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CORPORATE SOCIAL RESPONSIBILITY PRACTICES AT HDFC BANK LTD: A COMPREHENSIVE CASE STUDY

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ABSTRACT

Banks are widely regarded as the central nervous system of an economy, playing a vital role in promoting financial stability and economic growth. Beyond traditional functions such as encouraging savings and channeling investments, banks act as intermediaries, bridging the gap between depositors and borrowers. In recent years, the role of banks has expanded to include Corporate Social Responsibility (CSR) as a critical component of their operations. CSR enables banks to contribute to societal welfare while enhancing their reputation and stakeholder trust. This study examines the CSR practices of HDFC Bank Ltd, focusing on initiatives undertaken under its “Parivartan” brand during FY 2017-18 to 2021-2022. CSR is institutionalized in India under Section 135 of the Companies Act, 2013. HDFC Bank consistently surpasses the mandated CSR spending, reflecting its strong commitment to social welfare. Using data from annual reports, the study employs trend and percentage analyses to evaluate CSR expenditure and its alignment with legislative requirements. Findings highlight that HDFC Bank's consistent growth in net profits and CSR investments across areas such as education, healthcare, environmental sustainability, and rural development, offering insights into the role of CSR in fostering sustainable growth in the banking sector.

KEY WORDS: CSR, HDFC Bank, Social Responsibility, Corporate Citizenship, Banking Sector.

Banks are often regarded as the brains of economy. They are undoubtedly playing a pivotal part in advancing financial development of nation as a whole and as well as encourages savings among people and investment indirectly. Banks act as an intermediary between depositors and borrowers, where they accept money from the depositors and lend them to borrowers. The banking industry is a key part of the world's financial system. It offers many financial services and products to people, businesses and governments. This industry includes different types of banks like commercial banks, investment banks, central banks and credit unions. Each type has its own specific jobs and purposes in the financial system.

Life now is not as simple as people used to live in 1950s. Life has become more complex and people's expectation are growing day by day. Likewise, now, customers and stakeholders are not just expecting profit out of business. May be, just profit was enough to survive the competition in the industry 30 years ago. Companies are expected to play a role of responsible corporate citizens and serve the society by giving back things where they extract resources. CSR is not a new concept; it was always in India but in various other forms.

Corporate Social Responsibility (CSR) has become an important part of running businesses in a responsible and ethical way around the world. The idea became important in the 1970s, but it was officially included in Indian business rules with the Companies Act of 2013. CSR implies that a company features a obligation to create a great affect on society and the environment, not fair to create cash. It points to back greater social and natural objectives. In 2009, the Service of Corporate Issues made discretionary rules to highlight the significance of Corporate Social Obligation (CSR) in how companies are run. These guidelines were later made official in Section 135 of the Companies Act, 2013. Companies those meeting the cetain financial conditions must spend at least 2% of their average net profit from the last three years on social responsibility projects, especially to help local communities and the country.

The Reserve Bank of India (RBI) has been pushing banks to take part in social responsibility activities since 2007. These activities include helping to eliminate poverty, promoting health care, providing education, protecting the environment, improving rural areas, and empowering women. Banks presently see corporate social obligation (CSR) as an imperative way to move forward connections with partners, pick up believe, and back long-term development.

HDFC Bank Ltd is the greatest private bank in India, it has solid administration in corporate social duty (CSR). Founded in 1994, the bank has a strong presence with more than 8,776 branches in the country, 20,938 ATMs, and a large international reach. As of May 2024, HDFC Bank is worth $145 billion, making it the third biggest company on Indian stock markets. In addition to providing financial services, the bank's community programs focus on important areas like helping rural communities, education, and protecting the environment, showing its dedication to doing the right thing as a company.

This research paper looks closely at HDFC Bank's efforts in corporate social responsibility (CSR) by utilizes trend analysis to examine the year-wise allocation of CSR contributions across various sectors, Such as Promoting Education, Skill Training and Livelihood Enhancement, Healthcare, Environmental Sustainability, Eradicating Poverty and Rural Development. By highlighting the effectiveness and scope of these efforts, the research aims to provide a comprehensive understanding of CSR's role in the banking sector's sustainable development.

Review of Literature

The following are the research papers studiedand researched by the researcher collected from various published articles, project reports, journals and research papers which are as follows:

Srikanth, R., & Rao, K. S. (2024) studied the corporate social responsibilities of selected public banks and suggested that bank must perform CSRactivities as implementation of ethical ideas and not as a charity. They also concluded that RBI must monitor the process and banks must disclose about the CSR activities in their annual reports and make it mandatory.

Kumar, S. A., & Sreedharan, N. V. (2023) concluded that HDFC stands first in the corporate social responsibilities in the banking sector. This bank alone has contributed 18% of the total CSR funds in India. The bank is building a better brand image and has a successful future. The areas of CSR activities of the bank are rural development, skill development and livelihood enhancement, promotion of education, healthcare and hygiene, and financial literacy and inclusion.

Kowsalya, M., et. al (2023) on “a study on corporate social responsibility practicesand issues of hdfc bank” studied the origin of the bank and the corporate practices of HDFC bank. They found out that the main issues faced by the bank includes mis- selling of financial products, poor customer services and discrimination lending etc,and concluded that CSR activities are priority for all the companies.

Prabhu, G. N., & Aithal, P. S. (2023) the objective of their study was to find out if CSR activities attracted new customers and to identify inbound CSR activities of various banks. They also analysed the impact of CSR activities from banking point of view and customers point of view. They suggested that the activities performed by the banks are not adequate and must engage in more activities like green banking to increase customer loyalty.

Kunjukunju, B. (2022) studied the awareness of CSR activities of the HDFC bank by its employees. The study is covered for 5 years from 2016-17 to 2020-21. He concluded that "increasing brand awareness and recognition" and "improved publicimage" are most important benefit of any CSR activity. HDFC is the highest spender in India with rs. 736 crores in the year 2021-22. The author concluded that the HDFC bank is showing an outstanding performance in the CSR activities.

Garg, N., & Singh, S. (2022), studied that Caroll's CSR Pyramid and its importance. They also studied the amount spent in the recent 6 years i.e., 2014-15 to 2018-19 and the areas spent on CSR activities by HDFC bank using case study method. They concluded that the bank is doing well in CSR activities and the focus of areas are rural development, education promotion and skill training and livelihood enhancement.

Rath, G., & Dhakene, S. H. (2021) studied the CSR activities through primary data through questionnaire with a random sample of 40 bank employees, to know the awareness among the employees and to collect opinions. They concluded that the bank conducts Holistic Rural Development Programme (HRDP) for enhance skill development and financial literacy among rural development.

Jhatiya, V. N., & Barad, M. M. (2021) conducted a comparative analysis of CSR performance between SBI and HDFC bank for the period 2016-17 to 2018-19. The objective wasto study the spending and effect of CSR activities on financial performance of bothbanks. They concluded that the public sector banks are not consistent with either profit or CSR activities every year, whereas, private sector banks are consistent with profit and CSR activities, and overall banks must disclose the activities and the amount they spent and it should not be just another marketing gimmick.

Koreath, J. J., & Paul, K. P. (2021) the objective of the study was to study the CSR practices of banks in India of 6 selected banks belonging to top 100companies for 2017-18 to 2019-20, using secondary data collected from bank websites and csr.gov.in. They concluded that there are 87 banks running as per RBI and most of them are spending their funds from profit towards CSR activities and some of them are spending more than the prescribed fund towards education, health,rural development and environmental activities.

Hasdak, A. T. (2021) conducted an empirical study on the CSR activity of YES bank and HDFC bank. They explained the importance and types of corporate socialresponsibility. They also studied the activities performed under CSR initiatives of both the banks and concluded that banks spend more than 50% of the fund on skill development and livelihood creation, suggests that they should also support other sectors and banks should also focus towards the needy section of the society apart from education and healthcare.

Jain, A. (2019) studied the corporate social responsibilities of banking industry in India using secondary data collected from reports of selected banks, newspapers and books and the primary data was presented as graphs and pie charts. The author concluded that the banks have been doing the CSR activities even before it was made compulsion in the companies act 2013, The activities taken by the banking companies are a sign that they are giving back something to the society and that they must also address the unattended section of the society.

Kalva, U. (2019) conducted research on the Corporate Social Responsibility-A Study of SBI And HDFC Banks based on both primary and secondary data. The author suggested that every bank must follow CSR activities and there are many issues in the society to address. He suggested the individuals and customers to have good knowledge of the companies' activities and to make effective use of them, as they also help to promote the well-being of the banks.

Kaushik, N., & Arora, B. (2019) studied the areas of CSR activities of SBI and HDFC bank and their impact on financial performance for the period 2014 – 2018, using SPSS software. The author concluded that the CSR activities of SBI bank has no impact on financial performance, whereas, the CSR activities of HDFC bank has impact on financial performance. They suggested that RBI must issue proper regulations regarding CSR activities and banks must make consistent investment and train their employees for the same.

Kewlani, H., & Bhatt, K. (2019) conducted a paper on the corporate social responsibilities of selected public and private banks in India to identify and analyse the practices and compare the spending pattern between the banks. The authors selected top 2 private banks and top 2 public banks from top 100 companies from year 2014-15. The authors concluded that public banks have changing trend in increase and decrease of CSR activities where as private sector banks have upward trend. Hence, the CSR activities affects the share price of the banks so all banks must do the above activities.

Venugopal, N., & Krishnan, S. (2018) studies the spending pattern of commercial banks towards corporate social responsibility to gather the knowledge about the same based on both primary and secondary from banks' websites, and newspapers for two financial year 2014-15 and 2015-16. The authors concluded that the banks should concentrate more on the women welfare and education, and also RBI should be stricter in issuing guidelines about funds towards CSR activites.

Venugopal, N., & Kunjukunju, B. (2017) prepared a paper on the corporate social responsibilities of commercial banks in India for two years i.e., 2014-15 and 2015-16. The authors suggested that though many of the banks are performing CSR activities, it needs more thrust and most of the banks are not meeting the compliance, and also banks needs focus more on the women welfare programs and education.

Malik, N. (2016) prepared a paper to study about the CSR activity with reference to HDFC bank, using secondary data. The author concluded that all the banks in India are conducting CSR activity as well as HDFC bank. The author suggested that there should more involvement of Government in the activities, thereshould be a development of consulting in the era of CSR, and media should play avital role in reaching and educating common people and customers about the CSRactivity.

Saxena, S. (2016) has tried to compare the CSR activity of private and public bank sector banks using both primary and secondary data, collected through newspapers, magazine, articles, annual reports and journals. With a sample of 25 banks, the author concluded that majority of employees from both public and private sector banks agreed that CSR activity should be responsibility of every bank. The author suggested that the banks should not only construct schools as a part of CSR activity but also provide necessary things needed to maintain a school.

Sharma, M., & Thakur, U. (2016) made a study on the comparison of CSR activities performed by SBI and HDFC bank, to study and compare the current practices among them, using secondary data collected from annual reports, websites and newspapers. The author found out that SBI have been ranked 93rd among top 100 companies foor sustainability and CSR, whereas HDFC has been ranked 44th out of hundred. This is self-explanatory that SBI still have to do a lot of things in the area of CSR activity.

Patra, R., & De, K. (2014) studied the CSR activities and compared among leading banks with the objective to find out the amount spent and head wise allocation of funds, using secondary data collected from annual reports of 2012-13of selected 5 public sector banks and 5 private sector banks. The authors concludedthat allocation of funds for CSR activity is not clearly visible in the financial statements and most of the banks just donate money instead of involving in CSR activity. The authors suggested that the RBI must form a monitoring committee to oversee the CSR activity and banks must clearly mention the funds allocated to CSR activity and banks must conduct programs such as financial inclusion and financial literacy.

Research Gap

After reviewing the literature, it was found that the conclusions and suggestions were based on a superficial evaluation of the performance of CSR activities in various top private banks. In other words, there are no in-depth research studies on the detailed evaluation and study of the actual funds dedicated towards CSR, and sector wise and year wise performance of banks towards CSR. Therefore, there exist research gap. Hence the present study is undertaken by considering the research gap.

OBJECTIVES

The primary objective of this study is to analyze the CSR initiatives of HDFC Bank with a focus on the allocation of expenditure to various sectors. Additionally, it aims to:

1. To examine the trends in CSR spending over the years.
2. To evaluate if the CSR activities follow the rules in Section 135 of the Companies Act, 2013.
3. To look at how CSR programs help improve society in important areas like education, healthcare, protecting the environment, and reducing poverty.

Scope of the Study

This study will only look at the social responsibility activities of HDFC Bank Ltd. during the financial years 2017-18 to 2021-21. It excludes all other banks and CSR initiatives outside this period, ensuring a concentrated and detailed evaluation of the chosen timeframe and institution.

METHODOLOGY

The study adopts an empirical approach, relying on secondary data sourced from HDFC Bank's annual financial reports for the years 2017-18 to 2021-22. The data analyzed includes:

- Net profits of the bank.
- Prescribed CSR expenditure.
- Actual amounts spent on CSR initiatives.
- Sector-wise and year-wise allocation of CSR funds.

The analysis employs trend analysis and percentage calculations to identify patterns and draw conclusions.

Sample Design

The study employs a purposive sampling method, selecting HDFC Bank Ltd., which is prominent in the Indian Banking Industry and it is selected on the base of its detailed annual

CSR report. The population comprises all private sector banks in India. The sample techniques focus is on companies that have consistently reported annual CSR report from 2017-18 to 2021-22, ensuring a representative and informative sample for the study.

Tools for Data Analysis

The study utilizes trend analysis to examine the year-wise allocation of CSR contributions across various sectors, including:

1. Promoting Education.
2. Skill Training and Livelihood Enhancement.
3. Healthcare.
4. Environmental Sustainability.
5. Eradicating Poverty.
6. Rural Development.
7. Research.

Percentage analysis is employed to evaluate the proportional spending of CSR funds in relation to the bank's net profits.

Analysis and Discussion

A nationwide study of CSR activities was gathered and examined over five years, from the financial year 2017-18 to 2021-22. HDFC Bank's CSR improves how it runs things by focusing on doing the right thing, being open about its actions, and taking responsibility. Getting stakeholders involved will help create more value for customers. Support diversity, fairness for all genders, and the well-being of workers. Treat and support the basic rights that everyone should have.

Table 1: Net profits and CSR expenditure of HDFC bank Ltd. (In Crores)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Net profit of the company for last three financial	18,246	21,960.40	26,680	31,393	36,693
Prescribed CSR Expenditure	365	439.2	534	627.86	733.86
Total amount spent during the financial year	374	443.8	535	634.91	736.01

(Source: annual reports of HDFC Bank Ltd)

Over the five financial years from 2017-18 to 2021-22, the company's net profit increased from ₹18,246 crore to ₹36,693 crore, totalling ₹1,34,972 crore. During this period, the prescribed CSR expenditure also rose, starting at ₹365 crore and reaching ₹733.86 crore, amounting to ₹2,700 crore overall. The company consistently exceeded its prescribed expenditure CSR, with the total amount spent on CSR activities summing up to ₹2,724 crore across these years. This reflects the company's commitment to social responsibility by surpassing the mandated CSR spending each year.

HDFC Bank's CSR endeavors are bound together beneath the 'Parivartan' brand, which includes all the bank's social activities. Their programs endeavor to make feasible communities and comply with Area 135 of the Companies Act, 2013. The Bank actualized different CSR programs that adjust with this approach, centering on particular zones of require:

1. Promoting Instruction
2. Skill Preparing and Vocation Improvement
3. Health Care
4. Environmental Maintainability
5. Eradicating Destitution
6. Rural Advancement

1. Promoting Education:

HDFC Bank prioritizes CSR spending on education because it drives long-term economic and social growth, aligns with national initiatives like Sarva Shiksha Abhiyan, and helps create sustainable communities. This focus supports corporate responsibility by addressing poverty and empowering future generations. Additionally,investing in education helps build a skilled workforce, benefiting the broader economyand the bank's long-term objectives.

Table:2 Proportion of CSR spent on promoting Education by HDFC Bank Ltd.

Activity / CSRproject	% proportion to CSRfund spent	PromotingEducation (In Crore)	Trend %
2017-18	11.04%	41.29	100%
2018-19	10.93%	48.52	17.51%
2019-20	13.13%	70.27	44.83%
2020-21	9.16%	58.15	-17.25%
2021-22	8.95%	65.89	13.31%

(Source: annual reports of HDFC Bank Ltd)

As referred to the above table, in the year 2017-18, HDFC Bank's Project Disha has empowered teachers to use innovative, activity-based teaching methods. Their hope is that these new techniques will bring a fresh perspective to education in India.

The bank had allocated INR 41.29 crore towards Promoting Education out of prescribed CSR funds of INR 374 crore, in the year 2017-18. This constitutes 11.04% of the total funds prescribed for CSR. In the year 2017-18, HDFC Bank's "Promotion of Education" initiative oriented 10,47,250 teachers and covered 1,47,021 schools. HDFC Bank's focus on promoting education as part of its CSR efforts reflects its commitment to driving long-term social and economic growth. The table indicates a steady investment trend in education, with notable initiatives like Project Disha in 2017-18. This project trained 10,47,250 teachers to adopt innovative teaching methods, benefiting 1,47,021 schools. In 2017-18, INR 41.29 crore was allocated to education, constituting 11.04% of the total CSR funds. While the proportion varied over the years, with a peak allocation of INR 70.27 crore in 2019-20 (13.13%), the consistent investment highlights HDFC Bank's dedication to building skilled and sustainable communities.

2. Skill Training and Livelihood Enhancement:

HDFC Bank spends its CSR funds on Skill Training and Livelihood Enhancement to empower individuals, particularly in rural areas, by providing them with the necessary skills and resources to improve their livelihoods. This focus aligns with the bank's commitment to fostering sustainable development and reducing poverty, ultimately contributing to the overall economic growth and self-reliance of communities. By investing in skill development, HDFC Bank aims to create long-term, positive impacts on income generation and employment opportunities.

Table 3: Proportion of CSR spent on Skill Training and Livelihood by HDFC Bank Ltd.

Activity CSR project	% proportion to CSR fund spent	Skill Training and Livelihood Enhancement (in Crore)	Trend
2017-18	4.62%	17.31	100.00%
2018-19	5.51%	24.45	41.25%
2019-20	5.35%	28.63	17.10%
2020-21	6.67%	42.4	48.10%
2021-22	15.86%	116.74	175.33%

(Source: annual reports of HDFC Bank Ltd)

HDFC Bank's CSR spending on Skill Training and Livelihood Enhancement demonstrates its commitment to empowering individuals and fostering sustainable communities. In 2017-18, the bank allocated ₹17.31 crore (4.62% of the total CSR funds) towards this initiative, benefiting 82,121 farmers and youth, and empowering 7,45,127 women. By 2018-19, this allocation increased to ₹24.45 crore (5.51%), a 41.3% rise, supporting over 100,000 individuals with skills in agriculture and other areas. In 2019-20, ₹28.63 crore (5.35%) was spent, upskilling 7.8 lakh women and 1.6 lakh individuals. The expenditure surged in 2020-21 and 2021-22, with ₹116.74 crore (15.86%) spent in 2021-22, reflecting the program's growing impact.

3. Health Care

HDFC Bank spends its CSR funds on healthcare to improve access to essential health services in underserved rural areas. By focusing on healthcare, the bank aimsto enhance the overall well-being of communities, reduce health disparities, and support sustainable development. This aligns with its broader goal of holistic rural development, addressing key issues like health, education, and livelihood to fosterlong-term growth and stability.

Table 4: Proportion of CSR Spent on Health Care by HDFC Bank Ltd.

Activity /CSR project	% proportion toCSR fund spent	Health Care(in Crore)	Trend
2017-18	4.06%	15.19	100.00%
2018-19	3.91%	17.34	14.15%
2019-20	0.02%	0.13	-99.25%
2020-21	16.79%	106.66	81946.15%
2021-22	14.81%	109.04	2.23%

(Source: annual reports of HDFC Bank Ltd)

HDFC Bank's CSR expenditure on healthcare has shown significant fluctuations over the years, reflecting its evolving focus on community health and sustainable development. Starting with 4.06% of total CSR funds allocated to healthcare in 2017-18, the bank saw a modest increase to 3.91% in 2018-19. However, a dramatic drop occurred in 2019-20, with only 0.02% allocated to healthcare, indicating a possible shift in priorities or external challenges. The trend reversed sharply in 2020-21, where healthcare expenditure surged to 16.79% of CSR funds, totaling ₹106.66 crore, driven by COVID-19-related initiatives and dry waste management partnerships with UNDP India. In 2021-22, spending slightly increased to ₹109.04 crore, maintaining a robust 14.81% allocation. Throughout these years, HDFC Bank has undertaken impactful projects, including the construction of household toilets, health camps, and waste management systems, demonstrating a steadfast commitment to improving healthcare access and sustainability in rural and underserved communities.

4. Environmental Sustainability:

HDFC Bank focuses its CSR funds on environment and sustainability because it recognizes that environmental health is crucial for the long-term well-being of communities, especially in rural areas. By investing in clean energy, sustainable agriculture, and natural resource management, the bank aims to address critical challenges like climate change, resource scarcity, and environmental degradation. This approach not only supports the communities it serves but also aligns with global sustainability goals, ensuring that its CSR activities contribute to both societal and environmental resilience.

Table 4: Proportion of CSR spent on Environment Sustainability by HDFC Bank Ltd.

Activity / CSR project	% proportion to CSR fund spent	Environmental Sustainability(in Crore)	Trend
2017-18	0.19%	0.73	100.00%
2018-19	0.16%	0.71	-2.82%
2019-20	0.04%	0.25	-184.00%
2020-21	2.56%	16.28	98.46%
2021-22	4.15%	30.56	46.73%

(Source: annual reports of HDFC Bank Ltd)

HDFC Bank's commitment to environmental sustainability is evident in its increasing CSR expenditure over the years. Starting with 0.19% of its CSR funds allocated to environmental initiatives in 2017-18, the bank's focus has expanded significantly. In 2020-21, HDFC Bank allocated 2.56% of its CSR funds, totaling ₹16.28 crore, towards sustainability initiatives, including paperless operations, solar-powered ATMs, and promoting renewable energy. This surge continued into 2021-22, where the bank allocated ₹30.56 crore, accounting for 4.15% of its total CSR funds. These efforts align with global sustainability goals, emphasizing environmental health, climate action, and resource management. HDFC Bank's multi-channel delivery systems and adoption of renewable energy solutions further highlight its dedication to reducing environmental impact and fostering sustainable development.

5. Eradicating Poverty

HDFC Bank spent its CSR funds on eradicating poverty as part of its commitment to social responsibility and sustainable development. By addressing poverty, the bank aims to improve the quality of life in communities, which in turn supports broader economic growth and stability. These efforts align with the bank's goal of creating long-term value for both society and its business.

Table 5: Proportion of CSR spent on Eradicating Poverty by HDFC Bank Ltd.

Activity/CSR project	% proportion toCSR fund spent	Eradicating Poverty (inCrore)	Trend
2017-18	1.11%	4.18	100.00%
2018-19	2.97%	13.17	68.26%
2019-20	9.30%	49.8	73.55%
2020-21	0.07%	0.45	-10966.67%
2021-22	0.00%	0	0%

(Source: annual reports of HDFC Bank Ltd)

HDFC Bank's commitment to eradicating poverty is evident through its extensive CSR initiatives focused on social development and sustainable livelihoods. In 2017-18, the bank allocated 1.11% of its CSR funds, amounting to ₹4.18 crore, towards poverty alleviation through programs like the Sustainable Livelihood Initiative (SLI) and Holistic Rural Development Programme (HRDP). These initiatives aim to improve the quality of life for marginalized communities by providing skill development, financial literacy, and market linkages. Over the years, HDFC Bank has intensified its efforts, with a significant increase in CSR funds dedicated to poverty eradication—reaching 9.3% in 2019-20, totaling ₹49.8 crore. However, in 2020-21, the allocation reduced to 0.07%, amounting to ₹0.45 crore, highlighting a shift in focus or reallocation towards other areas. Despite this reduction, HDFC Bank remains committed to empowering women and fostering sustainable communities, ensuring that social impact initiatives continue to drive meaningful change and break the cycle of poverty.

6. Rural Development

HDFC Bank focuses its CSR funds on rural development to contribute to the overall growth of India by addressing critical issues like irrigation, clean energy, and sustainable farming. By improving rural infrastructure, education, and livelihoods, the bank aims to enhance the quality of life in these areas, which is essential for the nation'seconomic and social progress.

Table 4.7: Proportion of CSR spent on Rural Development by HDFC Bank Ltd.

Activity /CSR project	% proportion toCSR fund spent	Rural Development(in Crore)	Trend
2017-18	79.10%	295.85	100.00%
2018-19	76.52%	339.59	12.88%
2019-20	72.19%	386.23	12.08%
2020-21	63.38%	402.44	4.03%
2021-22	52.54%	386.757	-4.06%

(Source: annual reports of HDFC Bank Ltd)

HDFC Bank's Holistic Rural Development Programme (HRDP) underscores its commitment to rural upliftment through sustainable development initiatives. In 2017-18, the bank allocated 79.1% of its CSR funds, amounting to ₹295.85 crore, to rural development projects, focusing on soil, water, and natural resource management. Over the years, HDFC Bank has progressively increased its focus on rural development, with 76.52% allocated in 2018-19 and 72.19% in 2019-20. In 2020-21, the bank expanded its efforts to address migrant labor issues, promoting entrepreneurship and creating infrastructure like water conservation structures and solar lights across various states. By 2021-22, the HRDP aimed at comprehensive development, emphasizing irrigation and vegetation improvement, with goals like irrigating 2 lakh acres of unirrigated land. These initiatives reflect HDFC Bank's holistic approach to fostering rural growth and enhancing the overall quality of life in rural India, aligning with the broader objective of sustainable development and economic progress.

FINDINGS

From the analysis, the following findings and conclusions are made. The analysis of each sector is done on year wise and the percentage pattern of expenditure of the CSR funds, and contribution with respect to the total funds allocated by the bank. The findings and suggestions are given based on the past 5 years data and their analysis.

- Between 2017 and 2022, HDFC Bank significantly increased its focus on education through CSR, with initiatives like Project Disha and ZIIEI, leading to a 44.79% spending surge by 2019-20. Despite a temporary dip in 2020-21 due to COVID-19, spending recovered in 2021-22, benefiting millions of students and teachers acrossIndia.
- HDFC Bank's CSR spending on skill development and livelihood enhancement rosefrom INR 17.31 crore in 2017-18 to INR 116.74 crore in 2021-22, empowering millions, especially women and farmers, through initiatives like SLI and pandemic- focused training. This sharp increase underscores the bank's dedication to supporting economically vulnerable communities.
- HDFC Bank's "Healthcare and Hygiene" initiatives have grown significantly, constructing over 23,500 household toilets and conducting extensive health camps. Healthcare spending rose to INR 106.66 crore in 2020-21, with ongoing efforts in sanitation, clean water, and waste management to improve community health.
- HDFC Bank's environmental sustainability efforts include transitioning to paperless ATMs, installing solar-powered ATMs, and financing renewable energy projects. Funding for these initiatives rose dramatically from ₹0.25 crore in 2019-20 to

₹30.56 crore in 2021-22, highlighting a strong focus on reducing carbon emissions and promoting renewable energy.

- HDFC Bank's "Parivartan" initiative, including SLI and HRDP, aims to uplift 1 crore households through skills training, financial literacy, and livelihood finance, impacting 81.8 lakh households across 1,282 villages. Funding for poverty eradication peaked at 9.3% of CSR funds in 2019-20 but fell to 0.07% in 2020-21, highlighting the need for consistent investment

SUGGESTIONS

- HDFC Bank should expand digital classroom initiatives in underserved areas, prioritize teacher training, and increase spending to address pandemic learning gaps. Strengthening partnerships and implementing robust evaluation mechanisms will ensure the effective use of resources and long-term impact.
- HDFC Bank should expand digital and skill training in high-unemployment areas, prioritize post-pandemic economic recovery, and focus on women-centric programs. Collaborations with partners and stronger evaluation mechanisms will enhance the effectiveness of initiatives like SLI and ANM nursing.
- HDFC Bank should maintain or increase healthcare and hygiene funding, focusing on scaling initiatives through partnerships and community involvement for sustainability. Enhanced monitoring and digital tools will optimize resource allocation and extend outreach, especially in remote areas.
- HDFC Bank should stabilize and increase environmental sustainability investment, focusing on expanding solar panels, renewable energy, and green tariffs. Regular reporting on sustainability achievements will enhance reputation and engage stakeholders.
- HDFC Bank should sustain or increase funding for SLI and HRDP, address the 2020-21 funding decrease, and expand these programs to reach more households. Enhanced transparency and alignment with broader CSR goals will maximize impact.

CONCLUSIONS

- HDFC Bank's CSR in education saw spending rise from INR 41.29 crore in 2017- 18 to INR 70.27 crore in 2019-20, with a strong recovery post-pandemic in 2021-22. Initiatives like ZIIEI and 'Teaching the Teacher' have significantly impacted millions of teachers and students across India.

- HDFC Bank's CSR spending on skill development surged from INR 17.31 crore in2017-18 to INR 116.74 crore in 2021-22, empowering millions, especially women, through initiatives like the SWADHAAR Computer Training Course and SLI. Thishighlights the bank's strong commitment to sustainable livelihoods, particularly post-pandemic.
- HDFC Bank has significantly advanced its "Healthcare and Hygiene" initiatives, including sanitation, health camps, and blood donation drives. Healthcare spending peaked at INR 106.66 crore in 2020-21, rising to INR 109.04 crore in 2021-22, demonstrating a strong commitment to improving community health and hygiene.
- HDFC Bank initially focused on paperless and solar-powered ATMs, with modest funding for environmental initiatives. After a decrease in 2019-20, the bank significantly boosted its investment in renewable energy and green practices in 2020-21 and 2021-22, reflecting a stronger commitment to sustainability.
- HDFC Bank's Parivartan initiative, including SLI and HRDP, has made significantstrides in social programs by offering skills training and financial literacy. However, funding for poverty eradication peaked at 9.3% of CSR funds in 2019-20 but decreased notably in 2020-21.

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