically are:

1) Economic Responsibility
2) Legal Responsibility
3) Ethical Responsibility
4) Philanthropic Responsibility

As shown below in Figure 2, the base of the pyramid is profit. It is one of the important objectives of any company or organisation to sustain till long and earn profits. This also helps to meet the shareholder's demands. Then comes the need for a business to ensure that it obeys all the laws and regulations associated. It is to be noted that before business considers its Philanthropic options, it needs to focus on its ethical duties.

Figure 2. Carroll's CSR Pyramid

Therefore, it can be understood that CSR has now become an important part of functioning of an organisation. The performance of these companies or organisations must be judged beyond the financial parameters and include qualitative factors like CSR. Considering the importance of banking sector in India, this study is focused on the CSR activities carried out by few Indian Commercial banks.

A. Objective Of The Study

The objectives of present study are following:

1) To analyze the trend of Corporate Social Responsibility in selected Indian banks
2) To study the impact of Corporate Social Responsibility expenditure on the following financial performance indicators of selected Indian banks
   a) ROE
   b) PAT
   c) EPS
   d) ROA
   e) Operating profit margin

B. Hypothesis Of The Study

1) *Statement:* There is a relationship between CSR spending and Financial Performance of the banks
2) *H0:* There is no relationship between CSR spending and PAT of a bank
3) *H1:* There is a relationship between CSR spending and PAT of a bank
4) *H0:* There is no relationship between CSR spending and ROA of a bank
5) *H1:* There is a relationship between CSR spending and ROA of a bank
6) *H0:* There is no relationship between CSR spending and ROE of a bank
7) *H1:* There is a relationship between CSR spending and ROE of a bank
8) *H0:* There is no relationship between CSR spending and EPS of a bank
9) *H1:* There is a relationship between CSR spending and EPS of a bank
10) *H0:* There is no relationship between CSR spending and operating profit margin of a bank
11) *H1:* There is a relationship between CSR spending and operating profit margin of a bank

II. LITERATURE REVIEW

A. CSR Contributions

With the rise in the idea of societal marketing, the concept of Corporate Social Responsibility (CSR) is also gaining importance. (Kaur & Singla, 2020) The most effective CSR plans ensure that while organizations comply with legislation, their investments also respect the growth and development of marginalized communities and the environment. (Shira, 2020) CSR activities should be those initiatives that an organisation can uphold and also they do not affect the business goals of the organisation negatively. (Dezan, 2020)Corporate Social Responsibility (CSR) has now become a mainstream global business strategy in recent years (Das, 2020) after it was made mandatory in Section 135 (VII) of The Companies Act, 2013. (Duppati, Bird, & Mukherjee, 2017)The impact of CSR has been studied various times by examining the managerial aim behind decisions on stakeholder policies. (Hunjhunwala & Sharda, 2019)A large number of organisation have started contributing towards numerous such activities directed toward social welfare, although the major motive has shifted from societal welfare to profit maximization (Shyamlal, 2016)

B. Bank's Financial Performance

A pivotal role is played by the CSR initiatives in building trust and minimize the gap between the employees and the management of the bank. (Saikrishna & Varghese, 2020)Inculcating CSR culture with the business objectives to build strong corporate personality can lead to acceptance of the firm in the society and enhanced competitive advantage. (Suvendu & Shigufta, 2019)It is critical not only to the management of the commercial banks but also to other stakeholders and interest groups such as the country's Central Bank, the government as a whole, the banker's association as well as other financial authorities in the country; to understand the factors that influence performance of commercial banks. (Abdirizak & Sammanter, 2019)Corporate Social Responsibility (CSR) is a recent fad when ranking of the banks profitability is to be studied by the investor. (Tandon, Tondon, & Batra, 2018)Return on Asset (ROA) and Return on Equity (ROE) are considered two key financial performance indicators for Indian banks. (Thakur, 2017)Banking sector plays a vital role in economic development of any country and in a fast-developing economy like India, Banking sector plays a vital role. This sector has a major role to play. (Saini & Khanduja, 2019)The Financial performance of a bank can be analyzed in terms of profitability, dividend growth, sales turnover, and return on investments among others. (Prabhavath & Dinesh, 2017)However, there are several debates among several disciplines regarding how the performance of firms should be measured and the factors that affect financial performance of companies (Lentner, Tatay, & Szegedi, 2015)

C. Positive Relationship

CSR investments play a pivotal role in analysis of bank's image, brand and reputation and building a strong bond of trust among the employees and the bank management. (Abderrahmane & Brahim, 2020) Moreover, CSR activities help to cultivate a better culture by improvising in the quality of customer service for achieving competitive advantages keeping in mind the firm's profitability and societal welfare (Suvendu & Shigufta, 2019)A study by (Tripathi & Tyagi, 2019) shows that CSR positively impacts the financial performance indicators of a bank, which are ROE, ROA, PBT etc. The results of their study show that when contribution to CSR increases the financial performance of the company also increases and vice-versa. Supporting the study by (Tripathi & Tyagi, 2019), (Francesco Gangi, Mustilli, Lucia, & Michela, 2019) mentioned how the social spending affected the financial performance of European Banking Industry.

The results of the study denoted that the leverage and the size of the bank significantly predict the bank's CSR engagement. The study indicated that banks with higher CRS have higher financial performance. The positive relationship between CSR and reputation confirms that those banks with the best reputation have higher standards of selection and monitoring. (Bafna, 2017) He considered three variables for financial performance: Net profits, EPS and ROE. A correlation and regression analysis concluded that CSR had a significant positive influence on the Net profit of the company but no significant influence was observed with EPS and ROE. (Shafat & M, 2017) Highlighted that CSR is an important driver of enhancing financial performance. He found CSR is positively correlated with financial performance. (Adeneye & Ahmed, 2015) The study examined the impact of corporate social responsibility on company performance. Descriptive statistics, regression and correlation analysis were carried out. The study however found no significant relationship between CSR and size. (Mishra & Suar, 2010) The study conducted by them was sound enough that they explained that listed firms have higher increase in financial performance as they are more corporate socially responsible while non-listed firms have low performance due to their bad commitment of CSR.

D. Negative or No Relationship

The results of few studies shed doubt on the results of some previous studies that concluded a significant positive relation between such spending and financial performance; and support the studies that showed a neutral or a negative relation.

(Shah & Gomathi, 2018) In their study mentioned that there was no significant impact on CSR expenditure on the financial performances.

The analysis showed that the contribution made by banks in recent years has increased but it still does not meet the requirement given in The Company Act, 2013. They suggested that, as with the competition between the private and public sector banks stakeholders surely can give up existing bank even for small dissatisfaction therefore banks have to do more and more CSR activities for achieving good financial performance.

(Shyamal, 2017) A study conducted on Reliance Industries Limited's contribution as CSR suggested that there was no significant relationship among such contributions and the company's growth. The author opined that both the factors are mutually exclusive and hence bot related. (Saxena & Kohli, 2012) According to the analysis done, there is a weak support for a link between CSR and financial performance. The results indicate an insignificant impact of CSR on both PAT and EPS. They suggested that one of the reasons for no significant relationship might be that the CSR activities have little relation with the actual business

E. Research Gap

There are a lot of researches already done on this topic, but the originality of this study lies with the in-depth analysis and quality check of the data. This is the only study that involves descriptive analysis and correlation technique to analyze the financial performance of the banks and identify the impact of the CSR spending on their financial performance. Many researches have been done in the past but most of them include ratio analysis. Therefore this study will add new method of analysis to the existing pool of knowledge. The results can contribute significant value to the qualitative method of conducting research.

III. METHODOLOGY

This paper is based on secondary data, which is collected from the Annual Financial Reports of Axis Bank, HDFC Bank, ICICI Bank and Punjab National Bank for a period of 5 years that is from FY2015-16 to FY2019-20. All the commercial banks selected are listed on the Indian Stock Exchange Markets. The sample size of this study is based on 4 commercial banks i.e. Axis Bank, HDFC Bank, ICICI Bank and Punjab National Bank.

A. Method

The main purpose is to find out the impact of CSR on the financial performance of the banks. So, in this research ROA, PAT, EPS, Operating profit Margin and ROE are taken to measure the financial performance of the selected banks and represent dependent variables. The CSR expenditure represents the independent variable. A descriptive analysis, Correlation technique and Regression Analysis will be used to analyze the impact on financial performance.

B. Variables Measurement and Definitions

1) *Return on Asset (ROA) (%):* Return on Asset (ROA) is the ratio of net income produced by total assets during a period of time. It is basically used to measure how efficiently a company is managing its assets to earn profits. The ROA figure gives investors an idea of how effective the company is in converting the money it invests into net income. The higher the ROA, the better it is, because the bank is able to earn more income from less investment.

Mathematically, the ROA can be calculated as:

ROA = Net profit after interest and taxes
Total Assets

2) *Earnings Per Share (EPS):* Earnings Per Share (EPS) shows how much money a bank makes for each share of its stock. EPS usually serves as bank's indicator for profitability. It basically shows how much more return is earned on behalf of each outstanding share of common stock during period of one year. Mathematically, the EPS can be calculated as:

EPS = Net profit after Interest and Tax.
Total number of outstanding shares

3) *Profit after Tax (PAT) or Net Profit:* Profit after Tax (PAT) or Net Profit is a measure of financial performance. It is calculated by dividing net profit after interest and taxes by total revenue of bank. Mathematically, the PAT can be calculated as:

PAT = Net profit after interest and taxes
Total Revenue

4) *Return on Equity:* Return on equity (ROE) measures how effectively management is using a bank's assets to produce profits. Mathematically, ROE can be calculated as:

ROE = Net Income .
Shareholder's equity

5) *Operating Profit Margin (%):* The operating margin measures how much profit a company makes on a rupee of sales, after paying for variable costs of production, such as wages and raw materials, but before paying interest or tax. It is calculated by dividing a company's operating profit by its net sales. Mathematically, ROE can be calculated as:

Operating Profit Margin = Operating Earning
Revenue

6) *CSR score:* The CSR expenditure by each bank is studied and ranked representing the CSR score for each bank.

IV. DATA ANALYSIS

The data analysis is done with Minitab-18 Software. Simple regression was used to determine the impact of corporate social responsibility on financial performance of listed banks in India. Corporate donations and charitable services as proxies for corporate social responsibility, while Net profit, Return on Asset, Earning per share and Operating profit margin is served as proxies for financial performance.

The regression analysis is conducted on the following equations:

1) *Model 1:* Net Profit = f (CSR)

Net Profit = $\beta0 + \beta1$CSR + $\mu1$

2) *Model 2:* EPS = f (CSR)

EPS = $\beta2 + \beta3$CSR + $\mu2$

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3) *Model 3:* ROA = f (CSR)
ROA = β4 + β5CSR + µ3

4) *Model 4:* ROE = f (CSR)
ROE = β4 + β5CSR + µ3

5) *Model 5:* Operating profit margin = f (CSR)
Operating profit margin = β4 + β5CSR + µ3

Where,
ROE = Return on Equity
EPS = Earnings per Share
ROA = Return on Assets
Operating profit margin shows the margin in operating profit
Net Profit represents the profit after tax
β0, β2, β4 = Constant
β1, β3, β5 = Coefficients
µ1, µ2, µ3 = Error/Stochastic term

V. RESULTS AND DISCUSSION

A. Findings

1) CSR Trend Analysis

The following table shows the total CSR contribution by each of the selected banks:

	Particulars	2015-16	Rank	2016-17	Rank	2017-18	Rank	2018-19	Rank	2019-20	Rank
Axis Bank	Average net profit for 3 years	8153.34		9821.75		9341.76		6986.54		5030.78	
	Expected CSR	163.0668		196.435		186.8352		139.7308		100.6156	
	Amount actually spent	137.41	**2**	135.39	**2**	133.77	**3**	149.37	**3**	100.96	**3**
	Unspent	25.6568		61.045		53.0652		0		0	
	Spent extra	0		0		0		9.6392		0.3444	
HDFC Bank	Average net profit for 3 years	12,385		15,200		21,960		21,078.10		26,257	
	Expected CSR	248		304		439.2		421		525	
	Amount actually spent	198.81	**1**	305	**1**	443.8	**1**	444	**1**	535.14	**1**
	Unspent	49.19		0		0		0		0	
	Spent extra	0		1		4.6		23		10.14	
PNB	Average net profit for 3 years	3974		1325		5214		9975		336	
	Expected CSR	0		2.65		0		0		6.72	
	Amount actually spent	6.767	**3**	2.722	**4**	2.108	**4**	2.953	**4**	2.921	**4**
	Unspent	0		0		0		0		3.799	
	Spent extra	6.767		0.072		2.108		2.953		0	
ICICI Bank	Average net profit for 3 years	238.13		1257.5		9900.86		8502.4		6365	
	Expected CSR	4.7626		25.15		198.0172		170.048		127.3	
	Amount actually spent	4.7	**4**	23.82	**3**	182.3	**2**	170.38	**2**	134.34	**2**
	Unspent	0		1.33		15.7172		0		0	
	Spent extra	0		0		0		0.332		7.04	

Figure 3. CSR Trend Analyses (Amount in Rs. Cr)

It is observed that, amongst the 4 banks, HDFC tends to spend the maximum amount on the activities, followed by Axis Bank, ICICI Bank and Punjab National Bank. The table shows that each of the banks have been constantly making efforts to contribute for CSR activities; moreover there are banks like, PNB who is spending more than the required amount for the same.

B. *Descriptive Analysis*

The descriptive statistics are illustrated in Figure 4 below where the model variables are explained in terms of their mean, minimum and maximum values.

The descriptive statistic table above shows that, the proxy for firm's profitability, which is the return on equity (ROE) is 6.24% with standard deviation of 9.87. The maximum ROE is 17.22% while the minimum ROE is -22.82% that shows the banks performed averagely for the period under study.

Furthermore, the higher value of ROA is the indication of high profitability of all banks. The value of ROA fluctuates between -1.21% and 1.75%. The average value of EPS is 18.37. The variability in data regarding EPS is higher from all variables except PAT. The value of EPS fluctuates between -54.71 and 83.33. The mean value of PAT is 7994. The variability in data regarding PAT is highest as compared to other variables for all banks during period from 2016-20. The minimum value of PAT is -4715 and maximum value of PAT is 27296.

Figure 4. Descriptive Analyses

Variable	N	Mean	SE Mean	St Dev.	Min.	Median	Max.
Net Profit	20	7994	1876	8390	-4715	7023	27296
Basic EPS (Rs.)	20	18.37	7.49	33.51	-54.71	15.77	83.33
Return On Assets (%)	20	0.698	0.187	0.835	-1.21	0.66	1.75
Return on Equity (%)	20	6.24	2.21	9.87	-22.82	7.29	17.22
Operating Profit Margin (%)	20	-26.93	6.09	27.25	-76.74	-19.83	3.32
Net Profit Margin (%)	20	8.58	3.08	13.78	-25.82	11.12	22.33

C. *Correlation*

This research employed the use of Pearson's correlation on the data to examine the existence or otherwise of the relationship between and among the study variables. Table 3 below is the correlation matrix table.

From the table 3 below, it can be seen that the profitability of the firms is positively related with CSR expenditure of the banks. The positive relationship indicates that if CSR is increased, the action improves the firms' profitability. Likewise, if the CSR contribution is lessened, the profitability declines.

Figure 5. Correlation Table

	Net Profit	Basic EPS (Rs.)	ROA (%)	ROE (%)	Op Profit Margin (%)
Basic EPS (Rs.)	0.837	1			
ROA (%)	0.864	0.881	1		
ROE (%)	0.765	0.81	0.97	1	
Op Profit Margin (%)	0.289	0.519	0.381	0.298	1
CSR Score	0.579	0.438	0.251	0.168	0.854

1) *Findings:* The above table shows that CSR has a strongly positive correlation with the operating profit margin that is 0.85; this shows that the operating profit of the banks increases as they increase their expenditure on such contributions. The table also shows that the PAT, ROA and ROE of the bank are weakly correlated with the CSR expenditure. Moreover, the EPS shows a moderately positive correlation (i.e. 0.43) with the CSR expenditure. This means, the EPS tends to rise with respect to increase in the CSR Contributions. Hence the null hypothesis fails to be rejected showing that there is a relationship between CSR and the financial position of the banks (that is estimated by PAT, ROE, ROA, EPS, Op profit margin).

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D. Regression

Note: R^2 assumes that every single variable explains the variation in the dependent variable.

The adjusted R^2 (or coefficient of determination) tells the percentage of variation explained by only the independent variables that actually affect the dependent variable.

- *Net - profit and CSR*
- *HO:* There is no relation between net profit and CSR
- *H1:* There is a relation between net profit and CSR
- *Regression Equation*

Net Profit = 2899 + 2038 CSR Score

Table 4: Regression Model- 1

	R square	R-square (ad)	P value	VIF	Coefficient
Constant					
CSR	7.76%	2.64%	0.03	1	2899

The result of data analyses above shows that the strength of the relationship between Net profit and CSR is 7.76%. While the value of the coefficient of determination indicate that about 2.64% of the variations in Net profit can be explained by variations in CSR. Since, p value < 0.05, therefore null hypothesis is rejected. Thus, we conclude that Net profit has a significant relationship with corporate social responsibility. Though the variation in Net Profit due to CSR is less i.e. 7.76% approx., the coefficient of 2899 shows that they have a positive relationship.

- *ROA and CSR*
- HO: There is no relation between ROA and CSR
- H1: There is a relation between ROA and CSR
- *Regression Equation*

Return On Assets (%) = 0.242 + 0.182 CSR Score

Table 5: Regression Model- 2

	R sq	R-square(ad)	p value	VIF	Coefficient
Constant					
CSR	6.28%	1.07%	0.04	1	0.242

The result of data analyses above shows that the strength of the relationship between ROA and CSR is 6.28%. While the value of the coefficient of determination indicate that about 1.07% of the variations in ROA can be explained by variations in CSR. Since, p value < 0.05, therefore null hypothesis is rejected. Thus, we conclude that ROA has a significant relationship with corporate social responsibility.

- *ROE and CSR*
- *HO:* There is no relation between ROE and CSR
- *H1:* There is a relation between ROE and CSR
- *Regression Equation*

Return on Equity (%) = 2.62 + 1.45 CSR Score

Table 6: Regression Model- 3

	R-sq	R-square(ad)	p value	VIF	Coefficient
Constant					
CSR	2.82%	1.67%	0.025	1	2.62

The result of data analyses above shows that the strength of the relationship between ROE and CSR is 2.82%. While the value of the coefficient of determination indicate that about 1.67% of the variations in ROE can be explained by variations in CSR. Since, p value < 0.05, therefore null hypothesis is rejected. Thus, we conclude that ROE has a significant relationship with corporate social responsibility.

- *EPS and CSR*
  - *HO:* There is no relation between EPS and CSR
  - *H1:* There is a relation between EPS and CSR
- *Regression Equation*

Basic EPS (Rs.) = -13.6 + 12.80 CSR Score

Table 7: Regression Model- 4

	R-sq	R-square(ad)	t value	VIF	Coefficient
Constant					
CSR	19.21%	14.72%	0.6	1	-13.6

The result of data analyses above shows that the strength of the relationship between EPS and CSR is 19.21%. While the value of the coefficient of determination indicate that about 14.72% of the variations in EPS can be explained by variations in CSR. Since, p value < 0.05, therefore null hypothesis is rejected. Thus, we conclude that EPS has a significant relationship with corporate social responsibility. The negative coefficient of -13.6, shows that there is a negative relation between CSR and EPS.

- *Operating Margin and CSR*
  - *HO:* There is no relation between operating margin and CSR
  - *H1:* There is a relation between operating margin and CSR
- *Regression Equation*

Operating Profit Margin (%) = 77.62 + 20.28 CSR Score

Table 8: Regression Model- 5

	R	R-square	t-value	VIF	Coefficient
Constant CSR	7.76%	2.64%	1.23	1	77.62

The result of data analyses above shows that the strength of the relationship between operating margin and CSR is 7.76%. While the value of the coefficient of determination indicate that about 2.64% of the variations in operating margin can be explained by variations in CSR. Since, p value < 0.05, therefore null hypothesis is rejected. Thus, we conclude that operating margin has a significant relationship with corporate social responsibility.

VI. CONCLUSION

All the banks, which come under the Companies Act 2013, are doing CSR activities. There are some banks that do CSR activities even if they doesn't comes under the act. From the annual reports it is found that all the banks are allocating 2% of their net profit towards CSR. But most of the banks are not utilizing the full amount allocated towards CSR. There are banks that don't disclose their spending on CSR activities. This paper examined the impact of CSR on return on equity, return on asset, net profit, earnings per share, operating profit margin. According to this study, all the indicators of financial performance of banks had a positive relation with the CSR spendings. Although the rate at which CSR affects EPS and Operating profit is more than that with ROE, ROA and Net Profit.

An important sector such as banking could look at spending and allocating more towards CSR activities while future research can also examine the influence of CSR spending in other important sectors of the economy. CSR reporting may provide assistances and welfares for both banks and the econometric models suggests that socially responsible banks can not only attract large numbers of customers but also increases profitability.

A. Limitations and Recommendations

1) Limitations of the Study

a) The study does not consider non-financial parameters like employee satisfaction, customer satisfaction, and shareholders views
b) The study does not consider other factors such as firm size, firm age, firm leverage and market value
c) The study has only taken only 4 banks for the study and has not considered the rest of the banks

2) Recommendations and Suggestions

a) Significant research has been done on the financial performance of the 4 banks whereas in order to establish a definite and a significant relationship larger sample must be taken for a study.
b) The data is collected only for 5 years. Data can be collected for a huge span of time for getting the appropriate results and to make an in-depth analysis
c) The study only uses three performance measures such as Net profits, EPS and ROA whereas there are other performance indicators such as the Market value of the firm, Return on Investments, Price to Book value ratio, P/E ratio which can determine a different result.
d) Non-Financial parameters can be taken into consideration to find out the views on CSR spending and how it impacts the overall performance of the firm.

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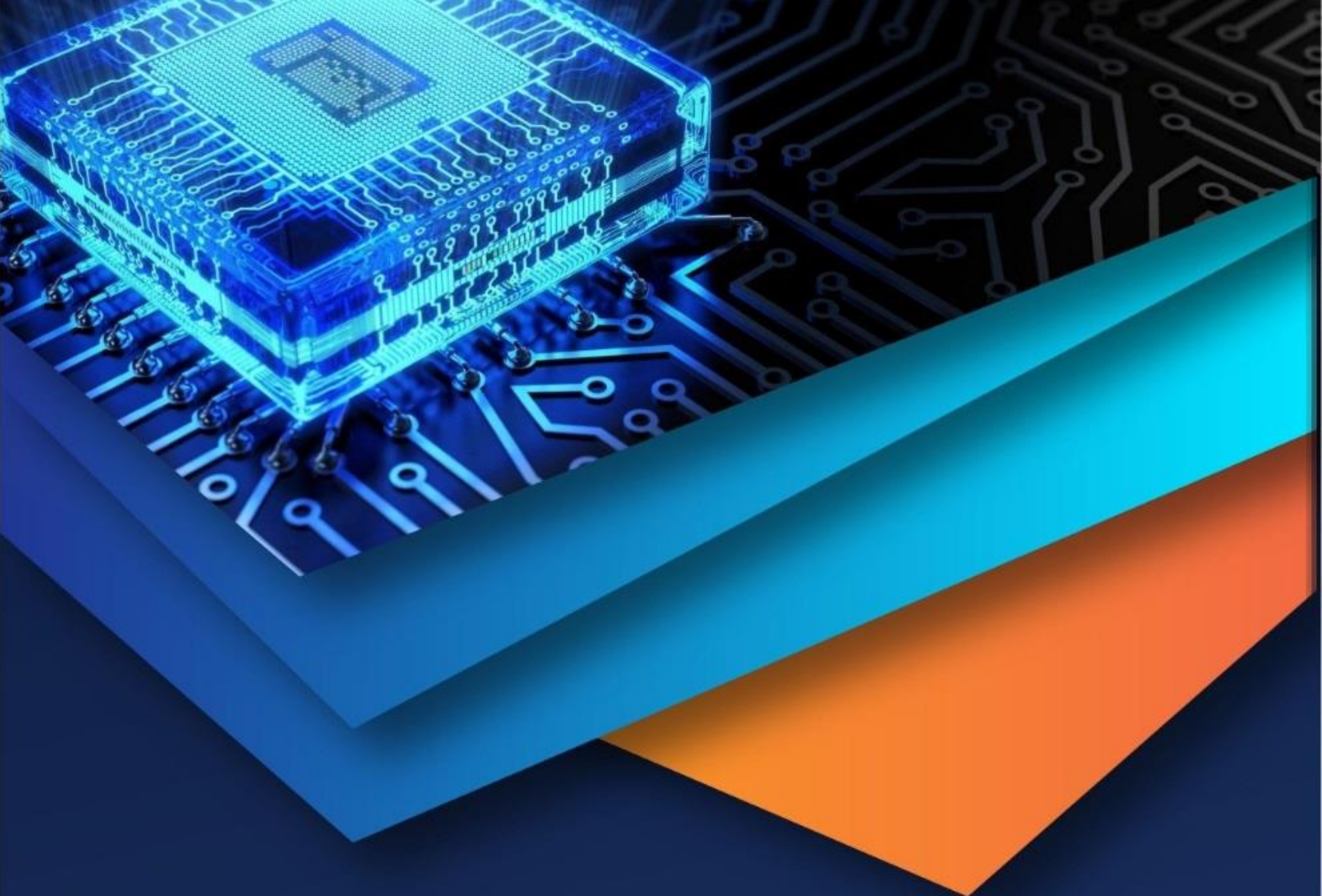

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