

HDFC Bank, CSC launch overdraft scheme for small retailers

- ***Retailers can avail overdraft up to Rs 10 lakh based on 6-month bank statement***

Mumbai, July 26, 2021: HDFC Bank today announced the launch of an overdraft facility for small retailers in partnership with CSC SPV. Known as 'Dukandar Overdraft Scheme', this facility will help shopkeepers and merchants ease their cash crunch.

Retailers operating for a minimum of three years can avail the overdraft facility by providing 6 months bank statement from any bank. Based on the statement, the bank may approve an overdraft limit from a minimum of Rs 50,000 to a maximum of Rs 10 lakhs. No collateral security, business financials and income tax returns would be required to apply for this facility.

Retailers, shopkeepers and village level entrepreneurs are eligible for this facility. The bank has simplified the process by minimizing paperwork and time required to avail of the scheme. The new scheme has been created keeping in mind the current situation of small traders. The upper limit for shops operational for less than 6 years is Rs 7.5 lakhs and Rs 10 lakh for establishments which have been in business for more than 6 years.

Programme Benefits for Retailers:

- i) Collateral-free loan.
- ii) No Commitment Charges.

Programme Benefits for VLEs:

- i) Commission of 0.40% to 0.80% for loan amounts of Rs 5 Lakhs and above.
- ii) 1700+ emerging enterprise group business channel
- iii) 600+ branches and virtual relationship management support.

Eligibility Criteria:

- i) Only proprietor & business partners can apply for the overdraft facility
- ii) Six-month statement from any bank required
- iii) Should be a customer of the bank of which statement is furnished, for a minimum 15 months

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*“Over the past year, the global economy has had to contend with the unprecedented circumstances brought about by Covid19,” said **Ms. Smita Bhagat, Country Head - Government and Institutional Business, HDFC Bank.** “The prevailing conditions have been particularly harsh on small businesses. HDFC Bank together with CSC has launched this initiative to sustain these small retailers, to help motivate them and create better business opportunities. We at HDFC Bank are trying to create supportive schemes to help businesses get back on their feet before the start of the festive season. The Dukandar Overdraft scheme for shopkeepers and village level entrepreneurs is a step in that direction. I am confident this will provide a much-needed relief to thousands of small traders.”*

Mr. Dinesh Tyagi, Managing Director, CSC SPV said, “The Dukandar Overdraft is a practical offering, specially during these difficult and uncertain times for small shopkeepers and businesses and our VLEs alike. This will help them tide through difficulties and bounce back as the country recovers from the economic impact of Covid.”

Current Account with overdraft facility is significantly an advantageous service offered by the bank. It aids the business owner in terms of cash flow to meet their daily working capital expenses. With the overdraft facility available through their Current Account, the account holder can settle the pending payments via cheques or pay-order in a trouble-free manner. This avoids a cheque dishonour and preserves the reputation of the business owner.

Additionally, the RBI has maintained clean overdrafts for a small amount which are permitted at the discretion of the branch manager to the customers whose past dealings have been satisfactory. Banks may provide tailor-made schemes or services for every individual customer in this regard who maintains a Current Account with them.

About HDFC BANK

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