

# 'Made it a point to ensure zero customer disruptions'

**KAIZAD BHARUCHA**, deputy managing director, HDFC Bank, recollects the journey of the last nine months trying to complete the \$40-billion merger of HDFC and HDFC Bank. Edited excerpts from an interaction with Manojit Saha in Mumbai:

## How did HDFC Bank approach the integration process after the merger was announced in April 2022?

Once the merger was announced, we were not engaging with each other initially due to regulatory requirements. Once the regulatory environment permitted us to progress, we got



into the journey and the process of merger. It started with me getting a call (from Sashidhar Jagdishan, MD & CEO, HDFC Bank). He asked me if I could put together the entire approach. I wrote out 12-14 pages, something I hadn't done since my graduation days. The focus was on the entire design, the architecture and the overall concept—that led to the formation of what we call

**"WE HAVE PUT IN PLACE A GLIDE PATH FOR THE TRANSFORMATION OF ERSTWHILE HDFC LTD BRANCHES TO BANKS WITHIN A DEFINED TIME PERIOD. WE SHOULD COVER MOST OF THEM WITHIN SIX MONTHS"**



**KAIZAD BHARUCHA**

Deputy MD,  
HDFC Bank

the integration committee.

## What was the main brief of the integration committee?

The integration committee consisted of three people from HDFC Ltd, headed by Renu [Karnad]. Others were VS Rangan and Ajay Agarwal. From the bank side, it was headed by me, and the other members included V Chakrapani, one of our group heads, and Srinivas

Vaidyanathan, the CFO.

Below that, we created an execution committee and I laid out 32 tracks which needed to be looked at. We created a charter for each of these tracks and another for the integration committee.

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▶ **AFTER MERGER BLISS, HDFC STOCK MAY STAY SIDEWAYS**

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Then we nominated the senior most persons from the two organisations to head each of these 32 work streams. Some of the group heads headed more than one work stream. Then we went on to further define the tasks for each of the executive integration committees by documenting the entire approach. After that, we defined track 1 and track 2. Track 1 was what was required to be in place on day zero and track 2 was about doing things upfront to ensure integration of the building blocks. We did constant reviews and monitoring. Other than accountants and human resource-related mapping, the entire thing was done without any consultants.

## When were these integration committees formed?



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We started the journey when I called the first meeting internally on October 22, 2022. The integration committee then came into being in November. From there, the whole process started. We did a lot of integration committee meetings. Over the nine months, we (the integration committee) did close to 26-27 full day review.

## How challenging was the technology integration because HDFC and HDFC Bank were on different technology platforms?

You are right. One of the larger pieces was IT and operations integration. We were doing not only the system integration, but also system migration. That was indeed challenging. But all credit to my IT colleagues and operations team who worked tirelessly in going through the

entire detailing.

## Is the integration more challenging than the previous acquisitions by HDFC Bank?

Yes, because when we did the previous acquisitions, we did not do any migration on day zero. That was integration. Here we did complete integration and migration. We made it a point to ensure there would be zero customer disruptions at the end of it. When we did the whole migration and integration, and all aspects of the 32 work streams, we ensured it was done keeping fully in mind that every revision and change adhered to the regulatory guidelines. We also created war rooms — from an IT perspective and also a customer war room to address any challenges that come up.

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