

## **Corporate Social Responsibility : A Comparative study between SBI and ICICI Bank**

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### **Abstract**

The term Corporate Social Responsibility (CSR) refers to the obligation of corporate houses towards the society. Corporation itself is an integral part of the society and their existence depends on the society. The resources like employees and raw materials are provided by the society and at the same time their final product or services are also consumed by the society. Therefore, the responsibility arises on the part of corporation to think and act for the betterment of the society. CSR is one of the way through which the corporate houses can fulfilled their social obligation towards the society.

CSR is not a new concept for the world as well as for India. CSR has a long origin in India. In India, the CSR activities have been carried out since the days of kings and queens. But the concept of the CSR has changed with the passes of time. Many corporate houses from different sectors have been engaged in various social activities in the name of CSR in different ways. The banks and financial institution is not exceptional in this regard. Through this research paper, the researchers have tried to highlight CSR activities of Commercial banks i.e. State Bank of India and ICICI Bank.

*Keywords: Corporate Social Responsibility, Banks and Financial Institution, Society*

### **Introduction**

With the beginning of globalization era in 1990's in India, the market players got globalised and severe competition arises among the players in the economy. The LPG (Liberalization, Privatization and globalization) policy has lead rapid development in the economy that results in entrance of many new corporate houses in the competitive economy. Along with the growth of Gross Domestic Product (GDP) of the nation, the intellectual section of the society starts to discuss about the responsibility of corporate houses towards the society along with its stakeholder. The corporation uses CSR as a

marketing tool for creating strengthening values as well as building strong and popular image in the mind of the people for staying afloat and achieving their marketing goals (Gautam& Singh, 2010).

In simplest term, the CS R may be referred as the obligation of the corporate houses towards the society. The obligation may include legal obligation, business ethics and philanthropy. However, there is no universal definition for the CSR. CSR has been defined by various scholars and organizations differently. A few of them are as follows:

Confederation of Indian Industry (CII) through *Handbook on Corporate Social Responsibility in India (2015)* has defined CSR as “.....the roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations, globally, the concept of CSR has evolved and now encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility.”

*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 formation as well as of the legal community and society at large.”

The term CSR is comparatively new, but the concept of CSR is very old in India. It has been practiced in India since centuries. But, the practice pattern of CSR activities has been changing with the passage of time (“Evolution of CSR in India”, 2014). Before the introduction of the Companies Act 2013, the CSR was not compulsory for the corporate houses. During the pre-compulsion period, the Ministry of Corporate Affairs and SEBI through various circulars and guidelines were regulating and emphasizing on CSR activities among the business housed in India.

#### **A Brief Profile of Select Commercial Banks:**

##### **State Bank of India (SBI)**

State Bank of India is the largest public sector commercial bank in India. SBI was setup in 27 January 1921 namely as Imperial bank of India. The Headquarter of SBI is situated in Mumbai, Maharashtra. The bank provides its banking services not only in India and but also in abroad through its largenet works. The bank has at present 14 regional hubs and 57 Zonal offices at important cities throughout India. The bank has 190 overseas offices spread over 36 countries. The bank has at present five subsidiaries i.e. State Bank of Bikaner & Jaipur, State Bank Of Hyderabad, State Bank Of Mysore, State Bank of Patiala and State Bank of Travancore. Apart from its five subsidiaries, SBI has also some non- banking subsidiaries namely State Bank Capital Market Ltd, SBI Fund Management Private Ltd, SBI Factors & Commercial service Private Ltd, SBI Cards & Payment services Private Ltd (SBICPSL), SBI DFHI Ltd., SBI Life Insurance Company Limited and SBI General Insurance. As per annual Report 2013-14, the bank has 15869 numbers of branches and 43,515 numbers of

ATMs services throughout India. The bank has involved in non-profit activity which called as Community service banking since 1973. The bank has one of the largest employers in the country with 222033 employees as per 31 March, 2014.

### **ICICI Bank**

ICICI Bank is largest private sector commercial bank in India which was founded in 1994. The bank was established by the Industrial Credit and Investment Corporation of India as a wholly owned subsidiary. The Headquarter of the bank is situated in Mumbai, Maharashtra. The bank has a network of 3753 branches and 11,315 numbers of ATMs in India as on 31<sup>st</sup> March, 2014. The bank spreads its services in 17 countries including India. The bank has subsidiaries in the United Kingdom and Canada, branches in united State, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar, Dubai, Belgium, Germany, International Finance Centre and China and its representative offices in United Arab Emirates, South Africa, Bangladesh, Malaysia and Indonesia. The bank has 72,226 numbers of employees as on 31<sup>st</sup> March, 2014.

### **A brief on regulatory provisions pertaining to the CSR activities of commercial banks:**

#### **The Banking Regulation Act 1949:**

Commercial banks are carried out their banking activities as per the regulation of the Banking Regulation Act 1946. The Banking regulation Act 1949 has not provided any provision regarding CSR activities of the bank. Along with the Act, the banks have also to follow the provision of Reserve banks of India Act 1935.

#### **RBI Act 1935:**

RBI Act 1935 has also not provided any provision regarding the Corporate Social Responsibility of the Banks. But on 20th December 2007, RBI has issued a Circular to all the schedule commercial Banks. RBI advises the commercial banks to concentrate on sustainable development, disclose the Non –Financial Report to publish the information of the banks in public domain and gives importance on concept of CSR through this Circular.

#### **Corporate Social Responsibility Voluntary Guidelines 2009:**

As a corporate body, the bank has also to follow the guidelines and provisions of Ministry of corporate Affairs. The Ministry of Corporate affairs has taken an initiative regarding CSR for the first time through issuing Corporate Social Responsibility Guidelines 2009. The guideline is voluntary in

nature. The guidelines view that CSR is neither a philanthropic act and statutory Act nor obligation, but it is beyond all these. The guidelines provide fundamental principles along with some core elements. These core elements are as follows:

- Care for all stakeholders
- Ethical Functioning
- Respect for Worker's rights and welfare
- Respect for Human Rights
- Respect for environment
- Activities for social and inclusive development
- This guideline was of voluntary in nature.

#### **National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business**

This guideline is the revised form of guideline issued in 2009 by Ministry of Corporate Affairs, Government of India. The guideline provides with nine principles along with core elements. It also provide with suggested framework for business responsibility report. This Guideline is applicable to all size of business including Micro, Small and Medium Enterprises (MSMEs). The principles are as follows:

- Principle 1 : Business should conduct and govern themselves with Ethics, Transparency and Accountability.
- Principle 2 : Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- Principle 3 : Business should promote the well-being of all employees.
- Principle 4 : Business should respect the interests of, and be responsive towards all stakeholders, especially those who are in disadvantaged, vulnerable and marginalized.
- Principle 5: Business should respect and promote human rights.
- Principle 6: Business should respect, protect and make efforts to restore the environment.
- Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

- Principle 8: Business should support inclusive growth and equitable development.
- Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

The above principle provides areas in which the business houses can include social, environmental and economic responsibility in their affairs. Along with the principles and core elements, the 2011 guideline also provide with implementation guidance. To achieve the success in implementation of principles and core elements, the organization has to take following actions:

- Leadership: Top leaders in management ladder have to take proactive initiatives in understanding and implementing the principle.
- Integration: The principle and core elements must be integrated with business policies and strategies.
- Engagement: It is crucial to build strong relationships and engagement with stakeholders on a consistent and continuous basis.
- Reporting: Implementation process includes disclosure by companies of their impact on society an environment to their stakeholders.

### **SEBI Circular “Business Responsibility Report” 2012**

SEBI has issued a circular to all Stock Exchanges on 13th August’ 2012. Through this circular, it has been mandated to include Business Responsibility Reports as part of the Annual Reports for listed entities. It would be mandatory for top 100 listed entities based on market capitalisation at BSE and NSE as on 31st March’2012. BSE and NSE shall independently prepare top 100 lists and disseminate the same through their websites. Other listed entities may voluntarily disclose BR Reports in their annual report. Those entities, which are already preparing and submitting the Sustainability Report on the basis of internationally accepted reporting frameworks to overseas stakeholders/regulatory agencies, can furnish the same to their stakeholders in place of BR Reports. This circular also advises to all Stock Exchanges to carry out amendments in their Listing Agreement.

### **The Companies Act 2013 (w.e.f. 1st April, 2014)**

Some of the important provisions in the Companies Act 2013 regarding CSR are as follows:

- As per Sec. 1(4) (c), the provision of this Act shall also apply to banking companies, except in so far as the said provisions are inconsistent with the provisions of the Banking Regulation Act 1949.

- Sec. 134(3) (o) says that board of director has to submit CSR report regarding CSR policies and implementation in general meeting in a year.
- Sec. 135(1) provides the provision for formation CSR committee in the company. Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The committee shall be responsible for formulation of CSR policies, budget, and its implementation.
- Sec 135 (5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two percent (2%) of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. If company fail to invest the same than board should specify the reasons for not spending the amount.
- Sec 134 under clause (o) subsection (3) states that if the corporate houses fail to spent the requisite amount as CSR investment, then the corporate houses shall specify the reason of not spending the requisite amount.
- Schedule VII

Activities that may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:—

- i. Eradicating extreme hunger and poverty;
- ii. Promotion of education;
- iii. Promoting gender equality and empowering women;
- iv. Reducing child mortality and improving maternal health;
- v. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi. Ensuring environmental sustainability;
- vii. Employment enhancing vocational skills;
- viii. Social business projects;
- ix. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- x. Such other matters as may be prescribed.

There are certain activities which are included in the CSR activities of the corporate houses as per the section VII of new companies Act 2013 can also save the tax burden of the corporate houses as per Income Tax Act, 1961.

### **Importance of the Study**

The corporate houses have been earning billions and billions from the society since centuries. Their impact on the society and on the environment over the centuries is immeasurable. Today society is much more aware about all this issues. Today society expects business houses to act ethically, help society in sustainable development and preserve the environment. The recent enactment of the Companies Act, 2013 has made CSR obligation as legal obligation for the companies which fall under the categories as mention in the Act. This research paper is an effort of researcher to highlight CSR activities of select entities which falls under the purview of the said Act in regards to CSR activities. The select, entities are SBI and ICICI Bank. SBI is the largest bank among the public sector banks whereas ICICI bank is the largest among the private sector banks in terms profitability.

### **Review of Literature**

For building theoretical concept as well finding the research gaps, the researchers has reviewed many literatures. A few of them are as follows:

- **Rai S & Bansal S (2014)**, in their research article titled, 'An analysis of corporate social responsibility expenditure in India', has observed that there has been significant increase in the average CSR expenditure by Indian firms in compare to foreign firms. Their study has also highlighted that most of the firms are not disclosing exact amount of CSR expenditure in any financial year. The researcher has also remarked that donations made by the firms are self-interest driven and their CSR activities are restricted to the area of their operation only.
- In an analytical study carried out by **Sharma E & Mani M (2013)**, has observed that efforts of Indian Banks towards CSR activities are inadequate. Many of the banks are not even able to meet regulatory requirement of priority sector lending. The study has also highlighted that private sector commercial banks' contribution towards CSR are far less in comparison to Public sector banks'. However, while comparing between the two different sectors, the researchers has ignored revenue generations, total number of branches and experience in the field of banking.
- **Rani G & Hooda K (2013)**, in their research study 'Corporate Social Responsibility: Review of Literature' has highlighted various literature related to CSR. Through their research it has been confirmed that the CSR is very popular among the intellectual and can be considered as global phenomenon. However, they fail to highlight various literatures being published by Indian researchers in India.

- **Srivastava AK, Negi G, Mishra V & Pandey S (2012)**, in their research paper entitled 'Corporate Social Responsibility: A case study of TATA Group' has attempted to highlight the CSR activities of TATA group towards the stake holders of the society. In their study they have found that TATA has been successful in fulfilling its duties and responsibilities towards the society as a whole. They have thrown lights on the various activities being undertaken by TATA for the well-being and upliftment of the society in India.

### **Objective of the Study**

The study carried out with three objectives

1. To study the CSR activities of SBI and ICICI bank before the implementation of Companies Act 2013.
2. To study the CSR activities of SBI and ICICI banks after the implementation of companies Act 2013.
3. To make a comparative study on CSR investment of SBI and ICICI bank.

### **Research Methodology**

**Nature of the study:** The study is both analytical and descriptive in nature.

**Sources of Data:** The data that are required for the study basically collected from the secondary sources only i.e. Internet, websites and Annual Reports of respective banks.

**Manner of selecting the sample:** out of 27 public sector commercial banks, only the top most public sector commercial bank and out of 21 private sector commercial banks, top most private sector commercial bank on the basis of profitability is considered as the sample of the study.

**Research periods:** As we all know that the CSR became compulsory for the corporate houses that falls under the category that mention section 135 (2) of the companies 2013 from the financial year 2014 only though the Corporate houses voluntarily engaged in various CSR activities from a long period. The study has carried out to know the before and after implementation of companies Act 2013 therefore the study period of the present study range from 2012-13 to 2015-16 means two years from before implementing companies Act and two year from after implementing companies Act 2013.

### **Analysis and Interpretation**

#### **CSR activities of SBI before implementation of companies Act 2013.**

Table 1: CSR Activities of SBI for the year 2012-13 and 2013-14



<b>Year</b>	2012-13
<b>Focus Areas</b>	Supporting Education, Supporting Healthcare, Supporting girl Children and Child development, Assistance to poor and underprivileged, Environment Protection, Clean Energy, Entrepreneur Development programme, Help in National Calamities
<b>Observation</b>	<p>The bank has basically engaged in supporting education, healthcare, supporting girl children and child development, environmental protection, entrepreneurship development etc. during the financial year 2012-13. The Annual Report 2012-13 of the bank reveals that the bank has provided 140000 fans to 14000 schools across the country with a methodology that every branch of the bank adopted at least a school in neighbourhood areas and provided water purifiers to those schools. Bank has also donated 313 ambulance and medical Vans to the non-metros area for delivering quality health care and transportation of patient. Bank has distributed 51 school buses/vans for the physically handicapped children. The bank has also supported some important institutes like Arvind Eye Hospital Chennai; Tata Medical Centre Kolkata, N. Swain Memorial Trust Hyderabad, SankarNethralaya Chennai, and St. Xavier's College Mumhai. The bank has also supported for installation of Solar lamps in rural areas. The Bank has also donated Rs 2 crore each to the Chief Minister Relief Fund of the Assam and Rajasthan for supporting the Flood Victims of both the States. The annual report of this financial year has not revealed the involvement of the Bank in any new area as a CSR initiative.</p>
<b>Year</b>	2013-14
<b>Focus Areas</b>	Supporting Education, Supporting Healthcare, Supporting girl Children and Childdevelopment, Assistance to poor and underprivileged, Environment Protection, Clean Energy, Entrepreneur Development programme, Help in National Calamities, Green initiative
<b>Observation</b>	<p>Bank has again engages with similar types of CSR activities whatever carried out by the bank in its previous financial years like providing large numbers of buses / vans for the physically challenges children, Installation of fans and water purifiers in schools, provided infrastructure support like furniture, computers and other educational accessories etc for the children of economically backward section of the society. The bank again has donated 140000 Fans to 14000 schools and also installed 30000 Water Purifiers in schools for providing clean and safe drinking water to school going children. As a part of medical support, bank has donated 210 medical Vans / Ambulance with an expenditure of Rs 18.38 crores and other medical equipment of worth 8.97 crores during the financial year. Bank has also donated Rs 6 crores to the Chief Minister's Relief Funds of three states. As a part of green initiative, bank has promoted and adopted Paperless practices across the India, deployed the largest Solar ATM and bank has also installed windmills in three states for its own energy needs. Bank has donated Rs 1.03 crores to R&amp; D Fund during the financial year.</p>

Source: Annual Report of SBI 2012-13 and 2013-14

### CSR activities of SBI after implementation of companies Act 2013

Table 2: CSR Activities of SBI for the year 2014-15 and 2015-16

<b>Year</b>	2014-15
<b>Focus areas</b>	Supporting Education, Supporting Healthcare, Livelihood Creation, Assistance during Natural Calamities
<b>Observation</b>	<p>During the financial year 2014-15, the bank has engaged in supporting education by providing numbers of computers to schools for the underprivileged children, donating furniture, scientific instrument, other educational accessories, buses and Vans to the schools for the benefit of underprivileged children. The bank has engaged in area of Healthcare by donating 79 ambulances and medical Vans for supporting the underprivileged and economically weaker section of the society and also donating various medical equipments to Eye Hospital, Blood Banks and Cancer hospitals etc. The bank has also participated in Swachh Bharat Mission by supporting various NGOs for the construction of toilets especially for the girls' schools under 'SwachhVidyalaya campaign'. The bank has also set up large numbers of RSETIs i.e. 117 till the date and these institutes provided training programme to the Youth for the creation of their own venture. Bank has also donated to the Chief Minister's Relief fund of the State Jammu &amp; Kashmir and Andhra Pradesh To make relief the people of flood and Cyclone affected areas.</p>
<b>Year</b>	2015-16
<b>Focus areas</b>	Supporting Health, Supporting Education, Supporting person with disability, Skill Development and livelihood creation, Environment Protection.
<b>Observation</b>	<p>During the financial year, the bank has supported large numbers of hospitals to deliver quality healthcare services to the people of underprivileged and weaker section of the society by donating 18,761 wheelchair and 17958 Stretcher Trolleys to large numbers of hospitals, donated Rs. 8.24 crores to 50 charitable organizations for purchasing Ambulances and medical vans, donated Rs. 24.20 crores to 63 charitable organizations/ hospitals for acquiring medical/surgical equipments, sponsored 150 heart surgeries through Rotary Trust and Needy heart foundation Bangalore, donated 98 lakhs for supporting Old age home, organized 100 free health checkup camps for the women across country under "VanitaArogyaSampada" a community outreach programme. Bank has also supported for the education of weaker section in the rural , remote and underdeveloped areas by donating Rs. 2.59 crores for food, shelter and</p>

cost of education, bank has spend Rs3.22 crores on computer equipments, furniture for setting up an science centre in the remote areas and also on printing and distribution of one lakh books among destitute girls student and donated Rs. 8.24 crores for purchasing schools buses for easy transportation to underprivileged children. Bank's has 116 Rural Self Employment Training Institutes across the country who are engaging in providing vocational programme, capacity building programme, periodic skill up-gradation programme etc. During the financial year, the bank has spent Rs. 9.60 croresRs. For the construction of 9 RSETIs building and also providing other infrastructure to 12 RSETIs, also incurred Rs28.69 crores to 116 RSETIs for Conducting skill development programme across the country and also donated Rs. 3.03 crores to Reputed NGOs for skill development. Bank has also donated Rs. 3.90 crores for construction of 278 toilets and providing water facilities in rural schools of India for supporting National mission Swachh Bharat-SwachhVidyalayaAbhiyan'. Bank has also donated Rs.5.41 crores to reputed NGOs in the field of supporting the person with disability, Bank has also spent `4.78crore for acquiring, commissioning andmaintaining of a number of Solar powerplants, Solar lamp, Solar water heater, and Solar street lamps and alsoprovided an animal ambulance andset up an operation theatre for injuredanimals as an initiative for environmental sustainability . Bank has also donated Rs 1crores and 1.16 crores to Chief Minister Relief Funds of the State Assam and Tamil Nadu respectively for supporting flood victims of the states. Bank has also taken an initiative in the areas of Global Warming, Renewal energy and Research and development.

Source: Annual Report SBI 2014-15 and 2015-16

**CSR activities of ICICI Bank Before implementation of companies Act 2013**

Table 3: CSR Activities of ICICI Bank for the year 2012-13 and 2013-14

<b>Year</b>	2012-13
<b>Focus Areas</b>	Elementary Education, Primary Health , Sustainable Development, Financial Inclusion, Environmental Responsibility.
<b>Observation</b>	During the financial year, the bank has continued with its previously carried out activities in the field of health, elementary education and sustainable livelihood. In the field of Elementary education, the foundation has continuously undertaken School and Teacher Education Reform Programme in Rajasthan and Chhattisgarh and English Relay Programme in Assam, but the activities have done at a large scale. Besides these, the foundation has also undertaken some new programme as an initiative of elementary education The foundation has continued with the similar types of programme as an initiative for primary health i.e.

	<p>Outpatient Healthcare Programme in Orissa and Gujarat, Strengthening Convergent Action for reducing child under nutrition, Rajasthan, Apna Clinic with same objectives. Both the Rural Self-employment Training Institutes (RSETIs) have continuously engaged in proving skill development training programme to the rural youth for establish their venture. These RSETIs have also developed Financial Literacy modules for women of SHGs and Class XI and XII students in Baran District, Rajasthan. ICICI Foundation has continued work with its co-partners and Civil societies for the social benefits i.e. continued undertaken ICICI Fellows Programme to creating social responsible leaders with a passion for development, continued with blood donation programme for reduce the shortage of blood. The bank's employee has continued with payroll Giving programme and employee Volunteers programme. ICICI Prudential Life Insurance Company and ICICI Lombard General Insurance Company have been working actively towards financial inclusion through various micro insurance Products.</p>
<b>Year</b>	2013-14
<b>Focus Areas</b>	Elementary Education ,Primary Health , Sustainable Development, Financial Inclusion, Environmental Responsibility.
<b>Observation</b>	<p>During the financial year, the foundation of the Bank's has carried similar types of CSR activities in the field of Elementary Education, Primary Health and Sustainable Development. In the field of education, the bank has continued with school and Teacher Education Reform Programme, Rajasthan and Chhattisgarh but the activities are done at a large scale. The foundation has engaged with the similar programme in the field of Primary Health i.e. Outpatient HealthCare Programme at Orissa and Gujarat, Strengthening convergent action for reducing child under-nutrition, Rajasthan and Apna clinic programme but more activities have done under the programme during the financial year. The foundation has also engaged in financial inclusion programme by conducting financial literacy programme through RSETIs. Bank's employees have also continued with Payroll giving programme and employee volunteer programme. Besides these, the foundation has continued with ICICI fellows – a youth leadership programme and blood donation camp etc. ICICI Prudential Life Insurance Company and ICICI Lombard General Insurance company have been working actively towards the achievement of financial inclusion programme through various micro insurance products. ICICI group has contributed Rs. 150 million to the Uttarakhand Chief Minister relief fund and ICICI Bank Itself has contributed Rs.10 million to Maharashtra Chief Minister Relief Fund to mitigate the impact of drought in some part of the State.</p>

Sources : Annual Report ICICI Bank 2012-13 and 2013-14

### CSR activities of ICICI bank after implementation of companies Act 2013

Table 4: CSR Activities of ICICI Bank for the year 2014-15 and 2015-16

<b>Year</b>	2014-15
<b>Focus Area</b>	Inclusive growth, Financial inclusion, Relief and welfare, Education and Research. Health Care, Clean Energy, Skill Development, Financial Counselling
<b>Observation</b>	During the financial year 2014-15, the bank has undertaken various projects and activities in the name of CSR i.e. opened ten fully operational skill development centres in Jaipur, Kolhapur, Coimbatore, Patna, Hyderabad, Chennai, Bangalore, Pune, Guwahati and Durg for promoting employment, enhancing vocational skills and livelihood enhancement projects, taken an Elementary education projects in Rajasthan and Chattisgarh for promoting education, Healthcare programme in Puri (Odisha), Mehsana (Gujarat), Baran (Rajasthan) and Pune (Maharashtra) for eradication of hunger, poverty, malnutrition and promoting prevention healthcare. financial inclusion initiative has taken in the numbers of districts of 19 States directly and through Bank's Business correspondents network. The bank has also contributed to Prime Minister's Relief for the victims of flood affected areas in the State of Jammu & Kashmir. The bank has also sanctioned fund to Indian Institute of Management, Ahamadbad to conduct research in Finance and Banking. Bank has also financially supported to conduct National Health Mission Awareness Campaign in Maharashtra and Hospitals in Jaipur towards maintenance, cleaning and other requirements. The bank has also taken an initiative at multiple offices of the bank including Mumbai and at 124 rural branches. The bank has also set up multiple centres for promoting education, employment enhancing vocational skills programme. The bank has also assisted consumer in financial crisis, counselling and providing options through Disha Trust.
<b>Year</b>	2015-16
<b>Focus Area</b>	Inclusive growth, Rural Development, Livelihood Enhancement. Promoting education. Livelihood enhancement, Promoting preventive health care, Financial counselling, Others .
<b>Observation</b>	During the financial year 2015-16, the bank has undertaken 8 majors projects namely ICICI Foundation for inclusive growth, Rural development project including financial inclusion and financial literacy, contribution towards relief and welfare in calamities affected areas. Gift a livelihood programme, supporting Research and capacity building in education sector, Health sector related projects, financial counselling and other projects. Under inclusive growth projects, bank has covered promotion of education, Employment enhancing and vocational skills, livelihood enhancing, eradication of poverty, malnutrition, promoting prevention healthcare etc through ICICI Foundation. Along with its business correspondent networks the bank has undertaken the Rural development project for the development of the Rural areas across the India. The bank has also contributed Rs. 3.87 crores to Chief minister Relief fund to the State Madras under the project Contribution towards relief and welfare of calamities affected areas. Bank has also carried out livelihood enhancement programme across the India under Gift a livelihood project. The bank has also undertaken promoting education programme in Mumbai and Kolkata, promoting and prevention health care in Rajasthan and promoting education at multiples centre throughout the country under the supporting research and capacity building in education sector project, health sector related projects and financial counseling projects respectively.

Sources: Annual report of ICICI bank 2014-15 and 2015-16

**CSR Spending of SBI: Percentage of three previous year's net profit after tax spending in current year CSR activities of SBI**

Table 5: CSR Spending of SBI

Year	Net Profit (Rs. Crore)	Amount of CSR Spend in current year (Rs. Crore)	Percentage (%) of average three previous year net profit spend after tax in current year
2009-10	9,166	Not Applicable	Not Applicable
2010-11	8,265	Not Applicable	Not Applicable
2011-12	11,707	Not Applicable	Not Applicable
2012-13	14,105	123.00	1.27
2013-14	10,891	148.93	1.31
2014-15	13,102	115.80	0.95
2015-16	9,951	143.92	1.33

Sources : Annual Reports of SBI 2009-10 to 2015-16

The above table 5 reveals that SBI has invested less than 2% of average three previous year's net profit after tax on CSR activities in the current financial years before implementing the new companies Act 2013 and also after implementing the new companies 2013. Moreover, percentage of average three previous year's net profit after tax spent in current year CSR activities and amount of CSR investment in current year are found to be inconsistency.

**Percentage of three previous year's net profit after tax spending in current year CSR activities of ICICI bank.**

Table 6: CSR Spending of ICICI Bank

Year	Net Profit (Rs. Crore)	Amount of CSR Spend in current year (Rs. Crore)	Percentage (%) of average three previous year net profit spend after tax in current year
2009-10	4024.98	Not Applicable	Not Applicable
2010-11	5151.38	Not Applicable	Not Applicable
2011-12	6465.26	Not Applicable	Not Applicable
2012-13	8325.47	116.56	2.24
2013-14	9810.48	168	2.52
2014-15	11175.35	156	1.90
2015-16	9726.20	172	1.76

Sources: Annual Reports of ICICI Bank 2009-10 to 2015-16

The above table 6 reveals that ICICI bank has invested more than 2% of average three previous year’s net profit after tax spent in the current year CSR activities in the both financial years before implementing the Companies Act 2013, but the bank has spent less than 2% of average three previous year’s net profit after tax on CSR activities in the current financial years before after implementing the new companies 2013

**Comparison between SBI and ICICI Bank in Relation to CSR Investment**

From the analysis of above table it has been observe that percentage of average three previous year net profit spend after tax in current year of ICICI Bank is better than the SBI. Beside that ICICI Bank has invested more than requisite percentage in the financial year 2012-13 and 2013-14, though it was not compulsory for the bank. At the same time, the comparative investment of SBI in CSR is very much low, if aspects like revenue generation, bank branches and banking experience is considered against the ICICI Bank. The comparative study shall be better understandable with the help of following diagram:

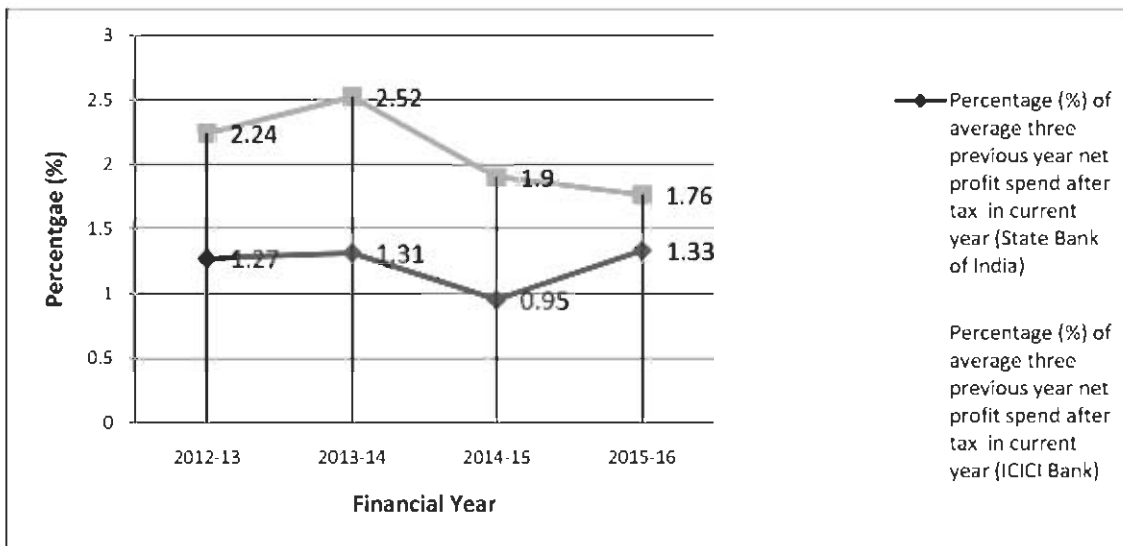


Fig 1: CSR investment by SBI and ICICI Bank: Comparison

**Conclusion**

Like any other corporate houses, commercial banks are also expected to perform their social obligation earnestly. Though, there direct negative impact on the society is not visible and on the environment is negligible, they are still investing their share of profit on CSR activities. However, their level of investment is not too satisfactory. When their investment on CSR is compared with the norms spelled in the Companies Act, 2013, than a very dismal picture is seen. SBI, the largest bank in India is rallying behind the ICICI Bank as well as from requisite norms in respect of CSR investment,

The enactment of Act, has brought hope among the members of the society that corporate banks which also falls under the purview of said Act will perform the their social obligations enthusiastically. However, the Act does not provide strong provision against those business houses who may not comply with the Act. This requires law makers to revisit the law and bring meaningful amendment keeping society ahead of everything.

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