Project Report

"A comprehensive study on financial analysis of HDFC BANK LTD"

Submitted to

G.S. College of Commerce & Economics

Nagpur

In partial fulfillment for the award of the degree of

Bachelor of Business Administration

Submitted by

Vivek Kapgate

Under the Guidance of

Dr. Archana Dadhe

G.S. College Of Commerce & Economics, Nagpur

Academic Year 2021 – 22

G.S. College Of Commerce & Economics , Nagpur

Academic Year 2021 – 22

CERTIFICATE

This is to certify that **"Vivek Kapgate"** has submitted the project report titled **"A Comprehensive study on financial analysis of HDFC BANK LTD'',** towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he/she has ingeniously completed his/her project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Dr. Archana Dadhe — **(Project Guide)**

Dr. Afsar Sheikh — **(Co-ordinator)**

Place: Nagpur

Date:

G.S. College Of Commerce & Economics, Nagpur

Academic Year 2021 – 22

DECLARATION

I here-by declare that the project with title "A comprehensive study on financial analysis of HDFC BANK LTD'' has been completed by me in partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Vivek kapgate

Place: Nagpur

Date:

G.S. College Of Commerce & Economics , Nagpur

Academic Year 2021 – 22

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr.N.Y.Khandait, Principal, G.S. College of Commerce & Economics, Nagpur.

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I will fail in my duty if I do not thank the non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

Vivek Kapgate

Place: Nagpur
Date:

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INTRODUCTION

INTRODUCTION

MEANING OF FINANCIAL STATEMENT –

Financial statements are a collection of summary-level reports about an organization's financial results, financial position, and cash flows. They include the income statement, balance sheet, and statement of cash flows.

The Balance Sheet –

One of the financial statements is the balance sheet. It shows an entity's assets, liabilities, and stockholders' equity as of the report date. In this report, the total of all assets must match the combined total of all liabilities and equity. The asset information on the balance sheet is subdivided into current and long-term assets. Similarly, the liability information is subdivided into current and long-term liabilities. This stratification is useful for determining the liquidity of a business. Ideally, the total of all current liabilities should exceed the total of all current liabilities, which implies that a business has sufficient assets to pay off its current obligations. The balance sheet is also used to compare debt levels to the amount of equity invested in the business, to see if its leverage level is appropriate.

The Income Statement –

Another financial statement is the income statement. It shows the results of an entity's operations and financial activities for the reporting period. It usually contains the results for either the past month or the past year, and may include several periods for comparison purposes. Its general structure is to begin with all revenues generated, from which the cost of goods sold is subtracted, and then all selling, general, and administrative expenses. The result is either a profit or loss, which is net of income taxes.

The Statement of Cash Flows –

The final financial statement is the statement of cash flows. It shows changes in an entity's cash flows during the reporting period. These cash flows are divided into cash flows from operating activities, investing activities, and financing activities. The bulk of all cash flows are generally listed in the operating activities section, which state the cash inflows and outflows related to the basic operations of the business, such as from changes in receivables, inventory, and payables balances. The investing activities section contains cash flows from the purchase or sale of investment instruments, assets, or other businesses. The financing activities section contains cash flows related to the acquisition or paydown of debt, dividend issuances, stock sales, and so for

MEANING OF FINANCIAL ANALYSIS –

Financial analysis is the process of evaluating businesses, projects, budgets, and other finance-related transactions to determine their performance and suitability. Typically, financial analysis is used to analyze whether an entity is stable, solvent, liquid, or profitable enough to warrant a monetary investment.

KEY TAKEAWAYS

- If conducted internally, financial analysis can help fund managers make future business decisions or review historical trends for past successes.
- If conducted externally, financial analysis can help investors choose the best possible investment opportunities.
- Fundamental analysis and technical analysis are the two main types of financial analysis.
- Fundamental analysis uses ratios and financial statement data to determine the intrinsic value of a security.
- Technical analysis assumes a security's value is already determined by its price, and it focuses instead on trends in value over time.

FEATURES OF FINANCIAL ANALYSIS –

- To present a complex data contained in the financial statement in simple and understandable form.
- To classify the items contained in the financial statement in convenient and rational groups.
- To make comparison between various groups to draw various conclusions.

PURPOSE OF ANALYSIS OF FINANCIAL STATEMENT -

- To know the earning capacity or profitability.
- To know the solvency.
- To know the financial strengths.
- To know the capability of payment of interest & dividends.
- To make comparative study with other firms.
- To know the trend of business.
- To know the efficiency of mgt.

TYPES OF FINANCIAL ANLYSIS

A. Classification On the Basis of Material Used:

(a) External Analysis:

This analysis is done by outsiders who do not have access to the detailed internal accounting records of the business firm. These outsiders include investors, potential investors, creditors, potential creditors, government agencies, credit agencies, and the general public.

For financial analysis, these external parties to the firm depend almost entirely on the published financial statements. External analysis, thus serves only a limited purpose. However, the recent changes in the government regulations requiring business firms to make available more detailed information to the public through audited published accounts have considerably improved the position of the external analysis.

(b) Internal Analysis:

The analysis conducted by persons who have access to the internal accounting records of a business firm is known as internal analysis. Such an analysis can, therefore, be performed by executives and employees of the organization as well as government agencies which have statutory powers vested in them. Financial analysis for managerial purposes is the internal type of analysis that can be affected depending upon the purpose to be achieved.

B. Classification On the Basis Of Modus Operandi

(a) Vertical Analysis:

This type of financial analysis involves looking at various components of the income statement and dividing them by revenue to express them as a percentage. For this exercise to be most effective, the results should be benchmarked against other companies in the same industry to see how well the company is performing. This process is also sometimes called a common-sized income statement, as it allows an analyst to compare companies of different sizes by evaluating their margins instead of their dollars.

(b) Horizontal Analysis:

Horizontal analysis involves taking several years of financial data and comparing them to each other to determine a growth rate. This will help an analyst determine if a company is growing or declining, and identify important trends.When building financial models, there will typically be at least three years of historical financial information and five years of forecasted information. This provides 8+ years of data to perform a meaningful trend analysis, which can be benchmarked against other companies in the same industry.

HISTORY OF BANKING IN INDIA

Banking in India forms the base for the economic development of the country. Major changes in the banking system and management have been seen over the years with the advancement in technology, considering the needs of people. The History of Banking in India dates back to before India got independence in 1947 and is a key topic in terms of questions asked in various Government exams. In this article, we shall discuss in detail the evolution of the banking sector in India.

The banking sector development can be divided into three phases:

Phase I: The Early Phase which lasted from 1770 to 1969

Phase II: The Nationalisation Phase which lasted from 1969 to 1991

Phase III: The Liberalisation or the Banking Sector Reforms Phase which began in 1991 and continues to flourish till date

Pre Independence Period (1786-1947)

The first bank of India was the “Bank of Hindustan”, established in 1770 and located in the then Indian capital, Calcutta. However, this bank failed to work and ceased operations in 1832.
During the Pre Independence period over 600 banks had been registered in the country, but only a few managed to survive.
Following the path of Bank of Hindustan, various other banks were established in India. They were:

The General Bank of India (1786-1791)

Oudh Commercial Bank (1881-1958)

Bank of Bengal (1809)

Bank of Bombay (1840)

Bank of Madras (1843)

During the British rule in India, The East India Company had established three banks: Bank of Bengal, Bank of Bombay and Bank of Madras and called them the Presidential Banks. These three banks were later merged into one single bank in 1921, which was called the “Imperial Bank of India.”
The Imperial Bank of India was later nationalised in 1955 and was named The State Bank of India, which is currently the largest public sector Bank.

Given below is a list of other banks which were established during the Pre-Independence period:

Pre-Indepence Banks in India	
Bank Name	**Year of Establishment**
Allahabad Bank	1865
Punjab National Bank	1894
Bank of India	1906
Central Bank of India	1911
Canara Bank	1906
Bank of Baroda	1908

If we talk of the reasons as to why many major banks failed to survive during the pre-independence period, the following conclusions can be drawn:

- Indian account holders had become fraud-prone
- Lack of machines and technology
- Human errors & time-consuming
- Fewer facilities
- Lack of proper management skills

Post-Independence Period (1947-1991)

At the time when India got independence, all the major banks of the country were led privately which was a cause of concern as the people belonging to rural areas were still dependent on money lenders for financial assistance.

With an aim to solve this problem, the then Government decided to nationalise the Banks. These banks were nationalised under the Banking Regulation Act, 1949. Whereas, the Reserve Bank of India was nationalised in 1949.

Candidates can check the list of Banking sector reforms and Acts at the linked article.

Following it was the formation of State Bank of India in 1955 and the other 14 banks were nationalised between the time duration of 1969 to 1991. These were the banks whose national deposits were more than 50 crores.

Given below is the list of these 14 Banks nationalised in 1969:

1. Allahabad Bank
2. Bank of India
3. Bank of Baroda
4. Bank of Maharashtra
5. Central Bank of India
6. Canara Bank
7. Dena Bank
8. Indian Overseas Bank
9. Indian Bank
10. Punjab National Bank
11. Syndicate Bank
12. Union Bank of India
13. United Bank
14. UCO Bank

In the year 1980, another 6 banks were nationalised, taking the number to 20 banks. These banks included:

1. Andhra Bank
2. Corporation Bank
3. New Bank of India
4. Oriental Bank of Comm.
5. Punjab & Sind Bank
6. Vijaya Bank

Apart from the above mentioned 20 banks, there were seven subsidiaries of SBI which were nationalised in 1959:

1. State Bank of Patiala
2. State Bank of Hyderabad
3. State Bank of Bikaner & Jaipur
4. State Bank of Mysore
5. State Bank of Travancore
6. State Bank of Saurashtra
7. State Bank of Indore

All these banks were later merged with the State Bank of India in 2017, except for the State Bank of Saurashtra, which merged in 2008 and State Bank of Indore, which merged in 2010.

Liberalisation Period (1991-Till Date)

Once the banks were established in the country, regular monitoring and regulations need to be followed to continue the profits provided by the banking sector. The last phase or the ongoing phase of the banking sector development plays a hugely significant role.

To provide stability and profitability to the Nationalised Public sector Banks, the Government decided to set up a committee under the leadership of Shri. M Narasimham to manage the various reforms in the Indian banking industry.

The biggest development was the introduction of Private sector banks in India. RBI gave license to 10 Private sector banks to establish themselves in the country. These banks included:

1. Global Trust Bank
2. ICICI Bank
3. HDFC Bank
4. Axis Bank
5. Bank of Punjab
6. IndusInd Bank
7. Centurion Bank
8. IDBI Bank
9. Times Bank
10. Development Credit Bank

The other measures taken include:

- Setting up of branches of the various Foreign Banks in India
- No more nationalisation of Banks could be done
- The committee announced that RBI and Government would treat both public and private sector banks equally
- Any Foreign Bank could start joint ventures with Indian Banks
- Payments banks were introduced with the development in the field of banking and technology
- Small Finance Banks were allowed to set their branches across India
- A major part of Indian banking moved online with internet banking and apps available for fund transfer

Thus, the history of banking in India shows that with time and the needs of people, major developments have been brought about in the banking sector with an aim to prosper it.

INDIAN BANKING INDUSTRY ANALYSIS

The banking scenario in India has been changing at fast pace from being just the borrowers and lenders traditionally, the focus has shifted to more differentiated and customized product/service provider from regulation to liberalization in the year 1991, from planned economy to market Economy, from licensing to integration with Global Economics, the changes have been swift. All most all the sector operating in the economy was affected and banking sector is no exception to this. Thus the whole of the banking system in the country has undergone a radical change. Let us see how banking has evolved in the past 57 years of independence.

After independence in 1947 and proclamation in 1950 the country set about drawing its road map for the future public ownership of banks was seen inevitable and SBI was created in 1955 to spearhead the expansion of banking into rural India and speed up the process of magnetization. Political compulsions brought about nationalization of bank in 1969 and lobbying by bank

Employees and their unions added to the list of nationalized banks a few years later.

Slowly the unions grew in strength, while bank management stagnated. The casualty was to the customer service declined, complaints increased and bank management was unable to item the not.
In the meantime, technology was becoming a global phenomenon lacking a vision of the future and the banks erred badly in opposing the technology up gradation of banks. They mistakenly believed the technology would lead to retrenchment and eventually the marginalization of unions.

The problem faced by the banking industry soon surfaced in their balance sheets. But the Prevailing accounting practices unable banks to dodge the issue.

The rules of the game under which banks operated changed in 1993. Norms or income Recognition, Asset’s classification and loan loss provisioning were put in place and capital adequacy ratio become mandatory. The cumulative impact of all these changes has been on the concept of state ownership in banks. It is increasingly becoming clear that the state ownership in bank is no longer sustainable.
The amendment of banking regulation act in 1993 saw the entry of new private sector banks and foreign banks.

COMPANY PROFILE

COMPANY PROFILE

ABOUT HDFC BANK

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of RBI's liberalisation of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995.

PROMOTERS

HDFC is India's premier housing finance company and enjoys an impeccable track record in India as well as in international markets. Since its inception in 1977, the Corporation has maintained a consistent and healthy growth in its operations to remain the market leader in mortgages. Its outstanding loan portfolio covers well over a million dwelling units. HDFC has developed significant expertise in retail mortgage loans to different market segments and also has a large corporate client base for its housing related credit facilities. With its experience in the financial markets, strong market reputation, large shareholder base and unique consumer franchise, HDFC was ideally positioned to promote a bank in the Indian environment.

BUSINESS FOCUS

HDFC Bank's mission is to be a World Class Indian Bank. The objective is to build sound customer franchises across distinct businesses so as to be the preferred provider of banking services for target retail and wholesale customer segments, and to achieve healthy growth in profitability, consistent with the bank's risk appetite. The bank is committed to maintain 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.

CAPITAL STRUCTURE

As on 30 - June-2019 the authorized share capital of the Bank is Rs. 650 crore. The paid-up share capital of the Bank as on the said date is Rs 546,56,24,542 /- which is comprising of 273,28,12,271 equity shares of the face value of Rs 2/- each. The HDFC Group holds 21.31 % of the Bank's equity and about 18.81 % of the equity is held by the ADS / GDR Depositories (in respect of the bank's American Depository Shares (ADS) and Global Depository Receipts (GDR) Issues). 31.37 % of the equity is held by Foreign Institutional Investors (FIIs) and the Bank has 6,53,843 shareholders.

The shares are listed on the BSE Limited and The National Stock Exchange of India Limited. The Bank's American Depository Shares (ADS) are listed on the New York Stock Exchange (NYSE) under the symbol 'HDB' and the Bank's Global Depository Receipts (GDRs) are listed on Luxembourg Stock Exchange under ISIN No US40415F2002.

CBoP & TIMES BANK AMALGAMATION

On May 23, 2008, the amalgamation of Centurion Bank of Punjab with HDFC Bank was formally approved by Reserve Bank of India to complete the statutory and regulatory approval process. As per the scheme of amalgamation, shareholders of CBoP received 1 share of HDFC Bank for every 29 shares of CBoP.

The amalgamation added significant value to HDFC Bank in terms of increased branch network, geographic reach, and customer base, and a bigger pool of skilled manpower.
In a milestone transaction in the Indian banking industry, Times Bank Limited (another new private sector bank promoted by Bennett, Coleman & Co. / Times Group) was merged with HDFC Bank Ltd., effective February 26, 2000. This was the first merger of two private banks in the New Generation Private Sector Banks. As per the scheme of amalgamation approved by the shareholders of both banks and the Reserve Bank of India, shareholders of Times Bank received 1 share of HDFC Bank for every 5.75 shares of Times Bank.

DISTRIBUTION NETWORK

HDFC Bank is headquartered in Mumbai. As of September 30, 2019, the Bank's distribution network was at 5,314 branches across 2,768 cities. All branches are linked online on a real-time basis. Customers across India are also serviced through multiple delivery channels such as Phone Banking, Net Banking, Mobile Banking, and SMS based banking. The Bank's expansion plans take into account the need to have a presence in all major industrial and commercial centers, where its corporate customers are located, as well as the need to build a strong retail customer base for both deposits and loan products. Being a clearing / settlement bank to various leading stock exchanges, the Bank has branches in centres where the NSE / BSE have a strong and active member base. The Bank also has a network of 13,514 ATMs across India. HDFC Bank's ATM network can be accessed by all domestic and international Visa / MasterCard, Visa Electron / Maestro, Plus / Cirrus and American Express Credit / Charge cardholders.

MANAGEMENT

HDFC Bank's Board of Directors comprises eminent individuals with a wealth of experience in public policy, administration, industry and commercial banking. Senior executives representing HDFC Ltd. are also on the Board.

Various businesses and functions in the Bank are headed by senior executives with work experience in India and abroad. They report to the Managing Director. The Bank is focused on recruiting and retaining the best talent in the industry as it believes that its people are a competitive strength.

TECHNOLOGY

HDFC Bank operates in a highly automated environment in terms of information technology and communication systems. All the bank's branches have online connectivity, which enables the bank to offer speedy funds transfer facilities to its customers. Multi-branch access is also provided to retail customers through the branch network and Automated Teller Machines (ATMs).

The Bank has made substantial efforts and investments in acquiring the best technology available internationally, to build the infrastructure for a world class bank. In terms of core banking software, the Corporate Banking business is supported by Flex cube, while the Retail Banking business by Fin ware, both from i-flex Solutions Ltd. The systems are open, scaleable and web-enabled.

The Bank has prioritised its engagement in technology and the internet as one of its key goals and has already made significant progress in web-enabling its core businesses. In each of its businesses, the Bank has succeeded in leveraging its market position, expertise and technology to create a competitive advantage and build market share.

BUSINESSES

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:

Wholesale Banking

The Bank's target market is primarily large, blue-chip manufacturing companies in the Indian corporate sector and to a lesser extent, small & mid-sized corporates and Agri-based businesses. For these customers, the Bank provides a wide range of commercial and transactional banking services, including working capital finance, trade services, transactional services, cash management, etc. The bank is also a leading provider of structured solutions, which combine cash management services with vendor and distributor finance for facilitating superior supply chain management for its corporate customers. Based on its superior product delivery / service levels and strong customer orientation, the Bank has made significant inroads into the banking consortia of a number of leading Indian corporates including multinationals, companies from the domestic business houses and prime public sector companies. It is recognised as a leading provider of cash management and transactional banking solutions to corporate customers, mutual funds, stock exchange members and banks.

Treasury

Within this business, the bank has three main product areas - Foreign Exchange and Derivatives, Local Currency Money Market & Debt Securities, and Equities. With the liberalisation of the financial markets in India, corporates need more sophisticated risk management information, advice and product structures. These and fine pricing on various treasury products are provided through the bank's Treasury team. To comply with statutory reserve requirements, the bank is required to hold 25% of its deposits in government securities. The Treasury business is responsible for managing the returns and market risk on this investment portfolio.

Retail Banking

The objective of the Retail Bank is to provide its target market customers a full range of financial products and banking services, giving the customer a one-stop window for all his/her banking requirements. The products are backed by world-class service and delivered to customers through the growing branch network, as well as through alternative delivery channels like ATMs, Phone Banking, Net Banking and Mobile Banking.
The HDFC Bank Preferred program for high-net-worth individuals, the HDFC Bank Plus and the Investment Advisory Services programs have been designed keeping in mind needs of customers who seek distinct financial solutions, information and advice on various investment avenues. The Bank also has a wide array of retail loan products including Auto Loans, Loans against marketable securities, Personal Loans and Loans for Two-wheelers. It is also a leading provider of Depository Participant (DP) services for retail customers, providing customers the facility to hold their investments in electronic form. HDFC Bank was the first bank in India to launch an International Debit Card in association with VISA (VISA Electron) and issues the MasterCard Maestro debit card as well. The Bank launched its credit card business in late 2001. By March 2015, the bank had a total card base (debit and credit cards) of over 25 million. The Bank is also one of the leading players in the "merchant acquiring" business with over 235,000 Point-of-sale (POS) terminals for debit / credit cards acceptance at merchant establishments. The Bank is well positioned as a leader in various net based B2C opportunities including a wide range of internet banking services for Fixed Deposits, Loans, Bill Payments, etc.

RATINGS

Credit Rating

Instrument	**Rating**	**Rating Agency**	**Comments**
Fixed Deposit Programme	CARE AAA (FD)	CARE Ratings	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.
	IND Taaa	India Ratings	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.
Certificate of Deposits Programme	CARE A1+	CARE Ratings	Instruments with this rating are considered to have very strong degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.
	IND A1+	India Ratings	Instruments with this rating are considered to have very strong degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.
Long Term Unsecured, Subordinated (Lower Tier 2) Bonds	CARE AAA	CARE Ratings	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.
	IND AAA	India Ratings	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.
Upper Tier 2 Bonds	CARE AAA	CARE Ratings	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.

	CRISIL AAA	CRISIL	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.
Infrastructure Bonds	CARE AAA	CARE Ratings	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.
	CRISIL AAA	CRISIL	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.
Additional Tier I Bonds (Under Basel III)	CARE AA+	CARE Ratings	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	CRISIL AA+	CRISIL	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	IND AA+	India Ratings	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Tier II Bonds (Under Basel III)	CARE AAA	CARE Ratings	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.
	CRISIL AAA	CRISIL	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.

Awards and Accolades

HDFC Bank began operations in 1995 with a simple mission: to be a "World-class Indian Bank". We realized that only a single-minded focus on product quality and service excellence would help us get there. Today, we are proud to say that we are well on our way towards that goal.
Over the years, the Bank has received recognition and awards from several leading organizations and publications, both domestic and international

Some important awards that the Bank won:

NABARD Award	**Best Bank in JLG-Bank Linkage programme in Assam**
Business Today - KPMG India's Best Bank	**- Bank of the year - Best Digital Banking Initiative awards**
NABARD Award	**Best Bank in SHG Credit Linkage in Tamil Nadu**
National Payments Excellence Awards 2015	**HDFC Bank wins NPCI National Payments Excellence Awards**
Business Today Award	**Best CEO Award - Mr. Aditya Puri**
Kerala's State Forum of Bankers' Club Award	**Best Bank Branch**
FinanceAsia Awards	**Best Equity Deal in Asia Award**
IDC Insights Award 2015	**Excellence in Customer Experience**
QualTech Award	**HDFC Bank wins Award at 27th QIMPRO Convention**
Lean Sigma project competition	**Best Case Study Award**
IDRBT Banking Technology Excellence Awards 2014-15	**Best Bank Award for Cyber Security Risk Management among Large Banks**
FinanceAsia Country Awards 2015	**- Best Asian Bank - Best Domestic Bank - India**
Forbes Asia	**Fab 50 Companies List for the 9th year**
AIMA Managing India Awards 2015	**- Business Leader of the Year - Aditya Puri**
Barron's	**- World's 30 Best CEOs - Mr. Aditya Puri**
Finance Asia poll on Asia's Best Companies 2015	**- Best Managed Public Company - India' Best CEO- Aditya Puri Best Corporate Governance- Rank 3 Best Investor Relations- Rank 3**
J. P Morgan Quality Recognition Award	**- Best in class straight Through Processing Rates**

MISSION AND VISION STATEMENT OF HDFC BANK

MISSION

- World Class Indian Bank
- Benchmarking against international standards.
- To builds sound customer franchises across distinct businesses
- Best practices in terms of product offerings, technology, service levels, risk management and audit & compliance.

VISION

The HDFC Bank is committed to maintain the highest level of ethical standards, professional integrity and regulatory compliance. HDFC Bank's business philosophy is based on four core values such as: -

1.Operationalexcellence.
2.Customer Focus.
3.Productleadership.
4.People.

SWOT ANALAYSIS OF HDFC BANK

SWOT Analysis is a powerful technique for understanding your Strengths and Weaknesses, and for looking at the Opportunities and Threats you face. Used in a business context, it helps you carve a sustainable niche in your market. Used in a personal context, it helps you develop your career in a way that takes best advantage of your talents, abilities and opportunities.

STRENGTH

- Right strategy for the right products.
- Superior customer service vs. competitors.
- Great Brand Image o Products have required accreditations.
- High degree of customer satisfaction.
- Good place to work.
- Lower response time with efficient and effective service.
- Dedicated workforce aiming at making a long- term career in the field**.**

WEAKNESSES

- Some gaps in range for certain sectors.
- Customer service staff need training.
- Processes and systems, etc.
- Management cover insufficient.
- Sectoral growth is constrained by low unemployment levels and competition for Staff.

OPPORTUNITIES

- Profit margins will be good.
- Could extend too overseas broadly.
- New specialist applications.
- Could seek better customer deals.
- Fast-track career development opportunities on an industry-wide basis.
- An applied research Centre to create opportunities for developing techniques to provide
- Added- value services**.**

THREATS

- Legislation could impact.
- Great risk involved
- Very high competition prevailing in the industry.
- Vulnerable to reactive
- Attack by major competitors
- Lack of infrastructure in rural areas could constrain investment.
- High volume/low-cost market is intensely competitive

RESEARCH STUDY

OBJECTIVES OF THE STUDY

- To predict the future prospects of the company. Past performance is analyzed.
- To analyze the trend of past sales, profitability, cash flows, returns on investments, etc.
- To examine the current profitability & operational efficiency of the enterprise so that the financial health of the company can be determined**.**

SCOPE OF THE STUDY

The scope of study includes:

- Significance & Objectives
- Took such as Comparative Statements, Common Size Statements, Trend Analysis, Ratio Analysis, Cash Flow Analysis
- Liquidity/Profitability/Turnover/Leverage Ratios and their trends.
- Limitations of financial statements analysis**.**

LIMITATIONS OF THE STUDY

There is no activity that can be completed without any limitation. The main limitation faced during the preparation of this project report on “Financial Analysis of “HDFC BANK” is as follows: -

- Time available for the completion of the project is very short, hence much information could not be undertaken.
- The information collected through secondary data. Some of the information might be wrong.
- The calculation & computation are based on valuable information given by the bank.
- The report is based on the analysis of the last five years data, which may not be Sufficient in some cases.
- The analysis and conclusion made is as per my limited understanding for this concerned subject.
- Lack of practical knowledge about conducting the research.
- Don’t having any practical knowledge of doing financial analysis.
- The analysis and interpretation are based on secondary data collected through different mediums.
- Ratio itself will not completely show the company’s good or bad financial position.
- The study of financial performance can be only a means to know about the financial condition of the company and cannot show a through picture of the activities of the company.

HYPOTHESIS

H0 - HDFC Bank share are not good for investment purpose in Market.

H1- HDFC Bank share are good for investment purpose in Market.

LITERATURE REVIEW

- **BANK: PROMOTERS RIGHTS**

The Memorandum and Articles of Association of the Bank provides the following rights to HDFC Limited, promoter of the Bank: The Board shall appoint non-retiring Directors from amongst the Directors nominated by HDFC Limited with the approval of shareholders, so long as HDFC Limited and its subsidiaries, singly or jointly hold not less than 20% of the paid-up share capital of the Bank.

HDFC Limited shall nominate either a part-time Chairman and the Managing Director or a full time Chairman, with the approval of the Board and the shareholders so long as HDFC Limited and its subsidiaries, singly or jointly hold not less than 20% of the paid-up share capital of the Bank.

Under the terms of Bank's organizational documents, HDFC Limited has a right to nominate two directors who are not required to retire by rotation, so long as HDFC Limited, its subsidiaries or any other company promoted by HDFC Limited either singly or in the aggregate holds not less than 20% of paid-up equity share capital of the Bank. At present, the two directors so nominated by HDFC Limited are the Chairman and the Managing Director of the Bank.

- **HDFC BANK: BETTER TIMES, POST MERGER**

The acquisition of Times Bank by HDFC Bank using the merger route may prove beneficial over the medium-to-long term. Since it is being financed by stock issuance, the merger takes on an attractive hue. But in the near term, there could be some strains on the balance-sheet since Times Bank's key parameters do not match HDFC Bank's, says S. Vaidya Nathan.

IN MANY respects, HDFC Bank has been the banking stock for the second half of 1990s. Highly fancied by institutional and retail investors, it has delivered good value since its 1995 IPO. It has consistently enjoyed a higher valuation in terms of price-earnings multiples compared to its peers in the industry, including the likes of State Bank of India and Corporation Bank.

This was also in the last three years when the valuation of the banking sector was marked down sharply. Now the bank has used its valuation to good effect by acquiring Times Bank through an equity offer. With this acquisition, HDFC Bank's geographical reach, deposits and business potential stand enhanced considerably.

The acquisition also does not lead to a significant expansion in the equity base - only by 21.50 per cent even after considering the proposed preferential allotment of equity to the promoter groups.

At HDFC Bank, we understand the value of your time and the opportunities it holds for you. Your personal financial investment needs might get overlooked, while you attend to your business and professional needs. In line with this, we are pleased to offer to you a customized Investment Advisory Service for your existing portfolios and regular investable surpluses.

The service offers research – based advice to optimize returns on your investment portfolio across a range of financial instruments, keeping in line with your profile and investment objectives. Your existing portfolio is analyzed to advice you on rebalancing to obtain an optimum asset mix. Here, a dedicated advisor regularly guides you through the evolution of new market opportunities, to evaluate and restructure your existing investment portfolio.

HDFC BANK: PRIVASY

- **WHO IS COVERED THIS POLICY?**

All visitors who visit the site http://www.hdfcbank.com and provide information to HDFC Bank online are covered under this policy.

- **INFORMATION COVERED THIS POLICY**

This Policy seeks to cover private information of the Visitors provided to HDFC Bank online as also any information collected by the bank server from the visitor’s browser.

RESEARCH METHODOLOGY

Research is common parlance refers to search knowledge one can also define research as specific and systematic search for pertinent information on specific topic in fact, research is an art of specific investigation. It is a way of solving problem systematically.

There are two types of data**: A. Primary data**
B. Secondary data

PRIMARY DATA:

Primary data is that which is collected by sociologist themselves during their own research using research tools such as experiments, survey questioners, interviews and observations**.**

SECONDARY DATA:

Secondary data refers to data which is collected by someone who is someone other than the user. Common source of secondary data for social science includes censuses, information collected by government departments, organizational records and data that was originally collected for other research purposes. Primary data, by contrast, are collected by the investigator conducting the research.

For this study secondary data is used as a source of information.

The following tools and techniques have been used in the study-

- Accounting technique
- Ratio analysis
- Statistical techniques

DATA ANALYSIS & INTERPRETATION

DATA ANALYSIS AND INTERPRETATION

RATIO ANALYSIS OF HDFC BANK

Ratio analysis is a widely used tool of financial analysis. It is identified as the systematic use of ratio to interpret the fined statement, so that the strength & weakness of the forms as well as its historical performance & current financial condition can be determined. The term ratio refers to the numbers or quantative relationship between two items or variables.

Ratios which are used in this project: -

1) **LIQUIDITY RATIO**

- Current ratio
- Quick ratio
- Inventory turnover ratio

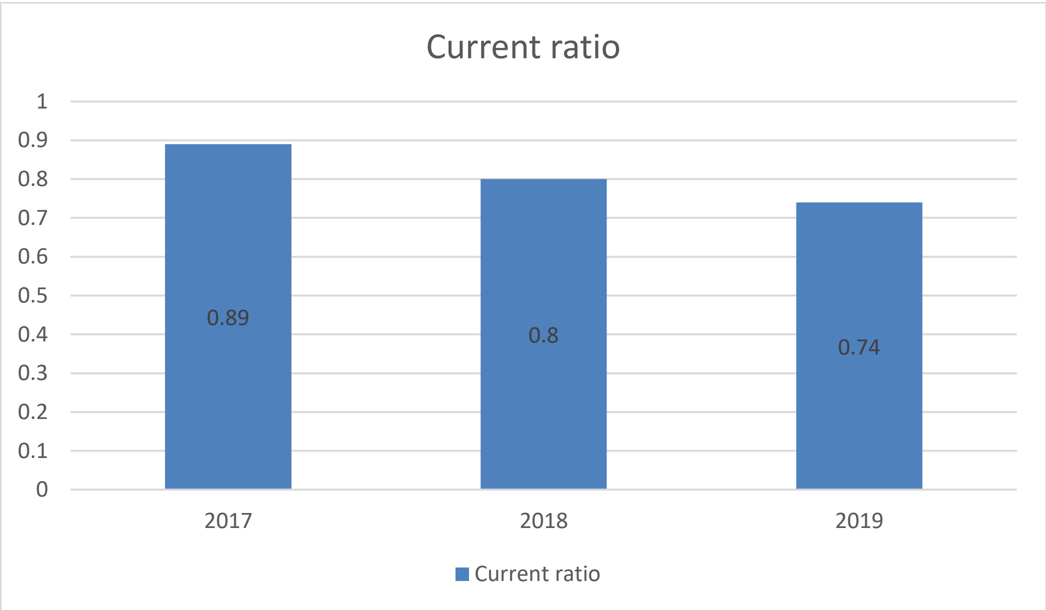
2) **PROFITABILITY RATIO**

- Operating ratio
- Gross profit ratio
- Net profit ratio

CURRENT RATIO

Current ratio may be defined as the relationship between current assets and current liabilities. This ratio also known as working capital ratio is a measure of general liquidity and is most widely used to make the analysis of a short-term financial position or liquidity of the firm.

YEAR	RATIOS
2017	0.89
2018	0.80
2019	0.74



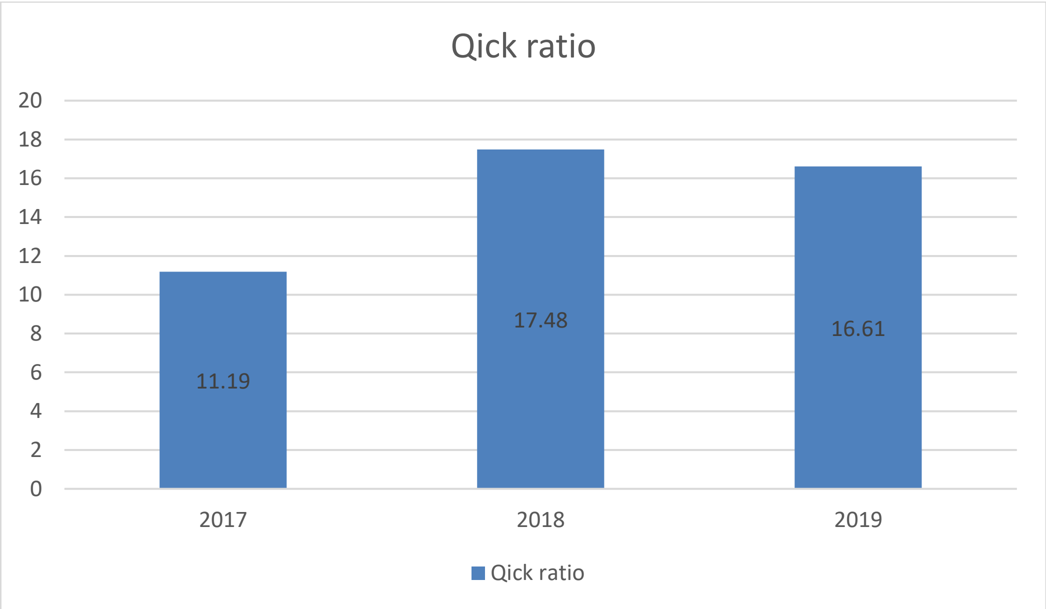
INTERPRETATION

The ideal ratio of any firm is 2:1. In HDFC Bank all the ratios are less than 2, it indicates bad financial ability of the sector. But after that the ratio is fluctuating because of increasing in liability.

QUICK RATIO

Quick ratios is a test of liquidity than the current ratio. The term liquidity refers to the ability of a firm to pay its short-term obligations as & when they become due.
Quick ratio may be defined as the relationship between quick or liquid assets and current liabilities. An asset is said to be liquid if it is converted into cash within a short period without loss of value.

YEAR	RATIOS
2017	11.19
2018	17.48
2019	16.61



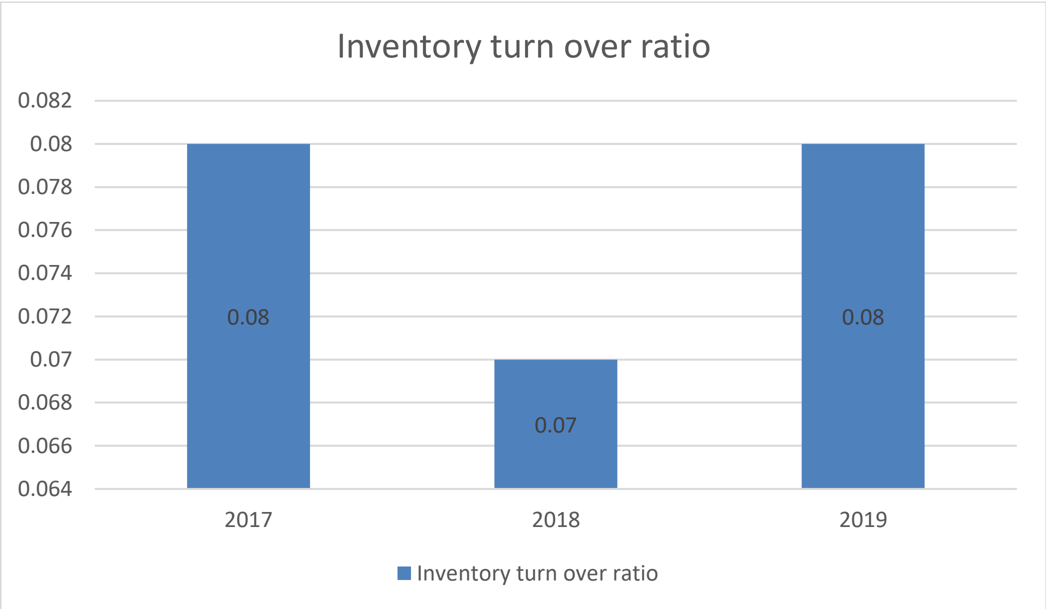
INTERPRETATION

The ideal quick ratio is 1:1. In HDFC Bank the quick ratio is greater than in all years. The reason is continuous decrease in the quick liability

INVENTORY TURN OVER RATIO

Inventory turnover is a ratio showing how many times a company has sold and replaced inventory during a given period. Calculating inventory turnover can help business make better decision on marketing and purchasing new inventory.

YEAR	RATIOS
2017	0.08
2018	0.07
2019	0.08



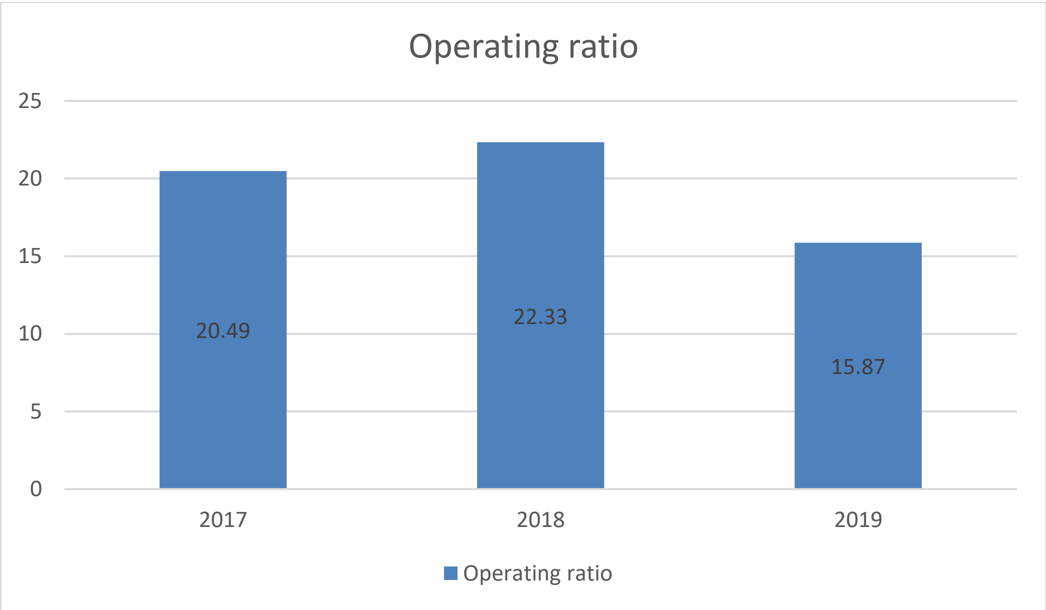
INERPRETATION

From the above figure we can see that the inventory turnover ratio is constant in year 2017 and 2019 but it is less in the year 2018.

OPERATING RATIO

It is a ratio showing relationship between cost of goods sold, operating expense and net sales. Is shows the efficiency ratio is 75% to 85%.

YEAR	RATIOS
2017	20.49
2018	22.33
2019	15.87



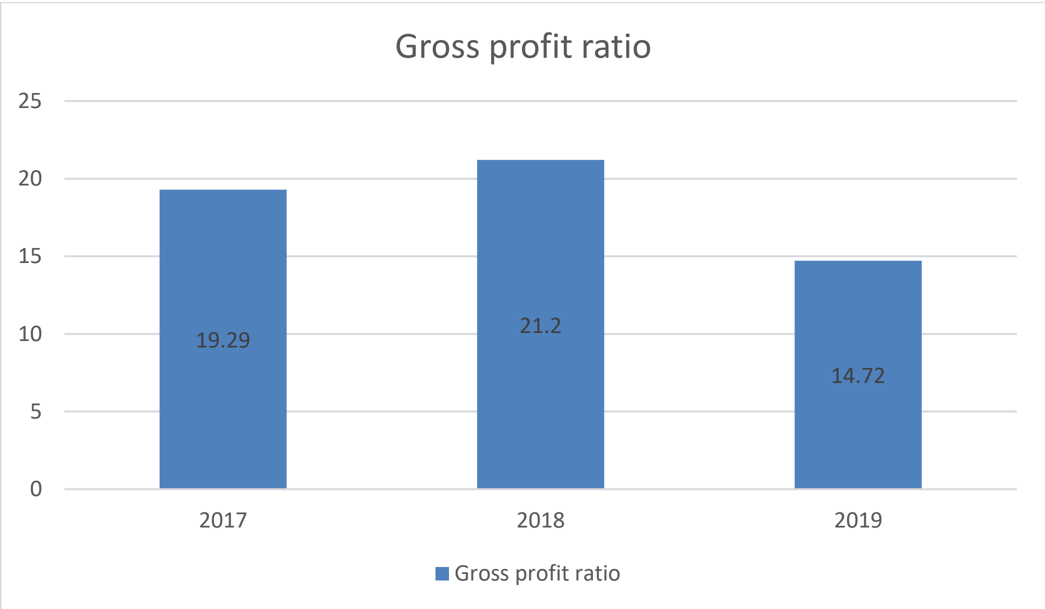
INTERPRETATION

From the above data we can say that operating expense is increased from 2017 to 2018 but we can see a decrease in operating expense in the year 2019.

GROSS PROFIT RATIO

This ratio measures the gross earning of the company as compare to its net sales. If the ratio is less it shows the inefficiency of companies management.

YEAR	RATIOS
2017	19.29
2018	21.20
2019	14.72



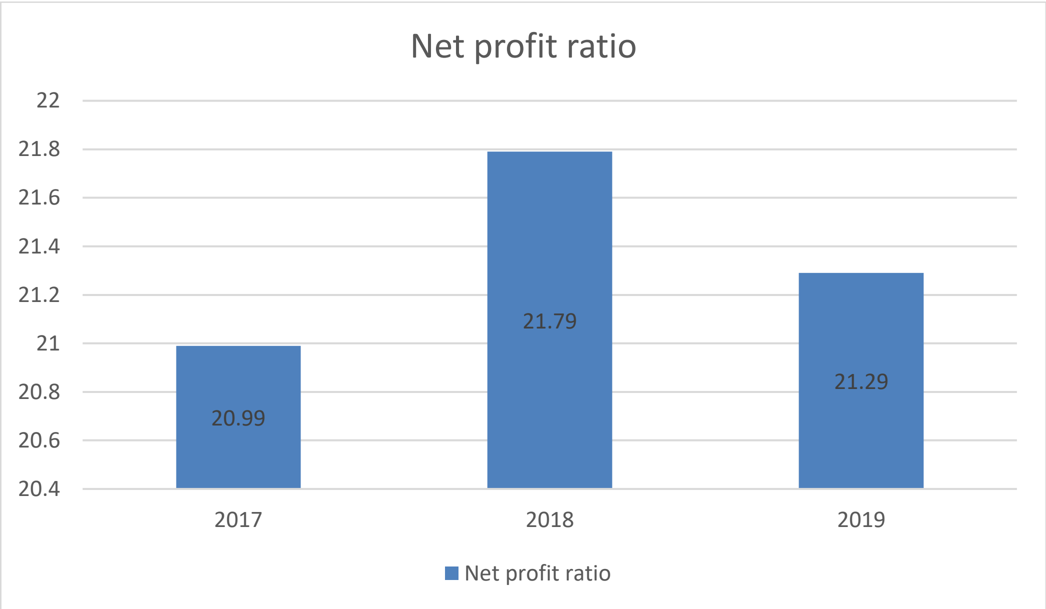
INTERPRETATION

From the above data we can say that gross profit in year 2017 is 19.29%, 21.20% in 2018 and 14.72% in 2019 respectively. Ratios are increased in continuous two years but it shown decrease in ratio in year 2019.

NET PROFIT RATIO

Net profit ratio measures the net earnings of the company as compared to net sales of the company. Business shows the efficiency or otherwise of operating the business. the higher ratio the better will be the profitability.

YEAR	RATIOS
2017	20.99
2018	21.79
2019	21.29



INTERPRETATION

From the above figure we can say that the percentage of net profit is 20.99% in the year 2017, 21.79% in year 2018 and 21.29% in year 2019 respectively. The ratio is increasing year by year it will affect the net profit ratio of the firm.

HYPOTHESIS TESTING

Hypothesis no 1

From the said research study, it was found that alternate hypothesis i.e., "HDFC Bank has shown Continuous growth from last three years has been accepted and null hypothesis is rejected.

FINDINGS

FINDINGS

Historically many of the best-performing bank investments have been those that have proven capable of above-average revenue growth. It has a very consistent track record in growing the Balance Sheet and Revenues.

- Since the dividend per share has shown a promising increase for the period under study. It shows that the bank is following a sound dividend policy and is capable of distributing higher dividends. in this way the investors will feel investing in capital of bank a much beneficial option and will be reluctant to withdraw capital for a long time.

- The earnings per share for the period under study also shows a promising increase. It suggests that bank has better profitability position and in future it can be a better or attractive channel of investment for shareholders.

- High trends of credit deposit ratio reveal that bank has performed satisfactorily as regard to granting loans and advances to generate income. It suggests that credit performance is good and the bank is doing its business good by fulfilling its major objective as regards to granting loans and accepting deposits.

CONCLUSION

CONCLUSION

The balance-sheet along with the income statement is an important tool for investors and many other parties who are interested in it to gain insight into a company and its operation. The balance sheet is a snapshot at a single point of time of the company's accounts- covering its assets, liabilities and shareholder's equity.

The purpose of the balance-sheet is to give users an idea of the company's financial position along with displaying what the company owns and owes. It is important that all investors know how to use, analyze and read balance-sheet.
P & L account tells the net profit and net loss of a company and its appropriation.

In the case of HDFC Bank, during fiscal 2008, the bank continued to grow and diversify its assets base and revenue streams. Bank maintained its leadership in all main areas such as retail credit, wholesale business, international operation, insurance, mutual fund, rural banking etc. Continuous increase in the number of branches, ATM and electronic channels shows the growth take place in bank.

Ratio analysis of financial statement shows that bank's current ratio is better than the quick ratio and fixed/worth ratio. It means bank has invested more in current assets than the fixed assets and liquid assets. Bank have given more advances to its customer and they have less cash in their hand. Profitability ratio of bank is lower than as compared to previous year. Return on equity is better than the return on assets
.

Thus, the ratio analysis and trend analysis and analysis of cash flow statement shows that HDFC Bank's financial position is good. Bank's profitability is increasing but not at high rate. Bank's liquidity position is fair but not good because bank invest more in current assets than the liquid assets. As we all know that HDFC Bank is on the first position among all the private sector bank of India in all areas but it should pay attention on its profitability and liquidity. Bank's position is stable.

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BIBLIOGRAPHY

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WEBSITES –

- **https://www.hdfcbank.com**
- **https://www.moneycontrol.com**
- **https://www.economictimes.com**
- **https://www.business-standard.com**

NEWSPAPER AND MAGAZINE –

- Business Today
- The Economic Times Polymers
- Times Of India

ANNEXURE

BALANCE SHEET

As at March 31, 2017

₹ in '000

	Schedule	As at 31-Mar-17	As at 31-Mar-16
CAPITAL AND LIABILITIES			
Capital	1	**5,125,091**	5,056,373
Reserves and surplus	2	**889,498,416**	721,721,274
Deposits	3	**6,436,396,563**	5,464,241,920
Borrowings	4	**740,288,666**	849,689,823
Other liabilities and provisions	5	**567,093,181**	367,251,338
	Total	**8,638,401,917**	7,407,960,728
ASSETS			
Cash and balances with Reserve Bank of India	6	**378,968,755**	300,583,087
Balances with banks and money at call and short notice	7	**110,552,196**	88,605,293
Investments	8	**2,144,633,366**	1,958,362,768
Advances	9	**5,545,682,021**	4,645,939,589
Fixed assets	10	**36,267,379**	33,431,573
Other assets	11	**422,298,200**	381,038,418
	Total	**8,638,401,917**	7,407,960,728
Contingent liabilities	12	**8,178,695,893**	8,533,181,145
Bills for collection		**308,480,352**	234,899,997
Significant accounting policies and notes to the financial statements	17 & 18		

The schedules referred to above form an integral part of the Balance Sheet.

STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2017

₹ in '000

		Schedule	Year ended 31-Mar-17	Year ended 31-Mar-16
I	**INCOME**			
	Interest earned	13	**693,059,578**	602,214,451
	Other income	14	**122,964,990**	107,517,233
		Total	**816,024,568**	709,731,684
II	**EXPENDITURE**			
	Interest expended	15	**361,667,334**	326,299,330
	Operating expenses	16	**197,033,442**	169,797,000
	Provisions and contingencies		**111,827,380**	90,673,223
		Total	**670,528,156**	586,769,553
III	**PROFIT**			
	Net profit for the year		**145,496,412**	122,962,131
	Balance in Profit and Loss account brought forward		**235,276,891**	186,277,944
		Total	**380,773,303**	309,240,075
IV	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		**36,374,103**	30,740,533
	Proposed dividend [Refer Schedule 18(2)]		**-**	24,017,772
	Tax (including cess) on dividend [Refer Schedule 18(2)]		**-**	4,889,453
	Dividend (including tax / cess thereon) pertaining to previous year paid during the year, net of dividend tax credits		**(16,909)**	(117,135)
	Transfer to General Reserve		**14,549,641**	12,296,213
	Transfer to Capital Reserve		**3,134,100**	2,221,532
	Transfer to / (from) Investment Reserve Account		**42,934**	(85,184)
	Balance carried over to Balance Sheet		**326,689,434**	235,276,891
		Total	**380,773,303**	309,240,075
V	**EARNINGS PER EQUITY SHARE (Face value ₹ 2 per share)**		**₹**	₹
	Basic		**57.18**	48.84
	Diluted		**56.43**	48.26
	Significant accounting policies and notes to the financial statements	17 & 18		
	The schedules referred to above form an integral part of the Statement of Profit and Loss.			

CASH FLOW STATEMENT

For the year ended March 31, 2017

	Year ended 31-Mar-17	₹ in '000 Year ended 31-Mar-16
Cash flows from operating activities		
Profit before income tax	**221,390,750**	186,379,247
Adjustments for:		
Depreciation on fixed assets	**8,331,247**	7,058,390
(Profit) / loss on revaluation of investments	**(87,543)**	173,689
Amortisation of premia on held to maturity investments	**1,756,569**	1,002,801
(Profit) / loss on sale of fixed assets	**14,735**	626
Provision / charge for non performing assets	**33,443,592**	22,963,803
Provision for dimunition in value of investment	**(76,417)**	151,722
Floating provisions	**250,000**	1,150,000
Provision for standard assets	**3,921,811**	4,399,962
Dividend from subsidiaries / associates / joint ventures	**(1,628,640)**	(1,490,542)
Contingency provisions	**384,640**	218,102
	267,700,744	222,007,800
Adjustments for:		
(Increase) / decrease in investments	**(177,259,533)**	(391,352,982)
(Increase) / decrease in advances	**(933,161,021)**	(1,015,961,758)
Increase / (decrease) in deposits	**972,154,643**	956,285,495
(Increase) / decrease in other assets	**(38,752,713)**	(37,562,160)
Increase / (decrease) in other liabilities and provisions	**223,763,890**	32,720,884
	314,446,010	(233,862,721)
Direct taxes paid (net of refunds)	**(78,591,989)**	(67,459,133)
Net cash flow (used in) / from operating activities	**235,854,020**	(301,321,854)
Cash flows used in investing activities		
Purchase of fixed assets	**(10,681,751)**	(8,159,133)
Proceeds from sale of fixed assets	**94,269**	111,518
Investment in subsidiaries / associates / joint ventures	**(10,603,674)**	-
Dividend from subsidiaries / associates / joint ventures	**1,628,640**	1,490,542
Net cash used in investing activities	**(19,562,516)**	(6,557,074)

Cash flows from financing activities		
Money received on exercise of stock options by employees	**22,615,161**	12,229,008
Increase / (decrease) in borrowings (excluding subordinate debt, perpetual debt and upper Tier II instruments)	**(90,316,657)**	357,278,283
Redemption of subordinated debt	**(19,084,500)**	(12,020,000)
Dividend paid during the year	**(24,063,093)**	(20,091,666)
Tax on dividend	**(4,807,223)**	(3,925,269)
Net cash generated from financing activities	**(115,676,312)**	333,470,356
Effect of exchange fluctuation on translation reserve	**(282,622)**	282,433
Net increase / (decrease) in cash and cash equivalents	**100,332,571**	25,873,862
Cash and cash equivalents as at April 1st	**389,188,380**	363,314,518
Cash and cash equivalents as at March 31st	**489,520,951**	389,188,380

BALANCE SHEET

As at March 31, 2018

	Schedule	As at 31-Mar-18	₹ in '000 As at 31-Mar-17
CAPITAL AND LIABILITIES			
Capital	1	**5,190,181**	5,125,091
Reserves and surplus	2	**1,057,759,776**	889,498,416
Deposits	3	**7,887,706,396**	6,436,396,563
Borrowings	4	**1,231,049,700**	740,288,666
Other liabilities and provisions	5	**457,637,181**	567,093,181
	Total	**10,639,343,234**	8,638,401,917
ASSETS			
Cash and balances with Reserve Bank of India	6	**1,046,704,730**	378,968,755
Balances with banks and money at call and short notice	7	**182,446,097**	110,552,196
Investments	8	**2,422,002,416**	2,144,633,366
Advances	9	**6,583,330,908**	5,545,682,021
Fixed assets	10	**36,072,045**	36,267,379
Other assets	11	**368,787,038**	422,298,200
	Total	**10,639,343,234**	8,638,401,917
Contingent liabilities	12	**8,754,882,292**	8,178,695,893
Bills for collection		**427,538,250**	308,480,352
Significant accounting policies and notes to the financial statements	17 & 18		

The schedules referred to above form an integral part of the Balance Sheet.

STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2018

₹ in '000

		Schedule	Year ended 31-Mar-18	Year ended 31-Mar-17
I	**INCOME**			
	Interest earned	13	**802,413,550**	693,059,578
	Other income	14	**152,203,042**	122,964,990
		Total	**954,616,592**	816,024,568
II	**EXPENDITURE**			
	Interest expended	15	**401,464,913**	361,667,334
	Operating expenses	16	**226,903,821**	197,033,442
	Provisions and contingencies		**151,380,575**	111,827,380
		Total	**779,749,309**	670,528,156
III	**PROFIT**			
	Net profit for the year		**174,867,283**	145,496,412
	Balance in Profit and Loss account brought forward		**326,689,434**	235,276,891
		Total	**501,556,717**	380,773,303
IV	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		**43,716,821**	36,374,103
	Proposed dividend [Refer Schedule 18(1)]		**-**	-
	Tax (including cess) on dividend [Refer Schedule 18(1)]		**-**	-
	Dividend (including tax / cess thereon) pertaining to previous year paid during the year, net of dividend tax credits		**33,905,804**	(16,909)
	Transfer to General Reserve		**17,486,728**	14,549,641
	Transfer to Capital Reserve		**2,355,227**	3,134,100
	Transfer to / (from) Investment Reserve Account		**(442,018)**	42,934
	Balance carried over to Balance Sheet		**404,534,155**	326,689,434
		Total	**501,556,717**	380,773,303
V	**EARNINGS PER EQUITY SHARE (Face value ₹ 2 per share)**		₹	₹
	Basic		**67.76**	57.18
	Diluted		**66.84**	56.43
	Significant accounting policies and notes to the financial statements	17 & 18		
	The schedules referred to above form an integral part of the Statement of Profit and Loss.			

CASH FLOW STATEMENT

For the year ended March 31, 2018

	Year ended 31-Mar-18	₹ in '000 Year ended 31-Mar-17
Cash flows from operating activities		
Profit before income tax	**266,972,951**	221,390,750
Adjustments for:		
Depreciation on fixed assets	**9,063,418**	8,331,247
(Profit) / loss on revaluation of investments	**1,570,448**	(87,543)
Amortisation of premia on held to maturity investments	**3,599,102**	1,756,569
(Profit) / loss on sale of fixed assets	**3,102**	14,735
Provision / charge for non performing assets	**51,784,408**	33,443,592
Provision for dimunition in value of investment	**304,543**	(76,417)
Floating provisions	**-**	250,000
Provision for standard assets	**5,974,259**	3,921,811
Dividend from subsidiaries / associates / joint ventures	**(2,416,454)**	(1,628,640)
Contingency provisions	**3,891,829**	384,640
	340,747,606	267,700,744
Adjustments for:		
(Increase) / decrease in investments	**(282,699,813)**	(177,259,533)
(Increase) / decrease in advances	**(1,089,405,183)**	(933,161,021)
Increase / (decrease) in deposits	**1,451,309,833**	972,154,643
(Increase) / decrease in other assets	**63,297,493**	(38,752,713)
Increase / (decrease) in other liabilities and provisions	**(120,347,372)**	223,763,890
	362,902,564	314,446,010
Direct taxes paid (net of refunds)	**(102,161,907)**	(78,591,989)
Net cash flow from operating activities	**260,740,657**	235,854,020
Cash flows used in investing activities		
Purchase of fixed assets	**(7,699,194)**	(10,681,751)
Proceeds from sale of fixed assets	**95,089**	94,269
Investment in subsidiaries / associates / joint ventures	**(143,331)**	(10,603,674)
Dividend from subsidiaries / associates / joint ventures	**2,416,454**	1,628,640
Net cash used in investing activities	**(5,330,982)**	(19,562,516)

For the year ended March 31, 2018

₹ in '000

	Year ended 31-Mar-18	Year ended 31-Mar-17
Cash flows from financing activities		
Money received on exercise of stock options by employees	**27,259,099**	22,615,161
Increase / (decrease) in borrowings (excluding subordinate debt, perpetual debt and upper Tier II instruments)	**411,511,034**	(90,316,657)
Proceeds from issue of Additional Tier I and Tier II Capital Bonds	**100,000,000**	-
Redemption of subordinated debt	**(20,750,000)**	(19,084,500)
Dividend paid during the year	**(28,312,716)**	(24,083,093)
Tax on dividend	**(5,593,088)**	(4,807,223)
Net cash (used in) / from financing activities	**484,114,329**	(115,676,312)
Effect of exchange fluctuation on translation reserve	**105,872**	(282,622)
Net increase in cash and cash equivalents	**739,629,876**	100,332,571
Cash and cash equivalents as at April 1st	**489,520,951**	389,188,380
Cash and cash equivalents as at March 31st	**1,229,150,827**	489,520,951

BALANCE SHEET

₹ in '000

	Schedule	As at 31-Mar-20	As at 31-Mar-19
CAPITAL AND LIABILITIES			
Capital	1	**5,483,286**	5,446,613
Reserves and surplus	2	**1,704,377,008**	1,486,616,908
Deposits	3	**11,475,022,947**	9,231,409,284
Borrowings	4	**1,446,285,372**	1,170,851,238
Other liabilities and provisions	5	**673,943,976**	551,082,863
Total		**15,305,112,589**	**12,445,406,906**
ASSETS			
Cash and balances with Reserve Bank of India	6	**722,051,210**	467,636,184
Balances with banks and money at call and short notice	7	**144,135,970**	345,840,208
Investments	8	**3,918,266,581**	2,931,160,725
Advances	9	**9,937,028,781**	8,194,012,167
Fixed assets	10	**44,319,155**	40,300,043
Other assets	11	**539,310,892**	466,457,579
Total		**15,305,112,589**	**12,445,406,906**
Contingent liabilities	12	**11,289,534,044**	10,247,151,183
Bills for collection		**515,849,020**	499,528,010
Significant accounting policies and notes to the financial statements	17 & 18		

The schedules referred to above form an integral part of the Balance Sheet.

STATEMENT OF PROFIT AND LOSS

₹ in '000

	Schedule	Year ended 31-Mar-20	Year ended 31-Mar-19
I INCOME			
Interest earned	13	1,148,126,509	989,720,505
Other income	14	232,608,187	176,258,849
Total		1,380,734,696	1,165,979,354
II EXPENDITURE			
Interest expended	15	586,263,979	507,288,285
Operating expenses	16	306,975,289	261,193,700
Provisions and contingencies		224,922,278	186,715,716
Total		1,118,161,546	955,197,701
III PROFIT			
Net profit for the year		262,573,150	210,781,653
Balance in the Profit and Loss account brought forward		492,233,022	404,534,155
Total		754,806,172	615,315,808
IV APPROPRIATIONS			
Transfer to Statutory Reserve		65,643,288	52,695,413
Dividend (including tax / cess thereon) pertaining to previous year paid during the year, net of dividend tax credits		48,933,585	40,525,854
Interim Dividend (including tax)		16,469,504	-
Transfer to General Reserve		26,257,315	21,078,165
Transfer to Capital Reserve		11,238,460	1,053,354
Transfer to / (from) Investment Reserve Account		-	-
Transfer to / (from) Investment Fluctuation Reserve		11,340,000	7,730,000
Balance carried over to Balance Sheet		574,924,020	492,233,022
Total		754,806,172	615,315,808
V EARNINGS PER EQUITY SHARE (FACE VALUE ₹ 1 PER SHARE)		₹	₹
Basic		48.01	39.33
Diluted		47.66	38.94
Significant accounting policies and notes to the financial statements	17 & 18		

The schedules referred to above form an integral part of the Profit and Loss Account.

CASH FLOW STATEMENT

₹ in '000

	Year ended 31-Mar-20	Year ended 31-Mar-19
Cash flows from operating activities		
Profit before income tax	366,071,513	321,996,620
Adjustments for :		
Depreciation on fixed assets	11,958,533	11,401,037
(Profit) / loss on revaluation of investments	7,021,095	152,437
Amortisation of premium on held to maturity investments	5,014,137	4,534,626
(Profit) / loss on sale of fixed assets	83,208	(64,341)
Provision / charge for non performing assets	93,523,605	65,820,705
Provision for standard assets and contingencies	30,515,777	11,512,607
Dividend from subsidiaries	(4,237,182)	(2,044,422)
	509,950,686	**413,309,269**
Adjustments for :		
(Increase) / decrease in investments	(999,216,055)	(513,892,438)
(Increase) / decrease in advances	(1,836,404,567)	(1,676,454,898)
Increase / (decrease) in deposits	2,243,613,663	1,343,702,888
(Increase) / decrease in other assets	(71,801,285)	(86,877,312)
Increase / (decrease) in other liabilities and provisions	91,939,987	81,830,094
	(61,917,571)	**(438,382,397)**
Direct taxes paid (net of refunds)	(104,980,179)	(122,164,302)
Net cash flow used in operating activities	**(166,897,750)**	**(560,546,699)**
Cash flows from investing activities		
Purchase of fixed assets	(15,468,752)	(15,517,953)
Proceeds from sale of fixed assets	182,351	212,346
Dividend from subsidiaries	4,237,182	2,044,422
Net cash flow used in investing activities	**(11,049,219)**	**(13,261,185)**

₹ in '000

	Year ended 31-Mar-20	Year ended 31-Mar-19
Cash flows from financing activities		
Proceeds from issue of share capital, net of issue expenses	**18,486,821**	257,904,302
Redemption of Tier II capital bonds	**-**	(28,750,000)
Increase / (decrease) in other borrowings	**275,434,134**	(31,448,462)
Dividend paid during the year (including tax on dividend)	**(65,403,089)**	(40,525,854)
Net cash flow from financing activities	**228,517,866**	**157,179,986**
Effect of exchange fluctuation on translation reserve	**2,139,891**	**953,463**
Net increase / (decrease) in cash and cash equivalents	**52,710,788**	**(415,674,435)**
Cash and cash equivalents as at April 1st	**813,476,392**	**1,229,150,827**
Cash and cash equivalents as at March 31st	**866,187,180**	**813,476,392**