A REPORT ON

**Fundamental Analysis of HDFC Bank**

**Sri Sharanya Financial Services**

**Business Associates of**



**SUBMITTED BY:**

**Geedipally Supritha Reddy**

**191377**

**Batch: 27 (2019-2021)**

**Under the Guidance of**

**Dr. Srijanani Devarakonda**

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**VIGNANA JYOTHI INSTITUTE OF MANAGEMENT**

Bachupally, Hyderabad, Telangana-500090

**Project submitted in partial fulfillment for the award of Post Graduate Diploma in Management**

**GENERAL DESCRIPTION OF THE INTERNSHIP**

|  |  |
| --- | --- |
| Title of the SIP Project | Financial Analysis of HDFC Bank |
| Name of the student | Geedipally Supritha Reddy |
| Name of the company | Sri Sharanya Financial Services  (Business associates of Reliance Money) |
| Department | Finance |

**COMPANY MENTOR DETAILS**

|  |  |
| --- | --- |
| Name | Uday Kiran Reddy |
| Designation | Financial Advisor |
| Contact Details | 9966569293 |
| Email ID | udaykiranreddyboddu@gmail.com |
| Company Address | Kalki Towers, Flat No.502, Yadkumar Chambers, opp. To Chennai shopping mall, Chanda Nagar, Telangana. 500050. |
| Weblink | https://www.reliancesmartmoney.com/ |

**Part – II**

**Fundamental Analysis of HDFC Bank.**

**PMCI Analysis**

## Product

Company deals in the following:

* Stocks
* Mutual Funds
* Insurance

**Market**

**Market structure**

A Market structure of financial services includes institutions, instruments, and markets where promote savings and channels them to their efficient use. It consists of individuals, intermediaries, markets, and users of savings.

**Financial Institutions**

1. They are organizations dealing with financial services. By taking deposits from individuals and organizations, they gather capital and lend them to businesses. This means that financial institutions are mobilizing savers' assets and offering investors credit or funding.

2. The financial resources of non-banking financial institutions are often mobilized directly or indirectly by the people. They lend funds, but credit is not provided.

3. Investment firms, housing companies, leasing companies, employ companies, specialist financial institutions could be listed as non-banking financial institutions.

4. Financial markets are the centres that facilities for the trading of financial claims and services. Every financial transaction is the part of Financial market.

5. It also includes the issue of equity stock, purchase of bonds in the secondary market, a deposit of money in a bank account, and transfer of funds from a current account to a savings account, etc.

**Financial advisor**

This finance sector also includes financial advisors, brokerages, and investment banks. Advisors range from accountants to tax preparers to retirement planners and more. Investment banks are customized for more affluent clients. Here, investment management, tax advice, and business guidance can be found.

**Investment Managers**

The next field of the financial services industry includes asset management. This is where it is managed by pensions, insurance assets, hedge funds, mutual funds, and more.

It is important to remember that a certain financial commodity is not confined to only one financial field nowadays. For instance, at some point, both an asset management firm and an insurance company would have to handle insurance assets, even though they are two distinct sectors.

**Insurance companies**: The insurance business offers insurance plans. This requires a broad spectrum of insurance provisions, from auto insurance to life insurance to health insurance. For all insurance needs, the insurance industry offers the underwriting and support needed.

**Private equity and venture capital**

Then there is the private equity business, in which you might not be quite as acquainted. Private equity and venture capital funds provide capital to businesses. In return, private equity investors receive ownership interests or a share in the income of the company. This is primarily an investment field for entrepreneurs.

**Classification of Market-based on structure**:

**Organized markets**

These are financial markets where financial transactions take place within well-established exchanges or within a systemic and orderly framework.

**Unorganized Markets**

There are financial markets where financial transactions take place outside the well-established exchange or without processes or frameworks that are unsystematic and not orderly.

**Classification based on delivery:**

**Cash/spot market**

Which is the market where the buying and selling of products take place or stocks are exchanged for cash and delivered immediately after the purchase or sale of goods or securities.

**Forward/future market**

This is the market in which investors purchase and sell stocks/commodities, contracts, and delivery of goods or securities takes place in the future at a pre-determined time.

**Other types of financial market:**

1. Foreign exchange market: The foreign exchange market is simply defined as a market in which the currency of one country is exchanged for the currency of another. It is a market for foreign currency to be Buy and sell.

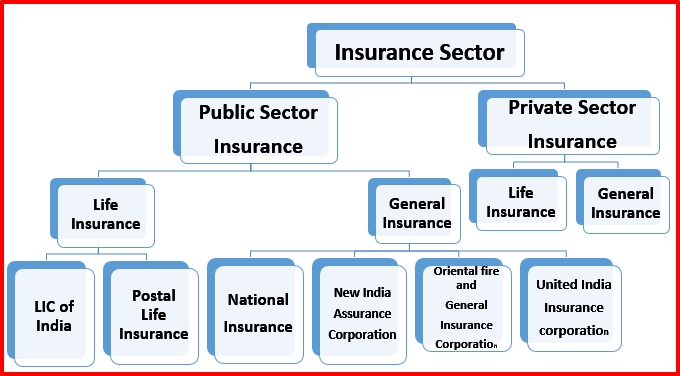
2. The market for derivatives: Derivatives are the most advanced financial instruments for hedging risk. Individuals and businesses seeking to eliminate or reduce risk would be able to negotiate with those willing to embrace the risk for a price. The derivative market is called a

common location where such transactions take place.

**Mutual Fund**

The MF industry’s AUM grew from Rs 10.96 trillion (US$ 156.82 billion) in October 2014 to Rs 23.93 trillion (US$ 339.55 billion) in April 2020. Inflow in India's mutual fund schemes via the Systematic Investment Plan (SIP) route reached Rs 82,453 crore (US$ 11.70 billion) in 2019. Equity mutual funds registered a net inflow of Rs 8.04 trillion (US$ 114.06 billion) by end of December 2019.

**Insurance**



Insurance companies, particularly in the eastern part of the world, have continued to see growth. In 2018, global premiums hit $5.2 trillion.7 Asia-Pacific is projected to account for 42 % of global premiums by 2029. As of 2018, the U.S. accounts for 28 % of world premiums and China accounts for 11%.

This is a component of India’s financial industry. This has been expanding at a rapid pace. The total 1sr year premium of life insurance companies reached Rs 2,59,000 crore (US$ 36.73 B) in FY20.

**Growth drivers:**

**Investments/Developments**

• The People's Bank of China made an equity investment in Bajaj Finance in September 2020 to acquire less than 1%.

• In March 2020, the volume of Unified Payments Interface (UPI) transactions was estimated at Rs 2.06 lakh crore (US$ 29.22 billion), with 1.25 billion transactions reported.

• Turnover from the derivatives segment reached Rs 3,453.9 lakh crore (US$ 49.41 trillion) in FY20 and stood at US$ 5.09 trillion in FY21 (till May 2020).

• A five-year high of Rs 101,122 crore (US$ 14.47 billion) was affected by FPI investment in Indian equities in 2019.

• In the first ten months of 2019, Merger and Acquisition (M&A) worth, US$ 25.162 billion was reported.

• Total private equity (PE)/venture capital (VC) investment value grew 44 percent in value terms over the past three years to hit US$ 48 billion in 2019.

**Government Initiatives**

In November 2019, Rs 10,000 crore was allocated by the government to set up AIFs to revive stalled housing projects.

• Rs 350 crore (US$ 50.07 million) was allocated under the Interest Subvention Scheme for MSMEs under the Union Budget 2019 20 for a 2% interest subsidy for all GST registered MSMEs on new or incremental loans under the Union Budget 2019-20.

• In December 2018, SEBI proposed a direct overseas listing of Indian companies and other regulatory changes.

• BSE introduced weekly futures and options contracts on the Sensex 50 index from October 26, 2018.

• These are the major measures taken by the government from the past few years to make the capital markets more attractive for investment and high liquidity.

**Banking Sector**

The global market capitalization was valued at approximately $90 trillion in 2019. As of

October 2019, the global banking sector's market capitalization was $7.9 trillion. For global banks, this is the market cap, but the metric would primarily calculate publicly listed banks. Details on private banks, smaller institutions, or financial technology firms will not be included.

Assets under administration are another statistic worth reviewing. AUM is a statistic that captures for its consumers the total sum of assets managed by an investment firm. In North America alone, AUM was $37.4 trillion in 2017.6 In 2018, it is reported that the banking industry's total assets were $124 trillion. Fintech financing hit $32.6 billion in 2018.

**Company:**

Sri Sharanya Financial services is a business associate of Reliance Money.

Reliance Money is now known as Reliance Smart Money. It offers the following:

* Latest Technology based Trading Platforms – Smart Trading Platforms equips clients with lightning- speed streaming quotes, news and other advance features.
* Maximizing Buying Power – With innovative products, clients are provided with enough exposure to gain benefits intraday movements in stocks.
* Robust Risk Management and Surveillance- This helps in tracking client’s position and insures minimization of loss.
* Unbiased Research to take informed decisions.

**Industry:**

**Significance of financial services:**

In the presence of financial services that allow a country to enhance its economic condition whereby there is more production in all the sectors resulting in the economic process. Hence,

the importance of monetary services can be explained in the following points.

**1-Promoting investment**

The involvement of financial services generates more demand for goods, and so does the manufacturer, in order to satisfy the consumer's demand for more investment. At this point, financial services are rescued via the new issue market by investors such as merchant bankers, allowing the producer to raise money.

**2-Economic Growth**

The development of all the sectors is essential for the development of the economy. The financial services ensure equal distribution to all the 3 sectors. This brings in the balanced growth of the economy as a result of employment opportunities are improved.

**3-Economic Development**

Financial services enable the consumers to obtain different types of products and services by which can improve their standard of living by lucrative returns based on the risk-taking capability of the individual. They could also be able to afford all the luxurious items through leasing, purchasing on loans etc.

**4-Benefit to government:** The presence of financial services enables the government to raise both short term and long-term funds to meet both revenue and capital expenditure. Through the money market, government raises short term funds by the issue if treasury bills. These are purchased by commercial banks from out of their depositor’s money.

**5-Expands activities of financial institutions**

The presence of financial services enables financial institutions to not only raise finance but

also get an opportunity to disturbance their funds in the most profitable manner. Mutual funds,

factoring, credit cards, hire purchase finance are some of the services which get financed by

financial institutions.

**Porter’s five forces of Indian Financial services:**

**1-Competitive Rivalry: (High)**

• Competitive rivalry between big players is intense in the industry.

• Financial services companies often compete based on offering lower financing rates, higher deposit rates, and investment services.

**2-Threat of New Entrants: (Medium)**

• Stringent regulatory norms prevent new entrants.

• Customers prefer to invest their money with a reputed financial services company offering a wide range of services.

**3-Threat of Substitutes: (Low)**

• Low threat of substitutes.

• Less number of substitutes available for financial products.

**4-Bargaining power of Suppliers: (Low)**

• Low bargaining power of suppliers as the industry is highly regulated by RBI.

**5-Bargaining power of Customers: (Medium)**

• Medium bargaining power of customers. Although customers do not have much bargaining power, they can easily switch to another company based on the terms and quality of services provided.

**Introduction of the Project Work:**

The following project is focused on a brief study on the financial services sector and investment evaluation of banking sector through fundamental analysis. Fundamental analysis helps in understanding the stock’s intrinsic value by examining various factors like economic, industrial and company’s qualitative and quantitative financial factors. Through this analysis investor will be able to determine the true value of the stock and it helps in understanding whether the stock price is overvalued or undervalued in the stock market. The whole project comprises of the following steps:

• Study on the Indian Banking Sector

• Company Analysis

• Ratio Analysis

• Common Size Analysis

Study on Indian Banking sector has been done in order to understand the importance of this sector in building the economy of India. Banking sector can be studied separately from the financial services sector due to its large-scale activities performed in the country.

Company analysis, Ratio analysis and Common size analysis has been done HDFC bank. HDFC bank is from private sector. The process followed in this project can help investors in carrying out analysis for any selected banks from both private and public sector as per their wish.

This project helps investors in understanding about the various parameters that need to be considered in order to invest in any banking company for the long-term purpose. Ratio analysis involves in understanding the key ratios of the banks which can show the quantitative financial aspects that can attract the investors in taking their investing decisions. Common size analysis involves understanding the financial statements of banks more easily and quickly.

**Project Objectives:**

**Primary Objectives:**

• Understanding the Indian Banking sector.

• Conducting Fundamental analysis on HDFC Bank.

**Secondary Objectives:**

• Understanding various parameters required for Investing in banking stocks.

• Identifying the best performing banks in both public sector and private sector.

• Understanding various qualitative and quantitative financial aspects of banking

companies.

• Identifying the key ratios which help in determining the performance of the bank.

• Performing common size analysis which help in comparing banking stocks of

different sizes.

**Methodology:**

• Most of the information from the project is collected using secondary research.

• Various articles, Company websites, Financial statements, company presentations

have been studied for obtaining the required data.

**Scope:**

• This project helps the investor in getting an overall view about the importance of banking sector in building the economy.

• This project also helps in conducting fundamental analysis of HDFC Bank and

making necessary interpretations from the financial results.

• This project studies how the market share of the private sector banks among the whole

banking sector is changing over the period of time.

**Limitations:**

• There are some additional fundamental analysis tools that are not included due to time

constraints and data unavailability.

• Key Ratios that are used to conduct fundamental analysis can be used only in banking

industry and these ratios will change with respect to other industries.

• Study on Indian banking sector provides only an overview of the sector but not the entire big picture.

• There was no personal contact made with any investor to understand their investment

decision patterns

**Indian Banking Sector:**

The Indian banking sector has emerged as one of the strongest drivers of India’s economic growth. The Indian banking industry has made outstanding advancements in the last few years. India's economic development and financial sector liberalization have led to a transformation of the Indian banking sector over the past two decades. The sector has undergone significant developments and investments in the recent past. Most banks provide various services such as mobile banking, SMS Banking, Net banking, and ATMs to their clients. An increase in the working population and growing disposable income will raise the demand for banking and related services. Monetary policies by Reserve Bank of India acts as strength to the country’s banking sector.

The Indian banking system consists of 20 public sector banks, 22 private sector banks, 44 foreign banks, 44 regional rural banks, 1,542 urban cooperative banks, and 94,384 rural cooperative banks in addition to cooperative credit institutions. As of January 31, 2020, the total number of ATMs in India increased to 210,263 and is further expected to increase to 407,000 by 2021.

**History:**

Although some form of banking, mainly of the money-lending type, has been in existence in India since ancient times, it was only over a century ago that proper banking began. The first bank in India, though conservative, was established in 1786. From 1786 till today, the journey of the Indian Banking System can be segregated into three distinct phases.

They are as mentioned below:

• Early phase from 1786 to 1969 of Indian Banks

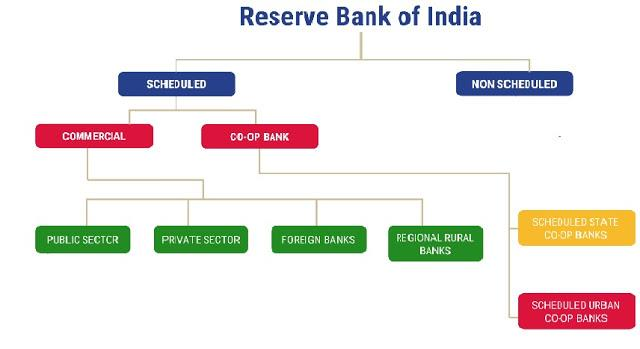
• Nationalization of Indian Banks and up to 1991 before Indian banking sector Reforms

• New phase of Indian Banking System with the advent of Indian Financial & Banking Sector Reforms after 1991.

The banking industry has moved gradually from a regulated environment to a deregulated market economy. The market developments kindled by liberalization and globalization have resulted in changes in the intermediation role of banks.

**Structure**

The Reserve Bank of India, the nation’s central bank, began operations on April 01, 1935. It was established to ensure monetary stability and operate the currency and credit system of the country to its advantage.



**PEST Analysis:**

**1. Political Factors:**

Government and RBI policies influence the Banking Sector. The Government declares some measures by looking at the political advantage of a particular party like waiver of short-term agricultural loans, to attract the votes of farmers. By doing so the profits of the bank get affected. Politicians open and run various banks in the cooperative sector and exploit these banks for their benefits. Sometimes the government appoints various chairmen of the banks. Different policies are outlined by the RBI looking at the current circumstance of the country for better control over the banks.

**2. Economic Factors:**

Consistently RBI declares its 6 monthly policy and in like manner the different measures and rates are carried out which affects the banking sector. Additionally, the Union Budget affects the Banking Sector to support the economy by giving certain concessions. If in the Budget Savings are encouraged, then more deposits will be attracted towards the banks and in turn they can lend more money to the agricultural sector and industrial sector, therefore, booming the economy If the FDI limits are relaxed, then more FDI are brought in India through banking channels.

**3. Social Factors:**

Bankers were given direction keeping in mind both the national and social objectives, to help economically weaker section of the society and provide need-based finance to all the sectors of the economy with flexible and liberal attitude. Now the banks provide various types of loans to farmers, working women, professionals, traders and education loan to the students and housing loans, consumer loans, etc. Banks having few big clients or big companies, have to provide personalized services because these customers do not believe in running about and waiting in queues for getting their work done.

**4. Technological Factors:**

Technology environment plays a very important role in bank’s internal control. The most recent advancements in technology are like PC and telecom have elevated the bankers to change the idea of branch banking to anywhere banking. The utilization of ATM and Internet banking has permitted 'anytime, anywhere banking' facilities. Automatic voice recorders answer simple questions. Currency accounting machines makes the work simpler and self-service counters are currently energized. card facility has encouraged an era of cashless society. Today MasterCard and Visa card are the two most famous cards utilized over the world. Today banks are likewise utilizing SMS and Internet as significant tool of promotions and giving great utility to its customers. Mobile banking also helps banks to provide better services at less costs.

**Company Analysis: HDFC Bank**

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. Today, it has a banking network of 5,326 branches, and 14,996 ATMs spread across 2,825 cities and towns. Mr. Aditya Puri is the Managing Director of HDFC Bank since its inception in 1994.

**Key highlights:**

• On 16 June 2015, HDFC Bank launched the 10-second personal loan approval service thereby becoming the first in the retail lending space to fully automate the process of loan approval and disbursement.

• During the fiscal 2018, the bank added 72 banking outlets and taking the total to 4787 across 2691 cities and towns. The share of semi-urban and rural outlets in the total network is 53%. The number of ATMs also increased, to 12,635 from 12,260.

• During the fiscal 2019, the bank was named India's most valuable brand for the fourth year in a row in the BrandZ survey of Top 50 Most Valuable Indian Brands. HDFC Bank was also ranked No 1 in India by customers in the first edition of the World’s Best Banks' survey by Forbes magazine.

• During the FY2020, the bank added 313 Banking Outlets and taking the total to 5,416 across 2,803 cities and towns. The share of semi-urban and rural outlets in the network is 52%. The number of ATMs and Cash Deposit & Withdrawal Machines also increased to 14,901 from 13,489.

• The total number of customers the bank catered to as on 31 March 2020 was over 5.60 crore up from 4.90 crore in the previous year.

**SWOT Analysis:**

**Strengths:**

• HDFC Bank has over 4500+ branches and over 12000 ATMs, in more than 800 cities in India.

• Huge employee base i.e., more than 80,000+ employees.

• HDFC has a large collaboration with corporate for employee salary accounts.

• Acquisitions have boosted the operations of the bank.

• HDFC bank has been responsible for several CSR activities and has also been recognized with several banking awards.

• It offers several services like online banking, app, mobile banking, NRI services etc.

• HDFC bank has the high degree of customer satisfaction when compared to other private banks.

**Weaknesses:**

• Rural penetration is low for HDFC as compared to nationalised banks.

• Competition from public sector and private sector banks means limited market share growth.

• HDFC lacks in aggressive marketing strategies.

• The share prices of HDFC are often fluctuating causing uncertainty for the investors.

• The bank focuses mostly on high end clients.

**Opportunities:**

• Mobile banking, internet banking etc can be a huge boon for HDFC's business.

• Venturing more into rural areas can be done by HDFC.

• Providing more complex products to the ever-increasing demands of the industry.

• HDFC bank has better asset quality parameters over government banks, hence the profit growth is likely to increase.

• HDFC has very good opportunities in abroad.

• HDFC bank has improved its bad debts portfolio and the recovery of bad debts are high when compared to government banks.

• Greater scope for acquisitions and strategic alliances due to strong financial position.

**Threats:**

• Competitors increasing their business can adversely affect HDFC's business.

• New banking licenses and regulations can impact operations.

• Foreign banks that offer complex products.

• The non-banking financial companies and new age banks are increasing in India.

**Company Essentials:**

The following table gives a brief information on the performance of the bank.

|  |  |
| --- | --- |
| Beta value  NO. OF SHARES  551.28 Cr. | 1.24 |
| Market Capitalization | ₹ 8,19,474.22 Cr. |
| NO. OF SHARES | 551.28 Cr. |
| CASA % | 42.23 |
| P/E | 27.45 |
| Sector PE | 37.26 |
| P/B | 4.4 |
| FACE VALUE | ₹ 1 |
| DIV. YIELD | 0.17% |
| ROE | 16.40 % |
| ROCE | 15.27 % |
| ROA% | 1.89% |

**Interpretation:**

**Beta analysis:**

Beta Value of HDFC bank is 1.24 which shows that the stock is more volatile with respect to the market. Thus, this stock can be preferred when there is a bullish market where it can yield higher returns and should be avoided during bearish market. This stock can be good for risk takers rather than cautious investors.

**CASA%:**

CASA ratio of a bank is the ratio of deposits in current and saving accounts to total deposits. (CASA ratio = CASA Deposits/Total Deposits). CASA% is 42.23. Higher the ratio the better it is for the company. A higher CASA ratio indicates a lower cost of funds because banks do not usually give any interests on current account deposits and the interest on saving accounts is usually very low i.e., 3-4%.

**P/E Ratio:**

This ratio explains how much money investor is ready to invest in the stock to receive the earnings from that company. Formula = Market price per share/Earnings per share.

Company’s P/E is 27.45 which is low when compared to its sector P/E of 37.26. This indicates that there is high potential for this stock to grow in the future. A P/E ratio lower than sector average reveals stock may be undervalued. Company with low P/E but with high earnings growth can be considered good.

**P/B Ratio:**

P/B ratio is used to compare a stock's market value with its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value. Book value reflects a company's worth. It can be defined as the company's assets minus its liabilities.

P/B ratio is 4.4 which shows the confidence level of investors in this stock. This ratio shows how much assets are backing the stock value. If this ratio is too high, then it says that it is overvalued stock.

**Dividend Yield:**

This ratio is calculated by dividing the annual dividend per share by market value per share. This shows the percentage of the market price of a share a company annually pays to its stockholders in the form of dividends. Dividend yield is 0.17% which is low. Generally, stable companies with consistent growth will have low dividend yield or it can also be implied that the stock may be overvalued or there will be larger dividends in the future.

**Return on Equity (ROE) and Return on Capital Employed (ROCE):**

ROE shows the firm’s ability to generate profits from its shareholders investments in the company. ROCE measures how efficiently the company is utilizing its capital employed (Debt+Equity). Higher these ratios the better it is for the company.

ROE is 16.40% and ROCE is 15.27% which shows that the company is generating good returns.

**Return on Assets (ROA):**

This shows how efficiently the bank is using its assets in generating its returns. ROA is 1.89% which is a good sign for the company.

**Peer Comparison:**

This involves comparison of some key financial indicators for different companies in the Industry.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| COMPANY | MCAP (IN  CR.) | P/B | P/E | EPS | ROE% | ROA% |
| HDFC Bank | 8,19,474.22 | 4.4 | 27.45 | 54.16 | 16.4 | 1.89 |
| ICICI Bank | 4,10,775.37 | 3.05 | 31.57 | 18.81 | 7.25 | 0.77 |
| Kotak  Mahindra  Bank | 3,57,612.21 | 6.02 | 54.61 | 33.05 | 13.08 | 1.77 |
| Axis Bank | 2,18,613.79 | 2.24 | 86.63 | 8.24 | 2.15 | 0.19 |
| IndusInd  Bank | 76,822.94 | 1.99 | 33.96 | 29.25 | 14.71 | 1.51 |
| Bandhan  Bank | 56,556.19 | 3.39 | 21.59 | 16.27 | 22.91 | 4.08 |

**Interpretation:**

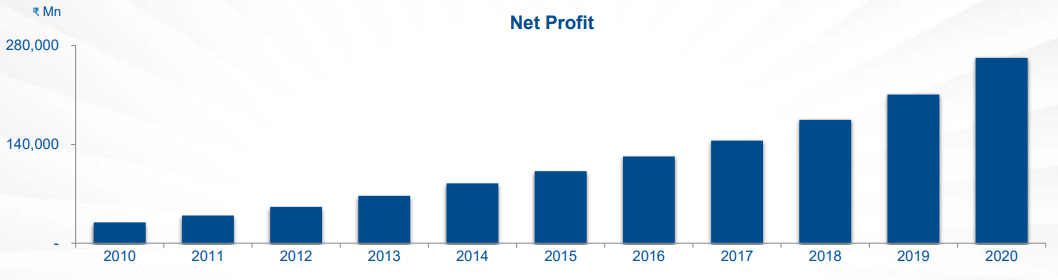
• From the above table HDFC bank is performing well when compared to its competitors in the industry.

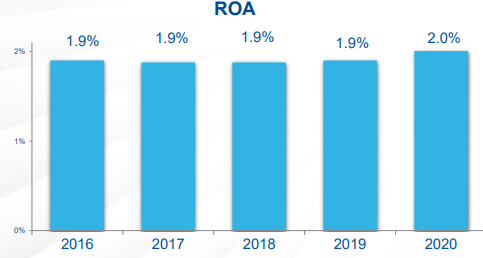
• EPS and ROE are very good for the HDFC bank.

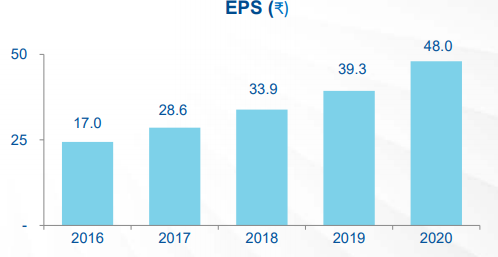
• The bank has been maintaining a healthy ROA of 1.84%.

• Apart from HDFC bank, Bandhan bank’s financial indicators are also quite promising which can attract the investors.

**Financial Highlights:**







By observing the above-mentioned Financial Highlights, we can understand that there is an increasing trend in the overall financial performance of the company over the period.

• Earnings per share is also increasing over the period which shows the strong financial

position of the company and investors can rely on the company.

• PAT is increasing which shows the better operational efficiency of the company and

more amounts will be available to the stakeholders.

• ROA is also consistent which shows efficient utilization of assets by the bank.

**Learnings from the project:**

• Understanding the importance of Indian banking sector in the financial services sector.

• Understanding various parameters that are to be required in conducting fundamental analysis on banking stocks.

• Performing common size analysis on financial statements which helps comparing different sized companies.

• Understanding the key market related ratios that shows the investor confidence level among the banks.

• Understanding how banking sector is different from other sectors.

• Understanding the qualitative and quantitative financial aspects of HDFC bank.

• Understanding the key competitors of HDFC bank and performing peer comparison analysis.

**Conclusion:**

The Indian Banking sector is rising rapidly due to infrastructure spending, favourable government policy, rising disposable income and increasing consumerism and easier access

to credit. The banking industry is in boom with growing demand across India.

**Performance of HDFC:**

HDFC Bank has earned Rs 1,14,812.6509 Cr. revenue in the latest financial year. It has

posted outstanding revenue growth of 18.32 % in last 3 Years. In terms of advances, the bank

reported 21.27 % YOY, rise and considering its 3 years advance growth, it stands at 21.46 %.

Currently the company has a CASA ratio of 42.23 %. Its overall cost of liability stands at

4.54 %. Also, the total deposits from these accounts stood at Rs 11,47,502.2947 Cr. The Bank

has a healthy ROA track record. The ROA of HDFC Bank is at 1.89 %.

The project will save time and effort of those investors who wants to invest in HDFC

bank and it also helps them to understand the parameters that are needed to be

considered while conducting fundamental analysis of any bank. This project also gives a

brief idea of the whole banking sector and also its importance in the development of an economy.

A report on Market Research analysis of Home & Property improvements and Financial services

About the Company:

Mordor Intelligence is a market intelligence and advisory firm. It is a fully revenue funded organization. It is founded in 2014. Company have partnered with 1700+ enterprises across 20 industries, to deliver precise data and actionable insights in over 3,500 projects. Its domain-specific teams of research experts continuously track markets, enabling clients gain competitive edge through high-quality market intelligence.

Company’s Mission is to map complex business ecosystems across the globe to better predict butterfly effects.

Company offers both Syndicated and Custom research reports. Syndicated reports provide detailed market coverage and analyst insight into the various markets. These reports are formulated with a broader industry audience in mind and provide a snapshot into the attractiveness, potential and competitive landscape of a market. These are updated every year, making sure that all trends and insights are captured and analyzed in a single report. Custom research reports are fully tailored intelligence solutions to meet the unique business requirements of any organization. Company’s deep industry expertise coupled with cross-functional analyst teams ensures to support the intelligence requirements of even the most specific of business problems. It provides a host of services from Market Entry to Technology Assessment, all uniquely tailored to the requirements of each client.

Both, Syndicated Reports and our Custom Research projects are offered across the following industries:

* Aerospace & Defense
* Agriculture
* Animal nutrition add Wellness
* Automation
* Automotive
* Chemicals and materials
* Consumer goods and services
* Electronics
* Energy and power
* financial services and investment intelligence
* Food and beverages
* Healthcare
* Home and property improvements
* Hospitality and tourism
* Information and communication technology
* Logistics
* Packaging
* real estate and construction

Market research methodology:

* Secondary Research – Gathering data from authoritative published sources that are constantly tracked by analysts who are dedicated to studying that niche of the market.
* Primary Research – Curating qualitative and quantitative insights from experts on the ground. Through detailed questionnaires and panels, inputs from stakeholders from across the value chain of that industry. A typical expert group consists of manufacturers (or service providers), distributors, industry experts and CXOs of key industry players.
* Data Triangulation – Verification of each data and analysis point from at least three sources to ensure a high level of accuracy. Even inputs from primary research participants are not immune to subjectivity. All data presented in the reports undergo this strict process to ensure objective accuracy.
* In-House Verification – Throughout the process, internal subject matter experts ensure that analyst perspectives take the nuances of each market into consideration before providing thought-provoking analysis.
* Reporting – Presenting findings through brief and well-articulated reports in various formats - pdf, ppt and excel data files for easy evaluation.

Introduction of the project work:

As a Research associate, I have been assigned to work in Home & Property Improvements and financial services. Sub domains in the Financial services include insurance, alternative investments, wealth management, fintech, Islamic finance, and Banking. Sub domains in Home and property improvement includes kitchen appliances, home appliances, laundry appliances, home décor, furniture and furnishing.

I have written report descriptions of the following topics:

E – Brokerage Market in Germany

The United States Upholstered Furniture Market

The Waffle Maker Market

Indian Luxury Furniture Market

**E-Brokerage Market in Germany - Growth, Trends, Covid-19 Impact and Forecasts (2021 - 2026)**

**Market Overview**

The volatility on the financial markets caused by the Corona crisis boosted investor activity and resulted in new highs. The number of investors, as well as the number of transactions, increased dramatically. The most recent developments highlight the importance of stock trading as a lucrative, commission-based revenue stream for German banks.

Germany has one of the largest economies in the Eurozone, and it is the driving force behind many financial market activities in Europe. The German financial market is regulated by BaFin. For a mix of reasons, Germany is a model market for online brokerage. Germany online brokerage industry exhibits oligopoly like characteristics. A few large companies account for the vast majority of market share, with new competitors finding it difficult to gain market share. In terms of European expansion and product diversification, German online brokers are the most advanced.

At the end of 2010, the number of securities accounts has been declining, but due to the prolonged low-interest-rate setting, this trend has reversed in recent years.

**Scope of the Study**

The report on the German E-Brokerage marketprovides a comprehensive evaluation of the market with market segmentation, product categories, existing market trends, market dynamics shifts, and growth opportunities.

**Key Market Trends**

The E - Brokerage market in Germany is being driven by a rise in internet penetration.

In the past decade, the country's smartphone users have contributed to a rise in Internet users. The E-Brokerage is capitalising on the country's growing internet penetration. In Germany, ¾th of the population owns a smartphone, putting them eighth in terms of smartphone penetration. Half of Germans use smartphones daily. Between 2019 and 2020, the number of internet users in Germany increased by 307 thousand (+0.4%). Eighty-four per cent of the internet users' access through smartphones. The ever-expanding online transaction channel is especially intriguing because of its rapid expansion. Most of the customers get information on choosing the online broker through the internet or apps. The presence of social media for online brokers will be an added advantage. The online brokers have started offers in the online and mobile areas with greater convenience and with low prices. Especially in the phase of uncertainty, online brokers are experiencing more transactions and customer activity.

The number of internet users in Germany from 2016 to 2026 (In Millions) - Graph

Change in Customer Behaviour Towards Online Brokerage Services in Germany

Consumer attitude towards online trading and the importance of adapting technology for online transactions and security are few factors driving this market. At the end of 2010, the number of securities accounts has been declining, but due to the prolonged low-interest-rate setting, this trend has reversed in recent years. The number of online transactions often depends heavily on the underlying volatility in the market. There are many reasons to believe that customers get attracted to, despite the uncertainty and low-interest-rate setting, which will last longer due to the Covid 19 crisis. Several low-cost deals have recently begun. Lower order commissions would encourage customers to consider new low-price / flat-fee providers. The most critical reasons for German customers to choose an online broker are trading fees, reputation, quality of analysis tools, easy deposit opening, range of availability of products, access to various stock exchanges, and quality of the mobile app.

The number of online customers who bought and sold stocks and shares on the internet in Germany from 2016 to 2026 (In Millions)

**Competitive Landscape**

In Germany, a few large companies account for the vast majority of the market share. Online Brokers in Germany try to compete in terms of account maintenance fee, the fee per trade order, a deposit fee as a percentage of funds, technological advancements, and creating easy to use trading platform for customers. Few companies are best for new traders, few others are good for Forex trading. Some of the key players are Interactive Brokers, TradeStation, eToro, Comdirect Bank, Inernaxx, Flatex, Trade Republic, O[nvista, Lynx,](https://www.mygermanfinances.de/partner/onvista) Consors Bank, Sino AG.

Some other players include Geno Broker, S Broker, Maxblue, Targobank, ING Diba, DKB.

**United States Upholstered Furniture Market - Growth, Trends, Covid-19 Impact and Forecasts (2021 - 2026)**

**Market Overview**

Upholstered furniture is one of the fastest-growing segments of the global furniture industry. Upholstered furniture is any piece of furniture with cushions or padding and a cloth covering. The market for upholstered furniture in the United States rapidly grew after the global recession. Only a few large and technologically equipped companies in the United States tend to supply the bulk of exports. Economic development and substantial infrastructure development have constituted regional revenue generation. Further, the patterns associated with domestic production, import and export, and consumption have helped market participants to analyse and capitalize on potential opportunities.

The United States is the world's leading importer of upholstered furniture. Imported upholstery items account for around 40% of local upholstery consumption. 50% of upholstered furniture comes from outside of the United States. China continues to account for 70% of all upholstered furniture imports into the United States. Apart from China, imports from Vietnam and Mexico are rapidly increasing.

A focus on e-commerce sales includes the value of upholstery online sales, the digital strategies of leading manufacturers and a selection of furniture retailers selling online.

With Americans spending more time than ever before in their homes during the pandemic, demand for furniture and mattresses greatly outstripped supply, pushing prices to an all-time high as people spent money on home improvements.

Supply of Upholstered Furniture affected because of winter storm crashed into Texas and Louisiana, shutting down many chemical plants in both states that manufacture polyurethane foam, which is used in upholstered furniture.

**Scope of the Study**

The report on the United States upholstered furniture market provides a comprehensive evaluation of the market with market segmentation, upholstered furniture production and consumption, upholstery imports and exports, and a competitive and supply structure.

**Key Market Trends**

Upholstered Furniture Dominates Wooden Residential Furniture in the United States.

The upholstered furniture dominates the residential wooden furniture market share. The demand for upholstered furniture is being fuelled by an increase in the import and export of luxury and comfortable wooden furniture as a result of rising consumer spending and shifting lifestyles. Due to factors such as superior quality, easy customization, cost-efficiency, and increased environmental awareness, the reupholstering trend of furniture is gaining popularity among consumers. Furthermore, the segment's growth will be fuelled by the extension of furniture life, the improvement of colour appearance, and the enhancement of comfort levels.

Since upholstered furniture needs much less capital-intensive equipment, it is simpler to open and run an upholstered furniture factory. Typically, upholstered furniture plants are smaller since a large area for wood preparation and treatment is not needed, nor is a large finishing room required. Since frames and/or foam or padding are purchased pre-cut or preassembled, much of upholstered furniture production is an assembly process. Besides, since the upholstery industry is largely dependent on special orders, upholstered furniture manufacturers keep small inventories.

High Demand for Upholstered Furniture in United States

The United States is the world's leading importer of upholstered furniture. Imported upholstery items account for around 40% of local upholstery consumption. An increase in consumer purchasing power has led to the development of this market in leaps and bounds. Improvements in the standard of living of people and changing lifestyles are also driving the demand for such furniture in the market. An increase in building construction is also supporting the industry as new homes are built, they have new furniture requirements too. Attitudes and preferences toward furniture made with environmentally friendly materials is an added advantage to this market. Millennials positive attitude towards buying furniture online, shipment costs are boosting the online sales of the furniture market in the United States. A focus on e-commerce sales includes the value of upholstery online sales, the digital strategies of leading manufacturers and a selection of furniture retailers selling online.

**Competitive Landscape**

The competitive system for upholstered furniture in the United States is examined using data and patterns on jobs and plant located at the country level. Upholstery turnover, manufacturing volume, employee count, and product specialization are used to rank the top U.S. manufacturers. Although upholstered household furniture manufacturers are scattered throughout the United States, the industry is concentrated in the South-eastern states, particularly North Carolina and Tennessee. Some of the key players are Stickley, Lancaster Custom Upholstery, Hickory White, Bassett Furniture, Rowe Furniture, Kincaid, American Furniture Manufacturing, Benchmark Upholstery, Lazar Industries, Mayo Furniture, Style Upholstery**.**

Some other players include Kindel, American Leather, Moss Studio, Skyline Furniture Manufacturing, J Furniture.

**Recent developments**

April 2021 - The Consumer Products Safety Commission (CPSC) has issued a final rule to codify the statutory requirements for the national furniture flammability standard. As per the rule, all residential upholstered furniture sold in the United States must comply with the flammability tests for covered components specified in TB 117-2013 beginning June 25, 2021. Items must also feature a permanent label with the statement “Complies with U.S. CPSC requirements for upholstered furniture flammability" by June 25.

February 2020 - Upholstered sofas and armchairs, made in the U.S. is on the rise, but the number of workers with the skills and experience needed to meet increased demand seems out of reach. To solve the labour problems, In North Carolina, furniture companies have turned to the Catawba Valley Furniture Academy in Hickory, an academy to train workers and guarantee them jobs at high wages.

**Waffle Maker Market - Growth, Trends, Covid-19 Impact and Forecasts (2021 - 2026)**

**Market Overview**

Waffle maker is part of the small kitchen appliances market. The expansion of large categories of waffle baker is fuelled by the increasing integration of quality and creativity. Waffle makers are expected to grow at a rapid rate as people's lifestyles change around the world, driven by rising disposable income.

Waffles are also considered a staple breakfast food by buyers of various socioeconomic groups and western countries such as the United States and Canada. Besides, the growing consolidation of value-added features in waffle makers is supporting the availability of higher-quality products to consumers and has crystallised market growth across the world.

Because of the ease of the cooking cycle, an innovative advancement in the Waffle maker is attracting more buyers to purchase Waffle creators for family cooking. Expanding individual extra cash as well as a savvy item collection is also expected to increase interest in the Waffle producer's market. Furthermore, low energy consumption and growing health issues are the primary concerns.

Many international companies are focusing on new waffle-making product advancements. These Waffle makers also have a compact design for commercial kitchens, as well as robust features such as timers and temperature controls that help to save energy. Furthermore, the growing trend of developing economies turning to western foods is expected to propel growth in the Waffle producer's market at a rapid pace over the forecast period.

Since the pandemic forced people to stay at home, niche kitchen appliances such as an electric tandoor, hand blender, waffle makers, pizza makers, popcorn makers, and cotton candy makers have seen an increase in demand.

Consequently, increased demand has resulted in decreased prices of Waffle maker, especially in developing countries.

**Scope of the Study**

Waffle maker is part of the small kitchen appliances market. Waffle makers come in a variety of forms and shapes.

**Key Market Trends**

Commercial application is dominating the market.

In the case of the commercial application segment, the most significant driver is the changing lifestyles and food consumption preferences of people, with more consumers shifting toward ready-to-eat and frozen food products. A large part of new households includes working singles who prefer to dine out rather than setting up their kitchens.

Waffle as breakfast is one of the market's most important growth factors. Restaurants are increasingly focusing on serving sandwiches and waffles to lead the breakfast domain, as well as a variety of food items such as sweet and exquisite waffles.

Restaurants are fiercely competing to serve better breakfast meals after the introduction of all-day breakfast menus by major quick-service restaurants. Waffle House, for example, offers waffles with hash browns and covered or chunked eggs as a breakfast choice. With the acceptance of waffles as a breakfast meal, restaurants desire to offer unique offerings will play a big role in the commercial waffle maker market's growth.

Change in consumer behaviour.

The demand for waffle makers is expected to rise as personal disposable income rises and product ranges become more cost-effective.

Low operating costs, high efficiency, high productivity, less counter space occupation, and ease of cleaning and sanitizing are attracting more consumers to buy waffle makers for home use. Furthermore, low energy consumption and rising health issues, rising mindfulness concerning medical problems have prompted more individuals to cook at home are among the main factors propelling the global waffle maker market.

The demand for commercial waffle makers is skyrocketing around the world, owing to their high nutritional value and various added benefits. Customers can customize their waffles by choosing the batter and toppings listed on the menu. However, having their quality waffle maker gives them the freedom to make the batter the way they like it and select any topping they enjoy. This is particularly handy for families as they will be able to create a waffle to suit everyone’s tastes and dietary requirements.

Another benefit of being able to customize your waffles is that you can choose to make them so much healthier. There are plenty of waffles recipes available now that are low fat, low sugar, gluten-free, dairy-free, and any other requirements. Not only that, but they can top them with fresh fruit and homemade toppings for a more nutritious choice for kids.

During the pandemic, people all around the globe turned to improve their fitness levels and their culinary skills in the extra time that they had at their disposal. Millions of fitness and food videos shared on various social media platforms are a testament to this trend. This shift was also reflected in the home appliance that they bought through online shopping.

**Competitive Landscape**

The competition in the Waffle maker market is reported to be increasing due to emerging food habits of western food eating habits across countries, which is driving demand for Waffle makers. Some of the key players in the Waffle Maker Market are Hamilton Beach, Waring Pro, Oster, Cuisinart, Waring, Edgecraft Corporation, All-Clad, Breville, Presto, Belgian, Chefs Choice, BELLA, Proctor Silex, Black and Decker, VillaWare, Elite Cuisine, Krampouz, Krups.

Some other players include Nemco Food Equipment, Star Manufacturing International, Wells Manufacturing, Croydon, Admiral Craft Equipment, Carnival King, Brentwood Appliances, Gold Medal Pittsburgh, ABestKitchen, AKASA, Texpo Industries, Sage Appliances, Nordic Ware, and VonShef.

Recent developments

April 2021 - Dash Mini Waffle Maker has joined it as one of the top-ranking breakfast tools on Amazon, with a whopping 86,833 verified five-star reviews and the title of "Bestselling Waffle Iron,".

March 2021 - Cerelia Group Acquires US Waffle and Receives Strategic Investment from Continental Grain Company. US Waffle specializes in the production of premium pancakes and waffles, using only the finest and freshest ingredients.

**Indian Luxury Furniture Market - Growth, Trends, and Forecasts (2021 - 2026)**

**Market Overview**

Luxury furniture refers to movable pieces of furniture with best of an elite quality and design made by skilled craftsmen. It adds to the aesthetic value of the commercial and household establishments, such as homes, hotels, offices, and other indoor and outdoor areas.

Luxury furniture market has less market share because of high price ranges. Though there are many other factors that are driving this market.

This industry has its benefits from rise in the disposal income, change in consumer purchasing power and behavior, focus on lifestyle and social status, Real estate developments, globalization, major population shift to the urban areas, technological innovations, the increasing penetration of online retailing and growing population, manufacturers collaborating with interior designers to increase their visibility to capture a wider customer base.

Other countries may have 100 years of expertise in terms of techniques, Indian has been in this industry from past 10-15 years, but its proud of its craft. Many companies work with craft villages across India to create high-end luxury products.

Domestic furniture segment accounts for more market share when compared to commercial segment.

Based on the raw material, wood accounts for the largest market share, followed by metal and fabric.

Lack of skilled workers across the luxury furniture market, cost of warehousing and increased cost raw materials cost remains a major challenge for the industry.

Mass produced furniture is for low cost because of their optimized production processes which uses heavy machinery and minimal hand labor, luxury furniture which needs to be customized will cost more.

**Scope of the Study**

A complete background analysis of the Indian Luxury Furniture market, which includes an assessment of the economy, market overview, market size estimation for key segments, and emerging trends in the market, market dynamics, and key company profiles are covered in the report.

**Key Market Trends**

Rise in urbanization is driving the market.

Majority of population in India is shifting towards urban areas due to rise in their disposal income so individuals are focusing more on lifestyle and social status because of which their behavior towards buying luxury goods is increasing.

Furniture including sculptural console lighting, freestanding desks, comfortable chairs and so on form an important part of the luxury office furniture, which has rapidly expanded in recent years. Likewise, urban areas changing their course to develop steadily and firms and institutions, government bodies determined to improve working environment and other factors are promoting furniture sales. Similarly, rapid growth of office-based sectors particularly software, hospitals, schools etc. is fueling the increasing need for office space.

Covid 19 impact – A advantage for Indian luxury Furniture market.

With the uncertainty around imports from Europe and other western markets, 2020 has been the best time for Indian brands to gain local clients.

**Competitive Landscape**

The Indian luxury furniture market is highly competitive with the presence of major key players such as Stanley Lifestyles, Maison Du luxe, Elevate X, Pepperfry, Viya Home, Furniturewalla, RoyalZig, Homecentre, Godrej interior, Zuari Furniture, Durian, Style Spa, Scarlet Splendour, Klove and Jaipur Rugs, Italian luxury furniture brands in India - B & B Italia, Natuzzi, Poliform, Molteni & C, Lube.

Learnings:

Gained knowledge on the market research tools like Statista and Hoovers.

Improved in terms searching and gathering data from secondary sources.

Improved writing skills from data available.