State Bank of India: A shining beacon in Indian Financial Sector: Lessons for Banking Sector

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ABSTRACT

State Bank of India (SBI) has richly merited its status as the flagship of Indian banking. In several fields, the Bank has pioneered innovative process and adds significantly to the escalation of the Indian economy, while recuperating its own unbroken record of profitability over the years. The objective of this paper is to highlight the endeavors made by SBI on the road of green banking and sustainable development. It is the market leader in Educational Loans, Auto Loans and the No. 1 home loan. Bank has vast domestic network. It has numerous rewards and recognitions in various banking and Corporate Social Responsibility (CSR) initiatives to its credit. Prominent CSR activities being distribution of lakhs of electric fans and ongoing distribution of water filters in schools in India, financing Save The Girl Child projects, and promoting ‘Green Banking’ by changing traditional paper banking to card based banking and installation of Windmills. The Bank has also been an active participant in wildlife conservation projects like ‘Save the Tiger’. As an important country’s biggest lender, State Bank of India has become a signatory investor to the Carbon Disclosure Project (CDP) to disclose its carbon foot prints. The bank continues to give due importance in giving financial assistance to meet the credit requirements of SC/ST borrowers and Minority communities.

Key words: Sustainable development, SBI, climate change, CSR, financial institutions.

SECTION 1: INTRODUCTION

State Bank of India (SBI) has richly merited its status as the flagship of Indian banking. In several fields, the Bank has pioneered innovative process and adds significantly to the escalation of the Indian economy, while recuperating its own unbroken record of profitability over the years. The Bank has a strong conviction that customer service is the most imperative factor in upholding and recuperating its direction in India’s Banking Industry, which is reflected in its activities in every sphere of its operations including major infrastructure and technical upgrade facilitating total core banking with internet banking facilities and being the market leaders in mobile banking. It also believes that proper corporate governance facilitates effective management and control of business, and this enables the Bank to maintain a high level of business ethics and optimise the value for all its stakeholders. State
Bank Of India, with its origins dating back to 1806, is the largest commercial bank in India in terms of assets, deposits, profits, branches and employees and as on 31st March 2012, had total assets of INR 13,355 billion (US$262.51 billion), total deposits of INR 10,436.47 billion (US$ 205.14 billion), and a net profit of Rs.117.13 billion (US$ 2.3 billion). It is the market leader in Educational Loans with a market share of 25% amongst PSU banks, a leader in Auto Loans with a market share of 17.5%. and the No. 1 home loan player with 26% market share. With a staff strength of over 215,480 and over 7,28,729 shareholders, the Bank has a vast domestic network of over 14,097 branches and 173 foreign Offices in 34 countries spanning all time zones. The Bank has entered into correspondent banking arrangement with 476 reputed international banks located in 118 countries and continues to be the leader as Mandated Lead Arranger and Book Runner for syndicated loans in Asia Pacific (including Australia, excluding Japan). The Global Link Services (GLS) was set up to provide international correspondent banking services. It also has a US$10 billion ‘Medium Term Note’ programme in place to finance import/export transactions and has 1,871 Relationship Management Application (RMA) arrangements with SWIFT to facilitate speedier flow of financial messages. To boost remittance business, the Bank has a tie-up with 25 exchange companies and four banks in Middle East countries.

The State Bank Group, consisting of the Bank and its Associate Banks, has a network of over 19,193 branches dominating the banking industry in India and, through its various non-banking subsidiaries, provides a whole range of financial services which include life insurance, general insurance, investment banking, mutual funds, credit card, factoring, security trading, and primary dealership in the money market. The scale and frequency of weather shocks, climate change, fossil fuel costs, etc have deep impacts on the economy as well on the corporat...
in encouraging the adoption of sustainable strategies by both - businesses and the financial sector. Each year, on behalf of signatory investors, the CDP collects climate change and carbon emissions data from over 5,000 large companies globally, which include the top 200 companies in India listed on the National Stock Exchange. Over 550 institutional investors - ranging from pension funds like TIAA-CREF and insurance companies like Allianz and Swiss Re through blue chip banks and asset managers such as Black Rock, HSBC, Goldman Sachs and Morgan Stanley - are signatories to the CDP. In India, investors such as HDFC Bank Ltd., IDBI, IDFC, Reliance Capital, Tata Capital, IndusInd Bank and Yes Bank have also become signatories. CDP sends an annual letter and questionnaire on behalf of these financial institutions to the top 200 Indian companies by market capitalization. In 2010, 51 Indian companies responded to the questionnaire. In the disclosure, Indian companies reported on their carbon emissions data, reduction targets, associated risks and opportunities and increasing board level managerial resources in spearheading the execution of climate change strategies within their organisations. Compared to the 62% in 2009, 85% of the companies disclosed their GHG emissions in 2010. Although in total only 10 companies disclosed monetary savings as a result of their actions, the reported amount stands at a staggering Rs. 393.3 crores (~US$ 85 million), with emissions reductions of 6.2 million metric tonnes of CO2e per year.

As a responsible Corporate Citizen, the Bank has always been in the forefront and has been undertaking various initiatives through its Community Services Banking towards welfare of the society as a whole. Be it tree plantation or adoption of a girl child, engaging with various NGOs to facilitate education or providing medical & other services to the underprivileged, or helping in any other social cause, the Bank through its vast network of about 14000 plus branches has been participating wholeheartedly in supporting these causes. The issues of Global Warming and Climate Change have also not escaped the attention of the Bank. It was as early as in 2007 when a formal Green Banking Policy was laid down by the Bank. And since then the Bank has been endeavouring for reduction of its carbon footprint by urging its vast network of branches and other establishments to adopt several measures to this end, including energy efficient lighting systems, installation of energy savers, water harvesting and efficient water and waste management systems, gradual migration to paperless banking, plantation of fruit bearing trees, etc. Moreover with a view to sensitizing all its staff members, the Bank has also introduced awareness modules in all its training programmes run in the various learning facilities all over the country. The objective of the present paper is to highlight the green initiatives along with responsible and sustainable practices pursued by SBI, so that they become the role model of Indian banking sector to achieve the sustainable development which is the need of today. To achieve the objectives of the paper it is organised in following sections, Section 1 i.e. the present sections gives the insights of SBI initiatives as regards CSR initiatives, application of green practices. Section 11 gives the review of existing literature. Section 111 gives extensive analysis of initiatives and endeavours towards ethical, sustainable and green practices of SBI to prove its flagship and leadership in Indian Banking sector. Section IV gives summary and conclusions followed by some lessons for other financial institutions. Section V contains the references used in the study.

SECTION 11: REVIEW OF LITERATURE

This section gives an overview of the research studies conducted in India and abroad in the field of green initiatives and sustainable development.

Zappi Gianna, 2007 presented the Italian Banking Association's vision on CSR as the deliberate management of a firm that is multi stakeholder-oriented. The paper offered the modular approach given to CSR and the call for incorporating CSR into the fundamental strategic orientation of a bank so as to embed CSR into the heart of business theory and practice. The strategic approach highlighted is shared by the bank which gives rise to a variety of activities in different firms. This involvement falls within the logical framework on CSR developed by ABI, interested banks, and stakeholders that have been provided, analyzing the vital role of stakeholder engagement.
According to Scholtens Bert (2008), currently the information about firms’ social conduct and performance is chiefly provided by the rating institutions like EIRIS and KLD. But, this is expensive information and there is no clarity as to how the rating institutions turn up at their conclusion. So, the researcher in his paper developed a framework to judge the corporate social responsibility of international banks and applied this framework to more than 30 institutions and found considerable differences among individual banks, countries, and regions. Moreover, it was depicted that social responsibility of these banks has appreciably bettered between 2000 and 2005. Paul Boldy, Lisa Barnes, 2009 in their paper titled, "CSR initiatives for green buildings: perspectives of Hong Kong financial institutions ", highlighted that high carbon emissions from buildings is causing Hong Kong’s air quality to lessen and as the financial Institutions are amongst the largest inhabitants, it is within their command to reduce this. So, their study focused on finding out their perspectives on initiatives for green buildings. Their findings revealed that the concept of CSR is taken very seriously by the FI and it has become an ordinary part of doing business in the banking sector. Aizawa Motoko, Yang Chaofei, 2010 in their paper titled “Green Credit, Green Stimulus, Green Revolution? China’s Mobilization of Banks for Environmental Cleanup “discussed about the series of green policies, including green tax, green procurement, as well as green policies relevant to the financial sector, namely, green credit, insurance, and security policies which the Chinese leaders are incorporating to deal with China’s intense environmental tribulations. The most important of these is the green credit policy, the responsibility for the implementation of which lies with three agencies namely, the Ministry of Environmental Protection, the Peoples’ Bank of China, and the China Banking Regulatory Commission. The green credit policy has proved defiant to China’s immense economic disturbance following the global financial crisis and its sustained success in implementation could provide China with the experience and confidence to address the environmental and social challenges in conduct of its enterprises overseas. Ketikidis Panayiotis H. et al, 2010, provided insights into what extent knowledge assets could be capitalized for successful Green Supply Chain Management implementation in the Romanian banking industry. The analysis showed that GSCM practices (especially practices in the immaterial flow) are robustly and considerably associated with apparent profit and pressures.

It was concluded that size of the bank and foreign or Romanian ownership do not impact at all the level of GSCM practices implementation and related perceptions in the Romanian banking sector and the banking sector in Romania is at a someway superior stage of environmental adaptation in the physical flow and at an premature stage in the immaterial and commercial flows. Zhang Bing, Yang Yan, Bi Jun, 2011 investigated the implementation of the green credit policy introduced by the Chinese government to mitigate the environmental impact of industrialization by reining in credit loans to companies and projects with poor environmental performance both at the national and provincial levels. The results reveal the facts that the green credit policy is not fully implemented in China due to the wide-ranging impact on high-polluting and high energy-consuming industries, unclear policy information, vague implementing standards, and deficiency of environmental information. Whereas, the follow up at local level (Jiangsu Province) is more realistic by integrating green credit policy with the environmental performance rating system. Lynette M. McDonald, Chia Hung Lai, (2011) sought to examine whether Taiwanese retail banking customers prefer corporate social responsibility (CSR) initiatives that favor themselves or other stakeholder groups i.e. community, environment, and whether these initiatives impact customer attitude and behavioral intentions. The survey revealed that customer-centric initiatives are more potent in influencing banking customers' attitude towards the bank and behavioral intentions than environmental or philanthropic initiatives. Nevertheless, the results were significant only for the difference between customer-centric and environmental initiatives. Violeta Madzova (2012) examined the recent trends in banking and sustainable development and also the implementation and application of the sustainable development policies adopted by the banks in the banking sector in Republic of Macedonia. The study made a complete analysis on the trends of “sustainable finance”, as well as reviewed the environmental and social policies of the chosen big and medium sized banks in Macedonia, including the policy and the practices of the specialized promotion bank i.e. Macedonian Bank for Development Promotion.
Ahmed, Sarwar Uddin, 2012 discussed about the present-day green banking initiatives taken worldwide and more particularly in Bangladesh. North America and European regional banks were found to be leaders in adopting green banking practices. The green initiatives such as solar home system, solar irrigation pumping station, biogas plant, effluent treatment plant, green credit card, etc. are already in the offering in Bangladesh. The suggestions like building awareness, incorporating green banking consideration in bank lending decisions, developing green reporting and rewarding frameworks were recommended in the paper. Nanda Sibabrata, Bihari Suresh Chandra (2012) empirically tested the linkage between the implementation of green banking with two variables i.e. net income and expenses, and the profitability in India using a fast data panel regression in order to highlight the possible benefits of the implementation of green banking. The results revealed noteworthy relationships between net income and expenses with profitability, while no considerable relationship between the implementation of green banking and profitability was proven. Islam Mohammad Tazul, 2012 empirically examined the relationship between financial performance and Corporate Social Responsibility (CSR) initiatives of banks in Bangladesh. Using data for 37 banks on four financial performance indicators i.e. Size of business, Return on Equity (ROE) and Asset Quality (AstQt) and Capital Adequacy Ratio (CAR) for four years, the study highlighted that CSR initiatives represented by CSR expenditure of banks are positively related with the Size of business, ROE and AstQt, and negatively with CAR, thereby suggesting that better regulatory requirements are needed to promote more CSR initiatives. Oana Popa in his research article "The Social Responsibility In The Romanian Banking Organizations" highlighted the most active and non active banking organizations in Romania, regarding the implementation of SR. The major areas where the banks are interested include social and volunteering activities and diverse developing projects for education, culture and environment. However, the transparency of information provided for the stakeholders is very small pointing to an almost invisible level of reporting on CSR activities. After reviewing the studies done in India and abroad, it is very evident that many banks are putting their best endeavours to achieve sustainable development by initiating green practices. The response to this environmental turbulence is tardy in India. This study is a modest attempt to clearly identify the efforts, initiatives taken by SBI and they have proved themselves a flagship of Indian banking sector towards sustainable development. The results of this analytical study will help other financial institutions to go green and reduce the carbon footprints and come out with more green policies which will help in achieving the sustainable development and incorporate these issues in core banking solutions.

SECTION 111: ANALYSIS AND INTERPRETATIONS
The main objective of this paper is to deeply understand how State Bank of India is responding to climate change and to provide an overview of their initiatives and action in view of green banking and sustainable development. SBI in India has also gone with an operational segment of green banking. Green banking requires a paradigmatic change in thinking about economics, business and finance. Its success would be greater if the world governments started to revise their economic paradigms from being 'monetary economics' to 'ecological economics' and begin to transform their accounting principles from purely being financial into ecological/operational energy accounting patterns. The following points highlight their endeavours in the direction of sustainable development.

1) CSR PHILOSOPHY:
The Bank is a corporate citizen, with resources at its command and benefits which it derives from operating in society in general. It therefore owes a solemn duty to the less fortunate and under-privileged members of the same society. Staff members are buoyant to make their involvement by understanding the ambition of the public around them and by endeavouring to evolve measures to remove indubitable social and developmental lacunae.

2) GREEN CHANNEL COUNTER
State Bank of India has started ‘Green Channel Counter’ on 1st July, 2010, at 57 Pilot branches across the country, as an innovative step towards paperless ‘Green banking’ for deposit, withdrawal and
remittance transactions. Based on the Customers favourable response, this initiative has now been rolled out to more number of branches. The facility would give customers ease and comfort in transacting their business at branches. The customer need not fill up any pay-in slips or draw cheques for depositing or withdrawing money from their accounts, saving paper, and thereby contributing to the concept of ‘Green Banking’. This novel facility is a game varying move in the industry by dipping process time, as replication in writing/feeding account particulars and contract details by the customer as well as the person who are working behind the counter is avoided by simply capturing these details by swiping the SBI Shopping cum ATM card (State Bank Shopping Card) on a device available at the Single Window Operator’s (SWO) counter. At the Green Channel Counter, there is a Point of Sale Machine (POS), on which the customer swipes his card. He is then asked by the machine to select the type of transaction, viz. (0) Cash Deposit, (1) Cash Withdrawal and (2) Funds Transfer: Once the customer selects the type of transaction by entering the option, the message ‘Enter the Amount’ is displayed. At present the maximum amount is Rs 40,000/-. The customer is asked to confirm the input amount followed by a message “Please Enter the PIN”. When the PIN is entered by the customer, the transaction gets transferred to the terminal of SWO who after entering the denomination of the cash to be paid/ received pays/receives cash and the transaction gets completed. The customer will be provided with a machine generated printed receipt with previous balance, amount of transaction and closing balance. Odd amount (in round rupees) transactions are possible. While withdrawing, the customer can have denomination of currency of his / her choice, subject to its availability at the Branch. The Green Channel Counter is also an important endeavour to propose ease of transactions to senior citizens, principally a big number of pension account holders who still favour branch banking. It is the privilege of the oldest Bank in the country to take care of its elder citizens and guide them to the use of plastic cards. The facility would be comprehensive to a generously proportioned number of branches with added facilities in due course.

3) WIND MILLS:
State Bank of India (SBI) has become the first bank in the country to venture into production of green power by installing windmills for captive use. As part of its green banking initiative, SBI has installed 10 windmills with an aggregate capacity of 15 MW in the states of Tamil Nadu, Maharashtra and Gujarat. SBI has planned to install an additional 20 MW capacity of windmills in Gujarat soon and aims to touch 100 MW power generations through windmills within five years. The total cost of installation of a windmill of 1.5 MW is around Rs 10 crore. The operation cost is close to zero.

4) OPENING OF GREEN BRANCH:
Under green banking initiative of the State Bank of India (SBI), Nagaland chief secretary Lalthara has inaugurated the first green banking branch at Jotsoma Science College, Kohima in the presence of SBI assistant general manager Ashok Kumar Das and regional manager Biswajeet Bhattacharjee of the bank. Opening by State Bank of India its green banking branch, first of its kind, was a historic leap toward paperless banking through maximum use of technology-driven channels. Other measures taken up by bank in the direction of environmental awareness are replacing bulb and tubes by CFL lamps, installation of water treatment units and extensive use of solar energy. SBI branches in Nagaland would be adopting one village each from its service area for financing solar power panels under NABARD Scheme.

5) SBI GREEN HOME LOAN
Bank has adopted a Green Banking Policy with an intent of contributing towards the fight against the adverse climate change. One of the initiatives approved by the Board for this purpose is to give incentives to borrowers who go in for Green Projects, i.e. those projects which reduce Carbon Emissions and promote Renewable Energy or alternate energy. “Green Housing” or “Green Home” is one of the types of projects identified for this purpose. “Green Building is the practice of increasing the efficiency of buildings and their use of energy, water and materials and reducing building impacts on human health and environment, through better site location, design, construction, operation, maintenance and removal- the complete building life cycle. An effective Green Building can direct to (i) condensed functioning costs by escalating efficiency and using less energy and water, (ii) improved
public and occupant health due to improved indoor air quality, and (iii) reduced ecological impacts.” Green buildings are certified by rating agencies, like, the Leadership in Energy and Environmental Design (LEED) rating system developed by the U.S. Green Building Council, Green Globes from Green Building Initiative, LEED INDIA rating, India Green Building Council (IGBC), and TERI-GRIHA from TERI-BCSD India. The rating is generally based on five categories of performance viz. (i) Sustainable Sites, (ii) Energy and Atmosphere, (iii) Water Efficiency, (iv) Indoor Environmental Quality, (v) Materials and Resources. Presently SBI is the only Bank in the country supporting the cause of Green Buildings, they have the first mover advantage in this elite business space by appropriate positioning of their offer. For this purpose “SBI Green Home Loan” has been given a distinguishing identity of its own in the form of a new product name, though strictly speaking, there is no major change in the features of the existing Home Loan products except 5% concession in margin, 0.25% concession in interest rate and waiver of processing fees.

Special feature of the scheme: Customers going for the green projects will enjoy 5% discount on the margin money, 0.25% concession on interest rate and waiver of processing fees. The bank provides the loans in two categories fixed and floating. For loans above 75 Lakh the interest rate will be only floating rate based on SBAR. As on 31st March 2010, the interest rate for first year was 8% and for 2nd and 3rd year was 8.5% PA. After 3rd year the customer can choose either fixed or floating based on prevailing State Bank Advance Rate (SBAR).

Table 1: HOME LOAN OF SBI

<table>
<thead>
<tr>
<th><strong>Maximum term</strong></th>
<th>25 years (up to a maximum age of 70)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantum of Loan</strong></td>
<td>Minimum loan amount of Rs 5 lakhs</td>
</tr>
<tr>
<td><strong>Documentation</strong></td>
<td>Salaried individuals need to show income related documents along with 6 months bank statement, for self employed and business persons, the documentation includes last 3 years income tax returns and Profit and Loss statement of the business activity</td>
</tr>
<tr>
<td><strong>Fees</strong></td>
<td>The bank charges a fixed fees based on the quantum of loan. Rs 1000 for loans below 5 lakh, Rs 2000 for 5-10 Lakh, Rs 5000 for 10-20 lakh, Rs 7000 for 20-50 lakh.</td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td>Equitable mortgage of the property and other tangible security of adequate value like NSCs, Life Insurance policies etc., if the property cannot be mortgaged.</td>
</tr>
<tr>
<td><strong>Maximum Repayment Period</strong></td>
<td>For applicants upto 45 years of age is 25 years and for applicants over 45 years of age is 15 years.</td>
</tr>
<tr>
<td><strong>Moratorium</strong></td>
<td>Up to 18 months from the date of disbursement of first instalment or 2 months after final disbursement in respect of loans for construction of new house/ flat (moratorium period will be included in the maximum repayment period).</td>
</tr>
<tr>
<td><strong>Disbursement</strong></td>
<td>i) in lump sum direct in favour of the builder/ seller in respect of outright purchase ii) in stages depending upon the actual progress of work in respect of construction of house/ flat etc.</td>
</tr>
<tr>
<td><strong>Documents</strong></td>
<td>Completed application form</td>
</tr>
<tr>
<td></td>
<td>□ Passport size photograph</td>
</tr>
<tr>
<td></td>
<td>□ Proof of Identity- PAN Card/ Voters ID/ Passport/ Driving License</td>
</tr>
<tr>
<td></td>
<td>□ Proof of Residence – Recent Telephone Bill/ Electricity Bill/ Property tax receipt/ Passport/ Voters ID.</td>
</tr>
<tr>
<td></td>
<td>□ Proof of business address in respect of businessmen/ industrialists</td>
</tr>
<tr>
<td></td>
<td>□ Sale Deed, Agreement of Sale, Letter of Allotment, Non encumbrance certificate, Land/ Building Tax paid receipt etc. (as applicable and subject to satisfaction report from our empanelled lawyer)</td>
</tr>
<tr>
<td></td>
<td>□ Copy of approved plan and approval from the Local Body</td>
</tr>
<tr>
<td></td>
<td>□ Statement of Bank Account/ Pass Book for last 6 months</td>
</tr>
</tbody>
</table>

**SOURCE: SBI CIRCULAR**
The above Table 1 of SBI home loan clearly exhibits the concessions they offer for green loans, social responsibility aspects, climate change issues are clearly exhibited in their circular and are placed as number one in this endeavour. SBI i.e. flagship of Indian banking sector are setting the best example for other banks and financial institutions to move in this direction. By launching this product, the bank wants to support an environment friendly residential project, which has been rated by the Indian Green Building Council (IGBC). IGBC, a not-for profit council encourages builders, developers and owners to build green to enhance the economic and environmental performance of buildings. To spread the green building concepts throughout the country and with a mission to reach out the its vision at the regional levels, IGBC- Local Chapters were launched in Ahmedabad, Baroda, Bengaluru, Chennai, Delhi, Hyderabad, Goa, Kochi, Kolkata, Mumbai and Pune. IGBC has launched ‘IGBC Green Homes Rating System’ to address the national priorities. By applying IGBC Green Homes criteria, homes which are sustainable over the life cycle of the building can be constructed. This rating programme is a tool which enables the designer to apply green concepts and criteria, so as to reduce the environmental impacts, which are measurable. IGBC Green Homes is the first rating programme developed in India.

IGBC has set up the Green Homes Core Committee to develop the rating programme. This committee comprised of key stakeholders including architects, developers, home owners, manufacturers, institutions and industry representatives. Project teams interested in IGBC Green Homes Certification for their project must first register with IGBC. Projects can be registered on IGBC website (www.igbc.in) under ‘IGBC Green Homes’. The website includes information on registration fee for IGBC member companies as well as non-members.

India needs to plan and build more green buildings for bridging the rising fissure between energy demand and supply for sustaining urbanization. The green homes would enable its owners to enjoy tangible benefits in the form of 20%-30% energy savings. Here ample natural light can be consumed throughout the day. Water savings is possible through harvesting and recycling. Financial institution like SBI is playing a catalyst role by coming forward to finance this project at a concessional rate of interest. However, it is seen that there is lack of awareness among the people of India in this regard compared with international scenario. There is a paucity of role of other banks. SBI leadership should be accepted in this direction to encourage such construction to sustain and contain the environment.

Proper formulation of law and incentive scheme by the government can further enhance the construction of green building. The sooner we use this concept better we can survive in a healthy environment. Use of this concept is vital for healthy survival of its population.

6) ASSISTANCE TO MSME SECTOR
The Bank is giving priority to the agriculture and the MSME sectors. Following the recent slowdown in the world and domestic economy, the MSME sector has been affected and the need of hour is to diversify their product line and markets.” The total lending to MSMEs play a major role in country’s economic development and it has recorded a growth of 6.59% over previous year to touch Rs 9047 crores and this figure is 8.19% higher over previous year level. There was a massive lending campaign conducted from 1 September 2011 to 31st march 2012. There was a target of giving 750 crores but the target was achieved up to 727.86 crores covering about 5873 accounts.

7) FINANCIAL LITERACY AND CREDIT COUNSELLING CENTRE (FLCC)
Bank has started FLCC along with RSETIs in the lead districts of Alappuzha, Kottayam, Pathanamthitta for providing financial literacy, information about product and credit availabilities and arranging seminars for counselling students for higher education.

8) FINANCIAL INCLUSION:
Financial Inclusion is delivery of banking services at an affordable cost to the vast sections of the disadvantaged and low income groups. The bank has opened over one million “No Frills” accounts (Janapriya accounts), out of which 70% are in State of Kerala. Joint Liability Group (JLG) schemes, Biometrics Smart card Project, General Credit Card to these Janapriya Account Holders etc in this direction. The SBI has formulated a financial inclusion Plan, which has been rolled out during 2010-11 and all F1 villages allotted to the Bank have been duly covered. Financial inclusion is the integral part of the business plan of the bank. It has started “SBT-SAHAHASTHAM” plan and has appointed 6...
channel Managers for the FI project. It has enrolled nearly 13000 customers under this in 34 villages and added 1954 “No Frills” accounts through the new branch at Perumanna village during the year.

9) SUPPORT TO DISADVANTAGED SEGMENTS

The bank continues to give due importance in giving financial assistance to meet the credit requirements of SC/ST borrowers. It has adopted 4 villages in Kerala and 1 village in Tamil Nadu where the density of SC/ST is more. Banks has given advances up to 2,604.04 crore (12.84%). The percentage of NPA in respect of SC/ST borrowers under priority is 1.01% of the outstanding. The advances to Minority communities (MC) under priority sector stood as 6968.25 crore and is about 34.34% of total advances compared to 34.05% as at the end of previous year. In giving employment also SBI gives due regard to backward classes, reservation at 15% for SCs and 7.5% for STs are provided in direct recruitment for offices cadre see Table 11.

Table 11 : Category - wise data as on 31.03.2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>SC</th>
<th>%</th>
<th>ST</th>
<th>%</th>
<th>OBC</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officer</td>
<td>4460</td>
<td>600</td>
<td>13.45</td>
<td>143</td>
<td>3.21</td>
<td>290</td>
<td>6.50</td>
</tr>
<tr>
<td>Clerical</td>
<td>5969</td>
<td>776</td>
<td>13.00</td>
<td>177</td>
<td>2.97</td>
<td>942</td>
<td>15.78</td>
</tr>
<tr>
<td>Subordinate</td>
<td>2168</td>
<td>567</td>
<td>26.15</td>
<td>82</td>
<td>3.78</td>
<td>282</td>
<td>13.00</td>
</tr>
<tr>
<td>Total</td>
<td>12,597</td>
<td>1943</td>
<td>15.42</td>
<td>402</td>
<td>3.19</td>
<td>1514</td>
<td>12.02</td>
</tr>
</tbody>
</table>

The above table 11 clearly shows that bank is adhering to the guidelines set by the government of India and is regularly verified by the Liaison Officer for SC and ST annually as to whether bank is duly adhering to rules or not.

10) Community services banking (CSB)

The concept of social circle is a unique concept of SBI Travancore. In this staff members undertake variety of certain social circles which are completely outside the purview of banking services, purely on voluntary services. There is a proper planning to carryout the services, funding issues etc. There are about 591 social circles functioning at various branches, spread all over India. The funds of the social circle are used mainly for student welfare.

SECTION IV: SUMMARY CONCLUSIONS AND RECOMMENDATIONS

State Bank of India (SBI) has richly merited its status as the flagship of Indian banking. In several fields, the Bank has pioneered innovative process and adds significantly to the escalation of the Indian economy, while recuperating its own unbroken record of profitability over the years. It also believes that proper corporate governance facilitates effective management and control of business, and this enables the Bank to maintain a high level of business ethics and optimise the value for all its stakeholders. It is the market leader in Educational Loans with a market share of 25% amongst PSU banks, a leader in Auto Loans with a market share of 17.5%, and the No. 1 home loan player with 26% market share. With staff strength of over 215,480 and over 7, 28,729 shareholders, the Bank has a vast domestic network of over 14,097 branches and 173 foreign Offices in 34 countries spanning all time zones. It has numerous rewards and recognitions in various banking and Corporate Social Responsibility (CSR) initiatives to its credit. Prominent CSR activities being distribution of lakhs of electric fans and ongoing distribution of water filters in schools in India, financing Save The Girl Child projects, and promoting ‘Green Banking’ by changing traditional paper banking to card based banking and installation of Windmills. The Bank has also been an active participant in wildlife conservation projects like ‘Save the Tiger’. As an important country’s biggest lender, State Bank of India has become a signatory investor to the Carbon Disclosure Project (CDP), a collaboration of over 550 institutional investors with assets under management of US $ 71 trillion. The bank continues to give due importance in giving financial assistance to meet the credit requirements of SC/ST borrowers. The advances to Minority communities (MC) under priority sector stood as 6968.25 crore and is about 34.34% of total advances compared to 34.05% as at the end of previous year. The concept of social circle is a unique concept of SBI Travancore. In this staff members undertake variety of certain social circles which are completely outside the purview of banking services, purely on voluntary services. The funds of the social circle are used mainly for student welfare. Bank has started FLCC along with
RSETIs in the lead districts of Alappuzha, Kottayam, Pathanamthitta for providing financial literacy, information about product and credit availabilities and arranging seminars for counseling students for higher education. The Bank is giving priority to the agriculture and the MSME sectors. Following the recent slowdown in the world and domestic economy, the MSME sector has been affected and the need of hour is to diversify their product line and markets. Presently SBI is the only Bank in the country supporting the cause of Green Buildings; they have the first mover advantage in this elite business space by appropriate positioning of their offer. For this purpose “SBI Green Home Loan” has been given a distinguishing identity of its own in the form of a new product name, though strictly speaking, there is no major change in the features of the existing Home Loan products except 5% concession in margin, 0.25% concession in interest rate and waiver of processing fees. State Bank of India (SBI) has become the first bank in the country to venture into production of green power by installing windmills for captive use. With all these initiatives and endeavours they have attained the flagships of Indian Banking sector. Other banking and financial institutions must follow their endeavours towards sustainable development which is the need of today. Proper disclosures of resources used, corporate social responsibility initiatives, endeavours towards disadvantaged people, using less paper, implementation of energy efficiency techniques are embedded in their culture as a major part of core banking solutions. SBI is setting a very good example by incorporating all the parameters of society and sustainability and are the trend setters that along with your commercial aspects you can incorporate and embed sustainability issues and still be a leader.

RECOMMENDATIONS
- Increased use of electronic payment.
- Increased use of core banking solutions.
- Increased use of video conferences.
- Offering centralised payment.
- Be a major part and parcel of international environmental initiatives.
- Proper disclosure practices of resources used.
- Implementing climate change in main banking solutions.
- Sustainability must be at every level and all transactions done in the bank.
- Following the mandates and circulars of RBI and making it a major part of banking solutions.
- Energy efficiency should be major which will help in saving the carbon foot prints.

All the above steps are very nicely deep routed in SBI policies, where as if we see Public Sector Banks they are laggards in many issues. If we really want to save the roars of tigers and chirps of the birds and other species we must seriously implement these in our activities. These small steps will give us the maximum mileage in saving our planet.

SECTION V: REFERENCES
- Annual reports of SBI and circulars issued.
- Lynette M. McDonald, Chia Hung Lai, (2011) "Impact of corporate social responsibility initiatives on Taiwanese banking customers", International Journal of Bank Marketing, Vol. 29 Iss: 1,


