



Corporate social responsibility practices of State Bank of India – An analytical study

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Abstract

Corporate Social Responsibility (CSR) is a concept whereby organisations consider the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. This obligation extends beyond the statutory rules to comply with legislation and sees organisations voluntarily taking further steps to improve the quality of life for employees, their families, and society. Bhaskar Chatterjee is widely acclaimed as India's Father of Corporate Social Responsibility (CSR). He was instrumental in framing and issuing the CSR guidelines for Public Sector Enterprises (PSEs) in April 2010. This research paper aims to analyse the corporate social responsibility activities of the state bank of India and also consider the amount spent in the last two financial years (2020-2021 & 2021-2022). This study is based on secondary data, as it is collected from the website of SBI and the annual reports of the sample bank.

Keywords: corporate social responsibility, State Bank of India, stakeholders and beneficiaries

Introduction

India is the first country globally to introduce statutory Corporate Social Responsibility (CSR) through the new companies Act 2013 (CA, 2013). CSR was a not new concept in India and can be traced with historical evidence. The idea of the company cannot be separated from the entity. However, for a "company", a society is a place within which it operates and defines the number of stakeholders for which it is directly or indirectly responsible. Every business needs some site called "society" to serve, and every society needs "business" for growth. Therefore CSR is a mutual benefit bridge between business and society. Nearly all leading organisations in India are involved in corporate social responsibility (CSR) programmes in areas like education, health, skill development and environmental protection and women empowerment of not just the weaker sections of the society but the society at large.

Different organisations have framed different definitions, although considerable common ground exists between them. According to Peter Drucker (1984) ^[9], Social responsibility is "the term used to assert or assign leadership responsibility of the business concerning the culture of the community" Walton (1967) ^[13] defined CSR as the "intimacy of the relationships between the corporation and society". Carroll (1995) explained CSR as "a combination of economic, legal, ethical, and philanthropic responsibilities metaphorically through a pyramidal shape. CSR is about how companies manage the business process to produce an overall positive impact on society. Numerous theorists, Wartick and Cochran (1985) ^[14] and empirical researchers Carroll (1985) ^[1], have utilised these CSR domains. CSR is the continuing commitment by businesses to behave ethically. It contributes to economic development while improving the quality of life of the workforce and their families, as well as the local community and society. Corporate Social Responsibility (CSR) has long been established business philosophy and practice in academic literature.

Society is the centrifugal force for the success of any organisation. Hence organisations can only achieve long-term success by fulfilling their responsibility towards society. Moreover, banking organisations act as the backbone of the nation's financial structure, and it is thus to understand the practices and performance of corporate social responsibility in both public and private sector banking organisations the study has been undertaken.

Historical background of SCR

For Chaffee (2017) ^[2], the origins of the social component in corporate behaviour can be traced back to ancient Roman Laws. They can be seen in asylums, homes for the poor and old, hospitals and orphanages. This notion of corporations as social enterprises was carried on with the English Law during the Middle Ages in academic, municipal and religious institutions. Later, it expanded into the sixteenth and seventeenth centuries with the influence of the English Crown, which saw corporations as an instrument for social development Chaffee (2017) ^[2]. In the following centuries, with the expansion of the English Empire and the conquering of new lands, the English Crown exported its corporate law to its American colonies, where corporations played a social function to a certain extent. Since then, the globalization of corporate social responsibility has continued for upliftment.

During the 1990s, significant international events influenced the global perspective towards social responsibility and the approach to sustainable development. The most relevant include: the creation of the European Environment Agency (1990), the UN summit on the Environment and Development held in Rio de Janeiro, which led to the Rio Declaration on Environment and Development, the adoption of Agenda 21 and the United Nations Framework Convention on Climate Change (UNFCCC) (1992), and the adoption of the Kyoto Protocol (1997). The creation of these international bodies and the adoption of international agreements represented international efforts to set higher

standards for climate-related issues and, indirectly, for corporate behaviour, Latapí Agudelo (2019)^[7].

Religious traditions of *daan*, *seva*, and *zakat* operated in India for centuries helping to shape the relationship between the privileged and the dispossessed. The vast majority of philanthropy in India has always been to religious institutions, which continues to be the case. The earliest industrialists of the 19th Century launched the practices of corporate giving via trusts and endowed institutions controlled by members of business families.

After the First World War, a new phase of corporate philanthropy arose that drew business leaders into the political fight for Independence. The close relationship between M.K. Gandhi and leading industrialists is well-known. He proposed a model of trusteeship for business in which tycoons should understand their position as fiduciaries of society's wealth.

In the period immediately after Independence, the role of the Indian State expanded greatly, and the corporate sector took a backseat in development efforts. After some time, the failures of the State to end poverty and support economic growth led to dissatisfaction. The liberalisation of the Indian economy in 1991 ushered in a new globalised economic environment, with rapid growth in overall wealth and inequality.

The rising gap between the wealthiest Indians and those at the bottom sparked innovation in efforts by the corporate sector to address social problems. It also led the State to think about how to pull in more support from the booming business world. In the context of a shrinking State, a more globalised economy, and great divisions in the economic and social worlds, the landscape of Indian CSR is fascinating, Gateway House (2015)^[4].

Review of literature

The literature review has been presented to know the current trends in CSR activities, particularly the CSR activities carried out by the Indian Public sector Banks in India, as there are very few studies conducted so far in this area. However, a few critical studies have been presented here.

Chaudhury (2011)^[12], in their research study, stated that, At present, the world over, there is an increasing awareness of Corporate Social Responsibility (CSR), Sustainable Development (SD) and Non-Financial Reporting (NFR). Therefore, the contribution of financial institutions, including banks, to sustainable development is paramount, considering the crucial role they play in financing the economic and developmental activities of the world.

Pallekonda (2015) conducted a study on "Corporate Social Responsibility: A Tool to Inclusive Society (A case study of Dr Reddy's Laboratories, Hyderabad. AP India)" he identified CSR activities which were conducted by a sample organisation and the researcher concluded that the beneficiaries highly satisfied through the CSR activities of Dr Reddy's in Andhra Pradesh. The primary activities include skill development programmes and vocational training for underprivileged youth. As a result, the Government of India has identified and felicitated the best CSR organisation in India for 2014.

Seshamohan (2016), in their research study entitled "CSR Practices in the Indian financial institutions - A select

study", focused on how the banks are practising CSR activities and compared public and private sector banks in West Godavari District, Andhra Pradesh. They concluded that the beneficiaries were highly satisfied with the CSR activities of select banks. Furthermore, a significant relationship exists between CSR practices and customer satisfaction in chosen banks.

Naik (2013)^[8], tourism is an important industry that contributes to a country's economic growth. The tourism industry is closely linked to other industries factors such as tourism promotion, medicine, industrial growth, globalization, and liberalisation of trade have given a burst to the health industry and made it competitive. Indian tourism provides employment opportunities, development of GDP, promotion of healthcare and earning foreign exchange.

Gurudutta (2019)^[5], in their study entitled "A Comparative Study of Selected Private and Public Sector Banks with Special Reference to Corporate Social Responsibility in India", a study has mainly focused on the interested area of selected public and private Indian banks in CSR practice. The study's main objective is to know about the CSR practice area and the amount spent on CRS by selected banks. For the sample, the analysis takes five public banks and five private banks. Moreover, it is to analyse how much-selected banks have done under the new rules after 2013. To meet the study's objective, data were collected from annual reports of selected banks and analysed through Mean, SD, CV, and Two way ANOVA using excel. The analysed data found that most selected banks' CSR activities focus on education, the environment, and healthcare. This study concludes that The Companies Act 2013 paved the way for organisations to contribute towards CSR, but the results could have been more satisfactory. Still, the study suggests there are chances to increase their performance toward society, especially by public banks.

Objectives of the study

- To study the concept of Corporate Social Responsibility (CSR) in light of the companies act 2013;
- To analyse the CSR activities and expenditures in the State Bank of India

Research methodology

The current research paper is based on secondary data; the present research paper reviewed the literature on CSR Practices by the Public sector banks in India. The data was collected from various published sources such as research articles published in national and international journals, books, newspapers, magazines, annual reports of Banks, government and non-government publications, and official websites of the State Bank of India, including Indian Brand Equity Foundation (IBEF), etc.

Data collection

The current study is based on secondary data collected from the annual reports, sustainability reports and official websites of respective banks. Yearly reports of two years of SBI from 2020-2022 have been critically analysed, and all CSR activities have been considered for this study.

Table 1: Corporate Social Responsibility Budget for the financial year of 2020-2021

CSR Spend during Financial Year 2021		
S.no	Details of CSR activities	Budget for CSR (CSR Expenditure) Rupees in crores
1	National Donations	26.00
2	Donations & other direct activities, including RSETIs (for capex expenditure)	47.70
3	Total	73.70
4	SBI Foundation	71.18
5	Total CSR Spend	144.88

Source: annual reports of SBI

The above table depicts the CSR budget during 2020-2021. It is gratified that CSR Spending during FY 2021 In terms of the Reserve Bank of India guidelines, the State Bank of India can spend up to 1% of its previous year's profits

towards its CSR efforts. The net profit of the State Bank of India for FY2020 was `14,488 crore. Accordingly, the budget for CSR for FY2021 was `144.88 crore. In addition, 71.18 crores has been allocated to SBI Foundation for CSR activities in project mode.

Table 2: Corporate Social Responsibility Budget for the financial year of 2021-2022

CSR Spend during Financial Year 2022		
S.no	Details of CSR activities	Budget for CSR (CSR Expenditure) Rupees in crores
1	Total CSR Budget for FY 2022	204.10
2	Allocation to SBI Foundation	102.56
3	CSR expenditure by your Bank through Circles & Departments	101.54

Source: annual report of SBI, p 72

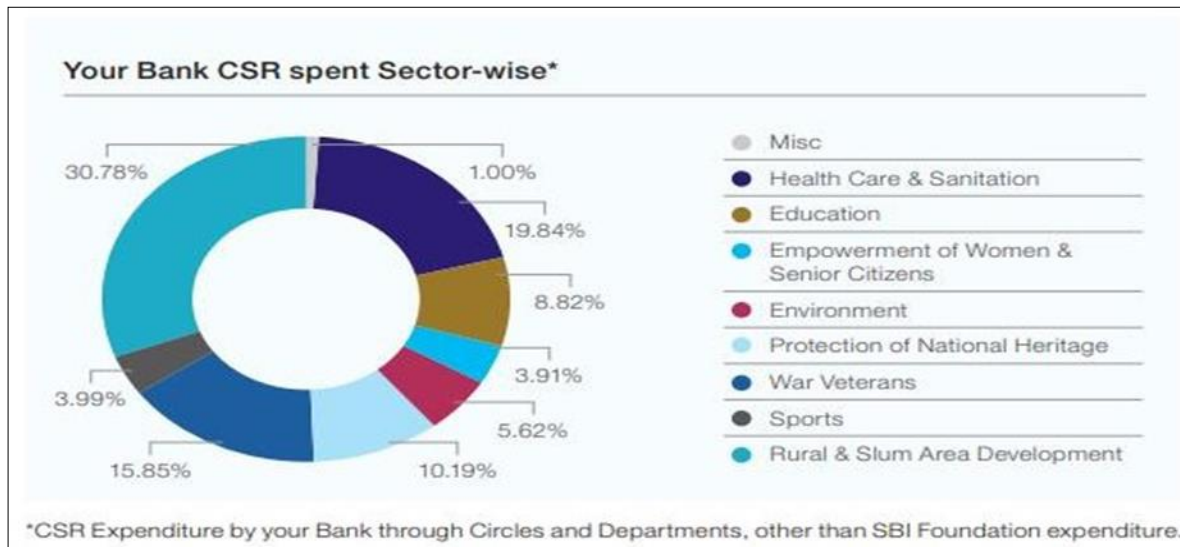


Fig 1

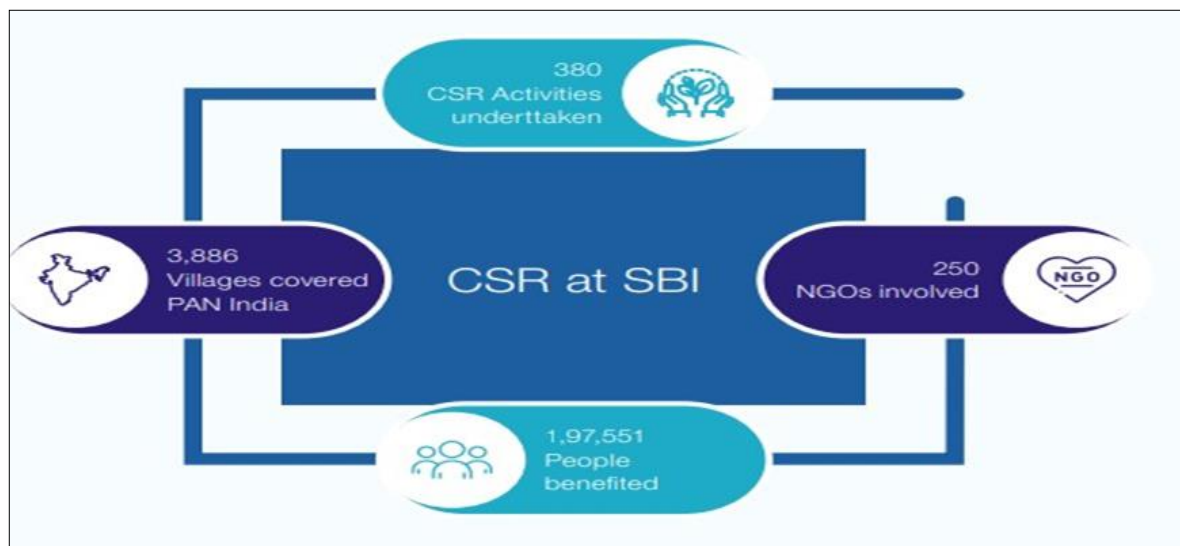


Fig 2

CSR Activities of State Bank of India

CSR is one of the activities through which SBI plays the role of a responsible corporate citizen. The CSR at SBI aims to integrate economic, environmental and social objectives to implement national priorities for social development. The aim of CSR policy in SBI is "To participate in activities that benefit community development, social responsibility and environmental sustainability, and reach out to socially & economically disadvantaged sections of society." SBI carries out most CSR activities in rural and urban slums, where the downtrodden people live and need help with medical, education, food, and shelter. The donations are not made based on caste, creed, religion and region. Contributions are made to the underprivileged sections of society, who are financially weak and need support from the donors for their sustenance. The beneficiaries of SBI include needy people from all sections of the community. SBI supports NGOs/Trusts, which work to uplift these sections of society. Its focus is on improving the socio-economic well-being of society, particularly of the disadvantaged fortunate and underprivileged members and enabling them to live up to the potential they all possess.

Supporting girl education and their welfare

As a part of the 'Beti Bachao Beti Padhao' campaign of the Government, SBI has committed to providing an education grant of ₹1000 per month to 8,333 girl children of war-veterans/ex-servicemen/war-widows for one year. Total amounting to ₹10 crore. Also, the Bank has supported the education and welfare of 10 girl children through Shanti Sahyog, New Delhi, for one year. Care and nurture of 16 girl children have been undertaken through Universal Smile Trust, Kolkata.

Supporting sports and athletes

SBI has extended whole-hearted assistance in funding the Target Olympic Podium Scheme of the Ministry of Youth Affairs and Sports as a socially responsible organisation. An amount of ₹5 crores has been donated to the National Sports Development Fund for the cause of athletes participating in the Olympic games, supported by Inspire Institute of Sport, Vijayanagar, Karnataka, for procurement of Sports and fitness equipment. Donated to "Project Mumbai" to procure specially designed wheelchairs for differently-abled sportspersons to enable them to participate in wheelchair basketball competitions.

Supporting health care

To address the health challenges of society, SBI has demonstrated its commitment to the society it serves, and also, SBI has provided basic infrastructure to various Hospitals, NGOs, and Trusts working for society under the Health Sector to improve the conditions of the common man. To deliver quality healthcare to those belonging to underprivileged and economically weaker sections of society. The SBI has supported the cause by taking some initiatives in the Health Sector.

Supporting medical care

In recorded history, there have been instances whereby one is able to know that man has been travelling throughout the ages. Medical Tourism is a thousand of years old service concept helping mentally suffering people under CSR through NGOs, Naik (2013)^[8].

Support for medical treatment of cancer patients at Gujarat cancer society

- Donation of Medical and Electrical equipment to cataract patients at Ramakrishna Math, Anantapur
- Donation of high-end Medical equipment FISH (Fluorescent microscope with fish software, hybridising chamber Fish probes and implementation kit) used to detect molecular and genetic status in cancer patients.
- Procurement and Installation of Dialysis Machine and Dialyzer reprocess machine for kalapurnam General Hospital at khichan village of Phalodi Tehsil, Dist. Jodhpur
- Support to Eye Operation of 50 Poor and needy students at Shri Labhmuni Jansewa Trust, Mandasaur • SBI Bank has adopted 25 Children suffering from Acute Myeloid Leukaemia (AML) through Cancer Patients Aid Association (CPAA)
- SBI has donated Mobile Cancer Screening Unit to Nandamuri Basavataraka Ramarao Memorial Cancer Hospital, Hyderabad.
- SBI has also supported various Trust Hospitals by donating ambulances, setting up Operation Theatre, and donating medical equipment, amongst others;
- Supported various trusts like Dhanvantari Charitable Hospital Bengaluru, Shanukhapriya Trust Mumbai, Shanmu Khan Anda Trust Mumbai, Prasanthi Medical Services and research Foundation-Ahmedabad, in the procurement of different medical instruments required for the hospitals and health centres run by them.
- Supported Govel Trust, Chennai, for the purchase of Medical Equipment. Govel Trust runs Aravind Eye Hospitals, which provides large volumes, high quality, and affordable eye care.
- Supported Sparsh Hospice, Centre of Palliative Care, Hyderabad. The donation is utilised for Palliative Care for terminally ill cancer patients for whom treatment to cure is no longer effective.

Supporting education

State Bank of India always strives to support the education of weaker social groups in remote, unreachable and underdeveloped areas. The areas covered are given below.

- Financial help for an Education programme for 100 Children with disability in community schools in Vijapura District, Karnataka, for a period of 18 months from October 2020 to March 2022;
- Purchase and installation of Solar Power Plant at Badhit Senior Secondary School, Ajmer. The school provides vocational training to 260 deaf students.
- Donation to Kat-Katha NGO for women empowerment and children education of trafficked women at GB Road, Delhi
- SBI has helped in setting up computer labs and biology labs for the needy and destitute students
- Support rendered to various NGOs and trusts working in the field of education for children by donating school buses and study equipment and providing education facilities
- Supported Tata Steel Foundation – Mumbai in setting up digital-based classrooms for children in remote and tribal areas of Odisha and Jharkhand.
- In addition to the above, SBI has undertaken various other activities, including donating vehicles, computers, and school infrastructure.

Skill development

Rural Self-Employment Training Institutes (RSETIs): India is one of the youngest nations in the world, with more than 50% of its population below 25 years of age. Employability of the growing young demography is one of the crucial factors in the country's economic development. The skill development initiatives support the supply of trained human resources. SBI has set up Rural Self-Employment Training Institutes (RSETIs) across the country to help mitigate the unemployment and underemployment problem among youth in the country. During the FY2021, SBI Bank allocated an amount of ₹22.50 crore for capex expenditure to 17 RSETI buildings.

Swachh Bharat, environment protection and sanitation

SBI is committed to the Government's mission of "Swachh Bharat" and has undertaken several initiatives across the country, which include providing sanitary napkin vending machines, dumper bins and machines for plastic recycles, amongst others. SBI Bank is also committed to

Environment protection contributes positively to reducing the carbon footprint. The significant initiatives implemented by SBI Bank are as follows

- Donation of Lab Equipment and construction/renovation of five disabled-friendly toilets at Leprosy Mission Trust;
- Tree Plantation at Ahmedabad, Miyawaki System, organised by Green Leaf Trust and supported by SBI
- Donation to Prabhav Foundation Green Park, New Delhi, towards plantation of tree plantation on the banks of Yamuna-river near Kalindi Kunj and Abul Fazal Pond, New Delhi
- Supported World Wild Fund (WWF) for nature, Hyderabad, for setting up solar-based deep-well pumping systems to provide water to Wildlife in deep Nallamalla Forest (Nagarjuna Sagar Srisailem Tiger Reserve).
- In addition to the above, SBI has undertaken various other activities, including installing solar power units, among others.

Women empowerment

SBI is committed to strengthening women's empowerment and care for senior citizens. The major initiatives taken in this space are as follows

- Setting up of a stitching training Center for women at Shri Sewa Bharti Siksha Samiti, Indore;
- Setting up a Computer Library with ten workstations and necessary software at The Hindu Women's Welfare Society (Shradha Anand Mahi ashram)
- SBI has supported Khirpai Ramakrishna Sarada Seva Sharma towards the construction of a dormitory for poor and underprivileged women;
- Setting up Bharosa Centre at Karimnagar, Telangana, to provide integrated support and assistance to women and children affected by violence, both in private and public spaces, under one roof.
- Supported Silver Lining society, New Delhi, towards procuring infrastructure, which helps enhance the quality of service provided to blind girl beneficiaries residing and getting educated at their NGO.
- Provided nutritional kits and medical items to the needy women and children of most marginalised households in Dharmashala, Rait and Nagrota blocks of Kangra District, Himachal Pradesh.

The welfare of tribal people and persons with disabilities

SBI has supported the welfare of Persons with Disabilities by donating prosthetic legs, wheelchairs, braille kits and other equipment for use by persons with disabilities. Special activities have been undertaken for the upliftment of tribal people by providing avenues for self-employment and providing facilities for their well-being. Various initiatives have been undertaken to uplift persons with disabilities through multiple organisations such as Lakshya Sadhana Society, Hyderabad Rajasthan Mahila Kalyan Mandal, Ajmer, Astha – Delhi, Helpers of Handicapped – Kolhapur, Assisted Living for Autistic Adults (ALFAA)- Bengaluru among others.

Animal welfare

SBI has adopted tigers and other endangered animals for their welfare for a period of one year through various zoological parks and animal shelters, and support was granted for the installation of Bird Perching Stands at Kolleru Wildlife Sanctuary for the welfare of rare species of birds.

Support during natural calamity

SBI has contributed towards environment-friendly measures by undertaking the plantation of 15,500 saplings across the "Amphan" affected coastal area of South 24 Parganas District, West Bengal. Support was rendered to flood-hit areas in Hyderabad by providing essential items to the people who were affected by the floods.

Conclusion

Every business organisation receives inputs from society through raw materials and natural resources like air, water, skilled/unskilled labour and space for its operation. In turn, it offers goods and services to society. Thus, businesses depend on society for further existence, and it is in their interest to take care of society. However, it cannot operate either in isolation or in a vacuum. Like individuals, businesses also need to live in the real world, i.e., in society. Therefore, to be successful in business, business organisations also need to look after the basic needs of society, minimise harmful effects on the environment, contribute to nation- building and comply with the law of the land. As it leads to equilibrium in society, it leads to national development.

Further, many CSR organisations also take the help of information technology. In a way, Lal (2021) [6] IT helps construct gobar gas plants, road formation and drainage systems, improved latrines, smokeless chulahs, windmills, and low-cost housing. CSR would benefit society by introducing Telecommunications and television in India can help actively control the population, increase food production, achieve social and economic development and provide access to education. Many people with disabilities can work and support themselves, leading lives as they choose because of support from computers.

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