

**Nifty50 Listed Company Report
of
HDFC LTD.**



Submitted by

Debarpita Goutam

Hrishikesh Saggam

Chitra Gururani

Sakshi Patel

Madurima Batabyal

Submitted to

**Institute of Industrial and Computer Management
and Research (IICMR)**

MBA@IICMR

Pune

INTRODUCTION

Housing Development Finance Corporation Limited (HDFC) is an Indian financial services company based in Mumbai, India it is a major housing finance provider in India. It also has a presence in banking, life and general insurance, asset management, venture capital, realty, education, deposits and education loans.

The Housing Development Finance Corporation (HDFC) Limited is a name that has been associated with the Indian housing sector for the last four decades. As pioneers in housing mortgages, it is a brand name that has been characterized by trust, solidity, both financial and managerial and sound principles. Since the day of its incorporation in 1977, HDFC has defined and set high standards in the housing finance sector.

CEO: Keki Mistry (1 Jan 2010–)

Founder: Hasmukhbhai Parekh

Founded: 1977

Headquarters: Mumbai

Number of employees: 3,226 (2021)

Revenue: 1.39 lakh crores INR (US\$19 billion, 2021)

HISTORY

HDFC's founder, Mr. H T Parekh had a vision of a dynamic organization, one that served the customer first.

HDFC's wide spread network of interconnected offices across India and outreach programs in several towns and cities, ensures a seamless experience for home buyers and existing customers. To cater to Non

Resident Indians, HDFC has representative offices in **London, Dubai and Singapore and service associates in the Middle East.**

It was founded in 1977 with the support from India's business community, as the first specialized Mortgage Company in India and main company among HDFC group of companies. HDFC was promoted by the Industrial Credit and Investment Corporation of India (ICICI) Hasmukhbhai Parekh played a key role in the foundation of this company which started with the main aim of solving the housing shortage in India and started rising steadily thereafter.

In 2000, HDFC Asset Management Company launched its mutual fund schemes. In the same year, IRDA granted registration to HDFC Standard Life Insurance, as the first private sector life insurance company in India. Currently it operates in India, Kuwait, Oman, Qatar, Saudi Arabia, Singapore, United Arab Emirates and United Kingdom.

PRODUCT AND SERVICES

Mortgage:

The company provides housing finance to individuals and corporate for purchase/construction of residential houses. The type of loans offered by company include loans for purchase and construction of a residential units, purchase of land, home improvement loans, home extension loans, non-residential premise loans for professionals and loan against property and repayment options include step-up repayment facility and flexible loan installment plan It is one of the largest providers of housing loans in India. In its Annual Report for financial year 2012–13, the company has disclosed that it has disbursed approx. INR 456,000 crores in 35 years of its existence for a total of 4.4 million housing units.

The average loan profile amounts to INR 2.18 million (US\$35,160) which lasts for about 13 years and covers approx. 65% of actual property value. From the year 2000, the company started offering housing loans on the Internet becoming first company to do so.

Life insurance:

The company has been providing life insurance since the year 2000, through its subsidiary HDFC Standard Life Insurance Company Limited. It offers 33 individual products and 8 group products. It uses the HDFC group network to cross sell by offering customized products. It operates out of 451 offices across India serving over 965 locations. It had a market share of 4.6% of life insurance business in India as of 30 September 2013. HDFC Life has over 15,000 employees.

General insurance:

The company offers general insurance products such as:

- Motor, health, travel, home and personal accident in the retail segment which accounts for 47% of its total business and
- Property, marine, aviation and liability insurance in the corporate segment.

Mutual funds:

HDFC provides mutual fund services through its subsidiary HDFC Asset Management accounting Limited. The average Assets under Management (AUM) of HDFC Mutual Fund for the quarter Jul-13 to Sep-13 was INR 1.03 trillion.

OPERATIONS

HDFC's distribution network spans 396 outlets (including 109 offices of HDFC's distribution company HDFC Sales Private Limited) which cater to approx. 2,400 towns and cities spread across India. To cater to Non-Resident Indians, HDFC has offices in London, Singapore and Dubai and service associates in Middle East countries.

The first overseas office was opened in Dubai in 1996 and in 2000's was expanded to London and Singapore. In addition, HDFC covers over 90 locations through its outreach programs. HDFC's marketing efforts continue to be concentrated on developing a stronger distribution network. Home loans are also sourced through HDFC Sales, HDFC Bank Limited and other third party direct selling Agents (DSA). The corporation has 232 institutional owners and shareholders filing through 13D/G or 13F forms with the Securities Exchange Commission. Largest investor amongst them is Vanguard International Growth Fund.

MAJOR SUBSIDIARIES AND ASSOCIATES

HDFC's key associate and subsidiary companies include :

- 1. HDFC Bank**
- 2. HDFC Standard Life Insurance Company Limited**
- 3. HDFC Asset Management Company**
- 4. HDFC ERGO General Insurance Company**
- 5. HDFC Property Fund**
- 6. HDFC RED**
- 7. HDFC Credila Financial Services**
- 8. GRUH Finance**

SHARING KNOWLEDGE

At the national level, the company's executives played a crucial role in supporting the Government of India to set up the National Housing Bank (the apex body for housing finance companies) in 1987 and in formulating national policies related to housing finance and urban development. As a part of developmental initiatives for the financial

sector in general, HDFC has co-promoted financial intermediaries in various fields such as infrastructure, consumer finance and credit rating.

HDFC has been described as a model housing finance company for developing countries with nascent housing finance markets. HDFC has provided technical assistance in Bangladesh, Sri Lanka and Egypt and has undertaken consultancy assignments in various countries across Asia, Africa and East Europe.

Over the years, HDFC has received accolades on a regular basis, for various accomplishments, including the company's performance and emphasis on corporate governance, CSR initiatives and HR-related initiatives, its annual report and calendars.

EMPLOYEES

While dealing with external challenges, HDFC has always laid equal emphasis on strengthening its most valuable assets – its employees. The organization firmly believes in participative management, where every employee is encouraged to don the mantle of a leader, albeit in his individual sphere.

HDFC's customer-centric business model has also resulted in a strong emphasis on training. It is driven by the belief that the rate of learning needs to be faster than the rate of change in the environment and that accelerated learning enhances growth of individuals across the organization.

As of 31 March 2013, the company had 1,833 employees, out of which 22% were women. The company incurred INR 5.28 billion on employee benefit expenses for the financial year 2012–13.

For FY 2012–13, the company reported a per employee profit of US\$484,000 and per employee assets of US\$18.5 million. HDFC's Training Centre is located in Lonavla Mumbai and it was established in 1989. It is mainly used for training programs, workshops, conferences and strategy meetings.

GLOBAL FOOTPRINT



HDFC has been described as a model housing finance company for developing countries with nascent housing finance markets. HDFC has provided technical assistance in Bangladesh, Sri Lanka and Egypt and has undertaken consultancy assignments in various countries across Asia, Africa and East Europe.

SHAREHOLDING:

Shareholders	Shareholding
Promoter Group	00.00%
Foreign Institutional Investors (FII)	73.09%
Individual shareholders	09.25%
Insurance companies	08.42%
Mutual Funds/UTI	03.04%
Corporate Bodies	02.77%
Financial Institutions/Banks	02.11%
NRI/OCB/FDI/Others	01.32%
Total	100.0%

AWARDS AND RECOGNIZATION

- In 2013, a survey on "India's Best Boards" listed HDFC's Board of Directors among the 5 best boards in India.
- In May 2013, *Forbes* listed it at #561 in the Global 2000 list of largest companies.
- In 2012, HDFC Limited was recognized as one of India's 'Best Companies to work for' in a joint study conducted by *The Economic Times* and 'The Great Place to Work Institute.

CONCLUSION

Over the last four decades, HDFC has grown to become a multi-product financial conglomerate, diversifying itself into banking, life insurance, general insurance, asset management, real estate venture funding and education loans.