A Project Report On

"FINANCIAL ANALYSIS OF HDFC BANK, BIDAR."

In partial fulfillment for the award of degree of Bachelors of Business Management

Submitted by:

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Under the Guidance of:

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Submitted to:

GULBARGA UNIVERSITY,
KALABURAGI

Department of BBM
GURU NANAK FIRST GRADE COLLEGE,
BIDAR

September – 2023

HDFC BANK
We understand your world

HDFC Bank Limited
Udgir Road,
Bidar - 585 401.
Karnataka.

Date:02/09/2023

<u>To Whom So Ever May It Concern</u>

This is to certify that **Mr. Shriram Rahul Venkatesh** a student from Guru Nanak First Grade Degree College Bidar, Karnataka, affiliated to Gulbarga University, Kalaburagi, undertook a report on "**Financial Analysis of HDFC Bank**" at Bidar. Hehas completed the project successfully during the period **01/08/2023** to **01/09/2023**.We would like to wish him all the best for his future endeavor.

For HDFC Bank, Bidar

Mr Sangappa Mudnalkar

Branch Manager
HDFC Bank Bidar

GURU NANAK FIRST GRADE DEGREE COLLEGE, BIDAR.

DEPARTMENT OF BBM

CERTIFICATE

This is to certify that **Mr. SHRIRAM RAHUL VENKATESH** of BBM VI Semester bearing URN: M2146834 has prepared a Project report entitled **"FINANCIAL ANALYSIS OF HDFC BANK"** at HDFC Bank, Bidar and has submitted his project report to college and Gulbarga University, Kalaburagi as a partial fulfillment for the award of BACHELORS OF BUSINESS MANAGEMENT degree during the year 2022- 2023.

Mr.Jagadeesh Akke	**Mr.MD Inamur Rahman Khan.**	**Dr. Shyamala V. Datta**
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External Viva-voce:

Name of the Examiners: Signature with Date

1.

2.

DECLARATION

I hereby declare that the project entitled **"FINANCIAL ANALYSIS OF HDFC BANK, Bidar"** is prepared by me under the guidance of **Mr. JAGADEESH AKKE.**

I also declare that this project is towards the partial fulfillment for the award of BBM degree of Gulbarga University has been the result of my own efforts & this project has not been formed a basis for the award of any other degree or any other university.

SHRIRAM RAHUL VENKATESH
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Date:

Place: **BIDAR**

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SHRIRAM RAHUL VENKATESH
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1. INTRODUCTION

1.1 GENERAL INTRODUCTION

Finance is the lifeblood of business. It is rightly termed as the science of money. Finance is essential for the smooth running of the business. Finance controls the policies, activities and decision of every business

1.2 FINANCiAL ANALYSIS

The word Performance is derived from the word performed", which means to do"...to carry out" or render". It refers the act of performing; execution, accomplishment, fulfilment, etc. In a broad sense, performance refers to the accomplishment of a given task measured against present standards of accuracy, completeness, cost, and speed. In other words. it refers to the degree to which an achievement is being or has been accomplished.

In the words of Frich Kohlar "The performance is a general term applied to a part or to all the conducts of activities of an organization over a period of time often concerning past or projected cost efficiency, management responsibility or accountability or the like. Thus, not just the presentation, but the quality of results achieved refers to the performance. Performance is used to indicate firm's success, conditions, and compliance.

Financial performance refers to the act of performing financial activity. In a broader sense, financial performance refers to the degree to which financial objectives are being or has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure a firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

- Comparative analysis
- Common size analysis statement
- Ratio analysis

Comparative balance sheet:

Comparative balance sheet as on two or more different dates can be used for comparing assets and liabilities and finding out any increase or decrease in those items. Thus, while in a single balance sheet, the emphasis is on the present position, it is on change in the comparative balance sheet. Such a balance sheet is very useful in studying the trends in an enterprise

Common-Size Financial Statement:

Common-size financial statements are those in which figures reported are converted into percentages to some common base in the income statement the sales figure is assumed to be 100 and all figures are expressed as a percentage of sales. Similarly, in the balance sheet, the total of assets or liabilities is taken as 100 and all the figures are expressed as a percentage of this total.

Ratio analysis:

Ratio analysis is a widely used tool of financial analysis. The term ratio in refers to the relationship expressed in mathematical terms between two individual figures or groups of figures connected in some logical manner and are selected from financial statements of the concern. The ratio analysis is based on the fact that a single accounting figure by itself may not communicate any meaningful information but when expressed as a relative to some other figure, it may provide some significant information on the relationship between two or more accounting figures/groups is called a financial ratio helps to express the relationship between two accounting figures in such a way that users can conclude the performance, strengths and weakness of a firm.

Classification of ratios:

- Liquidity Ratios
- Leverage ratios
- Profitability Ratios
- Activity Ratios

1.3 HDFC BANK LEGACY

HDFC Bank LTD is one of the leading Bank in India, with a global presence as well. To perform a financial analysis of HDFC Bank LTD, we need to assess its financial performance using various tools and techniques.

One way to do this is through the analysis of its financial statements. The comparative balance sheet can be useful to compare the assets and liabilities of HDFC Bank on different dates, to observe any increase or decrease in those items.

Additionally, common-size financial statements can be created to express the figures reported as percentages of a common base. This will help us to understand the trends in the financial statements of HDFC Bank.

Ratio analysis is another widely used tool of financial analysis. The ratios can be classified into liquidity ratios, leverage ratios, profitability ratios, and activity ratios. Liquidity ratios help to assess the ability of the company to meet its short-term obligations. Leverage ratios help to measure the extent to which the company relies on debt financing. Profitability ratios help to determine the company's ability to generate profits. Activity ratios help to measure the efficiency of the company's operations.

Overall, the financial performance analysis of HDFC Bank will help investors and stakeholders understand the company's financial health, profitability, and efficiency.

2. REVIEW OF LITERATURE

For the purpose of this project information collected is from die primer data, which was obtained from the field to make the research work more meaningful. The other information please, collected from different sources, which are as follows:

Annual theoretical books are

Various theoretical books are:

Financial management by. S.K.R. Paul

Financial management by. S.N. Maheshwari

Financial Management by. R.K. Sharma & Gupta

Financial management (3rd edition) by. Jain & Khan

Financial management (7th edition) by. IM pandey

Financial accounting (4th edition) by. B.S Raman

Literature Review was done by referring previous studies, articles and books to know the areas of study and analyse the gap or study not done so far. There are various studies were conducted relating to operational performance of the company from which most relevant literatures were reviewed.

Kennedy and Muller (1999), have explained that "The analysis and interpretation of financial statements are an attempt to determine the significance and meaning of financial statements an attempt to determine the significance and meaning of financial statements data so that the forecast may be made of the prospects for future earnings, ability to pay interest and debt maturities (both current and long term) and profitability and sound dividend policy."

Without subjecting these to data analysis, many fallacious conclusions might be drawn concerning the financial condition of the enterprise. Financial statement analysis is undertaken by creditors, investors and other financial statement users in order to determine the credit worthiness and earning potential of an entity.

Susan Ward (2008) emphasises that financial analysis using ratios between key values helps investors cope with the massive amount of numbers in company financial statements. For example, they can compute the percentage of net profit a company is generating on the funds it has deployed. All other things remain the same; a company that earns a higher percentage of profit compared to other companies is a better investment option.

AMY Khan & P K Jain (2011), have explained that the Financial Statements provides a summarized view of the financial position and operations of a firm. Therefore, much can be learnt about a firm from careful examination of its Financial Statement as invaluable documents / Performance reports. The Analysis of report is thus an important Audit of financial Analysis.

Chapter 2

Industry Profile

Chapter 2

3. Industry Profile

3.1 Introduction to Banking Industry

The Indian banking system is one of the largest and most complex in the world, with more than 100 scheduled commercial banks and more than 96,000 branches. It has undergone a significant evolution since the country's independence in 1947, and today it plays a vital role in the economic development of India.

In the early days following independence, the Indian banking system was primarily dominated by a few state-owned banks, with limited banking services and limited reach, particularly in rural areas. However, in the decades that followed, the Indian government, in consultation with the Reserve Bank of India (RBI), implemented a series of economic and financial sector reforms that led to a significant expansion of the banking system.

One of the most important changes in the Indian banking system was the nationalization of 14 major banks in 1969 and an additional six banks in 1980. This brought nearly 80% of the banking system under government control and expanded banking services to many rural and unbanked areas. Additionally, the government introduced policies that encouraged the growth of regional rural banks and co-operative banks, further increasing the reach of the banking system in rural areas.

In the 1990s, the Indian government liberalized the banking sector, allowing private and foreign banks to operate in India. This led to increased competition and the entry of several new players into the market. The introduction of technology, such as internet banking and mobile banking, has also improved the efficiency and reach of the banking system.

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.

The Indian banking industry has recently witnessed the rollout of innovative banking models like payments and small finance banks. In recent years India has also focused on increasing its banking sector reach, through various schemes like the Pradhan Mantri Jan Dhan Yojana and Post payment banks. Schemes like these coupled with major banking sector reforms like digital

payments, neo-banking, a rise of Indian NBFCs and fintech have significantly enhanced India's financial inclusion and helped fuel the credit cycle in the country.

Indian Fintech industry is estimated to be at US$ 150 billion by 2025. India has the 3rd largest FinTech ecosystem globally. India is one of the fastest-growing Fintech markets in the world. There are currently more than 2,000 DPIIT-recognized Financial Technology (FinTech) businesses in India, and this number is rapidly increasing.

The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII).* India's Unified Payments Interface (UPI) has also revolutionized real-time payments and strived to increase its global reach in recent years.

3.2 Resilient and well capitalized banking system

The Banking industry in India has historically been one of the most stable systems globally, despite global upheavals.

Historically Indian banking has benefited from high savings rates and growth in savings as well as disposable income growth.

- Number of offline and online ATMs – 252,000 (as on March 2022)
- Total bank branches: ~123,000
- Total Deposits – $ 2 Trillion

The Banking industry in India has historically been one of the most stable systems globally, despite global upheavals. The health of the Indian banking system is robust, fortified by a multi-year low non-performing loans and adequate level of capital and liquidity buffers.

The population covered with bank accounts increased from 53% in FY 16 to 78% in FY 21. For the first time, the Gross Non-Performing Asset (GNPA) of SCBs has decreased to a 7-year low of 5% in Sep'22, and the Net NPA has declined to a 10-year low of 1.3%. SCBs' GNPA ratio continued its downtrend and fell to a 10-year low of 3.9% in March 2023.

There are more than 1.6 lakh bank branches translating to approximately 15 branches per 1 lakh of population. This is further complemented by a network of 2.17 lakh ATMs, out of which 47% are in rural and semi-urban areas. Banking services have been made accessible to every village within a 5 km radius in 25 states and 7 Union Territories covering 99.94% of villages.

Top Indian banks in 2023 based on market cap

Here's a table showcasing the top 10 banks in India, ranked by their market caps.

Rank & Bank Name	Type	Market Cap (Rs cr)
#1 HDFC Bank	Private	11,94,701.98
#2 ICICI Bank	Private	6,70,893.35
#3 SBI	Public	5,06,605.60
#4 Kotak Mahindra	Public	3,52,915.92
#5 Axis Bank	Private	3,02,695.12
#6 IndusInd Bank	Private	1,08,202.37
#7 Bank of Baroda	Public	99,135.01
#8 Punjab National Bank	Public	69,864.89
#9 IDFC First Bank	Private	61,168.22
#10 AU Small Finance	Private	48,661.66

4. Company Profile

4.1 . Over View

HDFC Bank Limited is an Indian banking and financial services company headquartered in Mumbai.

The Housing Development Finance Corporation Limited or HDFC was among the first financial institutions in India to receive an "in principle" approval from the Reserve Bank of India (RBI) to set up a bank in the private sector. This was done as part of RBI's policy for the liberalization of the Indian banking industry in 1994. HDFC Bank was incorporated in August 1994 in the name of HDFC Bank Limited, with its registered office in Mumbai, India. The bank commenced operations as a Scheduled Commercial Bank in January 1995. As of March 31, 2021, the Bank had a nationwide distribution network of 5,608 branches and 16,087 ATMs in 2,902 cities/towns.

HDFC Bank Ltd (HDFC) offers personal and corporate banking, private and investment banking, and other related financial solutions to individuals, MSMEs, government, and agriculture sectors, financial institutions and trusts, and non-resident Indians. It provides a range of deposit services and card products; loans for homes, cars, commercial vehicles, and other personal and business needs; insurance for life, health, and non-life risks; and investment solutions such as mutual funds, bonds, equities, and derivatives. HDFC also provides services such as cash management, corporate finance advisory, customized banking solutions, project and structured finance, trade financing, foreign exchange, internet banking, and payment and settlement services, among others.

The bank operates in India through a network of branches, ATMs, phone banking, net banking, and mobile banking. It has overseas branches in Bahrain, Hong Kong, and the UAE; and representative offices in the UAE and Kenya. HDFC is headquartered in Mumbai, Maharashtra, India.

4.2 Nature of Business Carried Out

The nature of a business describes the type of business it is and what its overall goals are. It describes its legal structure, industry, products or services, and everything a business does to reach its goals. It depicts the business's problem and the main focus of the company's offerings

HDFC's Business Segments

HDFC Bank caters to a wide range of banking services covering commercial and investment banking on the wholesale side and transactional / branch banking on the retail side. The bank has three key business segments:

Retail Banking:

HDFC Bank's Retail business is targeted at individuals, salaried professionals, micro and small businesses, such as kirana stores, Self Help Groups (SHGs), and Non-Resident Indians (NRIs). The Bank caters to this segment by customising its products and services. It enjoys a strong position in the Auto Loan and Personal Loan businesses and a leadership position in the Payments business. The Bank also offers Wealth Management Services to High Networth Individuals (HNI).

Home Loan/Mortgages Business

Post the merger with HDFC Limited, HDFC Bank has secured a strong home finance brand. HDFC Limited was a pioneer in the Housing Loan Finance market in India and over the years built a strong brand equity. While the Bank has been sourcing loans on behalf of HDFC Limited, it now offers a wide range of housing loans to cater to the varied needs of customers across income brackets. These include loans to individual borrowers, salaried persons, working professionals as well as the self-employed.

Wholesale/Corporate Banking

HDFC Bank offers a broad portfolio of services that will make banking easier for large corporates and enable access capital as needed.

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Commercial and Rural Banking (CRB)

The Bank's Commercial and Rural Banking (CRB) Group was set up in Financial Year 20-21 and has been identified as a growth engine. Its target customer segment is Micro, Small and Medium Enterprises (MSMEs), emerging corporates, commercial agriculture, small and marginal farmers, healthcare finance, equipment finance and commercial transport companies. All these businesses have a strong presence in the Semi Urban and Rural (SURU) locations where the Bank has about half its branches. This vertical is also important as its disbursals help the Bank in meeting a large part of the Priority Sector Lending requirements.

Treasury

The Treasury is the custodian of the Bank's cash/liquid assets and manages its investments in securities and other market instruments. It manages the liquidity and interest rate risks on the balance sheet and is also responsible for meeting statutory reserve requirements. The Treasury earns a fee income from transactions that customers undertake with the Bank, while managing their foreign exchange and interest rate risks.

4.3 Vision and Mission

Vision Statement

"To be the premier financial partner in ensuring sustainable housing and living standards."

Mission

Committed to provide financial solutions for sustainable living and assist entrepreneurs in value addition. HDFC Bank's mission is to be a world class Indian bank. HDFC bank have a two-fold objective: first, to be the preferred provider of banking services for target retail and wholesale customer segments. The second objective is to achieve healthy growth in profitability, consistent with the bank's risk appetite. The bank is committed to maintaining the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. HDFC Bank's business philosophy is based on five core values: Operational Excellence, Customer Focus, Product Leadership, People and Sustainability.

Components of Mission Statement

Customer Satisfaction Based on Core competencies.
Motivational and Inspirational

4.4 Values of HDFC Bank

- Operational Excellence,
- Customer Focus,
- Product Leadership,
- People and Sustainability.

'Employee Focus' approach strives to create a happy environment for employees where they develop an emotional commitment to the company and "go the extra mile" to leverage organizational goals. 'Customer Centricity' puts their customers and their interests on priority to make informed decisions for mitigating their needs. To act with 'Integrity' is to ensure that employees are truthful, accountable and respect co-workers, stakeholders and customers.

Fostering 'Collaboration' amongst our employees makes them the most productive at work. 'Agility' stirs in us ability to work quickly, seamlessly and cohesively. CSR endeavors motivate us to serve the less fortunate with humility to create 'Social Impact.'

4.5 Product & Service Profile

The bank offers a wide range of banking and financial services as mentioned below.

Deposit Account

1.Savings Account

HDFC Bank offers 11 types of savings accounts to serve the financial needs of students, entrepreneurs, salaried employees, or senior citizens. From regular to premium savings account, one can manage the money efficiently.

2. Current Account

HDFC Bank offers 18 types of current accounts to serve the needs of different businesses. Current accounts largely deal with liquid deposits does not limit the number of transactions in a day and easily allows for the withdrawal of funds.

Loans

3. Home Loan

HDFC Bank offers 3 types of home loans for its customers at attractive interest rates. Customers can opt for automated repayment and the EMIs will be directly repaid from HDFC Bank Savings Account.

4.Personal Loan

HDFC Bank offers a personal loan to its customers at attractive interest rates, low processing fees, & simplified documentation. Customers can also avail pre-approved loan in 10 seconds and others can get a loan in 4 hours.

5.Loan Against Property

HDFC Bank customers can pledge their property to meet the personal or business goals with 4 types of loan against property. Customers can get up to 65% of one's property's value, attractive interest rates, and hassle-free processing.

6. Car Loan

HDFC Bank helps to finance the dream of buying a new car for its customers with up to 100% funding. Customers can opt for 3 types of car loans as per their requirement with 7 year loan tenure, quick disbursal, and processing.

7.Education Loan

HDFC Bank offers 3 types of education loan to its customers studying across leading institutions in India & overseas to fulfill their career goals & aspirations. Customers can also avail tax benefits u/s 80 (E) of Income Tax Act, 1961.

8.Gold Loan

HDFC Bank offers gold loan with a minimum loan amount of Rs. 25,000 to its customers at a flexible interest rate, minimal documentation & secure storage. Customers can get the funds instantly & repay at their own convenience.

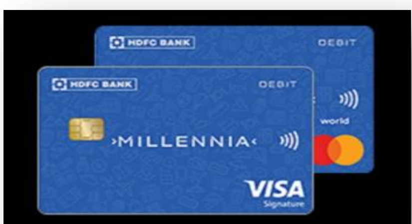
9.Business Loan

HDFC Bank offers business loan to its customers of up to Rs. 50 lakh to fulfill their unique business. It comes with easy documentation, attractive interest rates, overdraft facility, and flexible tenures

Cards

10. Credit Card

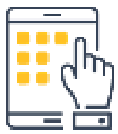
HDFC Bank offers various types of credit cards to fulfill the needs of its customers. The card offers attractive reward points, exclusive travel benefits, dining privileges, and many more.



11. Debit Card

HDFC Bank offers a wide range of debit cards to cater to the needs of its customers. The cards provide various offers, discounts, and cashback on shopping, traveling, dining, etc

Banking



12. Balance Enquiry

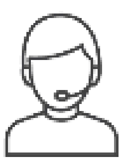
HDFC Bank account holders can check their account balance via Netbanking, Mobile Banking, Missed Call, SMS, Passbook, ATM & Customer Care Number.

13. Mini Statement

HDFC Bank customers can avail their mini statement using Net Banking, Phone Banking, SMS, Passbook, ATM and also by contacting the 24X7 customer care number.

14. Net Banking

HDFC Bank customers can avail Net Banking using which they can check their account balance, book fixed & recurring deposits, transfer funds, download bank statement up to 5 years, etc



15.Customer Support

HDFC customers can contact the bank's customer care executives via SMS, E-mails, 24×7 available customer care number in case of any queries, account-related questions, feedback, etc.

4.6 Functional Departments of HDFC

- Operations.
- Finance and business development.
- Human Resource management.
- Chief Technical Officer (CTO)
- IT.
- Credit.
- Corporate and Islamic finance.
- Audit.

- **Operations**

Banking operations (Ops) serve as a back office function responsible for reconciliation and the execution and settlement of transactions originating in the front office. Trade booking and adherence to risk and regulatory guidelines are important roles of Ops. Customer onboarding is another key function...

- **Finance and Business Development**

Business development is the creation of long-term value for an organization from customers, markets, and relationships. Business development can be taken to mean any activity by either a small or large organization, non-profit or for-profit enterprise which serves the purpose of 'developing' the business in some way.

- **Human Resource Management**

Human resource management is the strategic approach to nurturing and supporting employees and ensuring a positive workplace environment. Its functions vary across different businesses and industries, but typically include recruitment, compensation and benefits, training and development, and employee relations.

- **Chief Technical Officer**

Chief Technology Officer (CTO) is the highest technology executive position within a company and leads the technology or engineering department. They develop policies and procedures and use technology to enhance products and services that focus on external customers.

- **Credit**

a contractual agreement in which a borrower receives a sum of money or something else of value and commits to repaying the lender later, typically with interest.

- **Corporate and Islamic Finance**

Islamic finance is a way to manage money that keeps within the moral principles of Islam. It covers things like saving, investing, and borrowing to buy a home. The moral principles many Muslims live their lives by are sometimes known as the 'Sharia'.

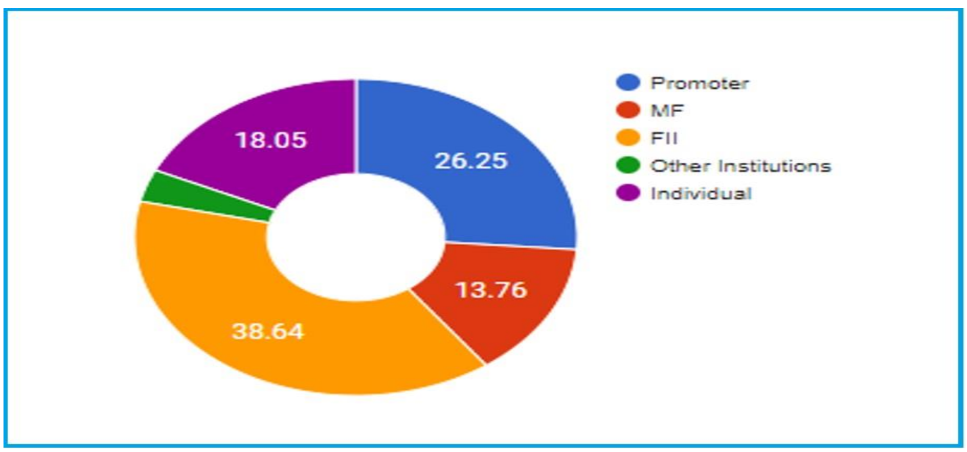
- **Audit**

Auditing is an official inspection and verification of the credibility of financial reports. Audits can be conducted by either a business's management as an internal control process or by the government, in case they notice suspicious financial activity.

4.7 Owner Ship Pattern of HDFC Bank

The Share Holding Pattern is As Follows

▫ Promoters	26.25%
▫ Mutual Funds	13.76%
▫ Foreign institutional investors (FIIs)	38.64%
▫ Others	3.3%
▫ Individual	18.05%



- Promoters have decreased holdings from 25.59% to 25.52% in Jun 2023.

- Mutual Funds have increased holdings from 12.82% to 14.61% in Jun 2023 qtr.
- Number of MF schemes remains unchanged at 38 in Jun 2023 qtr.
- Institutional Investors have decreased holdings from 88.73% to 87.94% in Jun 2023 qtr.
- Institutional Investors have decreased holdings from 88.73% to 87.94% in Jun 2023 qtr.

- FII/FPI have decreased holdings from 66.20% to 63.59% in Jun 2023 qtr.

4.8 Competitors Information

The top competitors of HDFC Bank include RBL Bank, IndusInd Bank, Bandhan Bank, IDFC First Bank and Federal Bank. HDFC Bank has 168 active competitors.

Here is a list of the top 10 competitors of HDFC Bank, ranked by Tracxn score:

- RBL Bank - Mumbai based, 1943 founded, Public company.
- Indusland Bank - Pune based, 1994 founded, Public company.
- Bandhan Bank - Kolkata based, 2014 founded, Public company.
- IDFC First Bank - Mumbai based, 2015 founded, Public company.
- Federal Bank - Kochi based, 1931 founded, Public company.
- Bank of America - Charlotte based, 1904 founded, Public company.
- ICICI Bank - Mumbai based, 1994 founded, Public company.
- Axis Bank - Mumbai based, 1993 founded, Public company.
- Indian Bank - Chennai based, 1907 founded, Public company.
- SVB - Santa Clara based, 1983 founded, Acquired company.

4.9 Organizational structure

Organizational structure refers to how an organization is designed and arranged to meet its goals. It defines how activities such as task allocation, coordination, and supervision are directed toward the achievement of organizational aims.

There are different types of organizational structures, including:

- **Hierarchical**: This is a type of centralized organizational structure where there is a hierarchy of workers with leaders at the top who make decisions and delegate tasks.

- **Flat**: This organizational structure is devoid of any hierarchy. No one commands or controls the employees.

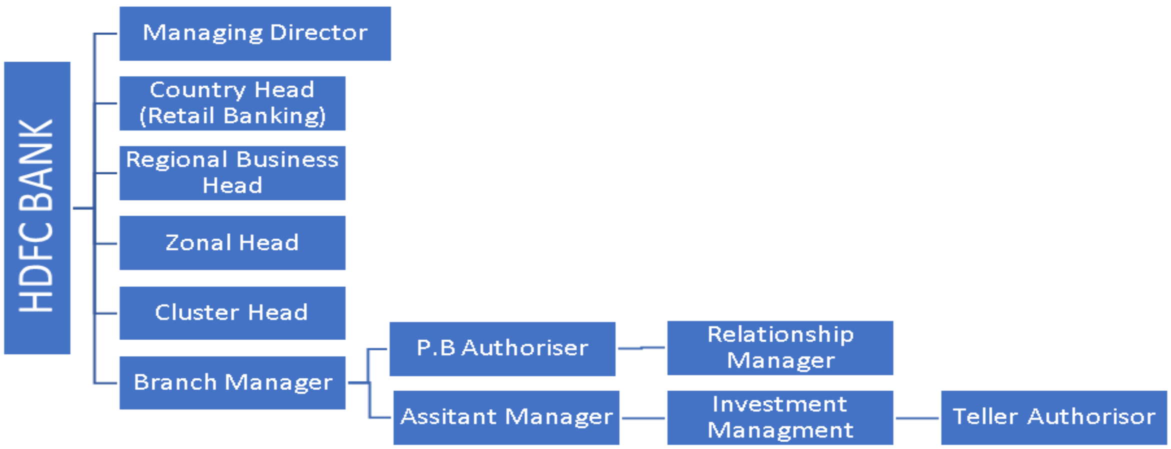
- **Flat Archy**: It includes elements of both hierarchical and flat structures. It has a small core group of leaders who make decisions, but they also empower employees to make decisions

  .

- **Matrix**: This structure combines functional and product-based divisions, allowing employees to work across different projects while still reporting to their respective functional managers.

The choice of organizational structure depends on various factors such as business goals, industry, and culture of the company.

In the diagram below we can see the organisational structure of HDFC Bank



Shareholders: A shareholder, also referred to as a stockholder, is a person, company, or institution that owns at least one share of a company's stock, which is known as equity. Because shareholders are essentially owners in a company, they reap the benefits of a business's success.

Board of Directors: A board of directors is essentially a panel of people who are elected to represent shareholders. The board is responsible for protecting shareholders' interests, establishing policies for management, oversight of the corporation.

Chief executive officer (CEO): He is the highest-ranking executive in a company, whose primary responsibilities include making major corporate decisions, managing the overall operations and resources of a company, acting as the main point of communication between the board of directors (the board)

Managing Director: The person who is in overall charge of the running of an organization or business. He is the managing director of an engineering firm".

Audit Committee: An audit committee is one of the major operating committees of a company's board of directors that is in charge of overseeing financial reporting and disclosure.

Nomination Committee: A nomination committee evaluates a firm's board of directors and examines the skills and characteristics required of board candidates.

Investor Grievances Cell: Redressal of investor grievances is one of the key components of SEBI's efforts to protect the interests of investors in securities. There will be occasions when an investor has a complaint against, a listed company or an intermediary registered with SEBI.

Ethics and Compliance: Hold employees accountable by clearly defining the company's mission, values, and goals – and developing policies such as a written code of conduct to reflect the mission, values, and goals – you are creating an ethical compliance culture.

Legal Head: The Head of Legal is tasked with analysing and identifying the legal risks and implications of all of the business's transactions, keeping the senior management in all departments of the business informed of developments in laws and regulations that potentially affect the business.

Company Secretary: The company secretary is responsible for the efficient administration of a company, particularly for ensuring compliance with statutory and regulatory requirements and ensuring that decisions of the board of directors are implemented.

Corporate Planning: is the act of creating a long-term plan to improve your business. A corporate plan examines a business's internal capabilities and lays out strategies for how to use those capabilities to improve the company and meet goals.

4.10 Awards and Achievements

HDFC Bank has been awarded as the 'Best Bank in India' by global magazine Finance Asia. Finance Asia's annual Country Awards for Achievement 2018 recognises outperforming banks from countries in the Asia Pacific region. The magazine bestows the recognition on the banks after taking into consideration their performance, vision, and long-term strategy

The HDFC Bank Mohali Industry Eminence Awards 2019 is here! Celebrating & felicitating our special entrepreneurs for their achievement and hard work! The event will be graced by the presence of the HNI customers of Mohali Industries Association.

On 11th January 2022, Professional Wealth Management - a magazine from the Financial Times Group declared HDFC Bank as the Best Private Bank In India at The Global Private Banking Awards, 2021.

HDFC Bank has been adjudged as the 'Best Digital Bank' in India at the Asia money Best Bank Awards 2019.

HDFC Bank ranked India's No. 1 brand for the 7th consecutive year in '2020 BrandZ™

4.11 Future Growth and Prospects

HDFC BANK's forecast earnings growth (19.9% per year) is above the savings rate (6.8%). Earnings v/s Market: HDFCBANK's earnings (19.9% per year) are forecast to grow faster than the Indian market (15.9% per year)

HDFC Bank is forecasted to grow earnings and revenue by 19.9% and 19.7% per annum respectively. EPS is expected to grow by 12.2%. Return on equity is forecast to be 16.4% in 3 years.

Future criteria checks
HDFC Bank is forecasted to grow earnings and revenue by 19.9% and 19.7% per annum respectively. EPS is expected to grow by 12.2%. Return on equity is forecast to be 16.4% in 3 years.

The Bank will re-double its efforts on its business verticals that include Corporate Banking, Retail Banking, Private Banking, Government and Institutional Banking, Retail assets and Payments. In addition, the Bank is increasing its focus on Commercial Banking (MSME vertical), the backbone of Indian economy. This would enable the Bank to bring its product and digital might to the entire Commercial Banking (MSME community) in a much more holistic and focused manner across Bharat & India.

The Bank has four broad Delivery Channels; Branch Banking, Tele-service/sales (including Virtual Relationship Manager channel), Sales Channels aligned with the business verticals and Digital Marketing. These channels cover the length and breadth of the country including semi-urban and rural locations. The Bank will continue to invest in all these channels as part of the effort to enhance customer experience.

HDFC is creating engines of growth with top tier talent backed by technology and digital transformation to capitalise on opportunities that will accrue in the coming time," said Mr Sashi Jagdishan, MD, HDFC Bank. "They are in our mind Future – Ready teams. I am sure this structure will create the necessary strategic and execution agility that we need to serve our customers across India & Bharat, Retail, Commercial (MSME) and Corporate segments."

Mr Kaizad Bharucha, Executive Director, will continue to drive the Wholesale Bank including Corporate Banking Group, Capital and Commodities Markets group and Financial Institutions.

Mr Rahul Shyam Shukla, Group Head, will now be responsible to drive the Commercial Banking (MSME) and rural vertical, a big future growth engine for both India and the Bank.

Ms Smita Bhagat, Group Head – Government and Institutional Business (GIB) and Start-ups will continue to drive the Govt / Institutional Banking. She will also drive the expansion of our rural presence leveraging our partnership with CSC and also the start-up sector.

Mr Arvind Kapil, Group Head – Retail Assets and SLI, will continue to drive the Retail Assets Portfolio. The growth potential, we believe, is immense in retail assets in the context of credit under penetration in the country.

Mr Rakesh Singh, Group Head – Investment Banking and Private Banking will also be responsible for Marketing, Retail Liability Products and Managed Programmes.

Mr Ravi Santhanam, CMO, will now be also responsible for driving Digital Marketing as a stand-alone delivery channel. He will also be additionally responsible for the Retail Liability Products and Managed Programmes.

Mr Sampath Kumar, Group Head – NRI will now be in charge of all tele-service relationships, including VRM delivery channel of the Bank. The mandate is to combine the power of human touch and digital to deliver a differentiated customer experience.

Mr Arvind Vohra, Group Head – Retail Branch Banking, Retail Trade & Forex will continue to drive the efforts to expand the Bank's reach across India through branch banking.

Mr Parag Rao, Group Head - Payments Business, will now drive the technology transformation and digital agenda. He will continue to be responsible for the Payments vertical. Mr Ramesh Lakshminarayanan, Chief Information Officer and Mr Anjani Rathor, Chief Digital Officer will report to Parag.

Mr. Ashish Parthasarathy- Group Head, Treasury and GIB would also provide the leadership for the tele-service / sales / relationship channel.

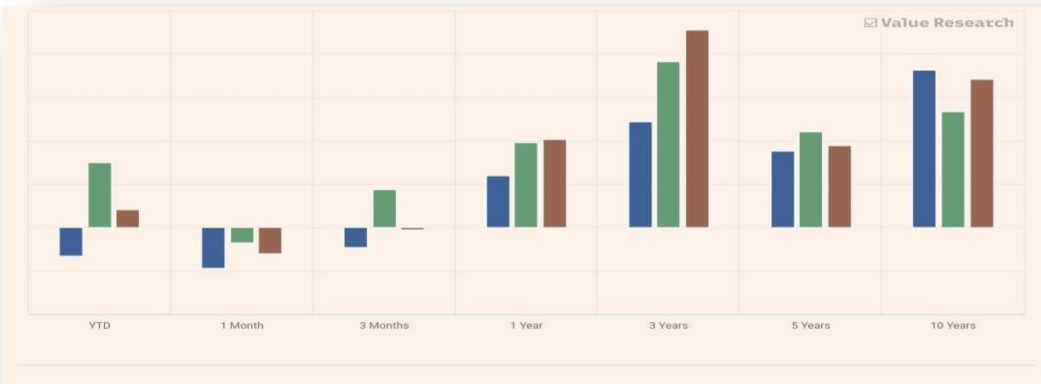
Mr Bhavesh Zaveri, Group Head – Operations, will continue to handle the entire operations of the Bank. He will also be additionally responsible for the entire ATM channel operations across the country.

The role of Credit, Risk, Control and enabling functions continue to be critical as we scale up further in size and reach. The current leadership would continue in these roles and support in the transformation journey to realize the vision of Project Future Ready.

4.12 Performance of its stock from the past few years

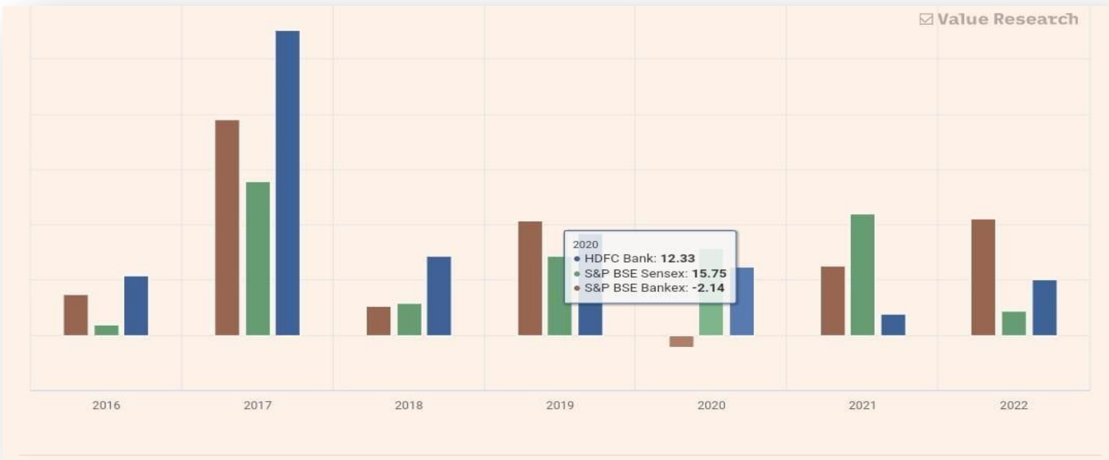
HDFC Bank Ltd. Stock Performance

	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
HDFC Bank	-3.28	-4.63	-2.24	5.96	12.17	8.85	18.15
S&P BSE Sensex	7.47	-1.71	4.42	9.83	19.18	11.09	13.38
S&P BSE Bankex	2.06	-2.96	-0.21	10.19	22.77	9.47	17.09



Annual Performance

	2022	2021	2020	2019	2018	2017	2016	
HDFC Bank		10.05	3.81	12.33	18.44	14.41	55.23	10.79
S&P BSE Sensex		4.44	21.99	15.75	14.38	5.87	27.91	1.95
S&P BSE Bankex		21.03	12.59	-2.14	20.72	5.24	39.08	7.35



5. SWOT ANALYSIS

strengths, weaknesses, opportunities, and threats

SWOT (strengths, weaknesses, opportunities, and threats) analysis is a method for identifying and analyzing internal strengths and weaknesses and external opportunities and threats that shape current and future operations and help develop strategic goals.

Strengths of HDFC Bank

- Company with high TTM EPS Growth
- Stocks with improving cash flow, with good durability (subscription)
- Good quarterly growth in the recent results
- Increasing Revenue every Quarter for the past 8 Quarters
- Effectively using Shareholders fund - Return on equity (ROE) improving since last 2 year
- Efficient in managing Assets to generate Profits - ROA improving since last 2 year
- Increasing Revenue every Quarter for the past 4 Quarters
- Company able to generate Net Cash - Improving Net Cash Flow for last 2 years
- Annual Net Profits improving for last 2 years

- Book Value per share Improving for last 2 years
- Company with Zero Promoter Pledge
- FII / FPI or Institutions increasing their shareholding

Weakness of HDFC Bank

- MFs decreased their shareholding last quarter
- Decline in Net Profit with falling Profit Margin.
- Declining profits every quarter for the past 2 quarters
- Weak Momentum: Price below Short, Medium and Long Term Averages.

Opportunities of HDFC Bank

- Leverage growing corporate banking
- Venture into foreign markets
- Debt settlement process
- Asset availability for growth
- Digital opportunities

Threats of HDFC Bank

- New-age banking
- Restricted growth
- Increasing competition
- Data securities

6. THE MCKINSEY 75 FRAMEWORK

“Ensuring that all parts of your organization work in harmony”

How do you go about analyzing how well your organization is positioned to achieve its intended objective? This a question that has been asked for many years, and there are many different answers. Some approaches look at internal factors, others look at external ones, some combine these perspectives, and others look for congruence between various aspects of the organization being studied. Ultimately, the issue comes down to which factors to study.

While some models of organizational effectiveness go in and out of fashion, one that has persisted is the McKinsey 75 framework.

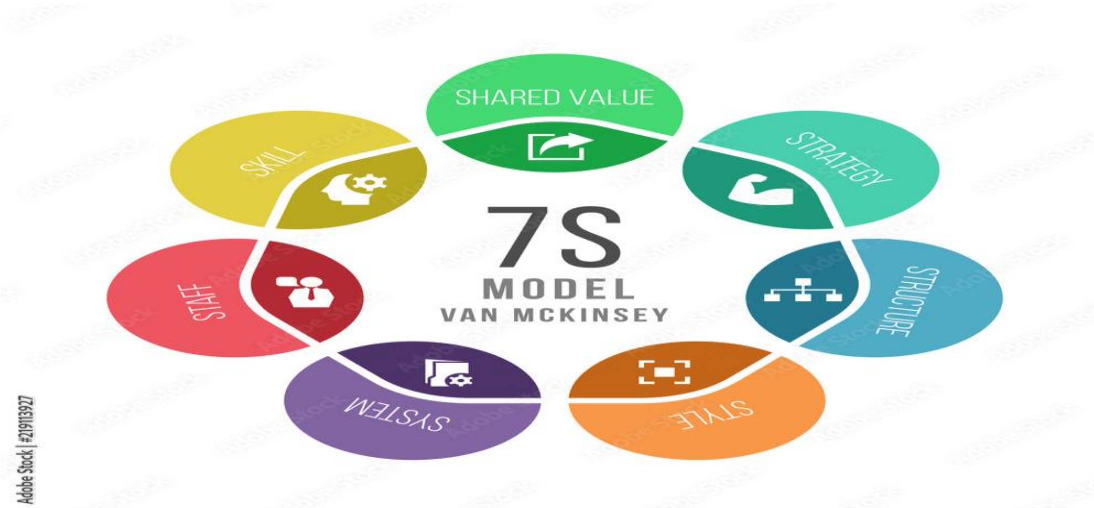
It's all very well devising a strategy, but you have to be able to implement it if it’s to do any good. The Seven S Framework first appeared in “The Art of Japanese Management” by Richard Pascale and Anthony Athos in 1981. They had been looking at how Japanese industry had been so successful, at around the same time that Tom Peters and Robert Waterman were exploring what made a company excellent. The Seven S model was born at a meeting of the four authors in 1978, It went on to appear in “In Search of Excellence” by Peters and Waterman, and was taken up as a basic tool by the global management consultancy McKinsey: it’s sometimes known as the McKinsey 75 model.

The Seven-Ss is a framework for analyzing organizations and their effectiveness. It looks at the seven key elements that make the organizations successful, or not: strategy, structure; systems; style; skills; staff; and shared values.

The model shows that organizational immune systems and the many interconnected variables involved make change complex, and that an effective change effort must address many of these issues simultaneously

7-S Model – A Systemic Approach to Improving Organizations

The 7-5 model is a tool for managerial analysis and action that provides a structure with which to consider a company as a whole, so that the organization’s problems may be diagnosed and a strategy may be developed and implemented.



The 7-5 diagram illustrates the multiplicity interconnectedness of elements that define an organization's ability to change. The theory helped to change manager's thinking about how companies could be improved it says that it is not just a matter devising a new strategy and following it through nor it is a matter of setting up a new systems and letting them generate improvements

To be effective, your organization must have a high degree of fit, or internal alignment among all the seven Ss. Each S must be consistent with and reinforce the other Ss. All Ss are interrelated, so a change in one has a ripple effect on all the others. It is impossible to make progress on one without making progress on all. Thus, to improve your organization, you have to master systems thinking and pay attention to all of the seven elements at the same time.

There is no starting point or implied hierarchy – different factors may drive the business in any one organization.

CHAPTER 3

RESEARCH DESIGN

CHAPTER 3

RESEARCH DESIGN

7. STATEMENT OF THE PROBLEM

In this study, the research problem is to know the company's financial position. The ultimate performance indicator of any company is the financial parameters because invariably all cost efficiencies; activities and solvency position of the company will be reflected in the financial mirror.

8. OBJECTIVE OF STUDY

Objectives, Initiatives and Goals are the final element of organizational strategy and illustrate a company's ability to articulate what it wants to accomplish, how it will do it, and when it will be achieved. Included in this process are defining direction, aligning financial and human resources, instilling accountability and determining critical measurements.

- Organization Strategy Needs Vital Direction
- Identifying key strategic objectives
- Prioritizing action items by their importance to strategic intent
- Ensuring objectives are quantifiable and measurable
- Those responsible for implementation participate in the strategic planning process
- Plans must specify how each area will contribute to achieving the strategic plan
- Resource Alignment:

- Allocating sufficient resources to achieve strategic intent
- Clearly defining resources necessary for each objective
- Evaluating individual or group capacity prior to assigning workload
- Organization Accountabilities
- Ensuring that employees understand how their roles and responsibilities relate to strategic Objectives
- Holding individuals accountable for their work
- Employee goals reflect accountabilities and timeliness
- Employing an internal system to routinely review the status of key objectives
- Measuring key financial indicators
- Utilizing a uniform format to measure and report performance.

9. SCOPE OF THE STUDY

The shady is conducted mainly to review the financial strength of the company for a g 3 years from 2020-2021 to 2022-2023 as revealed from the financial data of the Company's annual reports

This study aims to analyse three headings of the performance of the is

- Ratio analysis.
- Trend analysis
- Comparative statement.
- Common size statement.

The study is confined to HDFC BANK LIMITED it will be useful for future research

Research design means a search for facts, answers to questions and solutions to the problems in a prospective investigation. Research is a systematic logical study of an issue or problem through the scientific method. It is a systematic and objective analysis and recording of controlled observation that may lead to the development of generalization principles resulting in prediction and possibly ultimate control of events.

Research design is the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with relevance to the economy

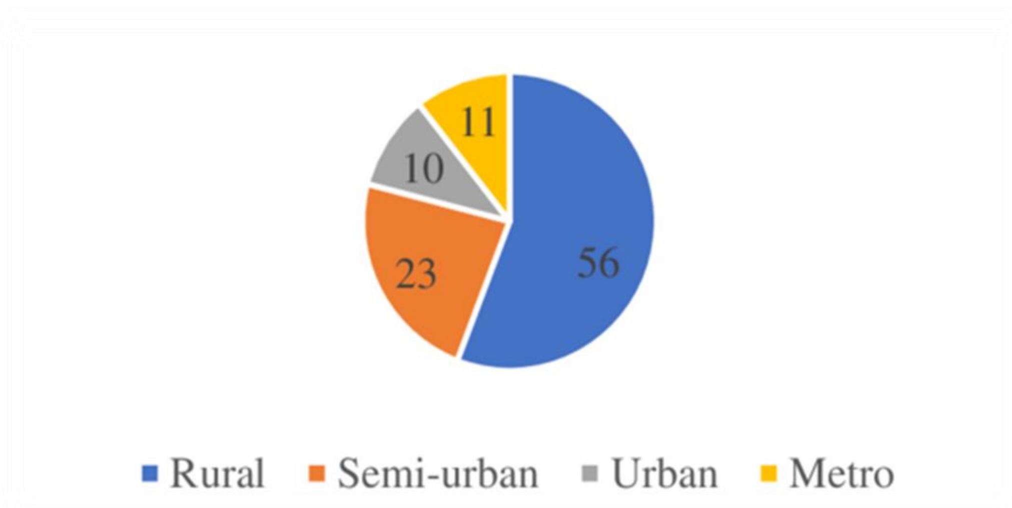
There are various designs, which are descriptive and helpful for analytical research

In brief, a research design contains

1. A clear statement of the research Problem
2. A Specification of data required
3. Procedure and Techniques to be Adopted for Data Collections.
4. A method of processing and analysis of data
5. The Descriptive form of research Method is adopted for study

The major purpose of descriptive research is a description of the situation of the institution as it exists at present. The nature and characteristics of the financial statements of HDFC Bank Ltd have been described in this study.

10. POPULATION AND SAMPLING OF HDFC BANK



Period of Study

The Period of Study was from 01-Aug-2023 to 01-Sept-2023

11.Nature of data:

The data required for the study has been collected from secondary sources. The relevant information was taken from annual reports, journals and the internet. Methods of data collection:

This study is based on the annual report of HDFC Bank Ltd. Hence the information related to, profitability, short-term and long-term solvency and turnover was very much required to attain the objectives of the present study.

Tools applied:

To have a meaningful analysis and interpretation of various data collected, the following tools were made for this study.

Ratio analysis:

It is a quantitative method of gaining insight into a company's liquidity operational efficiency and profitability by studying its financial statements such as the balance sheet and income statement.

Common-size statement:

A common-size income statement is an income statement whereby each line item is expressed as a percentage of revenue or sales.

Comparative statement:

It is a document used to compare a particular financial statement with prior period statements.

Trend analysis:

It is a technique used in technical analysis that attempts to predict future stock price movements based on recently observed trend data.

12.LIMITATIONS OF THE STUDY

The analysis was taken from the annual reports. Therefore, is only a limited to find. The major part of the concern with the financial data adequate data was not able to be pooled because of the secrecy maintained by the company.

The study reveals the findings for the present and it will not reflect the past and the future. Every tool used in data analysis has certain limitations.

The study is limited to one month only.

Chapter 4
DATA INTERPRETATION AND ANALYSIS

Chapter 4
DATA INTERPRETATION AND ANALYSIS

1. PERCENTAGE ANALYSIS

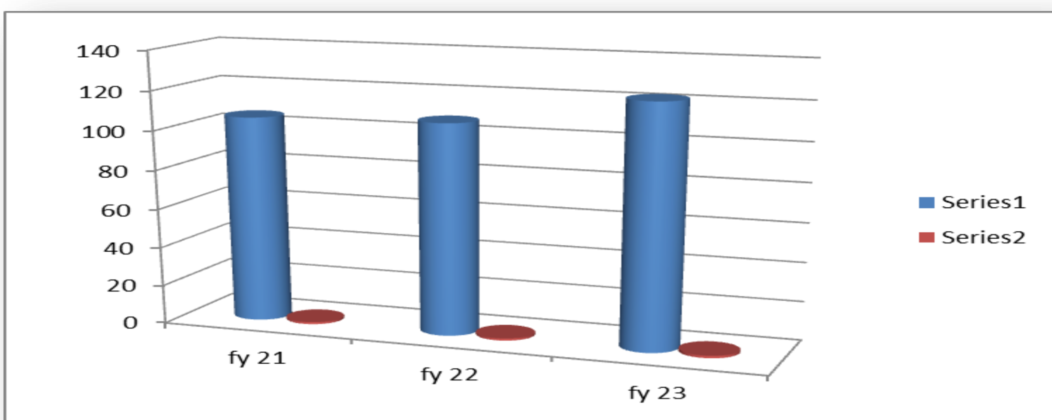
It is used in data analysis as it helps in finding information on discrete categories and collating statistical data.

percentages = (Amount / Base amount) x 100

Table 1

percentage analysis		
fy 20-21	fy 21-22	fy 22-23
105.7865	107.6678	122.5974
105%	107%	122%

Chart 1



Profitability analysis:

2. Gross profit ratio:

It is the relationship Between Gross profit and Interest Incurred. This Ratio can be deducted from the cost of goods sold from sale, It is expressed in Percentage.

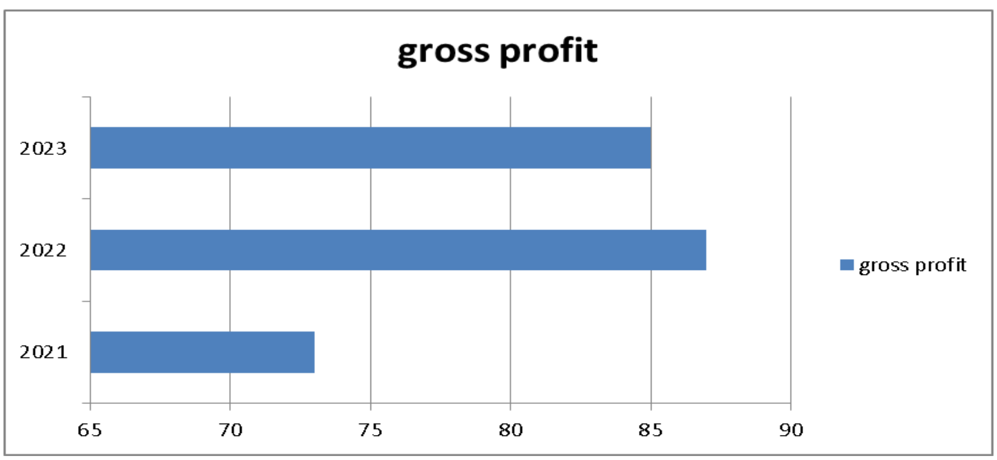
The formula of the Gross Profit ratio is as follows

$$\text{Gross Profit Ratio} = \frac{\text{Gross Profit}}{\text{Interest Incurred}} \times 100$$

Table 2

GROSS PROFIT RATIO			
YEAR	GROSS PROFIT	INTEREST INCURRED	GROSS PROFIT RATIO
2021	88,608	1,20,858	7.3
2022	1,10,614	1,27,753	8.7
2023	1,37,294	1,61,585	8.5

Chart-2



Interpretation:

The gross profit ratio was less in the year (2020 to 2021) which is about 7.3 respectively. Then it was considerably high because of the decreasing cost (or) increasing in interest incurred. In the 2022 it again shown same increase of 8.7 then on the year 2023 it was 8.5 at the end . This indicate there is an increase in interest incurred (or) these a decrease in cost to improve the gross profit the company should decrease its cost and increase its interest incurred.

- Higher value of gross profit ratio makes a company or business very attractive in the eyes of investors. The reason behind this is Simple, it shows investors that the investments made by the company will pay off soon.

3. Net Profit ratio

It is the relationship Between Net Profit after tax and net sales

It is a Calculation after excluding Non-operating expenses. It is used to measure the efficiency and overall Profitability of the Organization.

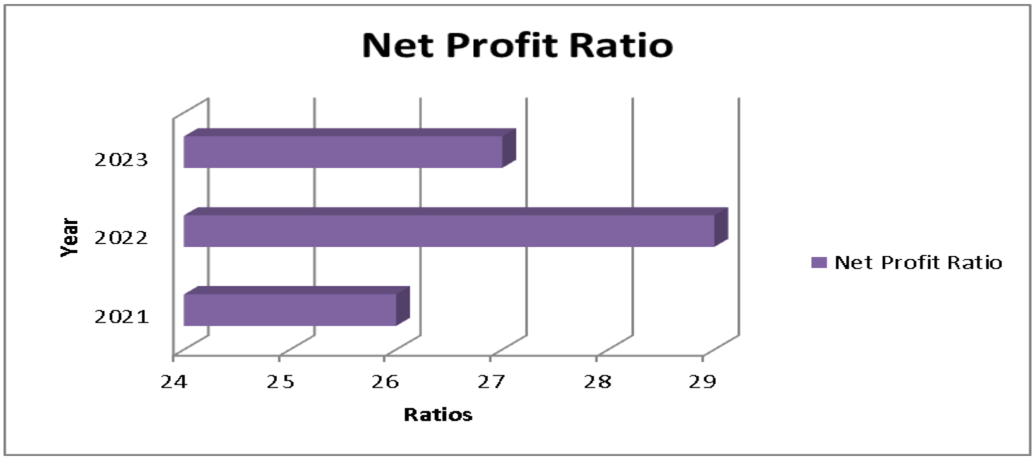
The formula of the Net Profit Ratio is

$$\text{Net Profit ratio: } \frac{\text{Net Profit after Tax}}{\text{Interest Incurred}} \times 100$$

Table 3

NET PROFIT RATIO				
YEAR	NET PROFIT	INTEREST INCURRED	NET PROFIT RATIO	
2021	31,116	1,20,858	2.6	
2022	36,961	1,27,753	2.9	
2023	44,108	1,61,585	2.7	

Chart 3



Interpretation:

The net profit for the year 2021 was (2.6) which show's that there is better management efficiency. But in the next year it as increase to (2.9) shows there was a good efficiency in management. But from that point the organization followed a steep down in the net profit. In the year 2023 is down to (2.7) which clearly indicates the operating efficiency of the concern the highest the net profit the good is the operating efficiency of the business concern.

- A higher profit margin is always desirable since it means the company generates more profits from its interest incurred.

4. Operating Profit Ratio:

It is the Relationship between EBIT (Earnings Before Interest and tax) and net sales. It is used to measure the efficiency and overall profitability of an organization.

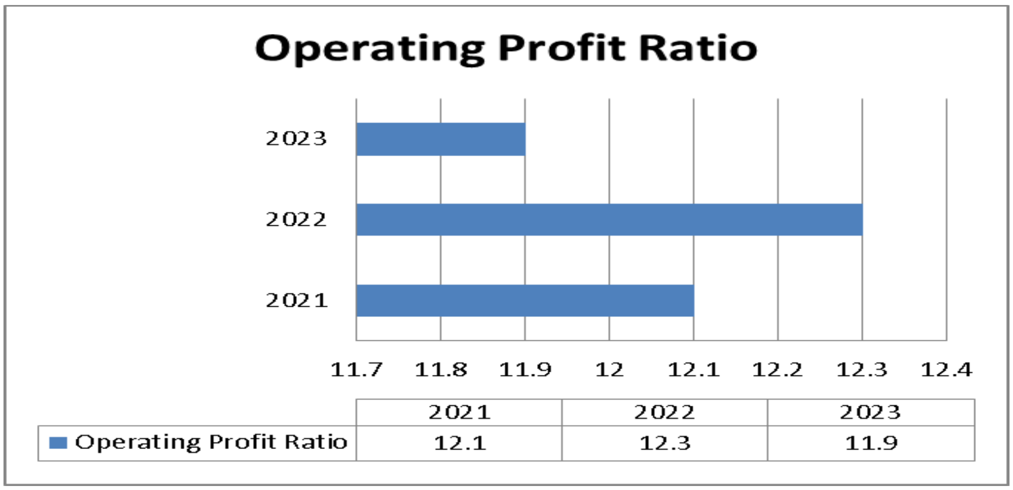
The formula for the operating Profit ratio

$$\text{Operating Profit ratios} = \frac{\text{EBIT}}{\text{Interest Incurred}} \times 100$$

Table 4

OPERATING PROFIT RATIO			
YEAR	EBIT	INTEREST INCURRED	OPERATING PROFIT Ratio
2021	1,46,063	1,20,858	12.1
2022	1,57,263	1,27,753	12.3
2023	1,92,800	1,61,585	11.9

Chart 4



Interpretation:

In 2021, the firm shows a high operating profit ratio of (12.1) and the company has increased this. Because of low turnover of the company in the remaining one year there is high in the profit in the year 2022 (12.3) and there is slight decrease in the operating profit in the year 2023 (11.9) this shows that there is an increase in interest incurred which lead to a high turnover.

The operating margin can improve through better management controls, more efficient use of resources, improved pricing, and more effective marketing.

- An NYU report on U.S. margins revealed the average net profit margin is 7.71% across different industries. HDFC bank has more than 10% of operating profit ratio. More than 10% is considered as healthy.

5. Current Ratio

Current Ratio expresses the relationship of current assets to current liabilities

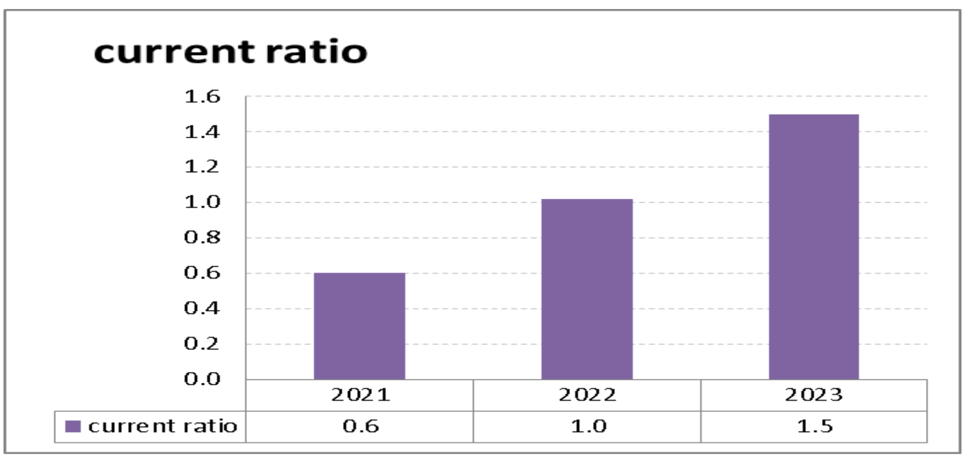
Formula for Current Ratio

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Currents Liabilities}}$$

Table 5

CURRENT RATIO			
YEAR	CURRENT Assets	CURRENT Liabilities	CURRENT Ratio
2021	45,925	72,602	0.6
2022	85,767	84,407	1.0
2023	1,46,712	95,722	1.5

Chart 5



Interpretation:

The firm's current ratio of (0.6) in the year 2021 was not good when compare to the other years. It is increased to (0.6) in the year 2022 and (1.5) in the year 2023. It implies that for every one rupee of current liabilities current assets of (1.5) is available to meet them. The current ratio of the remaining years is nearest to the idle ratio. Although there is a hard and fast rule conventionally, a current ratio 2:1 considered satisfactory.

- a higher ratio means the company has more assets than liabilities. The higher the ratio is, the more capable you are of paying off your debts.

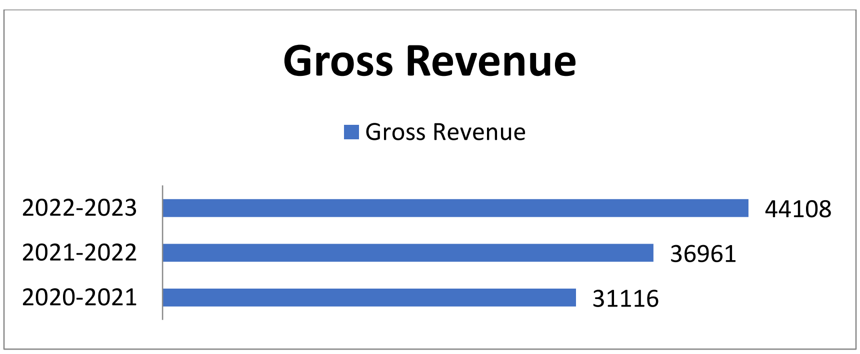
6. Gross profit

Gross profit is the net sales after deducting COGS. Net profit refers to what is left over from the gross profit after deducting indirect expenditure.

Table 6

Gross Profit			
YEAR	TOTAL INCOME	EXPENDITURE	Gross Profit
2020-2021	1,46,063	1,14,946	31116
2021-2022	1,57,263	1,20,301	36961
2022-2023	1,92,800	1,48,691	44108

Chart 6



Interpretation:

As we can see in the year 2021 the gross profit ratio was (31116) in CR which was less compared to the following year**.** In the next year it is increased to (36961) in CR and (44108) in cr. An increase may show that recent changes are working and should be continued or enhanced. A higher gross profit margin (GPM) typically indicates that a company is more efficient and financially stable than other companies in the same industry.

7. Quick Ratio

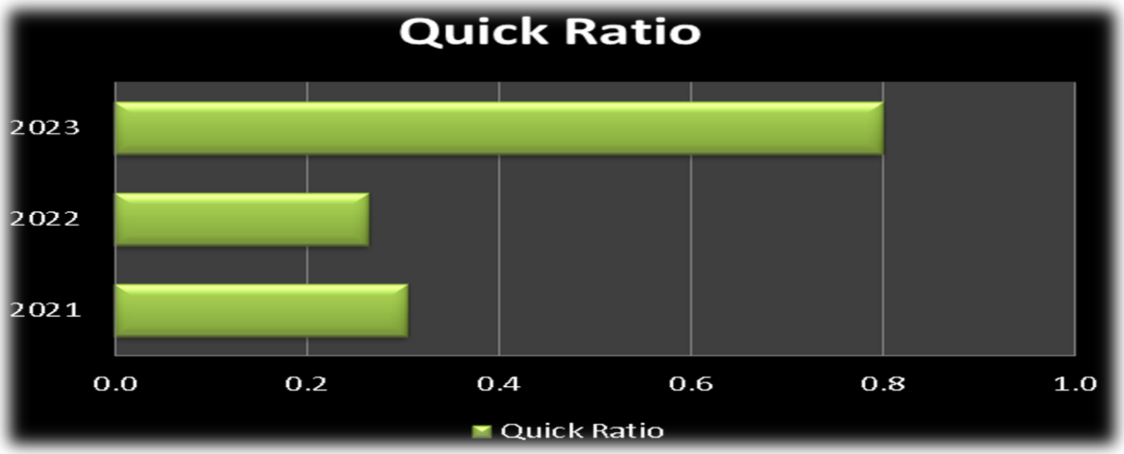
Quick ratio expresses the relationship between current Assets and inventories to current liabilities

$$\text{The formula of Quick ratio} = \frac{\text{Current Assets} - \text{Inventories}}{\text{Current Liabilities}}$$

Table 7

QUICK RATIO			
YEAR	QUICK ASSETS	CURRENT LIABILITIES	QUICK RATIO
2021	22,129	72,602	0.3
2022	22,331	84,407	0.3
2023	76,604	95,722	0.8

Chart 7



Interpretation:
As a rule of thumb or as a convention quick ratio of 1:1 considered satisfactory. Then the concern may able to meet its short-team obligations. Here in the year 2021 the quick ratio was (0.3) then it gradually continued. By the year, 2022 it was same to (0.3) and in the year 2023 further increased to (0.8) this is shows, the company maintained an idle quick ratio of 1:1.

- A higher ratio indicates the company could pay off current liabilities several times over.

8. Investments to total assets

This ratio indicates the Relationship between the Investments and total assets. It is calculated to study the liquidity position of the company

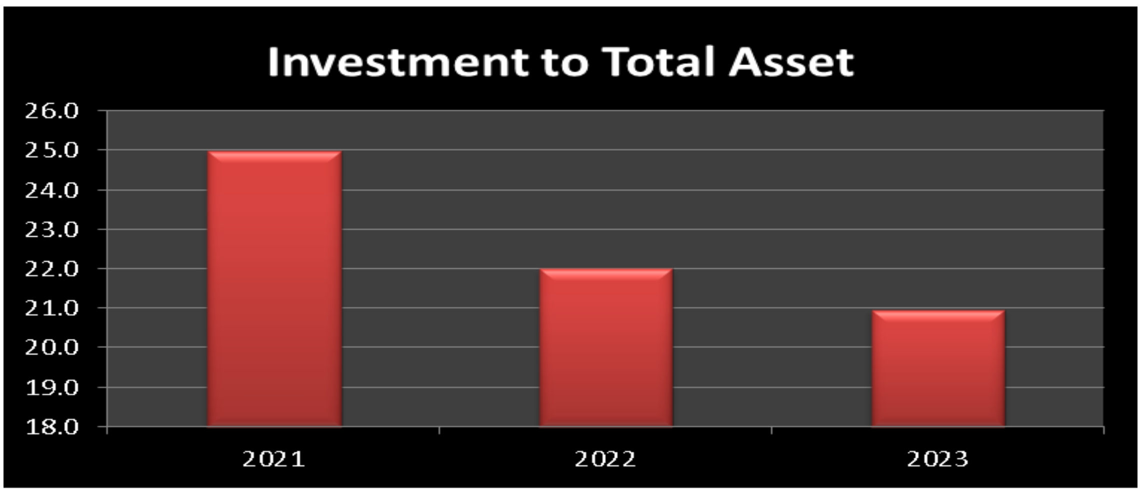
The formula of investments to assets ratio is

$$\text{Investments to total assets} = \frac{\text{Investments}}{\text{Total assets}} \times 100$$

Table 8

INVESTMENT TO TOTAL ASSETS			
YEAR	INVESTMENTS	TOTAL Assets	INVESTMENT TO TOTAL Asset RATIO
2021	4,43,728	17,46,870	25.0
2022	4,55,535	20,68,535	22.0
2023	5,17,001	24,66,081	21.0

Chart 8



Interpretation:

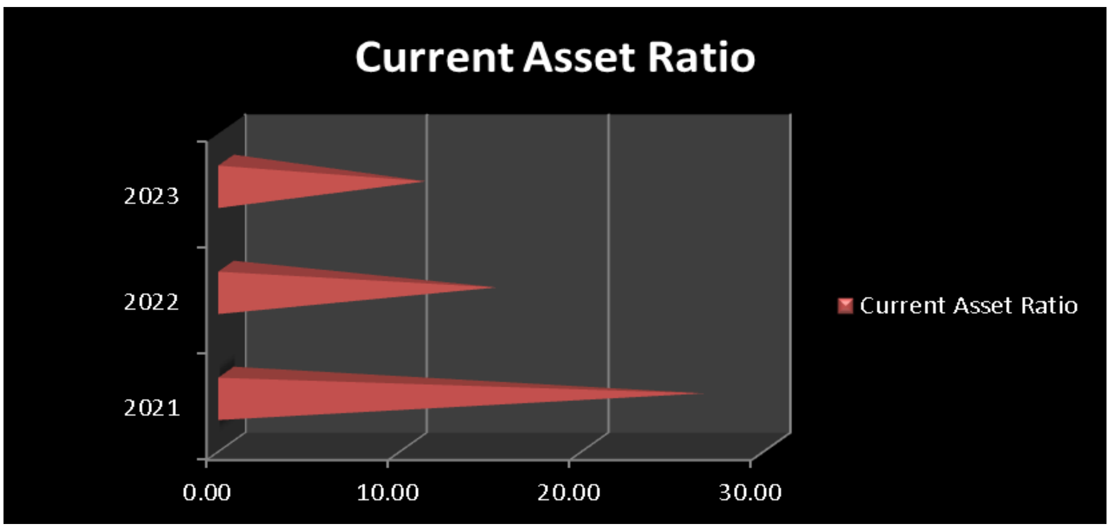
The company has invested more in the year 2021 of rupees (25.0). The investment shows that it spent on the purchase of the assets for the company. In the year 2022 it was at (22.0) and in the year 2023 it was (21.0) respectively.

9. CURRENT ASSET TURNOVER RATIO

Table 9

CURRENT ASSET TURNOVER RATIO			
YEAR	INTEREST INCURRED	CURRENT ASSETS	CURRENT ASSET TURNOVER RATIO
2021	1,20,858	45,925	26.30
2022	1,27,753	85,767	14.90
2023	1,61,585	1,46,712	11.00

Chart 9



Interpretation:

The current Asset Turnover ratio in the year 2021 it was (26.30) and it is decreased to (14.90)

In the year 2022. In the year 2023 it decreased to (11.0). The decrease of the current assets turnover indicates the firm's increasing need of sources of finance. If the access to sources of finance is limited, this will cause the increase of the company's financial expenses.

10.Fixed Assets turnover ratio

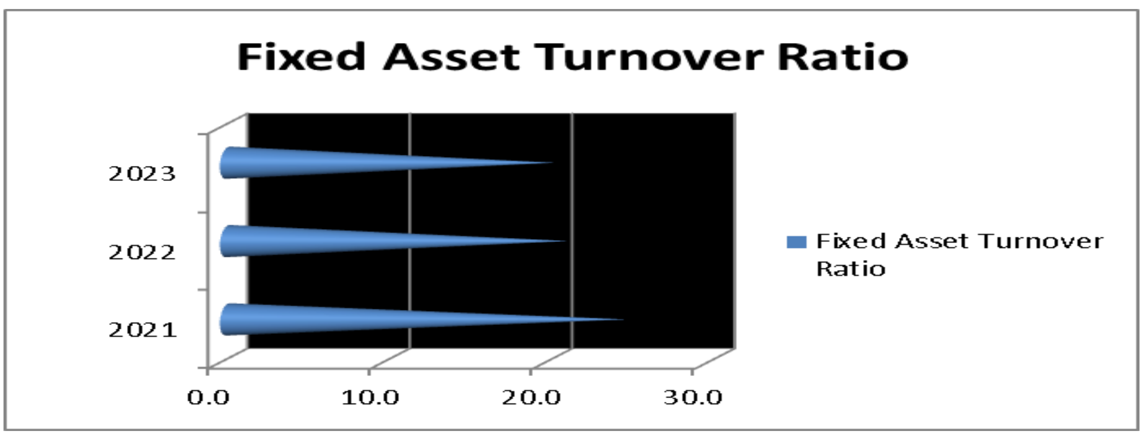
This ratio highlights the amount of assets used by the firm to produce its sales. Higher sales Lower Assets show the efficiency of the firm.

$$\text{Formula of fixed turnover ratio} = \frac{\text{Interest incurred}}{\text{Fixed Assets}}$$

Table 10

FIXED ASSET TURNOVER RATIO			
YEAR	INTEREST Incurred	FIXED ASSETS	FIXED ASSET Turnover Ratio
2021	1,20,858	4909	24.6
2022	1,27,753	6083	21.0
2023	1,61,585	8016	20.2

Chart 10



Interpretation:

The fixed assets turnover ratio determines the efficiency of utilization of fixed assets and the profitability of a business concern. In the year 2021 the ratio is at (24.6) which indicates the assets where utilized and in the year 2022 it was at (21.1) which indicates there is a slight reduction in utilization of the assets in the year 2023 it was gradually decreased to (20.2) which clearly indicates that year by year the utilization of the assets where Decreased. Therefore, the profitability of the business condemn is also Decreased.

- A low asset turnover ratio indicates that the company isn't getting the most out of its assets. This could be the result of a number of reasons. The ratio may be low if the company is underperforming in sales and has a large amount of fixed asset investment.

11. Total assets turnover ratio

This shows the ability to generate sales from all financial resources committed to total assets.

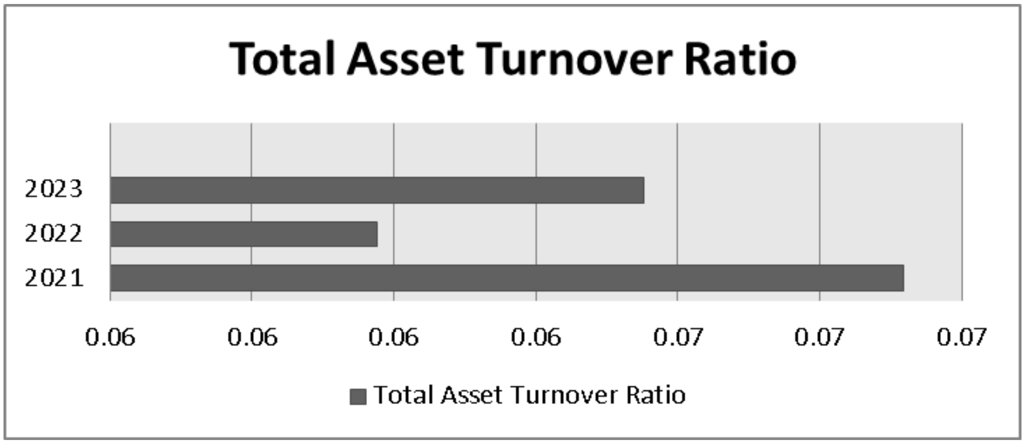
Formula for the Total assets turnover ratio is

$$\text{Totals Assets turnover ratio} = \frac{\text{Interest incurred}}{\text{total assets}}$$

Table 11

TOTAL ASSET TURNOVER RATIO			
YEAR	INTEREST Incurred	TOTAL ASSETS	TOTAL ASSET Turnover ratio
2021	1,20,858	17,46,870	0.07
2022	1,27,753	20,68,535	0.06
2023	1,61,585	24,66,081	0.07

Chart 11



Interpretation:

During the year 2021 the total assets turnover was at (0.07) in the year 2022 it was at (0.06) in the year 2023 it slight increase to (0.07). This shows operational efficiency of the concern.

- A ratio of less than 1 indicates that the company's total assets are not generating enough revenue at the end of the year, which may be unfavorable for the company. A ratio greater than one is generally considered favorable, indicating that the company generates sufficient revenue from its assets.

12. Working Capital Turnover Ratio

This represents the Number of the Working Capital turnover in a year. High ratio Represents

Efficiency Utilization Of Working Capital

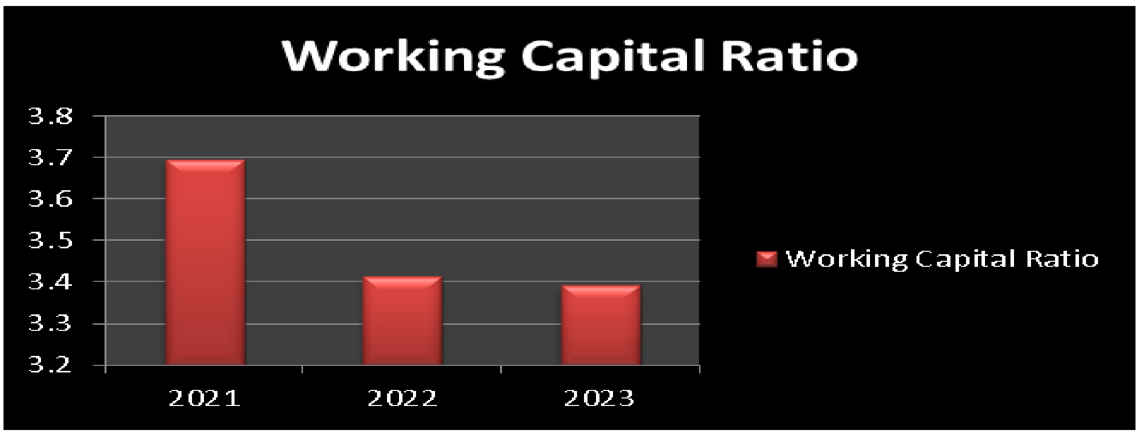
Formula of the working capital ratio is

$$\text{Working Capital Turnover Ratio} = \frac{\text{Interest Incurred}}{\text{Working Capital}}$$

Chart 12

WORKING CAPITAL TURNOVER RATIO			
YEAR	INTEREST Incurred	WORKING CAPITAL	WORKING CAPITAL TURNOVER RATIO
2021	1,20,858	32,722	3.7
2022	1,27,753	37,442	3.4
2023	1,61,585	47,652	3.4

Table 12



Interpretation:

This ratio measures the efficiency utilization of the working capital. During the year 2021, ratio was at (3.7) and in the next year, 2022 it was at (3.4). During the year 2023, it remained same (3.4). Which indicates the effective's utilizations of the working capital? The higher ratio indicates that there is lower investment of working capital and more profit.

- Generally, a working capital ratio of less than one is taken as indicative of potential future liquidity problems, while a ratio of 1.5 to two is interpreted as indicating a company is on the solid financial ground in terms of liquidity. An increasingly higher ratio above two is not necessarily considered to be better.

Balance Sheet of 3 years

All values are in Cr

PARTICULARS	As at 31-Mar-23	As at March 31, 2022	As at 31-Mar-21
CAPITAL AND LIABILITIES			
Capital	557	554	551
Reserves and surplus	279,641	239,538	203,169
Deposits	1,883,394	1,559,217	1,335,060
Borrowings	206,765	184,817	135,487
Other liabilities and provisions	95,722	84,407	72,602
Total	**2,466,081**	**2,068,535**	**1,746,870**
ASSETS			
Cash and balances with Reserve Bank of India	117,160	129,995	97,340
Balances with banks and money at call and short notice	76,604	22,331	22,129
Investments	517,001	455,535	443,728
Advances	1,600,585	1,368,820	1,132,836
Fixed assets	8,016	6,083	4,909
Other assets	146,712	85,767	45,925
Total	**2,466,081**	**2,068,535**	**1,746,870**
Contingent liabilities	1,748,130	1,395,442	971,097
Bills for collection	71,439	56,968	44,748

Profit and Loss Statement

All values are in Cr

	Year ended 31-Mar-23	Year ended March 31, 2022	Year ended March 31, 2022
I INCOME Interest earned	161,585	127,753	1,208
Other income	31,214	29,509	25,204
Total	**192,800**	**157,263**	**146,063**
II EXPENDITURE			
Interest expended	74,743	55,743	55,978
Operating expenses	47,652	37,442	32,722
Total	**148,691**	**120,301**	**114,946**
III PROFIT			
Net profit for the year	44,108	36,961	36,961
Balance in the Profit and Loss account brought forward	93,185	73,652	73,652
Total	**137,294**	**110,614**	**110,614**
IV APPROPRIATIONS	11,027	9,240	9,240
	4,410	3,696	3,696
Transfer to Statutory Reserve Transfer to General Reserve Transfer to Special Reserve Transfer to Capital Reserve	500	-	-
Transfer to / (from) Investment Reserve Account (net) Transfer to / (from) Investment Fluctuation Reserve	4	666	666
	-294	233	233
Dividend pertaining to previous year paid during the year	82	-	
	8,604	3,592	3,592
Balance carried over to Balance Sheet	112,959	93,185	93,185
Total	**137,294**	**110,614**	**110,614**
V EARNINGS PER EQUITY SHARE (FACE VALUE ` 1 PER SHARE) [Refer Schedule 18 (4)]	`	`	
Basic	79.25	66.8	66.8
Diluted	78.89	66.35	66.35

INCREASE AND DECREASE IN PERCENTAGE

Schedule		As at 31-Mar-23	As at March 31, 2022	As at 31-Mar-21
CAPITAL AND LIABILITIES				
Capital	1	1%	1%	1%
Reserves and surplus	2	4%	17%	18.00%
Deposits	3	7%	21%	17%
Borrowings	4	1%	12%	36%
Other liabilities and provisions	5	2%	13%	16%
Total		6%	19%	18%
ASSETS				
Cash and balances with Reserve Bank of India	6	11%	-10%	34%
Balances with banks and money at call and short notice	7	1%	243%	1%
Investments	8	2%	13%	3%
Advances	9	4%	17%	21%
Fixed assets	10	4%	32%	24%
Other assets	11	2%	71%	87%
Total		6%	19%	18%
Contingent liabilities	12	0%	25%	44%
Bills for collection		0%	25%	27%

In the balance sheet we can see that there is a bumpy ride of number in both assets and liabilities and in others assets is decreasing and the investments shot up from 3% to 13% in years 2021 and 2022

And on the borrowing is steadily decreasing YOY and so is Others liabilities and provisions

Also, in the year 2021 the RBI has kept around 34% and suddenly it has let the banks keep more and the percentage is negative 10% the banks has increased in both year.

And the balance with other banks has sot upto 243% from and suddenly dropped to 71%

Chapter 5

Findings and Conclusions

Chapter 5

Findings and Conclusions

FINDINGS

- Gross profit ratio 2020-2021 the basic value is 7.2 and 2022-2023 is increased to 8.5.
- Net profit ratio 2020-2021 the basic value is 2.6 and 2022-2023 is increased to 2.7.
- Operating profit 2020-2021 the basic value is 12.1 and 2022-2023 is decreased to 11.9.
- Current ratio 2020-2021 the basic value is 0.6 and 2022-2023 is decreased to 1.5.
- Quick ratio 2020-2021 the basic value is 0.3 and 2022-2023 is increased to 0.8.
- Current assets turnover ratio 2020-2021 the basic value is 26.30 and 2022-2023 is decreased to 11.0.
- Fixed assets turnover ratio 2020-2021 the basic value is 24.6 and in 2022-2023 is decreased to 20.2.
- Total assets turnover ratio 2020-2021 the basic value is 0.07 and 2022-2023 is unchanged 0.07.
- Working capital turnover 2020-2021 the basic value is 3.7 and 2022-2023 is fluctuating to 3.4.
- Investments to total assets ratio 2020-2021 the basic value is 25.0 and in 2022-2023 it increased to 21.0.
- Analysing the trend percentage has been higher growth of Net profit, sales and current assets for the year 2021-2023.
- While analysing the comparison of the balance sheet total increased by 16% to 18 % for the year 2021-2023.
- While analysing the common size balance sheet Net Current Assets increased from 42% to 87% for the year 2021-2023

SUGGESTIONS

- The company should try to improve its cash position. There must be an increasing trend in the coming year.
- The company has to take steps to increase the interest incurred in order to get higher profit.
- The debtor's management is effective which should be continued in the following years
- The company should try to investing in more amount of working capital
- The company should reduce the operating expenses by cost reduction in order to increase the Net profit margin.
- The company should control the unexpected expenses.
- To improve working condition in the organization.
- To provide non monitory rewards to employees.

CONCLUSION

At present, HDFC Bank Limited is becoming more complex because of its dynamic nature. The company's financial performance during the years 2022-2023 was the best ever . The company should maintain good effective and efficient management.

Bet is not satisfactory in the cash position. The strength of the company is proper availability of resources, a good environment and employees.

Introduction of innovative new services that would fuel consumer demand and satisfaction so as to get more interest incurred and more profit thereby increasing the company's cash position in future. By implementing the above suggestion made along with analysis there is no doubt the company can improve its financial performance

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