

A Case Study of State Bank of India on Corporate Social Responsibility

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ABSTRACT

‘Success’ is the main motto of each and every commercial bank. While providing services to the businesses, they try to find the credit of client, society, government to generate a brand image for their bank to stimulate their business activity in this competitive scenario. They implemented various Corporate Social Responsibilities policies to fulfill their objectives. This paper emphasis on the comparative facts which has been spent by State Bank of India from 2012-13 to 2016-17 and deep analysis of the year 2016-17. To promote the business Corporate Social Responsibility is necessary now a days. This research paper deals with an basic understanding about the Corporate Social Responsibility, and finding out its scope by taking the case study of State Bank of India and how the justify there responsibility towards the growth of common crowds and security of the environment and development

Keywords: - Corporate Social Responsibility (CSR), State Bank of India (SBI)

Introduction

In the current scenario of competition, the new strategy to develop business is to create Brand Image. Now days only growth is not enough in these market but we should generate the wealth, also generate employment, make innovation and maintain sufficient surplus to sustain business activities in bad time. Corporate Social Responsibility is a concept where by companies take care social and environmental concerns with their business operations. Corporate Social Responsibility is a way where corporate house work through balance of economic, environmental and society that is Triple-Bottom-Line- Approach i.e. profit, planet and people with fulfilling the expectations of shareholders and stakeholders. The origin of the Corporate Social Responsibility has been traced back to the works of Bowen, particularly his book Social Responsibilities of Businessmen published in 1953. Corporate Social Responsibility is well-defined as the unending commitment by business house to behave ethically with economic development while improving the quality of life of the workforce and their families as well as of the local community and society. The Clause 135 Companies Act 2013 make mandatory for companies to spend at least 2% of their average net profit over three years on corporate social responsibility. As per the new norms spending is not only mandatory but also the reporting is mandatory. The CSR norms are applicable to companies having either net worth of Rs 500 crores or more; turnover of Rs 1,000 crores or more; or net profit of Rs 5 crores or more.

Why State Bank of India is selected for case study?

SBI has history of 200 year with it; it is one of the biggest commercial bank in India in terms of assets, deposits, profits, branches, customers and employees. The State Bank of India is ranked 60th by "The Banker" in the list of 1000 banks in July 2012. As of now State Bank of India hold billions of assets, thousands of branches, including more than 100 foreign offices, making it biggest bank financial services provider institute in India by assets. Due to these reason State Bank of India is Selected.

Objectives of the Study:

- To know the perception of Corporate Social Responsibilities.
- To analyze various approaches of Corporate Social Responsibility adopted by State Bank of India.
- To know the spending pattern of State Bank of India on Corporate Social Responsibilities in different years.
- To study the sector wise distribution of Corporate Social Responsibility expenditure.

Research methodology

For the research purpose all the data are collected from the secondary sources it includes books, research paper, articles, newspapers, magazines as well as website for the purpose of the study. The report of State Bank of India 2016 -17 is main source of information to study the case.

Case study analysis

In this era of competition business house have to consider everyone customer, supplier, employees, laborer, society and many others. So they should prove their existence not only in good time of society but also in bad time of society and no company can survive for the long time if they do not concentrate in balanced development of business as well as of society. As we discuss about the State Bank of India they conduct various corporate social responsibilities activity and also actively work in corporate social responsibilities programs

Table No.1 Details of CSR Spending from 2012 -13 to 2016-17

SBI	2016-17	2015-16	2014-15	2013-14	2012-13
PROFIT AFTER TAX (in crore)	10,484	9,951	13,102	10,891	14,105
TURNOVER (in crore)	2,10,979	1,91,844	1,74,973	1,54,904	1,35,692
CSR SPEND (in crore)	115.80	143.92	109.82	123	71

Source: - Annual Report & Websites

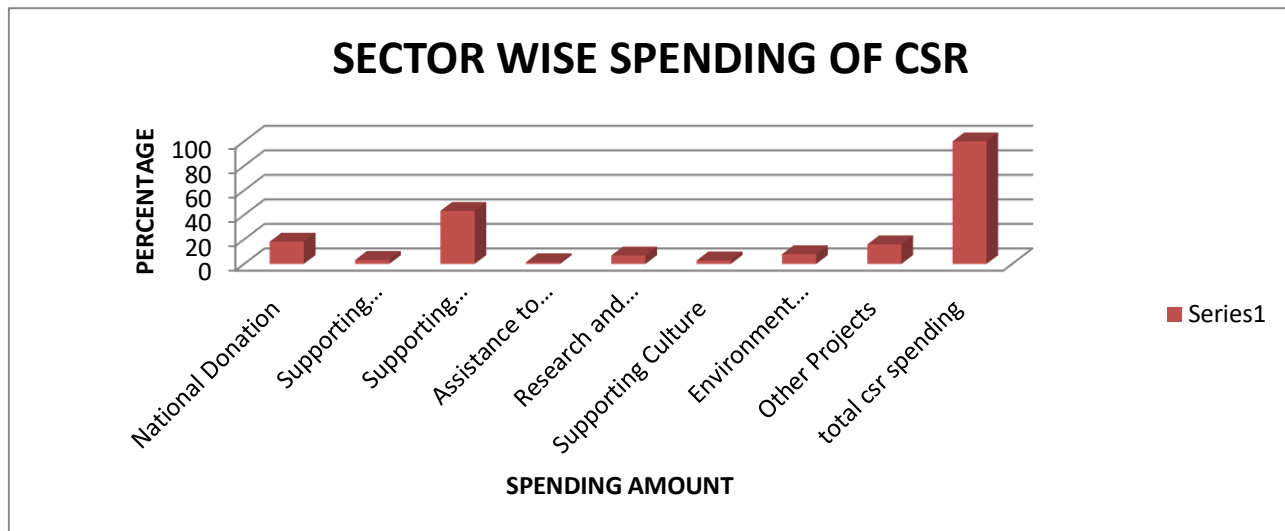
From the table no. 1 we can analyze that the spending on CSR is more than 100 crores in in four years i.e. 2013-14, 2014-15, 2015-16, 2016-17 and the Executive Committee of the Central Board has permitted in August 2011 a comprehensive policy for Corporate Social Responsibility. The year 2016-17 saw the CSR activities of the Bank scaling new heights of achievement and glory by winning the prestigious Golden Peacock Award for Corporate Social Responsibility 2012, awarded in Dubai by the Institute of directors, New Delhi.

As the table no.1 shows the details of the Profit After Tax, Turnover, Corporate Social Responsibility Spending from the year 2012-13 to 2016-17 which consist of 5 years. Now the micro details for the year 2016-17 is mentioned below.

Table No.2 Sector wise Spending of CSR Expenditure

CSR Activities	Amount (in crores)
National Donation	20.0
Supporting Education	3.57
Supporting Healthcare	47.57
Assistance to underprivileged	1.57
Research and Development	7.61
Supporting Culture	3.12
Environment Protection	8.76
Other Projects	17.6
Total	109.82

Source :- SBI Annual Reports



- **National Donations:** - State Bank of India has always been at lead position to aid the States affected by natural calamities. In the financial year 2016-17, the Bank helped to the various states (affected by flood, cyclone and earthquakes). It has given contributions of Rs 20 crores to the Chief Minister's Relief Fund of the respective states to provide help to the people affected by natural calamities.
- **Supporting Education:** - In the sector of education, for well governance and principles, Bank, has launched a project to convert and upgrade the outcome of and educational infrastructure in 1300 schools run by the Municipal Corporation in partnership with the Municipal Corporation of Greater Mumbai (MCGM). State Bank of India has drawn up a program named "State Bank of India corps" for youth, which would give fresh graduates from various institutions an opportunity to live in villages and work on development projects with well-known Non-Government Organization. To support school education and to bring joy-ness to millions of school children especially the needy children, Bank provided 1, 20,000 electric fans to 12,000 schools across to the nation. During this financial year, the Bank has given too many numbers of buses to needy schools. Priority has been given to schools for physically and mentally challenged children, and children belonging to economically weaker sections etc. State Bank of India also assisted those with computers, furniture and other accessories State Bank of India Youth for India Fellowship: Bank has arranged fellowship to educated youth and organized them to rural areas to undertake innovative projects to address local problems of rural poor. State Bank India has moved upon many projects like Rural Employment Guarantee Schemes, IVRS helpline for farmers and fishermen, Career guidance, Improving marketability of farm produce, Education of rural youth through Information and Communication Technology, Environment protection, and many others.
- **Supporting Healthcare:** - The State Bank of India stressed to help basic infrastructure support to better the condition of the common person. Ambulances, medical vans to allow medical camps in distant areas and mobile blood collection vans and host of other medical equipment were donated to needy groups and hospitals for speedy transport for

critical patients as well as to provide medical services to the isolated parts of the country. The Bank had contributed 95 such vehicles with a spending of 47.57 crores during the year. Medical instrument costing 6.10 crores were donated to needy hospitals and healthcare institutions. Providing pure and safe drinking water has always been a challenge for schools. State Bank of India installed 13,600 water purifiers at many schools for safe drinking water to thousands of children in schools.

- **Assistance to Underprivileged** State Bank of India have adopted girl children from underprivileged class and assist them financially for their education. Bank has adopted 17627 girl children. State Bank of India had given charity of Maruti Suzuki ECO for orphaned and under-privileged children in Delhi as part of its CSR practices . The cars will give benefit to more than 100 under-privileged children. State Bank of India has given computers, inverters, bookshelves, and exhaust fans for 25 poor children. The State Bank of India Group, through its belief in inspiring action on behalf of the children, who will carry Japan's future, has founded the State Bank of India Children's Hope Foundation. Between Financial Year 2005 to Financial Year 2012, the Foundation contributed overall of ₹780 million towards for children development and safety. The State Bank of India has Children's Hope Foundation has supported the Orange Ribbon Campaign, which increases public awareness for children exploitation prevention. The State Bank has formed State Bank of India Children's Welfare Fund as a Trust in 1983. During the Financial Year 2016-17, 8 projects were assisted with 7.26 lakhs rupees.
- **Research and Development:** - The State Bank of India supports research work for the accomplishments of the bank from its Research & Development Fund. The Bank makes an annually support of GBP 100,000 towards a Chair set up by the Bank jointly with Reserve Bank of India at Asia Research Centre at London School of Economics.
- **Supporting Culture:** - Corporate Social Responsibility has a superior relevance for India as India has a rich and alive with spiritual heritage to accompaniment the "analytical ethics" from the West with her "being" or "consciousness" ethics and State Bank of India has spent Rs. 1.15 crores on supporting cultural development in India during financial year 2016-17.
- **Environment Protection:** - State Bank of India fully supports to a Clean Environment Policy. To the extent they started to stop unnecessary printing and avoided paper waste and all the information and instructions to all are conveyed through secure electronic mode only. The State Bank of India Group also manages an Environment and Energy Fund. The fund invests in Japanese and foreign companies that are associated with the environment and energy. As one of Japan's largest venture capitalists, the State Bank of India Group has an abundance of knowledge in financing in and cultivating venture companies in important fields such as information technology and biotechnology.

- **General Projects of Corporate Social Responsibility:-**The State Bank of India Children's Hope Foundation support training for about 50 specially selected care workers at child care services, conducting various programs. The main concern is to provide on-the job training programs that gives the knowledge and skills required to help abused children heal their emotional scars. State Bank of India sponsored in Mumbai Marathon 2013 to support mentally challenged children as a part of corporate social responsibilities.

Conclusion To conclude that State Bank of India has an all-inclusive Corporate Social Responsibility policy accepted by their Board. They are focused mainly on education, balanced growth of society, health, environmental marketing and customer satisfaction as their main Corporate Social Responsibility activities. The State Bank of India bank is initiated to adopt an combined approach of Corporate Social Responsibility with customer satisfaction.

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