



It's important to know when to say no, says Aditya Puri, CEO of HDFC Bank, ET's Company of the Year

# 'We Followed the Apple Philosophy'

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The 61-year-old chief executive of HDFC Bank who has managed the impossible in 18 years does not draw on management gurus Philip Kotler or Michael Porter to explain his success. He just digs into the age-old Hindu wisdom of Karma Yoga. Aditya Puri guided HDFC Bank to become the most sought-after bank for investors across the world. Though he cut his teeth in a Western financial school, Puri has done everything to prevent his bank from becoming one of those that mindlessly chased growth.

The hallmark of HDFC Bank is that it has achieved probably what no other listed company has achieved in the country or anywhere else in the world — delivering a 30% growth for 52 quarters, stripping off the impact of the acquisition of Centurion Bank of Punjab in 2008. So, the jury of the ET Awards for Corporate Excellence adjudged HDFC Bank the Company of the Year, 2012 — the year it surpassed the 206-year-old State Bank of India in market value.

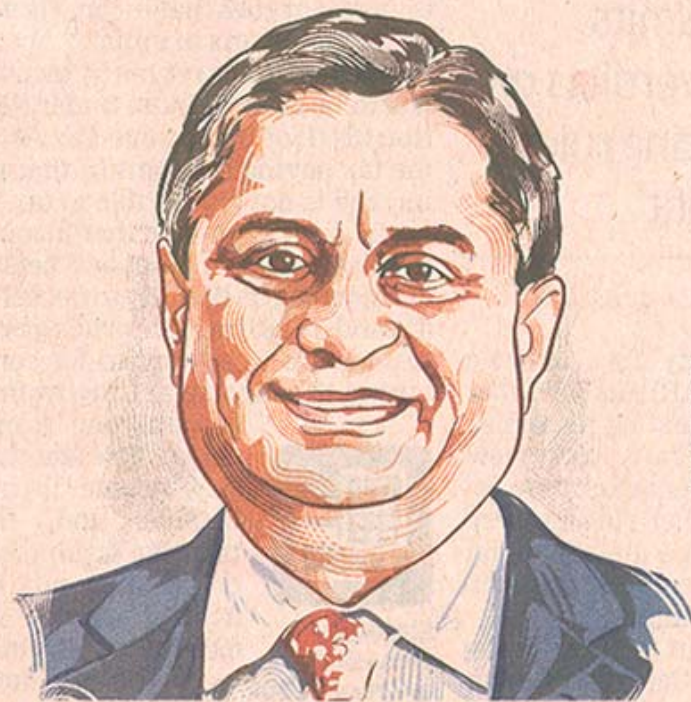
Almost every lender is talking about exploiting the growth in tier-2 and tier-3 cities. Puri talks even about tier-6!

What is the secret formula and the guiding principle that led to its consistent performance when the entire world was riding the rough seas?

"Hindu dharm nahin malum? Tum apna karam karo. Fal ki icha mat karo," says Puri, sipping hot water on the 6th floor board-room of the bank in mid-town Mumbai. (Do your duty and don't look at the fruits of labour). The dharma was the foundation and the management principle was not complicated either.

"Don't try to do too many things. We followed pretty much a philosophy like Apple. It is more important to know when to say no. Don't try and do everything. We knew what we were doing." HDFC Bank today has a market value of ₹1.49 lakh crore, assets of more than ₹3 lakh crore. It has 2,620 branches and 10,316 automated teller machines in 1,454 Indian towns and cities. It is walking into many more towns.

Almost every lender is talking about exploiting the growth in tier-2 and tier-3 cities. Puri talks even about tier-6! HDFC Bank offers almost every product that a billion-dollar corporate wants and has something to provide a daily-wage earner — gold loan. But, there is nothing exotic in any of the things



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that HDFC Bank does.

Is the extraordinary success of the last two decades possible given the shaky economy?

"The demand for financial services exceeds supply and it still holds. If you had the right brand name which stood for the right values, the right product and the right customer focus, the right people, the right technology... sky is the limit in the next to five-10 years," says Puri.

The atmosphere is not as gloomy as is being projected. Corruption is prevalent, but it is not all-pervasive. There is an opportunity to grow and profit without indulging in any corrupt practices. Indeed, he destroys the myth that people in government need to be bribed for business.

"I can tell you, it is a fallacy that dealing with the government necessarily requires you to have bad ethics," says Puri. "I can name 20 governments that we deal with where the reason we got business is that we are clean. I think there are a lot of fallacies here."

Unlike most CEOs who spend nearly two-thirds of their day in office, Puri returns home at 5.30 pm. He would keep doing it, because the institution is on auto-pilot and the systems and people are in place.

"Instinctively, everybody knows corporate governance. The problem is if you don't institutionalise it. Water and money... you can't control."

He is in control.