

**S.P. MANDALI'S  
R. A PODAR COLLEGE OF COMMERCE  
AND ECONOMICS  
MATUNGA, MUMBAI-400 019.**

**A PROJECT REPORT ON  
A BASIC STUDY ON PERSONAL LOAN, EDUCATION LOAN AND  
CAR LOAN SERVICES OFFERED BY HDFC BANK**

**SUBMITTED BY  
ADITI ANIL TIWARI  
ROLL NUMBER- 63**

**M.COM (SEM. III): ACCOUNTANCY  
SUBMITTED TO-  
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**PROJECT GUIDE  
Prof. Meher Dantra**

**S.P. MANDALI'S**  
**R. A PODAR COLLEGE OF COMMERCE**  
**AND ECONOMICS**  
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**CERTIFICATE**

This is to certify that **Ms. ADITI ANIL TIWARI** of M.Com ( Accountancy) Semester III (2022-2023) has successfully completed the project on **A BASIC STUDY ON PERSONAL LOAN, EDUCATION LOAN AND CAR LOAN SERVICES OFFERED BY HDFC BANK** Under the guidance of **Prof. MEHER DANTRA**

Project Guide/Internal Examiner

External Examiner

Prof. Meher d antra

Prof.

Dr. (Mrs) Vinita Pimpale

Course Co-ordinator

Dr.(Mrs) Shobana Vasudevan

Principal

**Date:21 October 2022**

**Seal of the College**

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I thank my guide Prof. MEHER DANTRA who has given his/her valuable time, knowledge and guidance to complete the project successfully in time.

My family and peers were great source of inspiration throughout my project, their support is deeply acknowledged.

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**Aditi Anil Tiwari**

## **DECLARATION**

I, ADITI ANIL TIWARI of **R. A. PODAR COLLEGE OF COMMERCE & ECONOMICS** of M.Com SEMESTER III, hereby declare that I have completed the project '**A BASIC STUDY ON PERSONAL LOAN, EDUCATION LOAN AND CAR LOAN SERVICES OFFERED BY HDFC BANK**' in the academic year 2022-2023 for the subject Accountancy.

The information submitted is true and original to the best of my knowledge.

**Aditi Anil Tiwari**

**A BASIC STUDY  
ON PERSONAL  
LOAN,  
EDUCATION  
LOAN AND CAR  
LOAN SERVICES  
OFFERED BY  
HDFC BANK**

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## **EXECUTIVE SUMMARY**

Wealthy people sought a secure location to put their money, which is why banking has existed since the creation of the first coins. For trade to be facilitated, wealth to be distributed, and taxes to be collected, ancient empires also required a functioning banking system. In it, banks were expected to play a significant role, just as they do now.

## **CHAPTER 1 : INTRODUCTION TO STUDY**

### **Introduction to the Banking Industry**

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry.

### **Market Size:**

The Indian banking system consists of 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1,458 urban cooperative banks and 96,000 rural cooperative banks, in addition to cooperative credit institutions. Public-sector banks control more than 70 per cent of the banking system assets, thereby leaving a comparatively smaller share for its private peers. Banks are also encouraging their customers to manage their finances using mobile phones.

During FY16-FY20, bank credit grew at a CAGR of 3.57%. As of FY20, total credit extended surged to US\$ 1,698.97 billion.



## **Investments & Developments:**

Key investments and developments in India's banking industry include:

- International Finance Corp, (IFC), a member of the World Bank Group, has invested Rs 130 crore (US\$ 20 million) in, Avas Financiers Ltd, which will provide housing loans to low-income consumers in rural and semi-urban areas of India.
- The Reserve Bank of India (RBI) has proposed to allow banks to invest in real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) which is expected to benefit both real estate and banking sector in diversifying investor base and investment avenues respectively.
- The Canada Pension Plan Investment Board (CPPIB) and the Caisse de Depot Quebec (CDPQ) have acquired a 1.5 per cent stake in Kotak Mahindra Bank from Mr Uday Kotak, Executive vice-chairman and Managing director, Kotak Mahindra Bank, for a total consideration of Rs 2,254 crore (US\$ 350.0 million).
- Fullerton India Credit Co Ltd, a non-banking finance company (NBFC), has raised Rs 500 crore (US\$ 75 million) through masala bonds, to support its onward lending and other financing activities.
- The Insurance Regulatory and Development Authority of India (IRDA) has allowed insurers to invest up to 10 per cent in additional tier 1 (AT1) bonds, that are issued by banks to augment their tier 1 capital, in order to expand the pool of eligible investors for the banks.
- Qatar's Doha Bank plans to apply to the Qatar Central Bank and Reserve Bank of India for permission to establish a local subsidiary in India, with the vision to create a retail branch network in India.
- Fairfax Financial Holdings, a Canada-based financial services firm, has received an approval from the RBI to acquire a majority 51 per cent stake in Kerala-based Catholic Syrian Bank for Rs 1,000 crore (US\$ 150 million), which will be the first takeover of an Indian bank by a non-banking financial entity, after RBI tweaked ownership norms.

- IndiaPost has received the final license from RBI to start its payment bank operations, thus becoming the third entity in India after Bharti Airtel and Paytm to receive payment bank license from RBI.
- Microfinance firm Ujjivan Financial Services Ltd has announced starting of banking services across its branches under the name of Ujjivan Small Finance Bank Ltd, thus becoming the largest among five small banks which are scheduled to start their operations or have already started.

## **Government Initiatives:**

- Under Pradhan Mantri Jan Dhan Yojana (PMJDY), the total number of accounts opened since January 2015 increased 135 per cent to 295.2 million as of August 16, 2017.
- Mr Arun Jaitley, Minister of Finance, Government of India, introduced 'The Banking Regulation (Amendment) Bill, 2017', which will replace the Banking Regulation (Amendment) Ordinance, 2017, to allow the Reserve Bank of India (RBI) to guide banks for resolving the problems of stressed assets.
- Finance Minister Mr Arun Jaitley has proposed various measures to quicken India's transition to a cashless economy, including a ban on cash transactions over Rs 200,000 (US\$ 3,100), tax incentives for creation of a cashless infrastructure, promoting greater usage of non-cash modes of payments, and making Aadhaar-based payments more widespread.
- The Government of India has announced demonetisation of high denomination bank notes of Rs 1000 and Rs 500, with effect from November 08, 2016, in order to eliminate black money and the growing menace of fake Indian currency notes, thereby creating opportunities for improvement in economic growth.
- The RBI has cut its key repo rate by 25 basis points to 6.25 per cent, in order to boost growth as according to RBI, the inflation momentum has moderated because of a normal monsoon.

## **Strengthening the Indian Banking sector:**

- Government of India has decided to amend Section 35 A of the Banking Regulation Act that will allow the Reserve Bank of India (RBI) to direct banks for the recovery of non-performing assets (NPAs)
- The Reserve Bank of India (RBI) has proactively instructed banks to increase their levels of provision on the loans provided to the telecom sector as a prudent measure, which will help to shore up provisions for future recognition of any non-performing assets arising out of the sector.
- The RBI has allowed banks in India to raise funds through issuance of rupee-denominated bonds overseas, also called masala bonds, within the current limit of Rs 2,44,323 crore (US\$ 36.6 billion) set for foreign investment in corporate bonds.
- The Ministry of Labour and Employment has successfully opened around 3,840,863 bank accounts as on December 26, 2016, for workers especially in the unorganised sector, as part of its campaign to promote and ensure cashless transfer of wages to workers.
- The National Bank for Agriculture and Rural Development (NABARD) plans to provide around 200,000 point-of-sale (PoS) machines in 100,000 villages and distribute RuPay cards to over 34 million farmers across India, to enable farmers to undertake cashless transactions.
- The Government of India's indigenous digital payments application, BHIM (Bharat Interface for Money), has recorded 18 million downloads since its launch on December 30, 2016, according to Mr Amitabh Kant, Chief Executive Officer, NITI Aayog.
- The Ministry of Finance has lowered the threshold for making electronic payments to suppliers, contractors or institutions from Rs 10,000 (US\$ 150) to Rs 5,000 (US\$ 75), in order to attain the goal of complete digitisation of government payments.

## **Road Ahead:**

Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth. All these factors suggest that India's banking sector is also poised for robust growth as the rapidly growing business would turn to banks for their credit needs.

Also, the advancements in technology have brought the mobile and internet banking services to the fore. The banking sector is laying greater emphasis on providing improved services to their clients and also upgrading their technology infrastructure, in order to enhance the customer's overall experience as well as give banks a competitive edge.

Many banks, including HDFC, ICICI and AXIS are exploring the option to launch contact-less credit and debit cards in the market shortly. The cards, which use near field communication (NFC) mechanism, will allow customers to transact without having to insert or swipe.

Mr Bill Gates, Co-founder of Microsoft Corp, has stated that India will move quite rapidly to a digital payments economy in as little as seven years, based on the introduction of digital payment banks combined with other things like direct benefit transfers, universal payments interface and Aadhaar.

Exchange Rate Used: INR 1 = US\$ 0.015 as of October 06, 2017.

## **2.1 OBJECTIVE OF THE STUDY**

Following are the objectives of the study:

- To understand the various reasons for which individuals take Personal loans
- To understand the various courses for which individuals take Education loans
- To assess the satisfaction among the consumers regarding loan services offered by HDFC Bank

## **2.2 AIM OF THE STUDY**

To study the various types of Personal Loans, Education Loans and Car Loans offered by HDFC Bank based on a consumer survey.

### **CHAPTER 3 : RESEARCH METHODOLOGY**

- A primary survey method has been employed in this project to ensure accurate information
- A questionnaire was made to collect information from a judgement sample in this study
- The sample size consisted of 50 respondents selected from Pant Nagar area of Ghatkopar East, a north-eastern suburb in Mumbai



## **CHAPTER 4 : INTRODUCTION TO THE COMPANY**

### **HDFC BANK**



#### **History and Evolution:**

Incorporated in 1994, HDFC Bank is an Indian corporation with its registered office in Mumbai. The company's first corporate office and a full service branch were opened at Sandoz House in Worli by Manmohan Singh, who was the Union Finance Minister at the time.

#### **Mission & Philosophy:**

The goal of HDFC Bank is to become a top-tier Indian bank. To become the go-to provider of banking services for target retail and wholesale client groups, as well as to generate healthy profitability growth consistent with the bank's risk appetite, the goal is to establish solid customer franchises across various industries.

The bank is dedicated to upholding the greatest standards of morality, professionalism, corporate responsibility, and legal compliance.

The five key values of Operational Excellence, Customer Focus, Product Leadership, People, and Sustainability form the foundation of HDFC Bank's business philosophy.

**Awards and Milestones:**

1. Business India 19 <sup>th</sup> Best Business Survey: Best Bank for the year 2017.	2. Fortune: MD Aditya Puri- Fortune Businessperson of the year, 2017.
5. CNBC-TV18 India Business Leader Awards (IBLA) 2015-16: MD Aditya Puri- Outstanding Business Leader of the year, 2016	6. Cisco-CNBC TV18 Digitizing India Awards: Award for Innovation in the Financial Industry & Digital Banking
9. Business Today: Best Companies to work for in India Award	10. National Payments Excellence Awards 2015: HDFC Bank wins NPCI National Payments Excellence Awards

## **Policies-**

### **HR Policies**

The bank believes that its employees are their most valuable asset. They make an effort to develop the abilities and productivity of their staff. It encourages a work culture, fosters relationship with them at every level in the organization and makes them express their views and share their ideas to bring about improvements in the organization towards the achievement of the common goal described in the vision and mission statements.

The Bank is focused on the following:

- Collaborative relationships
- Approachable and open communications
- Courteous ,efficient and effective services; and
- Flexibility and fairness

HR Department is responsible for the following:

- Regular review and development of human resource management practices;
- Periodic review of the work priorities to determine skill requirements needed to meet the Bank's strategic plan;
- Determination of an organizational structure that will facilitate and improve teamwork;
- Appointment and promotion of staff on merit and to ensure that treatment of all employees is fair and equitable

**Dividend Distribution Policy:****Statutory and Regulatory Compliance**

- The Bank shall declare dividend only after ensuring compliance with the Banking Regulation Act, 1949, regulatory guidelines on dividend declaration issued by the Reserve Bank of India (RBI) from time to time, provisions of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and to the extent applicable to Banking Companies.

**Financial Criteria:**

- Financial performance of the Bank for the year for which dividend is recommended
- Any interim dividend paid and Internal capital planning framework / policy
- Dividend payout trends (the dividend payout ratio will be calculated as a percentage of dividend (including dividend tax) recommended for the year to the net profit for that year)
- Tax implications if any, on distribution of dividends
- Cost of raising funds from alternate sources of capital
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans and investment in subsidiaries/associates of the Bank
- Such other factors and/or material events which the Bank's Board may consider

**External Factors**

- Shareholder expectations including individual shareholders
- Macro-economic environment

The Bank has had a dividend policy that balances the dual objectives of appropriately rewarding shareholders through dividends and retaining capital in order to maintain a healthy capital adequacy ratio to support future growth. It has had a consistent track record of moderate but steady increases in dividend declarations over its history with the dividend pay-out ratio ranging between 20% and 25%. Consistent with this policy, and in

recognition of the overall performance during this financial year, HDFC Bank recommends a dividend of Rs. 9.50 per equity share of Rs. 2 for the year ended March 31, 2016 as against Rs. 8.00 per equity share of Rs. 2 for the previous year ended March 31, 2015. This dividend shall be subject to tax on dividend to be paid by the Bank.

**Code of Practices:**

Pursuant to notification of SEBI (Prohibition of Insider Trading) Regulations 2015 and based on the principles of Fair Disclosure outlined in the said Regulations, HDFC Bank has formulated following Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:

- Chief Investor Relations Officer: Mr. Bhavin Lakhpatwala, working as Senior Vice President- Finance in the Bank has been appointed as Chief Investor Relations Officer, who shall be responsible for and who shall deal with dissemination of information and disclosure of unpublished price sensitive information. In the absence of Chief Investor Relations Officer, Mr. Vivek Capoor, working as Senior Vice President- Finance in the Bank shall be responsible for dealing with dissemination of information and disclosure of unpublished price sensitive information.
- Prompt disclosure: It will be the responsibility of Chief Investor Relations Officer to make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available. Timelines stipulated in the listing agreement entered into with Stock Exchanges with respect to prior intimations / notices / notifications and disclosures shall be strictly observed by the Chief Investor Relations Officer to ensure prompt public disclosure of unpublished price sensitive information.
- Uniform and universal dissemination: It will be responsibility of Chief Investor Relations Officer to ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure of the same. Unpublished price sensitive information shall be immediately disclosed / disseminated to Stock Exchanges / media so that the information is generally available through

publication on the website of stock exchanges. It will be ensured that no selective disclosure of unpublished price sensitive information is made by making prompt, uniform and universal dissemination of unpublished price sensitive information.

- Response to news reports: Chief Investor Relations Officer shall ensure that appropriate and fair response is given to queries on news reports related to the Bank. He shall also ensure that appropriate and fair response is given to requests for verification of market rumours by regulatory authorities. 5.
- Sharing of information with analysts: Whenever research analyst / research personnel meet or call is organised, Chief Investor Relations Officer shall be informed about such meet / call to ensure that information shared with analysts and research personnel is not unpublished price sensitive information. Chief Investor Relations Officer shall ensure that immediately after such meet / call, transcripts or records are made of proceedings of meetings with analysts and other investor relations conferences and such transcripts/ records are uploaded on the official website of the Bank to ensure official confirmation and documentation of disclosures made.
- Chinese-walls: Personnel working in concerned departments of the Bank which are handling unpublished price sensitive information, should not share such unpublished price sensitive information with personnel of other departments of the Bank or with outsiders except on a need-to-know basis. No unpublished price sensitive information shall be communicated by such personnel to any person except in furtherance of his/her legitimate purposes, performance of duties or discharge of his/her legal obligations. For sharing of unpublished price sensitive information with personnel of other departments of the Bank or with outsiders, appropriate wall-crossing procedure as stipulated in Share Dealing Code shall be followed.

## **Profile of the Senior Management team**

### **Managing Director & Chief Executive Officer- Mr. Sashidhar Jagdishan**

**Sashidhar** Jagdishan, a chartered accountant by profession, joined the bank in 1996 as a Manager in the finance function, and then went on to become Business Head - Finance in 1999. With over 29 years of experience, Jagdishan served as the Group Head of Finance, Human Resources, Legal & Secretarial, Administration, Infrastructure, Corporate Communications and Corporate Social Responsibility.

### **Deputy Managing Director : Paresh Sukhtankar**

Mr. Paresh Sukhtankar is the Deputy Managing Director of HDFC Bank, India's second-largest private bank. He has previously served as Executive Director in the bank, and was appointed as Deputy Managing Director by the Board of Directors at its meeting held in December 2013, subject to the approval of the Reserve Bank of India.

Mr. Sukhtankar has been with HDFC Bank since its inception in 1994 and has played an integral role in shaping HDFC Bank into one of India's leading financial institutions. He currently has direct or supervisory responsibilities for the Bank's Credit and Risk Management, Finance and Human Resources functions and for various strategic initiatives of the Bank.

Prior to joining HDFC Bank, Mr. Sukhtankar worked in Citibank for around 9 years, in various departments including corporate banking, risk management, financial control and credit administration.

Mr. Sukhtankar has been a member of various Committees formed by Reserve Bank of India and Indian Banks' Association.

He has done his Masters in Management Studies (MMS) from Jamnalal Bajaj Institute (Mumbai) and the Advanced Management Program (AMP) from the Harvard Business School.

**Board of Director : Mrs. Shyamala Gopinathan**

Mrs. Shyamala Gopinath holds a Master's Degree in Commerce and is a CAIIB. Mrs. Gopinath has 39 years of experience in financial sector policy formulation in different capacities at RBI. As Deputy Governor of RBI for seven years and member of the Board. Mrs. Gopinath had been guiding and influencing the national policies in the diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of government borrowings, forex reserves management and payment and settlement systems.

**HDFC Location and Head Office**

HDFC Bank is headquartered in Mumbai. The Bank's distribution network was at 4,727 branches across 2,666 cities. All branches are linked online on a real-time basis. Customers across India are also serviced through multiple delivery channels such as Phone Banking, Net Banking, Mobile Banking, and SMS based banking. The Bank's expansion plans take into account the need to have a presence in all major industrial and commercial centers, where its corporate customers are located, as well as the need to build a strong retail customer base for both deposits and loan products. Being a clearing / settlement bank to various leading stock exchanges, the Bank has branches in centres where the NSE / BSE have a strong and active member base. The Bank also has a network of 12,259 ATMs across India. HDFC Bank's ATM network can be accessed by all domestic and international Visa / MasterCard, Visa Electron / Maestro, Plus / Cirrus and American Express Credit / Charge cardholders.

**Global Presence:**

HDFC Bank has branches in Bahrain, Hong Kong and UAE.



## Apps

### Chillr



HDFC Bank has launched its UPI on multi-bank payment app Chillr. With this launch, HDFC Bank UPI will be available on Chillr, in addition to the bank's mobile banking app.

The launch of HDFC Bank UPI on Chillr will benefit customers of 44 banks that will now be able to conduct digital transactions seamlessly using the Chillr app. These transactions conducted on Chillr will go through HDFC Bank's UPI platform.

### Payzapp



HDFC Bank launched PayZapp, a payment solution that will revolutionize the way payments and purchases are done on-the-go today using mobile devices. Download this App and pay with ONE CLICK for all your spends, from mobile phone top-ups, to

instant money transfers, to bill payments, to groceries, to movie tickets, to even big-ticket purchases such as foreign holidays.

Within PayZapp is SmartBuy, a virtual mega marketplace that has every type of product available, from those that fulfill daily requirements to those that meet aspirational needs, just the way a mall has. The launch of Payzapp is the latest initiative in HDFC Bank's digital banking offering christened #GoDigital. It aligns with the Bank's core digital theme of 'Bank aapki muthi mein', which places the power of banking in the hands of the customer.

Payzapp + Smartbuy has the following unique features:

- Smartbuy is a ONE-STOP shop on your mobile for all deals and offers by prominent ecommerce portals such as Flipkart, Cleartrip, Goibibo, Expedia, and Mobile / DTH Recharge and bill pay facilities.
- Payzapp is the country's first ONE CLICK payment solution that ensures fast and easy checkout using a single PIN.
- In PayZapp, credit or debit card numbers and their security codes are not required to be entered with every purchase.
- In addition, PayZapp maps the bank-registered device with the card number to determine authenticity of a transaction, thus enhancing security.
- With Payzapp, users can transfer money instantly to anybody using mobile number, email ids
- In-app creation of NetSafe Virtual International Card
- No "Pre-paid card" restriction on daily / monthly limits as payments are done through linked cards. There is no need to "load money" to pay.

### **HDFC Bank's Social Media Presence**

A bank that caters primarily to the business community, HDFC is doing a commendable job both online and offline. It has established its presence on the 3 largest social media platforms: Facebook, Twitter and YouTube.

In all these 3 channels, it is making all the efforts it can to not only address customer

issues and market itself, but also as a platform to promote its CSR activities.

### **Facebook**

Boasting of more than 2.5 million likes, HDFC Bank's Facebook page is primarily used as a platform to push its marketing messages. There are also some customer centric helpful updates, which are updated very few and far in between.

And this development can be pointed out to the fact that they have come up with a '7 Day, 7 Resolutions' campaign. In order to give the campaign a boost, they began with the promotion ~10 days earlier.

### **Twitter**

HDFC Bank has 2 separate Twitter handles taking care of its communication. On one hand they have "@HDFCBank\_Offers" which is primarily a marketing channel, on the other hand you have "@HDFC\_Bank" which handles all the customer issues over twitter.

### **YouTube**

HDFC Bank has a lot of advertisements and promotional campaigns that are put up on YouTube which enhance customer engagement in a big way. They're supporting campaign like the "Swacchh Bharat Abhiyaan", "Beti Bachao, Beti Padhao" etc.

## **CHAPTER 5: SECONDARY RESEARCH**

### **CASE STUDIES:**

#### **1) HDFC Bank's 'Branch in a VM' Drives Massive Expansion Across India**

##### **Key Challenges:**

- Support the rapid creation of new branches to service new markets
- Maximize the organization's use of data center resources
- Reduce total cost of ownership

The architecture of HDFC Bank's core banking application meant that it needed a dedicated server for each of its branches. By 2008, the bank's IT team had to manage and maintain around 900 servers at branches across India, and a rising number of servers at its primary datacenter. The bank's rapid expansion plans required it to consume IT resources far more quickly than was sustainable if it continued using physical servers, which usually took many months to procure. "There was considerable demand, particularly in the rural environment, for access to the types of services HDFC Bank could provide," said G S V Surya Prasad, Executive Vice President – IT, HDFC Bank. "As an IT team, we needed to give the business the ability to open new HDFC Bank's 'Branch in a VM' Drives Massive Expansion Across India branches faster." The bank needed to deploy an efficient, manageable infrastructure that could scale quickly. It also needed to make better use of its data center resources and reduce its total cost of ownership.

##### **The Solution:**

After examining alternatives, HDFC Bank decided that VMware offered the most mature and functional solution. "We wanted to move from running our core banking application on a physical server at each branch to running an instance of the application in a virtual machine back in the data center," said Surya Prasad. This 'Branch in a VM' concept has enabled HDFC Bank to consolidate management of its core banking system and branch servers into its production data center while increasing the utilization of its server

hardware. “VMware virtualization offered the features we required,” said Surya Prasad. “We were particularly impressed with how easy it was to migrate from physical to virtual servers.

“The solution also came with monitoring tools that showed what resources were available, and usage rates for each machine. In addition, we liked the fact that we could balance our workloads across the virtualized cluster, maximizing the performance of our business-critical applications.” HDFC Bank began migrating its physical environment to VMware vSphere® in 2008. In 2009–10, the institution decided to replace its core banking system and started moving to a new core banking system. The new architecture has allowed the bank to obtain even greater efficiencies from its virtualized infrastructure as one core banking branch server can cater to multiple branches. As the bank transitions to its new core banking system, it is running both systems in tandem. By late 2012, HDFC Bank was using VMware vSphere to run 2,300 virtual machines on 170 physical servers. Of these, around 1,300 virtual machines were used to provide branches with the old and new core banking systems. Other virtual machines delivered the applications branches use to process transactions and provide customer service. The virtualized infrastructure is hosted in a central data center and critical applications are replicated to a disaster recovery location.

### **Business Results and Benefits:**

Moving to a virtualized infrastructure enabled HDFC Bank to support the rollout of new branches across India. Between 2008 and 2012, the bank opened more than 1,700 branches—around 1,300 of which rely on virtual machines. This expansion has allowed the bank to provide financial services to communities that previously had limited access to banking products. “In the past it could take up to a couple of months to set up a new branch,” said Surya Prasad. “With VMware virtualization, we can do this in under 10 days.” At one point, the bank needed to open 100 branches as quickly as possible; its IT team helped by delivering the technology component for each branch in just seven days. In addition, VMware’s centralized management has eased the maintenance load on the IT team. Previously the bank either had to send someone to the branch or find a local IT expert to fix issues, meaning it took up to three days to repair the malfunctioning

server. During this time, branch staff could not process transactions or serve customers. “Now, if a virtual server goes down, we can switch over to another machine while we undertake repairs, minimizing the impact on branch operations,” said Surya Prasad. HDFC Bank has also improved resource usage. With virtualization, average server CPU usage has improved from about 15 percent to around 80 percent, ensuring the bank extracts maximum value from its hardware investments. It has achieved a typical server consolidation ratio of around 19:1, extending to 80:1 in some instances. This has cut datacenter space requirements by one-third and significantly reduced power costs. Minimizing its energy consumption has in turn helped HDFC Bank support its green initiatives. Engaging a VMware TAM has delivered a range of benefits. For example, the manager has run best-practice adoption and technical sessions that have reduced the service requests related to break-fix and technical errors by 32 percent in 2012–2013 over 2011–2012. “Thanks to VMware, we have cut total cost of ownership by around 30 percent,” said Surya Prasad. “Most importantly, the flexible infrastructure has given us great agility—we can now launch new products and services ahead of the market.” strengthening our competitiveness.”

### **3) Using Web Push Notifications for Remarketing of HDFC Bank's Products: iZooto's User Engagement Platform**

#### **Objectives:**

- 1) Driving User Engagement
- 2) Targeting Drop Offs/Retargeting

#### **Challenges:**

The Social Business and New Media team at HDFC Bank is constantly on the hunt for new tools and platforms to help them improve their outreach and user engagement efforts. Banks in India operate under stringent regulations and third party tools are audited thoroughly before implementation. After clearing the security audit, the team identified retargeting for the banking products as the key focus area.

The following products were identified:

- Personal Loan
- Two-Wheeler Loan
- Credit Card Loan
- Car Loan

#### **Retargeting DropOffs using Web push Notifications:**

Application process for Banking products and services is a tedious one as it involves several steps and critical validations such as income segment, employment type et al. This is also required to ensure that only valid leads are passed onto the sales team for closure.

#### **Implementation:**

Given the security protocols to maintain sanctity of user data, banks usually operate on HTTPS protocol and HDFC Bank was no different. The challenge was the platform on which the website itself was developed and maintained. HDFC Bank's website was on ASP.NET platform which required a custom implementation. With the help of iZooto's Implementation Team, this was accomplished within 2 days and HDFC Bank quickly

went to build a base of over 100K subscribers within 8 weeks!

### **Results, Impact and Learnings**

The result of using web push over other marketing channels was tremendous. Web push leveraged better results because of features like customisation and local time notification delivery. Via a few campaigns itself, a surge of improvement was seen. The graph below shows how different campaigns and campaign names play a vital role in maximizing the results.



## Newspaper/Magazine Articles:






1)





**Bloomberg** | *Quint* | Markets | Business | Videos | Law And Policy | Opinion >

# HDFC Bank Becomes The First Indian Lender To Cross Rs 5 Lakh Crore Market Cap

by Jayesh Khilnani  
@jayeshkhilnani

Updated on 18 January 2018, 6:41 PM  
Published on 18 January 2018, 5:53 PM






HDFC Bank Ltd, has become the third Indian company and first lender to cross a market capitalisation of Rs 5 lakh crore.

Mukesh Ambani-led Reliance Industries remained the most-valued company with a market cap of Rs 5,98 lakh crore, followed by the country's largest software exporter TCS with a market cap of Rs 5,58 lakh crore.

Indian bank shares rose on a report the government is considering allowing foreign investors to own



- HDFC Bank has taken more than two decades to reach the major milestone. However, the next four lakh crore just took seven years.
- The bank has reported annual profit growth of at least 20 percent every year since 1998, except for March and December 2016 quarter due to cash ban.

2)

**Bloomberg | Quint** Markets Business Videos Law And Policy Opinion >

# HDFC Bank Makes RTGS, NEFT Online Transactions Free From Nov. 1

by PTI  
@PTI\_News

Updated on 6 November 2017, 7:20 PM  
Published on 6 November 2017, 7:20 PM

**SUMMARY** ▾

Private lender HDFC Bank has made online transactions through RTGS and NEFT free of cost from Nov. 1, with an aim to promote a digital economy.

On the other hand, various charges for cheque-related transactions as well as request for additional leaves will get costly from early next month for non-managed savings and salary accounts.

g to the revised fees and charges for savings and salary accounts, customers will

to new charges for doing online transactions through Real Time Gross

f

WhatsApp

Telegram

Twitter

LinkedIn

q+

▶ BQ LIVE

- Online transactions through RTGS and NEFT free of cost from Nov. 1.
- Various charges for cheque-related transactions as well as a request for additional leaves will get costly.
- Any NEFT or RTGS transaction carried out at the bank branch will be payable.
- If a cheque is returned due to insufficient funds, each such cheque will attract a penalty of Rs 500 each.

3)

The screenshot shows a Bloomberg Quint news article. The header is blue with the Bloomberg Quint logo and navigation links: Markets, Business, Videos, Law And Policy, Opinion. The article title is 'HDFC Bank Is Now A Systemically Important Bank, Says RBI' in large black font. Below the title, it says 'by Vishwanath Nair' with a Twitter handle '@visshy\_it'. The article is dated 'Updated on 4 September 2017, 8:26 PM' and 'Published on 4 September 2017, 8:23 PM'. The main text states that Private sector lender HDFC Bank Ltd. was identified as a domestic systemically important bank by the Reserve Bank of India on Monday, as it joined the league of large banks such as State Bank of India and ICICI Bank Ltd. It also mentions that HDFC Bank and ICICI Bank, two of the largest private banks in India, have been categorised under bucket 1 of the DSIB classification, while SBI sits in bucket 3, as it is larger than both these banks. A sidebar on the left contains social media sharing icons for Facebook, WhatsApp, Telegram, Twitter, and LinkedIn, along with a video player icon and a 'BQ LIVE' button. On the right, there is a blue advertisement for 'One Indiabulls Thane' with the text 'AT POKHRAN ROAD NO.2, THANE' and a 'KNOW MORE' button.

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## HDFC Bank Is Now A Systemically Important Bank, Says RBI

by Vishwanath Nair  
@visshy\_it

Updated on 4 September 2017, 8:26 PM  
Published on 4 September 2017, 8:23 PM

Private sector lender HDFC Bank Ltd. was identified as a domestic systemically important bank by the Reserve Bank of India on Monday, as it joined the league of large banks such as State Bank of India and ICICI Bank Ltd.

HDFC Bank and ICICI Bank, two of the largest private banks in India, have been categorised under bucket 1 of the DSIB classification. SBI sits in bucket 3, as it is larger than both these banks.

Over the last couple of years, HDFC Bank has overtaken ICICI Bank in terms of balance and market capitalisation. As on June 30, HDFC Bank's total advances were at Rs 5.8 lakh crore, as compared with ICICI Bank's Rs 4.64 lakh crore. HDFC Bank's

**One Indiabulls Thane**  
— FINE LIVING RESIDENCES —  
AT POKHRAN ROAD NO.2, THANE  
[KNOW MORE](#)

- HDFC Bank recognized as a domestic systemically important bank (DSIB) by the RBI. Joins SBI on the list
- Concept of DSIB similar to “too big to fail” category of banks which are large and interconnected businesses and may have a calamitous effect on the economy if they were to fail

#### 4) 20<sup>th</sup> December, 2017, The Times Of India

ASIA DECEMBER 20, 2017 / 3:14 PM / 2 MONTHS AGO

## HDFC Bank plans to raise up to \$3.75 billion from share sale

Reuters Staff

2 MIN READ



MUMBAI (Reuters) - HDFC Bank Ltd, India's second-biggest lender by assets, said on Wednesday it would raise up to 240 billion rupees (\$3.75 billion) to fund growth by selling shares to investors, including a preferential issue to its parent HDFC Ltd.



- HDFC Bank will issue up to 85 billion rupees worth of shares to mortgage lender HDFC Ltd on a preferential basis, while the remainder will be raised via modes including American Depositary Receipts and a share sale in India to institutional investors.
- HDFC Bank has the lowest bad-loan ratio among India's top banks and is an investor favourite with its consistent profit growth in a sector whose profitability has been burdened by the large amount of bad debt in their books.

### **5) LOAN IN A JIFFY- March 16<sup>th</sup>, 2017: Outlook Money**

Smart investors have a thing for making a killing. Their investments always outpace what a paltry bank savings account pays. Some of them go a step further and borrow against their investments to further invest and earn a handsome profit. Loans against shares have been in existence for long, but the process of borrowing against them was tedious.

Lengthy queues, filling up interrogative forms and waiting for the loan to be sanctioned will all soon be lore from the past. Generation-Z and Millennials are in a constant dearth of time and HDFC Bank seems to very well recognise that. In an attempt to smoothen the process of loan application and approval, the privately owned bank has started offering loans against securities (LAS), such as shares, digitally. The bank has collaborated with National Securities Depository Ltd (NSDL) for execution of India's first of its kind project.

Customers can now use shares dematerialised by NSDL and executed through HDFC Bank demat account for pledging. All that a customer needs to do is login to their bank account through the web and pledge shares dematerialised by NSDL and get instant loans deposited in a new current account. The bank, on its part, has identified more than 400 widely traded shares that are acceptable for pledging. One could borrow a minimum Rs 1 lakh, going up to Rs 20 lakh for 10.5 per cent interest at the moment.

While borrowing against your assets is convenient, be sure that it is your assets which stand as collateral, which in case of non repayment will be attached or sold to recover the outstanding loan. Many traders do use this facility, but then they are traders. If you are looking to borrow in this fashion, do so only in extreme instances, as the rate of interest on this loan is not that low either.

## **6) HDFC BANK'S 10 second Personal Loan Disbursement-Business Line, June 18, 2015**

Country's second-largest private sector lender, HDFC Bank today launched a 10-second paperless instant loan plan for its existing customers.

"HDFC Bank will now disburse personal loans to its customers in just 10 seconds. With this product, existing customers will have a pre-approved loan amount available to them 24x7," the bank said in a statement.

The entire process of availing the loan is completely paperless, and users can simply log into their bank account via net-banking or mobile banking and avail of this loan at a click, it added.

The loan is completely hassle-free and transparent. Users will no longer have to wait for disbursement of funds, particularly in medical or other types of emergencies. "It is like having a real cheque in one's virtual wallet and is part of our mission of enabling customer delight by creating simple and speedy banking solutions that are available at a click," the statement said.

Commenting on the development, HDFC Bank Unsecured Loans, Home & Mortgage Loans Business Head Arvind Kapil said, "Most customers expect banks to connect the dots between online and offline options to deliver convenient, consistent service."

The 10-second loan is another offering under HDFC Bank's digital banking platform GoDigital. Under the platform, the bank had launched PayZapp application to cater to e-commerce space.

In financial year 2014-15, 63 per cent of all transactions at HDFC Bank were conducted through digital channels.

## **CHAPTER 6 : ELIGIBILITY CRITERIA**

### **Eligibility criteria and interest rates for personal loan**

The following people are eligible to apply for a Personal Loan:

- Salaried doctors, CAs, employees of private limited companies, employees from public sector undertakings, including central, state and local bodies
- Individuals between 21 and 60 years of age
- Individuals who have had a job for at least 2 years, with a minimum of 1 year with the current employer
- Those who earn a minimum of Rs. 15,000 net income per month (Rs. 20,000 in Mumbai, Delhi, Bengaluru, Chennai, Hyderabad, Pune, Kolkata, Ahmedabad, Cochin)

Loan can be lent for a period of 12 months to 60 months. The maximum amount lent by the bank is upto Rs. 15 lakhs. The interest rates are 14.75% to 20.70% for Salaried individuals/employees. Min Interest rate offered is 9.10% and the max Interest rate is 20.82%.

**Eligibility criteria and interest rates for education loan**

The following people are eligible to apply for an Education Loan for Indian Education:

- Resident Indians
- Individuals between the ages of 16 and 35
- For Loan amount 4lac <=7.5lac: third party guarantee and parent(s) as joint borrower(s)
- For loan amount > 7.5lac: Tangible collateral security along with Parents to be joint borrower(s)

Minimum interest rate offered is 9% and maximum interest rate offered is 13.76%.

Maximum loan amount for Indian education is Rs. 10 lakhs. Maximum tenure for upto 10 years or 15 years as the case may be.

The following people are eligible to apply for an Education Loan for Foreign Education:

- Resident Indians
- Individuals between the ages of 16 and 35
- Those who can offer collateral for certain cases
- A co-applicant is required for all full-time programmes. The co-applicant can be a parent, spouse, sibling, father-in-law, mother-in-law, brother-in-law, or a paternal/maternal uncle/aunt

Maximum loan amount for Foreign Education is Rs. 20 lakhs.



## **Eligibility criteria and interest rates for car loan**

### **For Salaried Individuals:**

- This includes employees of private limited companies, employees from public sector undertakings, including central, state and local bodies
- Individuals who are a minimum of 21 years of age at the time of applying for the loan, and no older than 60 at the end of the loan tenure
- Individuals who have had a job for at least 2 years, with a minimum of 1 year with the current employer
- Those who earn a minimum of Rs. 2,50,000 per year, including the income of the spouse/co-applicant
- Individuals who have a telephone/post-paid mobile

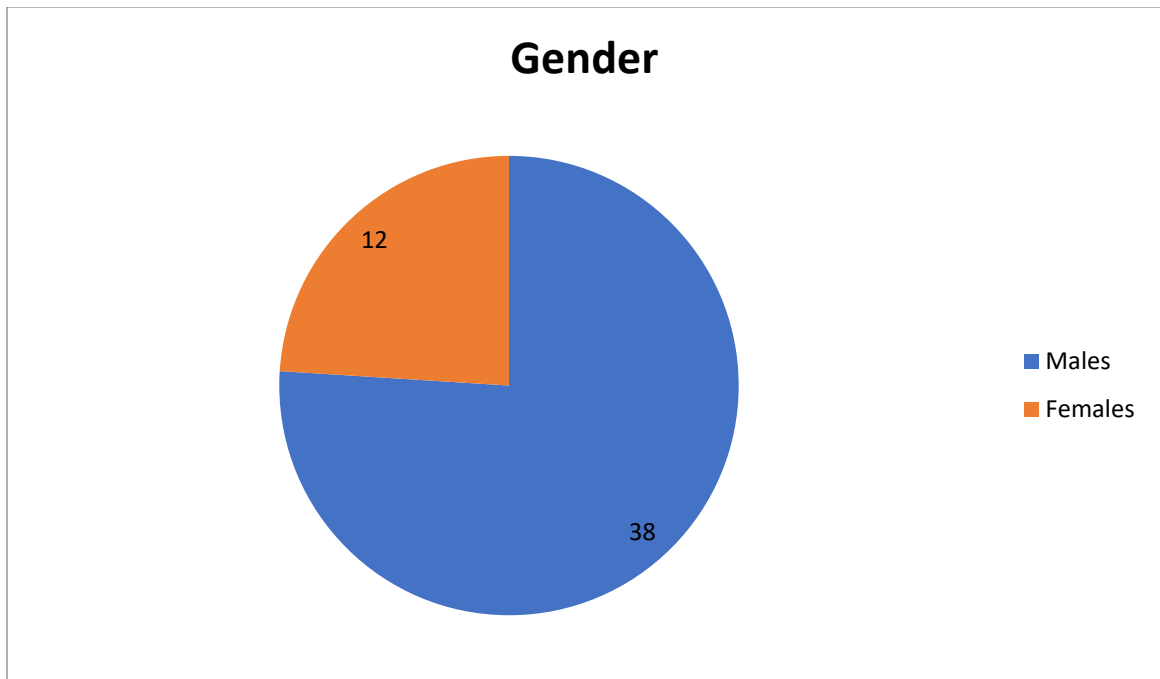
### **For Self-Employed Individuals and Professionals (Public/Private/Sole Proprietor):**

- This includes self-employed sole proprietors in the business of manufacturing, trading or services
- Individuals who are a minimum of 21 years of age at the time of applying for the loan, and no older than 65 at the end of the loan tenure
- Those who have been in business for a minimum of 2 years
- Should earn at least Rs. 2,50,000 per annum

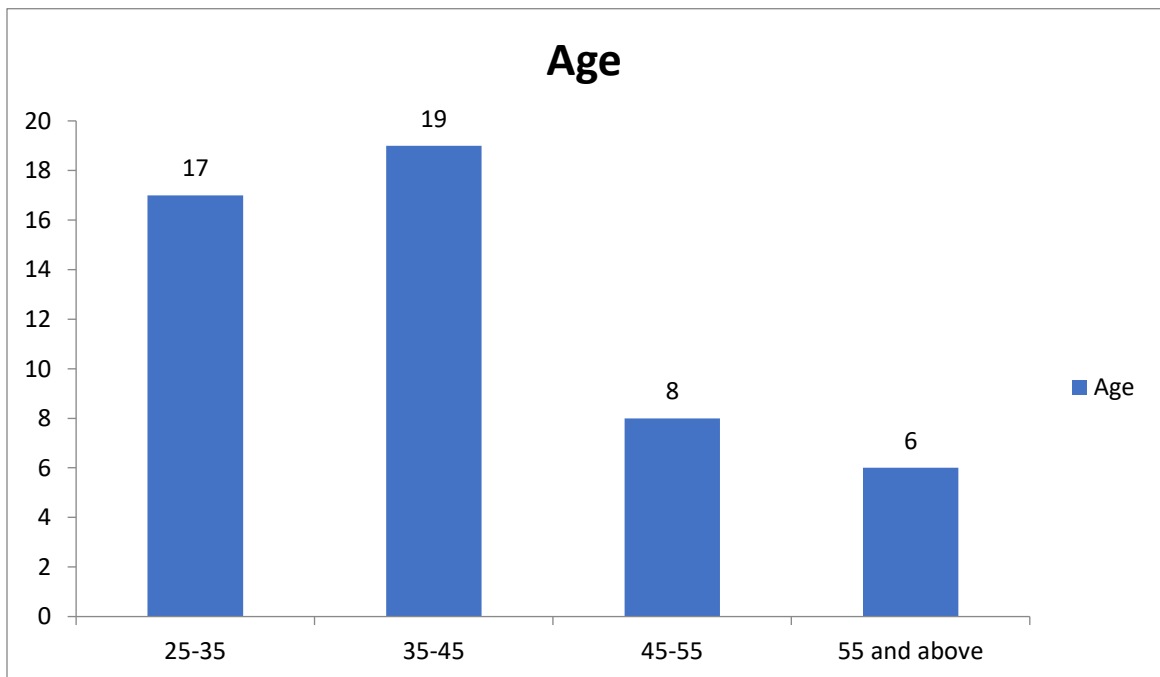
Minimum interest rate offered is 7.50% and maximum interest rate is 14.05%. The maximum tenure for which the loan is provided is 7 years.

## CHAPTER 4 : FINDINGS AND ANALYSIS

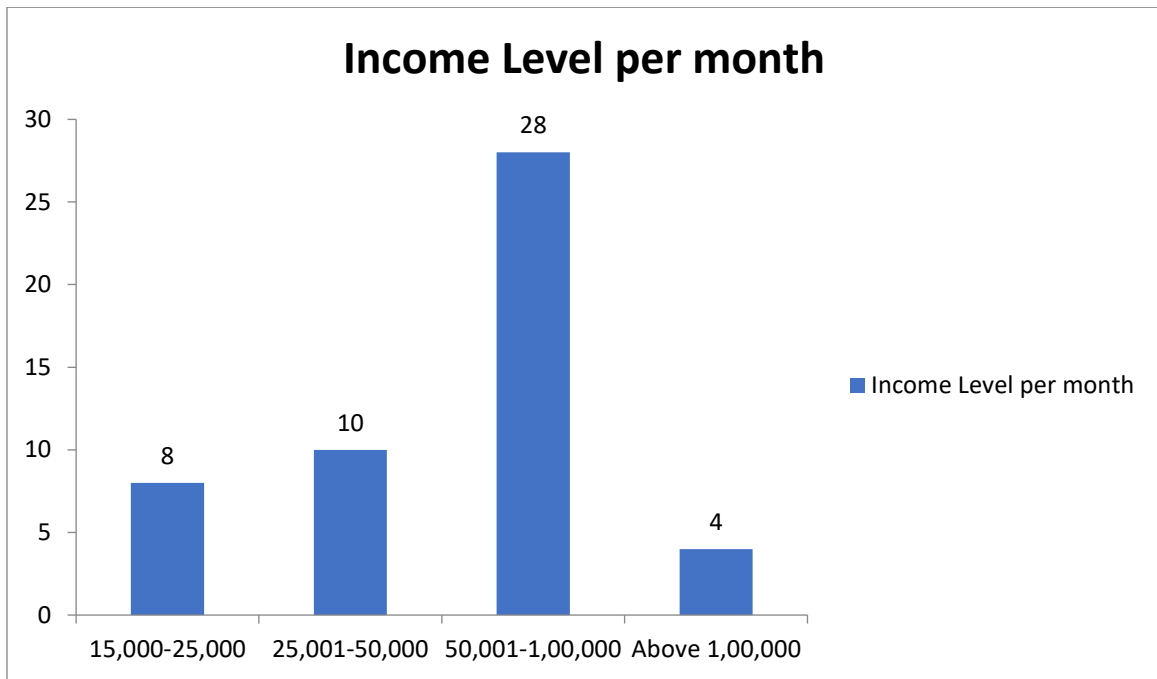
Q1.



Q2.

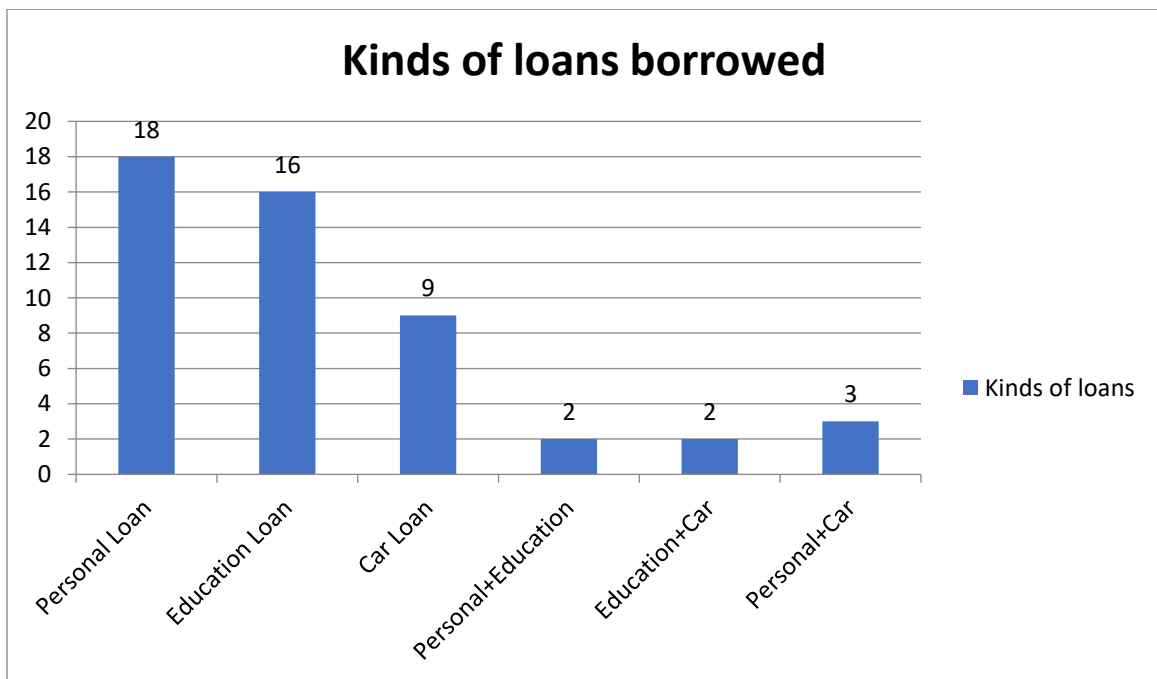


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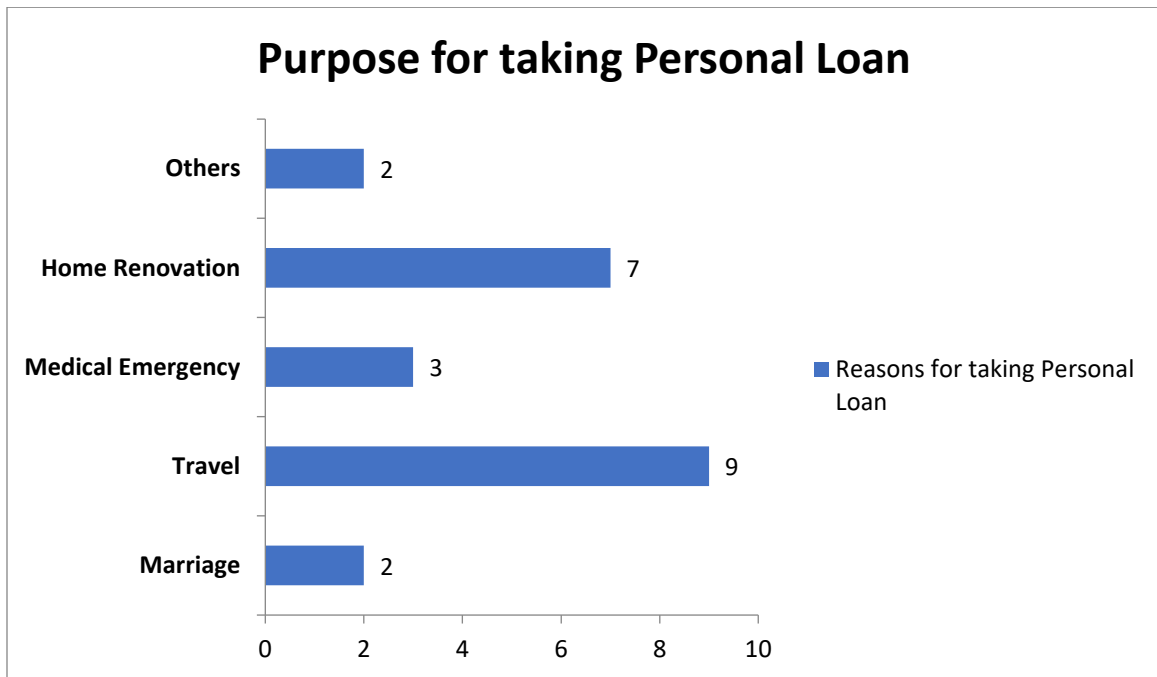


Majority of the loan takers fall in the income range of Rs.50001-Rs.1,00,000.

Q4.

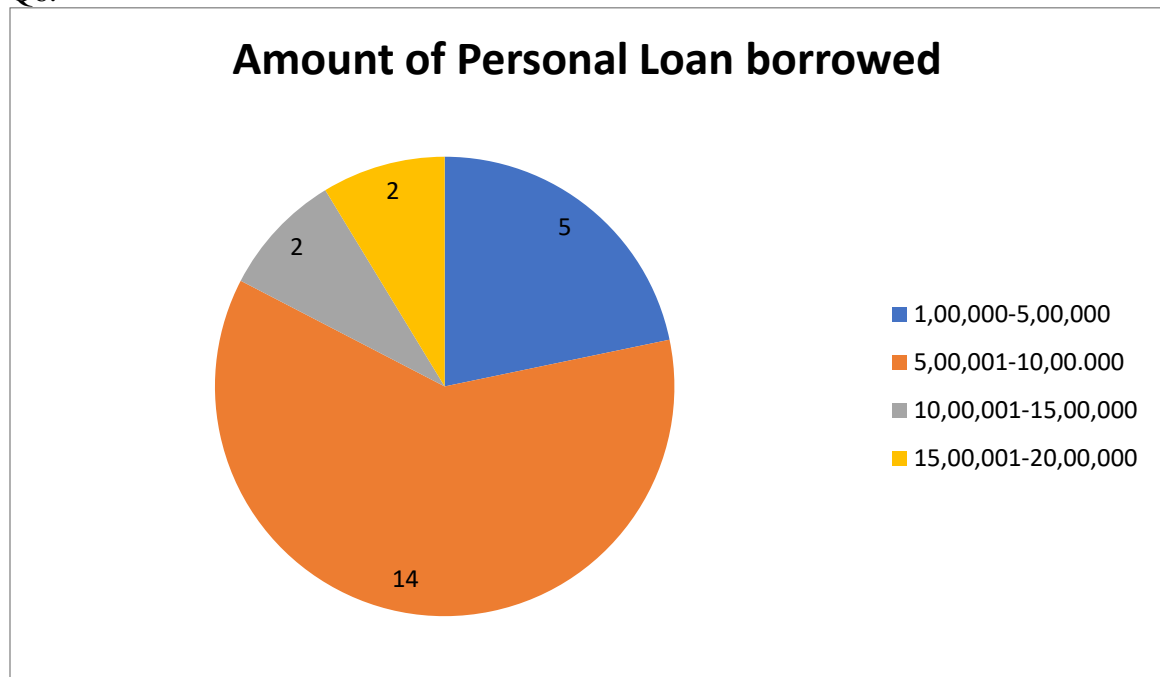


Q5.



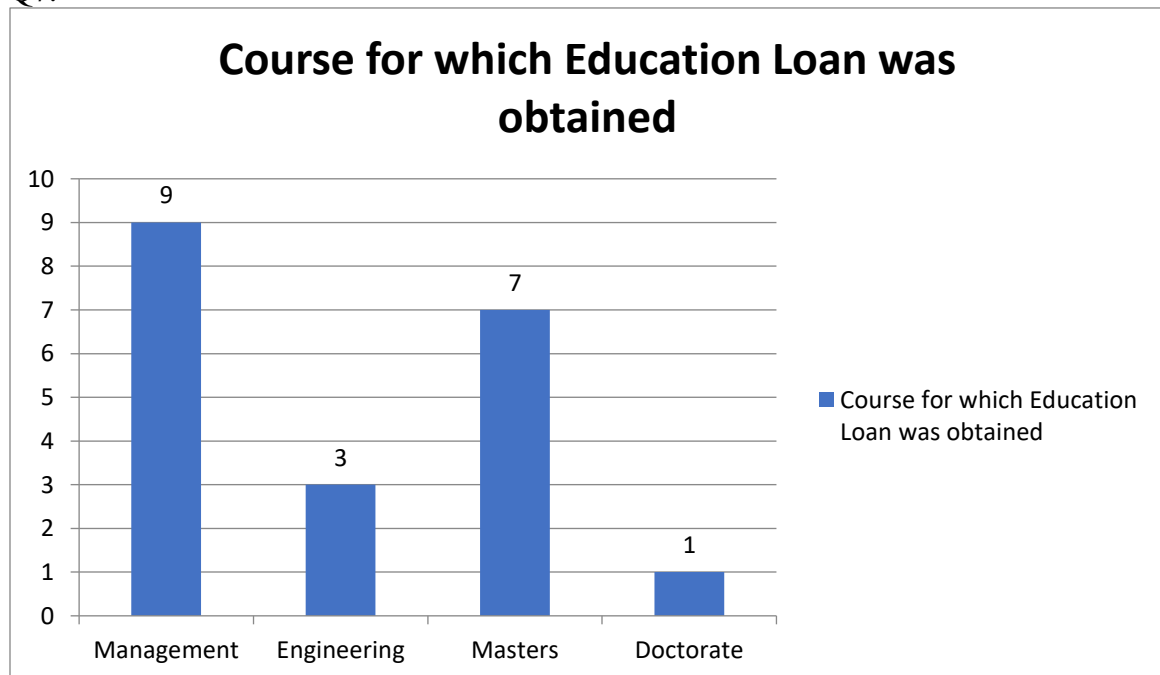
It was observed that majority of the respondents i.e. 9 out of 23 had bought Personal Loan for the purpose of Travel & Tourism, whereas 7 respondents had bought loan for home renovation. Out of the 23 respondents, 6 were females falling in the age group of 25-35 and the rest were males falling in the age group of 35-45 as well as 55 above.

Q6.



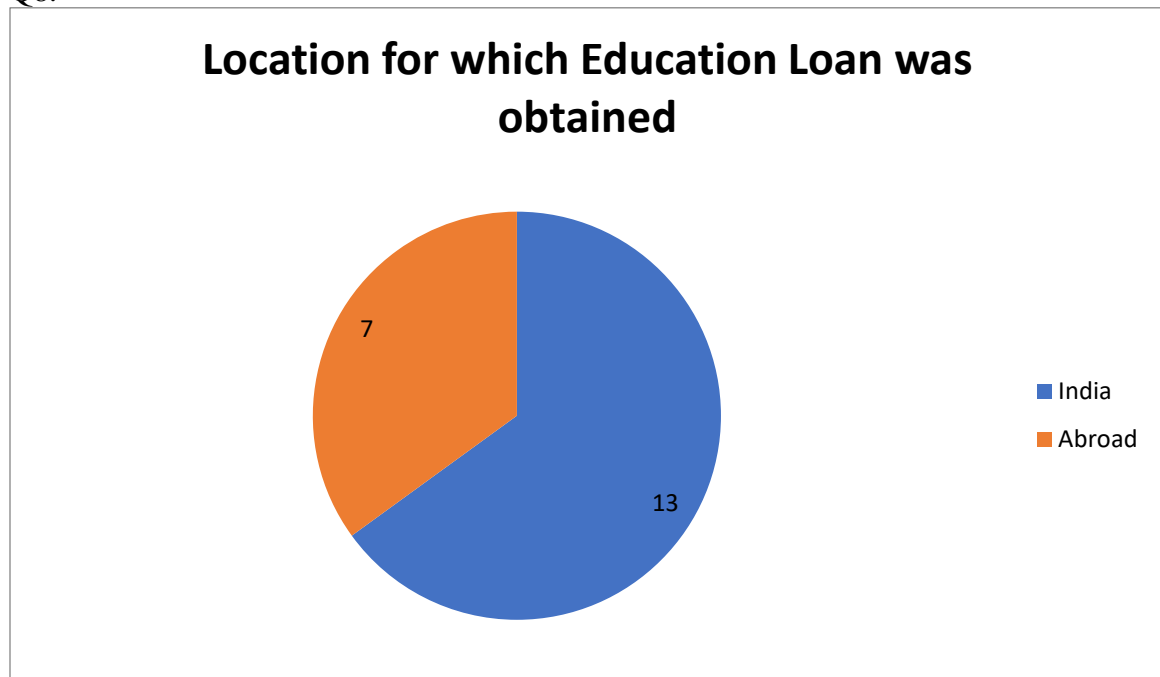
Maximum respondents, i.e 14 out of 23 said that they borrowed in the range of 5,00,000-10,00,000 rupees and they fell in the age group of 35-45years.

Q7.



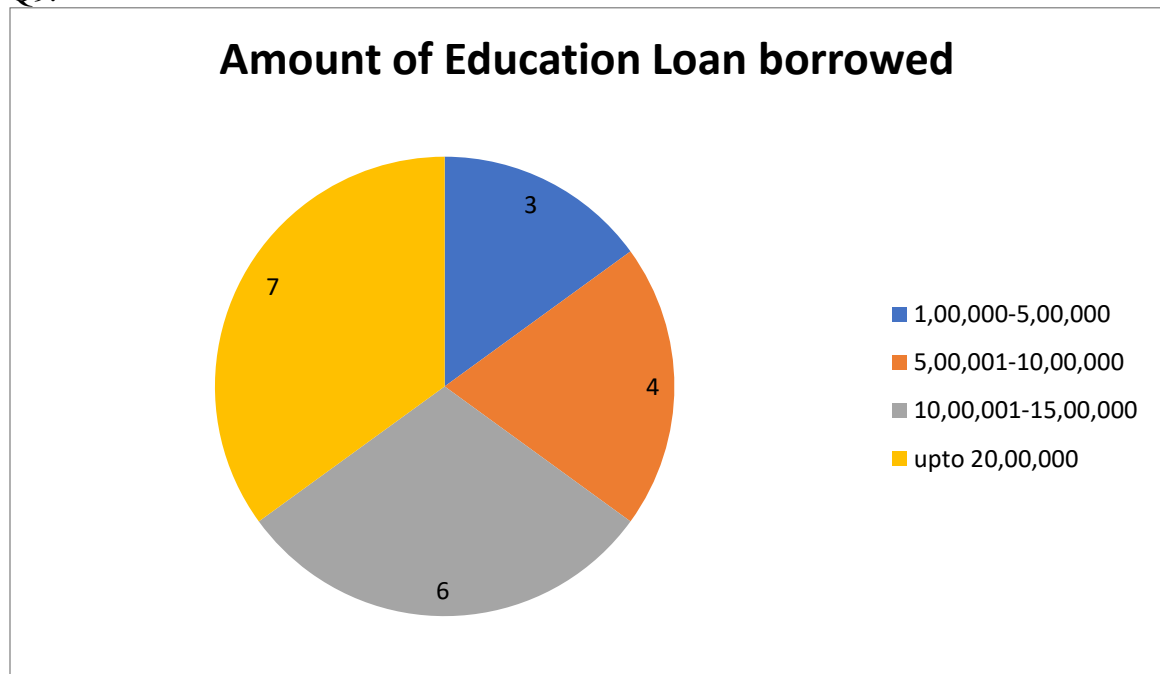
Majority respondents, i.e. 9 said that Education Loan was obtained for undertaking a course in Management, out of which 3 were females and 6 were males. Quite a few also said that Masters was their reason for taking up a loan.

Q8.



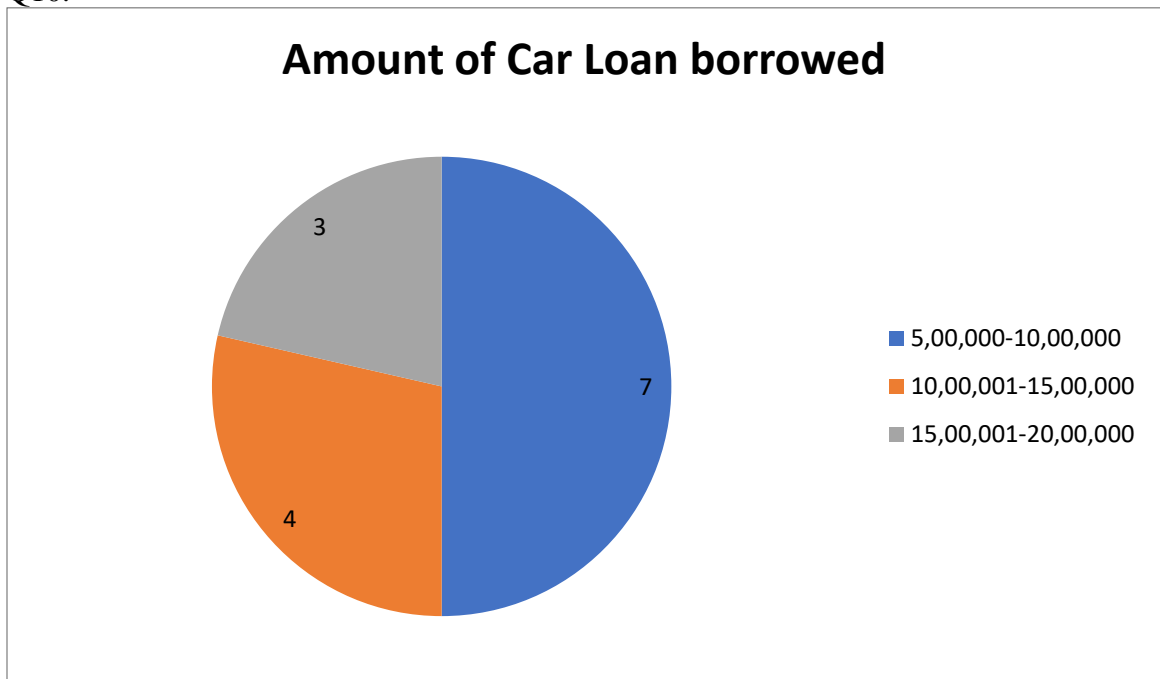
Out of the 20 respondents who had borrowed an Education Loan, 13 borrowed it for a course in India and the remaining borrowed for a course abroad. Out of the 7 who took it for abroad, 2 were females whereas 5 were males.

Q9.



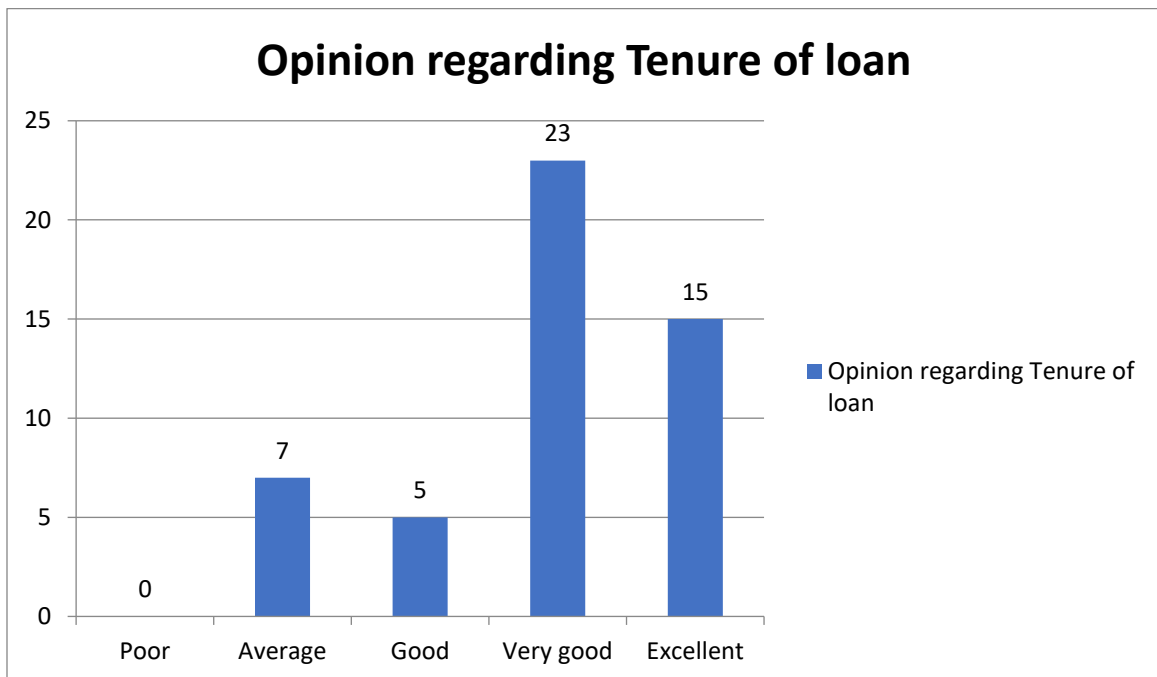
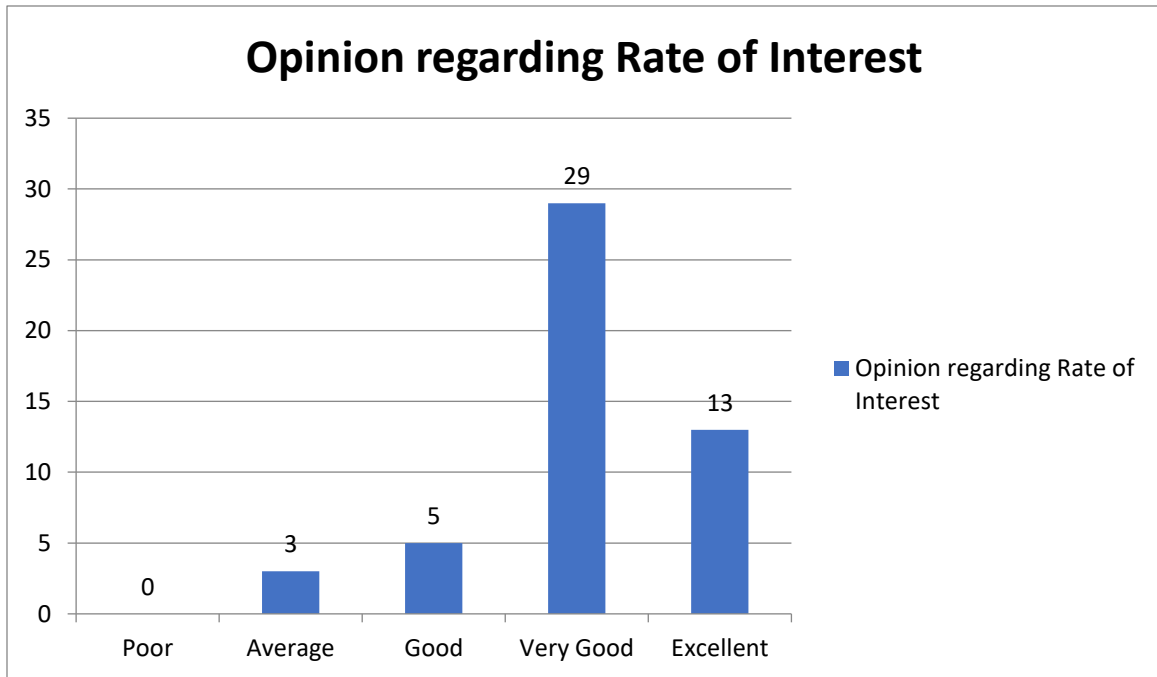
All the 7 respondents who had borrowed a loan for higher studies in a foreign location belonged to the category of people who borrowed upto 20,00,000 rupees of loan. Thus the maximum amount was required by those studying abroad.

Q10.

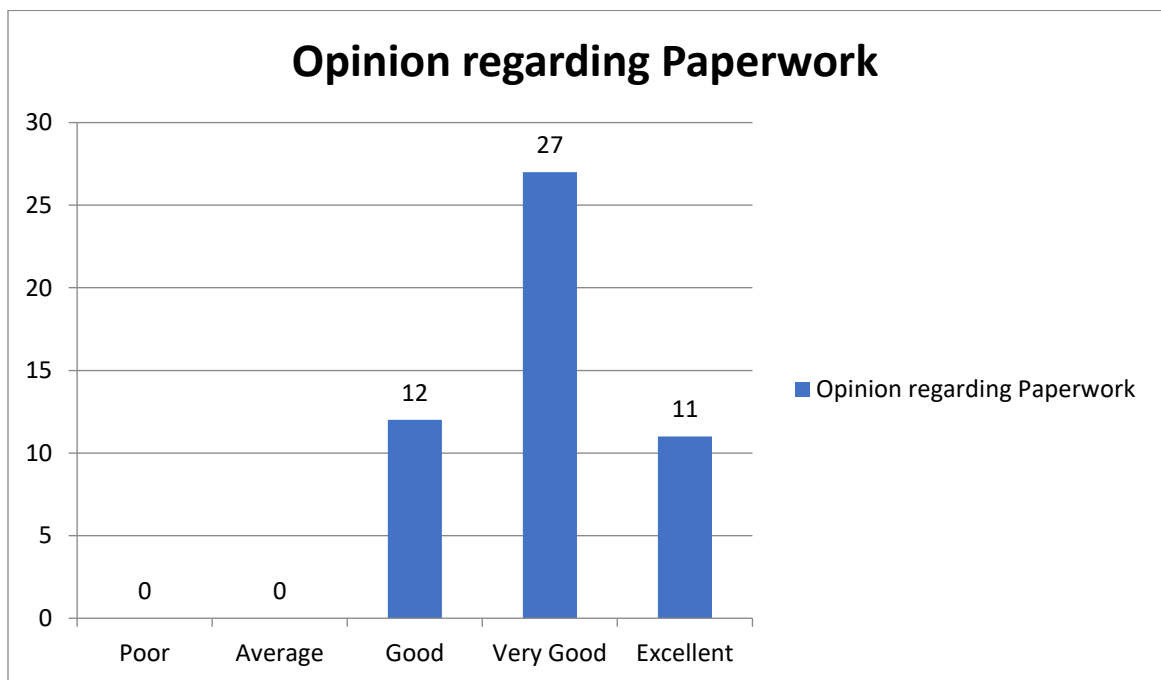
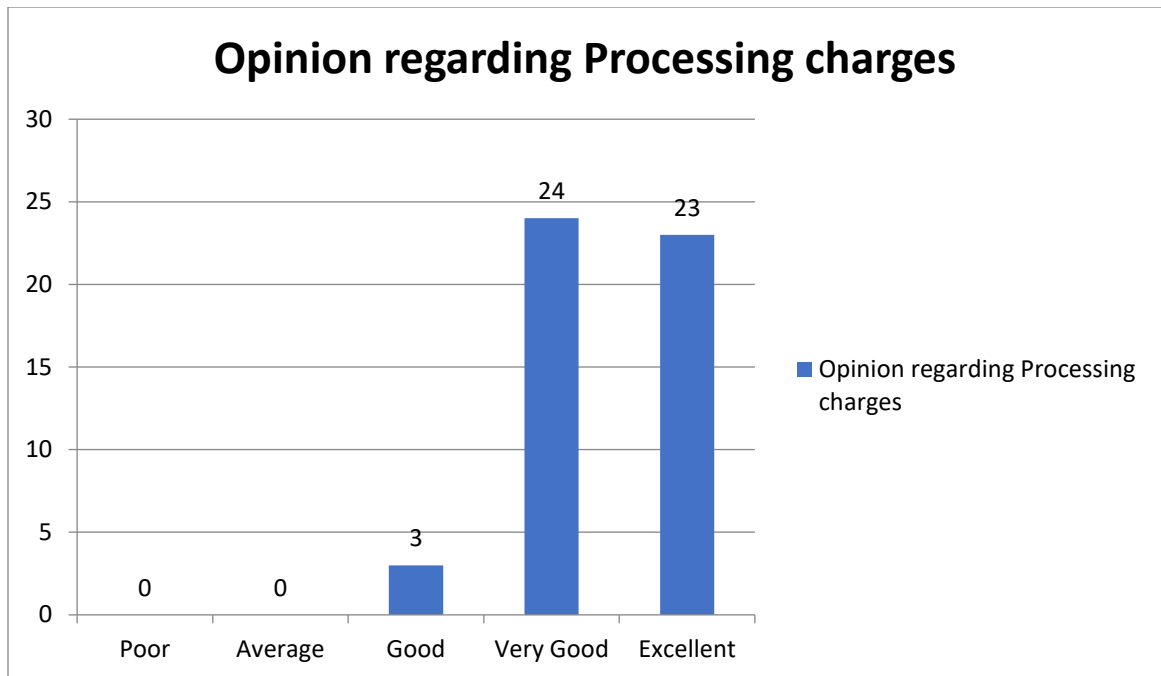


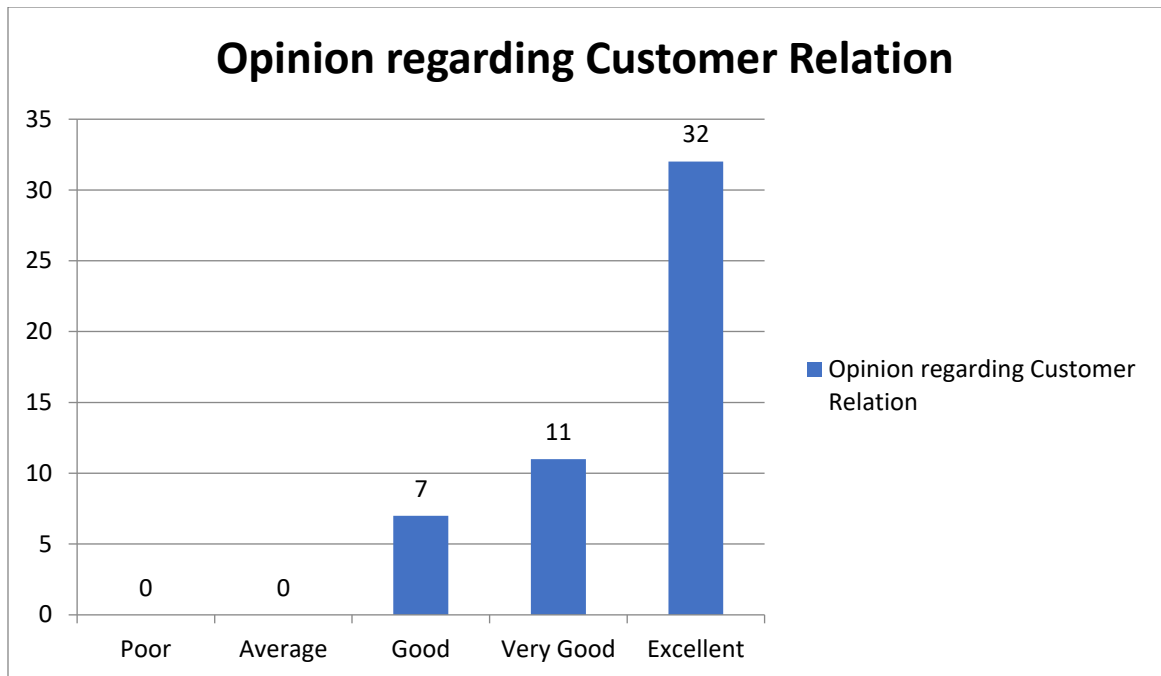
50% of the respondents (7 out of 14) had borrowed a car loan in the range of 5,00,000-10,00,000 rupees.

### Q11. Satisfaction level for the services offered by HDFC Bank









## CHAPTER 8: REGULATORY RESTRICTIONS

Loans and Advances – Regulatory Restrictions	
RBI/2021-22/72 DOR.CRE.REC.No.33/13.03.00/2021-22	July 23, 2021
All Scheduled Commercial Banks (excluding RRBs) All Small Finance Banks All Local Area Banks Madam / Dear Sir, <b>Loans and Advances – Regulatory Restrictions</b> Please refer to paragraphs 2.2.1.2, 2.2.1.4 and paragraph 2.2.1.5 of <a href="#">Master Circular on Loans and Advances - Statutory and Other Restrictions dated July 01, 2015</a> . 2. On a review, it has been decided that i) For personal loans granted to any director of other banks, the threshold of Rupees twenty-five lakh, as mentioned in para 2.2.1.2, stands revised to Rupees five crore. ii) Paragraph 2.2.1.4 has been revised as under – Unless sanctioned by the Board of Directors/Management Committee, banks should not grant loans and advances aggregating Rupees five crore and above to - (a) any relative other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children of their own Chairmen/Managing Directors or other Directors; (b) any relative other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children of the Chairman/Managing Director or other directors of other banks*; (c) any firm in which any of the relatives other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children as mentioned in (a) & (b) above is interested as a partner or guarantor; and (d) any company in which any of the relatives other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children as mentioned in (a) & (b) above is interested as a major shareholder or as a director or as a guarantor or is in control. Provided that a relative of a director shall also be deemed to be interested in a company, being the subsidiary or holding company, if he/she is a major shareholder or is in control of the respective holding or subsidiary company. *including directors of Scheduled Co-operative Banks, directors of subsidiaries/trustees of mutual funds/venture capital funds. iii) Paragraph 2.2.1.5 has been revised as under - The proposals for credit facilities of an amount less than Rupees twenty-five lakh or Rupees five crores (as the case may be) to these borrowers may be sanctioned by the appropriate authority in the financing bank under powers vested in such authority, but the matter should be reported to the Board. Explanation : For the purpose of this circular: i) The term "personal loan" shall have the meaning assigned to it in the <a href="#">circular DBR.No.BPBC.99/08.13.100/2017-18 dated January 04, 2018</a> on XBRL Returns – Harmonization of Banking Statistics. ii) The term "major shareholder" shall mean a person holding 10% or more of the paid-up share capital or five crore rupees in paid-up shares, whichever is less. iii) The term "control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in another manner. Yours faithfully, (Manoranjan Mishra) Chief General Manager	

## **CHAPTER 9 : CONCLUSION & RECOMMENDATIONS**

From the discussion and analysis presented above, the following conclusions can be deduced:

- It was observed that maximum respondents had taken Personal Loan for the purpose of Travel/Tourism. Many others also chose Home Renovation as a purpose for buying a Personal Loan.
- The above respondents largely fell in the age group of 35-45 years. They earned a monthly income of Rs.50,000-Rs.1,00,000.
- The respondents who bought an Education Loan majorly belonged to an age-group of 25-35 years. Out of the 20 respondents who had bought an Education Loan, 7 of them had opted for a course in Masters abroad who also bought an higher amount of up to Rs.20,00,000.
- 13 respondents took the loan for a course in India. They borrowed a loan in the range of Rs.10,00,000-Rs.15,00,000 and also less than Rs.10,00,000.
- Majority of Car Loan takers bought an amount in the range of Rs5,00,000-Rs.10,00,000.
- It was noticed that most respondents were very satisfied with the services offered by HDFC Bank. Most respondents rated all the 5 services as Good and above. There was only some dissatisfaction about the interest rates and tenure of loan. But no negative response was recorded.
- During an informal interaction with the respondents, it was seen that some respondents were not satisfied with the tenure of the Personal Loan. The Bank already provides around 60 months, i.e. 5 years for repayment of the loan. Therefore, the tenure should be increased to at least 7 years.
- The interest rates provided by HDFC Bank also stand high. Personal Loan rates start from 14%. Respondents hoped for lower rates so that loans could be borrowed for more than one purpose and repaid within a specific long tenure of at least 7 years.

## **CHAPTER 10: LIMITATIONS OF THE STUDY**

- The sample size was limited to only 50 respondents due to the huge population size and time restrictions.
- The research was conducted in the area of Pant Nagar, Ghatkopar (East) only.
- This study is only based on the loan services availed by the customers and their experiences regarding the same.
- Few cross-tabulations have been avoided due to time constraints.

## **CHAPTER 11: SOCIAL RELEVANCE**

### **Corporate Governance**

#### **❖ Code of Ethics**

This Code of Ethics / Conduct intends to ensure adherence to highest business and ethical standards while conducting the business of the Bank and compliance with the legal and regulatory requirements, including compliance of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules and regulations framed thereunder by the Securities and Exchange Commission of USA and other statutory and regulatory authorities in India and USA. The Bank values the ethical business standards very highly and intends adherence thereto in every segment of its business.

#### **❖ Applicability**

This Code of Ethics/Conduct is applicable to the following persons.

- The Board Members
- Officials of the Bank one level below the Board

#### **❖ Ethical Conduct**

The Board members / Officials shall engage in and promote honest and ethical conduct of business, including the ethical handling of actual and / or apparent conflicts of interest between personal and professional relationships.

#### **❖ Conflict of Interest**

The Board members / Officials shall avoid conflict of interest and disclose to the Board any material transaction or relationship that reasonably could be expected to give rise to such a conflict.

#### **❖ Confidentiality of the information**

The Board members / Officials shall ensure and take all reasonable measures to protect the confidentiality of non-public information about the Bank, its business,

customers and other materially significant information obtained or created in connection with any activities with the Bank and to prevent the unauthorised disclosure of such information unless required by applicable laws or regulations or legal or regulatory process.

❖ **Disclosure of Information**

The Board members / Officials shall endeavor to produce full, fair, accurate, timely and understandable disclosures in reports and documents that the Bank files with or submits to the Securities and Exchange Commission and other regulators and in other public communications made by the Bank.

❖ **Compliance with Government Laws, Rules and Regulations**

The Board members / Officials shall comply with all the applicable governmental laws and the applicable rules and regulations.

❖ **Variation of the Code and Waivers**

The Code shall be reviewed from time to time for updating thereof. Any variation in the Code or any waivers from the provisions of the Code shall be approved by the Board and shall be disclosed on the Bank's website.

❖ **Contract or Term of Employment**

Nothing in this Code or other related communications by itself creates or implies an employment contract or terms of employment.

❖ **Violation of the code**

The Board shall have the powers to take necessary action in case of any violation of the code.

## **CHAPTER 12: CSR INITIATIVES**

HDFC Bank Parivartan is the CSR programme that the bank has initiated. The bank believes that real development happens when communities find sustainable means of livelihood. Under HDFC Bank Parivartan, the bank reaches out to such communities, instil confidence, empower them to be self-reliant and make them partners in the growth of our nation.

This is done through their core value of Sustainability, which drives all their initiatives from Holistic Rural Development Programme to Zero Investment Innovation in Education Initiative as well as their Blood Donation Drive. This approach enables families to break out of the vicious cycle of poverty and draws them into the cycle of growth, development and empowerment, while simultaneously maintaining the ecological balance.

### **Rural Development**

Creating sustainable communities, we believe is also about bequeathing a better world to future generations. Towards this, we undertake Holistic Rural Development activities in rural India by collaborating with the community and the government. These span initiatives on micro-watershed management, irrigation, soil and water conservation, community forestry, and renewable energy. Rural economies revolve around the quality of soil and availability of water, making these critical to creating a sustainable community. Within the villages taken up under the bank's Holistic Rural Development Programme, we have partnered with the community and the local administration to plan and initiate activities that aim at soil and water conservation, improvement of surface and ground water availability, organic farming practices, and renewable energy. The programmes are designed to address environmental conservation while supporting livelihood opportunities for the community. Long-term solutions, such as check dams, pond deepening, bunding, etc. have been implemented leading to improvement in agriculture.



## **Promotion of Education**

The three Rs : Reading, wRiting and aRithmetic are the building blocks of education. But they must be delivered in the right environment for learning. HDFC Bank's education programmes focus on teacher training, scholarships, career guidance and infrastructure support to enhance learning across the country.

HDFC Bank's educational programmes, are aimed at the community at large and not limited to formal education. At the school level, these are structured to create a conducive environment through the provision of basic infrastructure, training of teachers, scholarships and career guidance. At the community level, the Bank also works on water, sanitation & hygiene (WaSH), creating awareness on issues related to road safety and good financial practices.

## **Healthcare and Hygiene**

Scarcity of potable water in many parts of India has lead to spread of water borne diseases as well as fatal cases. Through their initiatives they provide access to safe drinking water and hygienic sanitation facilities. Their focus is on both schools as well as the community.

Community led total sanitation campaigns promoting hygienic conditions through appropriate wastewater disposals and providing safe drinking water are at the heart of this programme. Promoting hygienic practices and providing access to preventive healthcare is a paramount need for each community member. It has made possible by promoting good hygiene and sanitation practices at community as well as school level. It is supplemented further by constructing of toilets and provision of clean drinking water. HDFC Bank also addresses necessary areas in healthcare through health camps, nutrition programmes and vaccination drives. The bank also conducts an Annual Blood Donation Drive which has been recognised by the Guinness Book of World Records as the largest effort of its kind, for collecting the highest units of blood in a single day.

## **CHAPTER 13: CONCLUSION**

The success of any banking entity depends mainly on liability profile. A healthy mix of deposits is the key to competing in a market where most lending will take place on marginal cost of lending rate (MCLR). HDFC Bank has a lion's share of deposits coming from CASA (low cost current and savings account) and retail term deposits. The low cost stable liability will be a kicker for interest margin as rates start hardening. This will be a distinct competitive edge against wholesale funded NBFC (non-banking finance companies) with whom they compete for retail assets.

HDFC Bank reported a 20 per cent post-tax profit in the December quarter, and kept at their consistency. Stand out features of the performance include a robust liability profile, market share gains, healthy capital position, strong asset quality and a positive commentary about credit pick up in the system.

The MD Mr. Aditya Puri received the Lifetime Achievement Award during BW (Business World) Magna Awards 2018 which was held at St. Regis, Mumbai on 14<sup>th</sup> February, 2018. The bank also bagged awards such as "Fastest Growing Large Bank" as well as "Best Large Bank".

## CHAPTER 14: Q&A

### **Sales Person : HDFC Bank**

#### **Q1. How is the Personal Loan Disbursement process carried out?**

Ans. There are three verticals that carry out the initial stages of loan disbursement. First vertical involves a DSA, i.e. A Direct Sales Agent who conducts a research and brings a file from the market. Second vertical is a Branch wherein the list is prepared by a Preferred Relationship Manager by getting in touch with the customers who might be interested in getting a loan. The third vertical involves the Corporates like Accenture, Capgemini etc. with whom the bank ties up. The Key Corporate Manager then shares some details/files about the salary accounts of the employees to the bank which is in turn used for targeting the interested customers.

#### **Q2. After gathering all the data about the interested people, how are the files processed?**

Ans. The files are processed by a central team that resides in Pune. The centre is called CCPA. All files are verified, and it is ensured that there are no documents left to be submitted by the customers. Later, a Loan Number is generated. One SMS regarding the Loan Number and other details is sent to the customer and the other is sent to the Relationship Manager.

#### **Q3. What happens if there are any fraudulent documents submitted?**

Ans. For the documents to be approved, the documents are sent to the central team at first. Then a mail is sent to the Credit Manager to approve them further. An approval should be given by the credit manager and if at this juncture documents are found to be fraudulent, the documents are sent to the Risk Intelligence Control officer. After all approvals, the Operations Team handles the disbursement process. To avoid any fraudulent activities, there are two types of verifications that take place- CPV i.e. Contact Permanent Verification and OV i.e. Office Verification. This ensures safety and surety.

#### **Q4. How long does the procedure of sanctioning the loan take?**

Ans. This process takes around three days. It's called a Turnaround Time. If the customer isn't available or is out of town, the process is reinitiated. The maximum time taken is seven days.

**Q5. What is the maximum tenure for which the bank can lend Personal Loans?  
How much does the bank earn from the same?**

Ans. The maximum tenure for which Personal Loans can be lent is five years. In the month of December 2017, HDFC Bank earned around 283 crores only from lending Personal Loans. It has been estimated that this month the bank might earn around 300 crores.

**Relationship Manager : HDFC Bank****Q1. Please describe the process of Car Loan disbursement.**

Ans. The entire process takes maximum of five to six days. The minimum time is three to four days provided all the documents are properly verified. The customers are first targeted into two sections: One set of customers are those who already have an account with HDFC Bank and the other set of people are those who don't have an account with HDFC Bank.

**Q2. What is the current rate of interest for Car Loans?**

Ans. The current rate of interest for Car Loans ranges from 8.30% to 12.5%. The rates are negotiable with respect to some specialized services?

**Q3. What specialized services are offered by HDFC Bank?**

Ans. The specialized services are only for the customers who already have an account with HDFC Bank. The loan department ensures that the insurance for the car will also be covered by the bank at a discounted price as compared to other insurance sellers. The entire insurance amount is also borne by the bank in some cases. This is done to make the interested customers stay and not run away to other banks. Another challenge lies in convincing the customers about the interest rates. No matter what, we never go below the range of 8.30%.

**Q4. What is the further process after documents are verified?**

Ans. We have to first share the lead with a system specially used to keep track of the leads generated. So, we generate the leads whereas the car loan team converts the leads. Before converting the leads, customers' credit rating is checked by collecting data through their PAN Card number and by swiping their credit/debit cards. The capacity of the customer is checked w.r.t the paying back capacity that a customer holds. Only later the process is advanced.

**Q5. What is the minimum and the maximum loan amount that the bank can lend?**

Ans. HDFC Bank can lend a minimum amount of Rupees 5,00,000 and there's actually no exact cap on the maximum amount. The loan amount depends on the plan that the customers choose. If a customer wishes to buy a Mercedes or a BMW, we can even lend an amount of Rupees 1 crore. We also provide 100% funding.

## CHAPTER 15: ANNEXURE

### Questionnaire:

1. Age

- 18 – 25
- 26 – 40
- 41 – 60
- 60 and above

2. Gender:

- Female
- Male
- Other

3. Occupation:

- Business
- Service
- Student

4. Income level (per month):

- 0-25,000
- 25,001-50,000
- 50,001-1,00,000
- 1,00,001 and above

5. What kinds of loans have you taken? (Tick more than one if applicable)

- Personal Loan
- Education Loan
- Car Loan

6. Have you taken a Personal loan? If yes, for what reason?

- Marriage
- Travel
- Medical Emergency
- Home Renovation
- Others

7. From which bank have you taken Personal Loan?

- SBI
- HDFC Bank
- ICICI Bank
- Other

8. What was the amount of the Personal Loan?

- 1,00,000-5,00,000
- 5,00,001-10,00,000
- 10,00,001-15,00,000
- 15,00,001-20,00,000

9. Have you taken an Education Loan? If yes, for which course?

- Management Studies
- Engineering
- Masters
- Doctorate

10. From which bank have you taken Education Loan?

- SBI
- HDFC Bank
- ICICI Bank
- Other

11. Specify the location for which the Education loan was obtained.

- India
- Abroad

12. What was the amount of Education loan taken?

- 1,00,000-5,00,000
- 5,00,001-10,00,000
- 10,00,001-15,00,000
- Up to 20,00,000

13. From which bank did you prefer to take Car Loan?

- SBI
- HDFC Bank
- ICICI Bank
- Other

14. Have you taken a Car Loan? If yes, what was the amount of the same?

- 5,00,000-10,00,000
- 10,00,001-15,00,000
- 15,00,001-20,00,000

15. What factors did you consider to take any of the above mentioned loan? (1 being most important, being least important)

- Rate of interest -
- Tenure of loan -
- Processing charges -
- Paperwork -
- Customer relation -













## • **CHAPTER 16: BIBLIOGRAPHY**

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- ICICI Bank Official Website
- SBI Bank Official Website
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## Document Information

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<b>Submitter email</b>	santosh.patil@rapodar.ac.in
<b>Similarity</b>	7%
<b>Analysis address</b>	santosh.patil.pcce@analysis.arkund.com

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S.P. MANDALI'S