

A  
PROJECT REPORT  
ON

**“A COMPREHENSIVE FINANCIAL STUDY OF HDFC BANK LTD”**

Submitted to  
**G.S. College of Commerce & Economics Nagpur,**

Affiliated to  
**Rashtrasant Tukadoji Maharaj Nagpur University,**

In partial fulfillment for the award of the degree of  
**Bachelor of Business Administration**

Submitted by  
**ANIKET RAJESH KHAWSHI**

Under the Guidance of  
**DR. AFSAR SHEIKH**

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**G.S College of Commerce and Economics (Autonomous),**

**Nagpur**

**Academic year 2023-24**



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**G.S College of Commerce and Economics (Autonomous),**

**Nagpur**

**Academic year 2023-24**



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**CERTIFICATE**

This is to certify that “**ANIKET RAJESH KHAWSHI**” has submitted the project report titled “**A COMPREHENSIVE FINANCIAL STUDY 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 has ingeniously completed his project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

**DR. AFSAR SHEIKH**

**(Project Guide)**

**DR. AFSAR SHEIKH**

**(Coordinator)**

**Place:- Nagpur**

**Date:-**

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**G.S College of Commerce and Economics (Autonomous),**

**Nagpur**

**Academic year 2023-24**



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**DECLARATION**

I here-by declare that the project with title “**A COMPREHENSIVE FINANCIAL STUDY 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.

**Place:- Nagpur**

**ANIKET.R.KHAWSHI**

**Date:-**

**G.S College of Commerce and Economics (Autonomous),**

**Nagpur**

**Academic year 2023-24**



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

**Place:- Nagpur**

**ANIKET.R.KHAWSHI**

**Date:-**

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**Chapter 1:**  
**INTRODUCTION**

## **INTRODUCTION**

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.

HDFC Bank Ltd., headquartered in Mumbai, India, is one of the leading private sector banks in India and is renowned for its robust financial services offerings. Established in 1994, HDFC Bank has grown rapidly to become one of the largest banks in India by assets, market capitalization, and branch network.

HDFC Bank Limited is an Indian financial services company was incorporated in August 1994. HDFC Bank is the fifth or sixth largest bank in India by assets and the first largest bank by market capitalization as of November 1, 2012. The bank was promoted by the Housing Development Finance Corporation, a premier housing finance company (set up in 1977) of India.

### **HDFC Bank deals with three key business segments:**

- 1) Wholesale Banking Services
- 2) Retail Banking Services
- 3) Treasury.

#### **1) Wholesale banking:**

It provides loans, non-fund facilities and transaction services to corporate, public sector units, government bodies, financial institutions and medium scale enterprises, and other banking business, segment includes income from banking activities, such as credit cards, debit cards, third party product distribution, primary dealership business and the associated costs.

## **2) Retail banking services:**

It serves retail customers through a branch network and other delivery channels.

## **3) Treasury:**

It primarily consists of net interest earnings from the Bank's investment portfolio, money market borrowing and lending, gains or losses on investment operations and on account of trading in foreign exchange and derivative contracts.

HDFC Bank Limited (HDFC Bank) is a banking company engaged in providing a range of banking and financial services, including commercial banking and treasury operations.

The objective is to provide favorable and best banking facilities for the target customers in retail and wholesale and maximize profitability.

## **Founding and Background**

HDFC Bank was incorporated in August 1994 as a wholly-owned subsidiary of Housing Development Finance Corporation Limited (HDFC), India's premier housing finance institution. The bank was established with the objective of providing a wide range of financial products and services to retail, corporate, and institutional customers.

## **Business Model**

HDFC Bank operates under a universal banking model, offering a comprehensive suite of banking and financial services. Its offerings include retail banking, wholesale banking, treasury services, and other financial products such as credit cards, loans, insurance, and investment banking services. The bank caters to a diverse customer base ranging from individuals and small businesses to large corporations and government entities.



## **Market Presence**

HDFC Bank has a widespread presence across India with a vast network of branches, ATMs, and digital banking channels. Its extensive branch network enables it to serve customers in urban, semi-urban, and rural areas, thereby contributing to financial inclusion efforts in the country. Additionally, HDFC Bank has expanded its international footprint with operations in key global financial centers.

## **Technology and Innovation**

HDFC Bank is renowned for its focus on technology and innovation in delivering banking services. It has been at the forefront of digital transformation in the Indian banking industry, offering innovative digital banking solutions such as internet banking, mobile banking, and digital wallets. The bank's emphasis on technology-driven processes has enhanced customer convenience, efficiency, and security.

## **Corporate Governance and Sustainability**

HDFC Bank places a strong emphasis on corporate governance, transparency, and ethical business practices. It adheres to the highest standards of governance, guided by a well-defined framework and regulatory compliance. The bank is committed to sustainability and social responsibility initiatives, integrating environmental, social, and governance (ESG) considerations into its business operations and decision-making processes.

## **Financial Performance**

HDFC Bank has consistently delivered strong financial performance, characterized by robust revenue growth, profitability, and asset quality. Its prudent risk management practices, diversified revenue streams, and efficient cost management have contributed to its sustained success. The bank's financial strength and stability have earned it recognition as a leading player in the Indian banking industry.

## **HISTORY OF HDFC BANK**

HDFC BANK LTD 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. If ever there was a man with a mission it was Hasmukhbhai Parekh, Founder and Chairman-Emeritus, of H.D.F.C Group. HDFC BANK LTD was amongst the first to set up a bank in the Private sector. The bank was incorporated on 30th August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai. It commenced operations as a Scheduled Commercial Bank on 16th January 1995. The bank has grown consistently and is now amongst the leading players in the industry.

In 1994, HDFC Ltd received an "in principle" approval from the Reserve Bank of India (RBI) to establish a private sector bank, following RBI's policy for liberalization of the Indian banking industry. In August of that year, HDFC Bank Limited was incorporated with a registered office in Mumbai. It became a Scheduled Commercial Bank in January 1995 and commenced operations. In April 2022, the merger of HDFC Ltd and HDFC Bank was announced. HDFC Ltd is a leader in housing finance, while HDFC Bank offers a broad range of financial products, including home loans. As of January 31, 2024, HDFC Bank's distribution network comprised 8,143 branches and 20,688 ATMs/Cash Recycler Machines across 3,836 cities/towns. The amalgamation of HDFC Ltd's 737 outlets, including 214 offices of HDFC Sales Private Limited, into the bank's network has been completed. The bank also has branches in four countries and representative offices in Dubai, London, and Singapore. It offers home loan products to non-resident Indians and persons of Indian origin.

**Chapter 2:**  
**COMPANY PROFILE**



## COMPANY PROFILE




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The Housing Development Finance Corporation Limited or HDFC Ltd was among the first financial institutions in India to receive an “in principle” approval from the Reserve Bank of India (RBI) to set up a bank in the private sector. This was done as part of RBI’s policy for liberalisation of the Indian banking industry in 1994.

HDFC Bank was incorporated in August 1994 in the name of HDFC Bank Limited, with its registered office in Mumbai, India. The bank commenced operations as a Scheduled Commercial Bank in January 1995.

On April 4, 2022 the merger of India’s largest Housing Finance Company, HDFC Limited and the largest private sector bank in India, HDFC Bank was announced. HDFC Ltd, over the last 45 years has developed one of the best product offerings making it a leader in the housing finance business. HDFC Bank enables seamless delivery of home loans as a part of its wide product suite catering to urban, semi urban and rural India.

As of February 29, 2024, the Bank’s distribution network was at 8,192 branches and 20,760 ATMs / Cash Recycler Machine ( Cash deposit & withdrawal ) across 3,836 cities / towns. HDFC Ltd.’s distribution network comprising 737 outlets, which include 214 offices of HDFC Sales Private Limited stands amalgamated into the Bank’s network. The Bank’s international presence includes branches in 4 countries

and 3 representative offices in Dubai, London and Singapore offering Home Loan products to Non-Resident Indians and Persons of Indian Origin

### **The HDFC Legacy**

HDFC Ltd was founded in 1977, when the Late Shri. HT Parekh, Founder and Chairman of HDFC Ltd, dreamt of millions of middle-class citizens of India owning a home and not having to wait till their retirement. Pioneering India's housing finance industry, the late Shri. Parekh, a Padma Bhushan recipient, built HDFC Ltd on a strong foundation of integrity, transparency, and professionalism. Taking the legacy further Mr. Deepak Parekh, Chairman HDFC Ltd. and a Padma Bhushan awardee, not only made HDFC the leader in Mortgages, but also transformed it into India's leading Financial Services conglomerate with a presence in Banking, Asset Management, Life Insurance, General Insurance, Real Estate Venture Fund, Education Loan and Education

### **Capital Structure**

As on 31-March-2023, the authorized share capital of the Bank is ₹ 650 crore. The paid-up share capital of the Bank as on the said date is ₹ 557,97,42,786 comprising of 557,97,42,786 equity shares of the face value of ₹ 1/- each. The HDFC Group holds 20.87% of the Bank's equity and about 18.43% of the equity is held by the ADS Depositories in respect of the Bank's American Depository Shares (ADS). Further, 26.30% of the equity is held by Foreign Institutional Investors (FIIs) and the Bank has 22,90,092 shareholders.

The shares are listed on the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The Bank's American Depository Shares (ADS) are listed on the New York Stock Exchange (NYSE) with symbol 'HDB'.

### **Distribution Network**

HDFC Bank is headquartered in Mumbai. As of December 31, 2023, the Bank's distribution network was at 8,086 branches across 3,836 cities. Customers across India are 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 centres, 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 18,089 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.

### **Vision, Mission And Values**

HDFC Bank's mission is to be a world class Indian bank. We have a two-fold objective: first, to be the preferred provider of banking services for target retail and wholesale customer segments. The second objective is to achieve healthy growth in profitability, consistent with the bank's risk appetite.

The bank is committed to maintaining the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. HDFC Bank's business philosophy is based on five core values: Operational Excellence, Customer Focus, Product Leadership, People and Sustainability.

### Key Peoples of HDFC Bank Ltd

1	Mr. Sashidhar Jagdishan	Managing Director & Chief Executive Officer
2	Mr. Kaizad Bharucha	Deputy Managing Director
3	Mr. Bhavesh Zaveri	Executive Director
4	Mr. Srinivasan Vaidyanathan	Chief Financial Officer
5	Mr. Santosh Haldankar	Company Secretary

### Product and Services offer by HDFC Bank Ltd

HDFC Bank provides a number of products and services including wholesale banking, retail banking, treasury, auto loans, two-wheeler loans, personal loans, loans against property, consumer durable loan, lifestyle loan and credit cards. Along with this various digital products are Payzapp and SmartBUY

- Consumer banking
- Commercial banking
- Insurance
- Credit cards
- Investment banking
- Mortgage loans
- Private banking
- Private equity
- Investment management
- Asset management
- Mutual funds
- Exchange-traded funds
- Index funds

## Subsidiaries

- HDFC Life
- HDFC ERGO
- HDFC Securities
- HDFC Asset Management Company
- HDFC Mutual Fund
- HDB Financial Services
- HDFC Credila Financial Service

### Financial Year 2022-23

Revenue	▲ ₹2.05 lakh crore (US\$26 billion)
Operating income	▲ ₹615 billion (US\$7.7 billion)
Net income	▲ ₹459.97 billion (US\$5.8 billion)
Total assets	▲ ₹25.3 lakh crore (US\$320 billion)
Total equity	▲▲ ₹2.85 lakh crore (US\$36 billion)



**Chapter 3:**  
**RESEARCH STUDY**

## RELEVANCE OF STUDY

- Highlight the economic significance of HDFC Bank as a major player in the banking sector.
- Discuss its role in financial intermediation, contributing to economic growth, and providing essential financial services.
- Discuss how the bank's performance can impact the broader financial market and economy.
- Mention the extensive customer base of HDFC Bank, including individuals, businesses, and other entities. Explore the impact of the bank's financial health on the stability and confidence of its customers.
- Discuss the relevance for investors, both institutional and individual, who may have a significant stake in HDFC Bank.
- Address how the financial analysis can aid investors in making informed decisions.

## OBJECTIVES

- Assessing the overall financial performance of HDFC Bank to gauge its profitability, efficiency, and effectiveness in utilizing resources.
- Comparing HDFC Bank's financial performance with industry benchmarks and competitors to identify relative strengths and weaknesses.
- Assisting in strategic planning by identifying areas of improvement, potential growth opportunities, and potential challenges.
- Analyzing the composition of HDFC Bank's capital structure to determine the balance between debt and equity.

## NEED OF STUDY

- Investors require a thorough understanding of HDFC Bank's financial health to make informed investment decisions. A detailed analysis can assist them in evaluating the potential risks and returns associated with investing in the bank's stocks or bonds.
- Financial analysis helps in identifying and managing financial risks. By assessing HDFC Bank's risk exposure and risk management strategies, the study contributes to ensuring the bank's stability and resilience.
- For HDFC Bank's management, a comprehensive financial analysis provides insights into areas of strength and weakness. It aids in strategic planning by highlighting opportunities for growth, areas for improvement, and potential challenges in the competitive landscape.
- Understanding how HDFC Bank compares with competitors in the financial market is crucial for maintaining and enhancing its competitiveness. The analysis helps in identifying areas where the bank can outperform or needs improvement.

## LIMITATIONS

- Data Limitations:
  - Availability and accuracy of financial data may be constrained by the bank's disclosure practices or changes in accounting standards.
  - The historical nature of financial data may not capture real-time fluctuations or emerging trends.
- Industry Dynamics:
  - Changes in the banking industry or regulatory environment may affect the generalizability of findings over time.
  - Market conditions, competitive landscape, or technological advancements might evolve, impacting the relevance of the analysis.
- External Factors:
  - External economic shocks, geopolitical events, or unforeseen circumstances can significantly influence the accuracy of financial forecasts.
  - Currency fluctuations, interest rate changes, or global economic downturns may impact the bank's financial stability.
- Information Bias:
  - The study might be limited by the accuracy and completeness of the information provided by the bank.
- Assumptions and Simplifications:
  - Certain assumptions or simplifications made during the analysis might oversimplify the complex reality of HDFC Bank's financial operations.

## **HYPOTHESIS**

### Hypothesis 1: Profitability Trends

Null Hypothesis ( $H_0$ ): There is no significant change in HDFC Bank's profitability over the analyzed period.

Alternative Hypothesis ( $H_1$ ): HDFC Bank's profitability has experienced a significant increase or decrease.

### Hypothesis 2: Debt-to-Equity Ratio

Null Hypothesis ( $H_0$ ): HDFC Bank's debt-to-equity ratio remains constant over the analyzed period.

**Chapter 4:**  
**LITERATURE REVIEW**

## LITERATURE REVIEW

S. Muruganantham and S. K. Nerdish (2021) 'A study on financial performance analysis of HDFC Ltd' analyzed financial performance through ratio analysis and examined the financial position with the use of different ratios. The objectives of the study are to study the growth aspect of HDFC bank and measure its financial results. The study has been made on various aspects of the bank like interest, loans, assets, expenses, deposits, etc. The findings of the study reveals that the bank has minority issues in managing the deposits and all aspects are going well.

Nandhini Thakuelr 2020), "The study is conducted on financial statement analyses of HDFC Bank with the time period of 2013-2018. The tools used in this study were ratio analysis, cash and fund flow analyses. The objective is to measure the efficiency of various properties of bank. Researchers find that bank's financial performance was strong and suggested to providing more housing loans to the development of the citizen of India."

Rajedran P (2019) analyzed the performance of HDFC Bank. Researcher explained about HDFC bank's history. Current ratio, cash position ratio, Debt equity ratio, proprietary ratio was good. The study finds that part of the working capital of the bank was financed by long-term funds. Researcher concluded with a result as HDFC Bank was the largest private sector in India and it's financial performance was strong during the period study.'



**Chapter 5:**  
**RESEARCH METHODOLOGY**

## METHODOLOGY

This study is quantitative meaning it primarily deals with financial statements of HDFC Bank for the past four years. This study is based on secondary data which is taken from the bank's website and the annual reports. The data is analyzed by the ratio analysis and the performance of the bank is clearly explained for the study period.

Secondary data is the data, which is collected from published source. I have collected data from various sources such as bank's annual report of previous year, different document prepared by the bank and from various reference books also.

After the data collection of both the sources, I have analyzed the data & conducted various financial statement analysis & prepared various graphs. After analyzing the data I have derived a conclusion and have made suggestions based on my analysis.

Period of Study	2020 To 2023
Framework of analysis	Financial Statements
Tools and Techniques	Ratio analysis

**Chapter 6:**

**DATA ANALYSIS & INTERPRETATION**

## **DATA ANALYSIS & 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 financial statement, so that the strength & weakness of the firm as well as its historical performance & current financial condition can be determined. The term ratio refers to the numbers or quantitative 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**

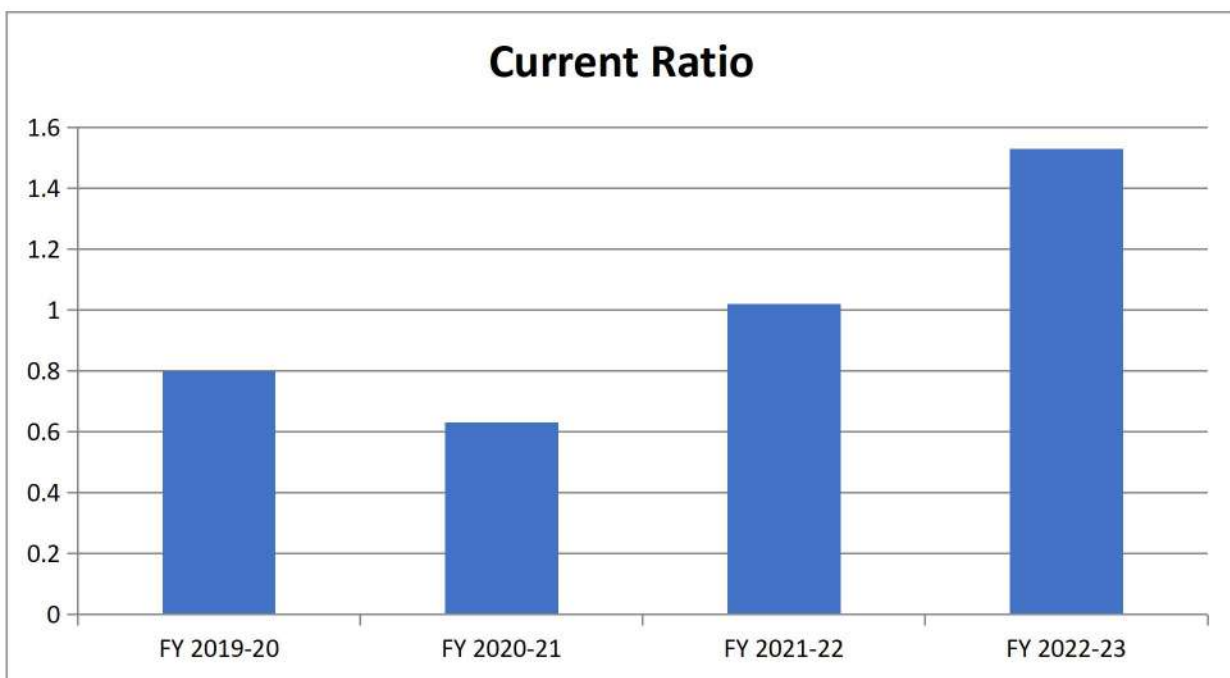
- Operating ratio
- Gross profit ratio
- Net profit ratio

##### **3) LEVERAGE RATIOS**

- Debt-to-Equity Ratio

## Current Ratio

Year	Current Ratio
<b>FY 2019-20</b>	<b>0.80</b>
<b>FY 2020-21</b>	<b>0.63</b>
<b>FY 2021-22</b>	<b>1.02</b>
<b>FY 2022-23</b>	<b>1.53</b>

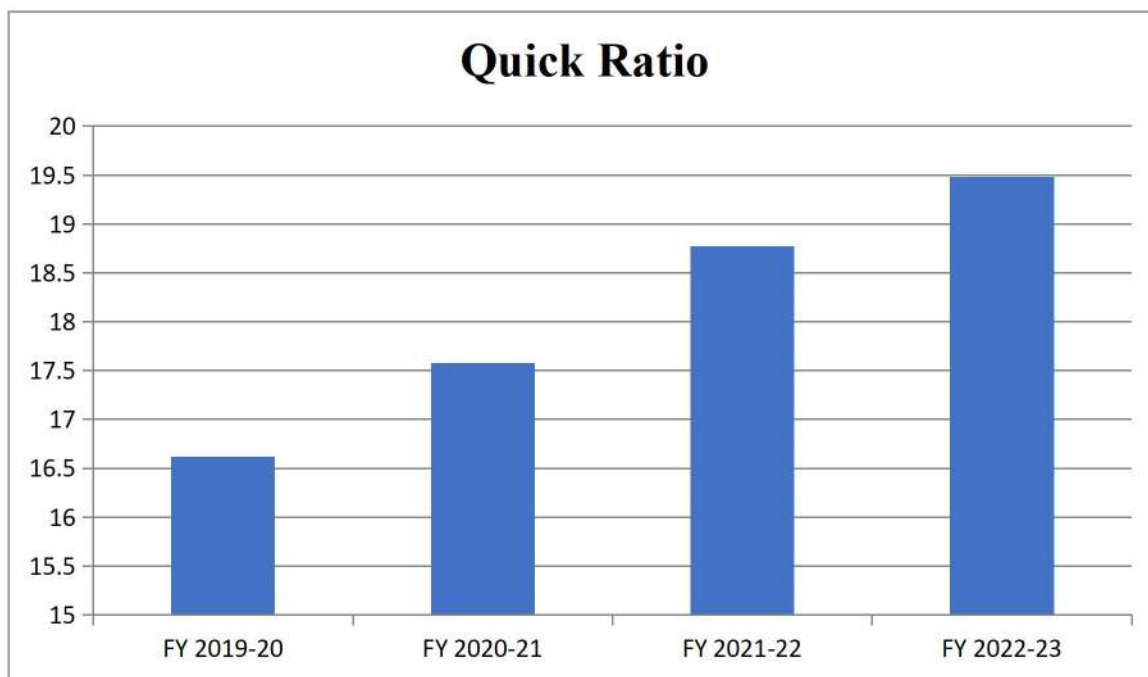


### INTERPRETATION

The current ratio was 0.80, which means the company had more short-term liabilities than assets during this fiscal year. In 2021 the current ratio decreased further to 0.63. This suggests a worsening liquidity position compared to the previous fiscal year. The current ratio increased significantly to 1.02 in year 2022. The current ratio further improved to 1.53 in 2023. This suggests a continued strengthening of the company's liquidity position. It indicates that the company has significantly more short-term assets than liabilities, which is generally considered favorable from a financial stability perspective.

## Quick Ratio

Year	Quick Ratio
<b>FY 2019-20</b>	<b>16.62</b>
<b>FY 2020-21</b>	<b>17.58</b>
<b>FY 2021-22</b>	<b>18.77</b>
<b>FY 2022-23</b>	<b>19.48</b>

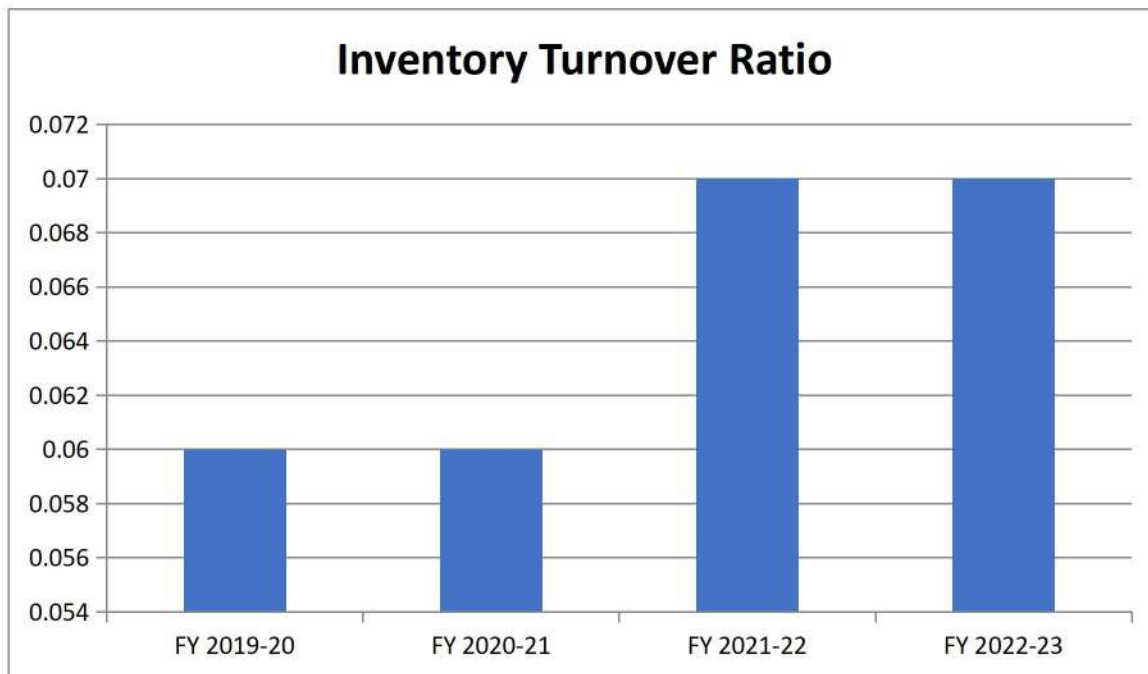


### INTERPRETATION

The increasing trend in the quick ratio reflects improving financial health and liquidity management within the company over the specified period. This suggests that the company has been progressively strengthening its ability to meet its short-term financial obligations using its liquid assets. A higher quick ratio generally indicates a healthier financial position and greater liquidity.

## Inventory Turnover Ratio

Year	Inventory Turnover Ratio
<b>FY 2019-20</b>	<b>0.06</b>
<b>FY 2020-21</b>	<b>0.06</b>
<b>FY 2021-22</b>	<b>0.07</b>
<b>FY 2022-23</b>	<b>0.07</b>

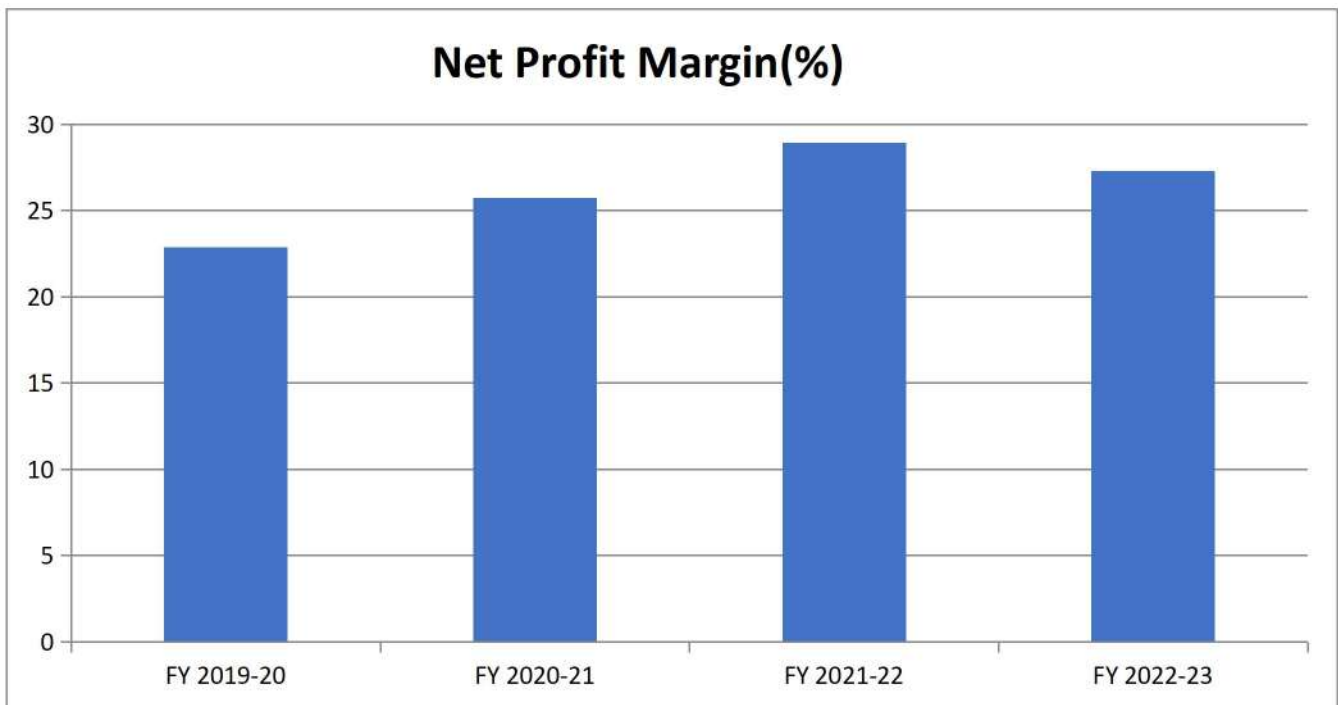


### INTERPRETATION

The inventory turnover ratio remained at 0.07, indicating that the improvement seen in the previous year was sustained. However, the turnover rate is still relatively low, and further improvements may be needed to optimize inventory management.

## Net Profit Margin

Year	Net Profit Margin (%)
<b>FY 2019-20</b>	<b>22.86</b>
<b>FY 2020-21</b>	<b>25.74</b>
<b>FY 2021-22</b>	<b>28.93</b>
<b>FY 2022-23</b>	<b>27.29</b>



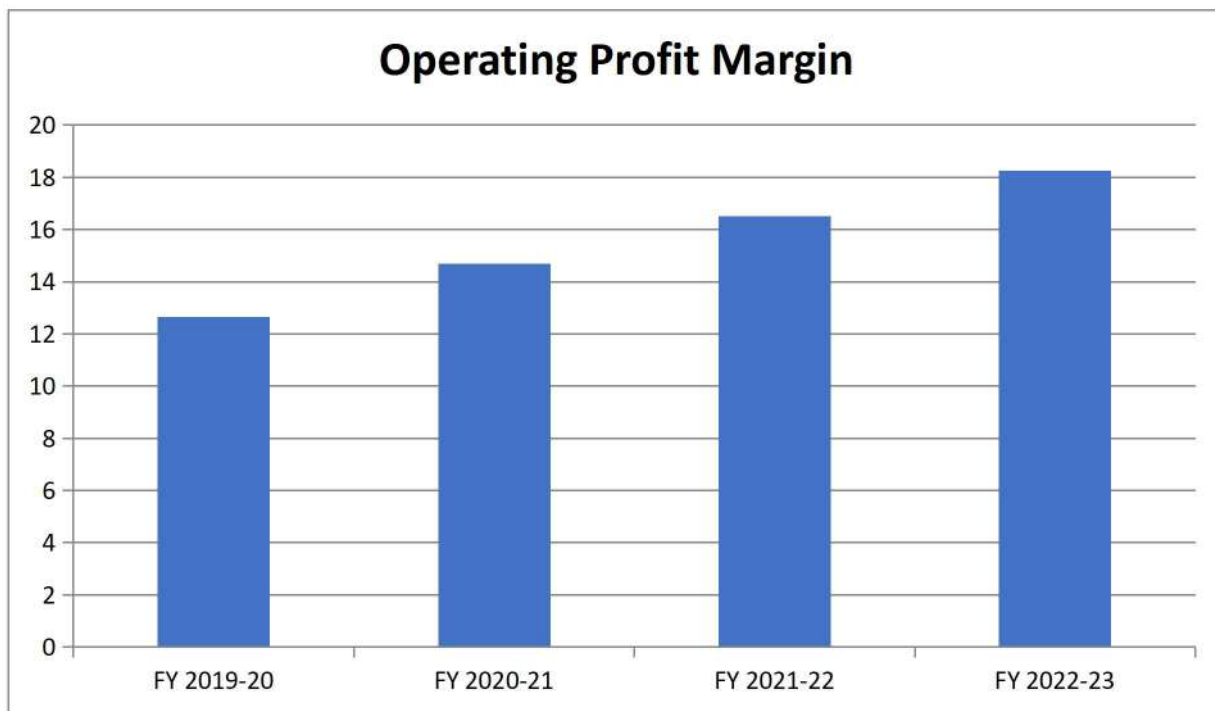
### INTERPRETATION

The company had a net profit margin of 22.86% in financial year 2019-20. The net profit margin increased to 25.74% in 2021. This indicates an improvement in profitability compared to the previous fiscal year. In 2022 the net profit margin further increased to 28.93%. This suggests continued improvement in the company's financial performance. Although still high, the net profit margin decreased slightly to 27.29% in 2023. This could indicate that the company faced challenges such as rising costs or a slowdown in revenue growth compared to the previous year.



## Operating Profit Margin

Year	Operating Profit Margin
<b>FY 2019-20</b>	<b>12.66</b>
<b>FY 2020-21</b>	<b>14.69</b>
<b>FY 2021-22</b>	<b>16.52</b>
<b>FY 2022-23</b>	<b>18.26</b>

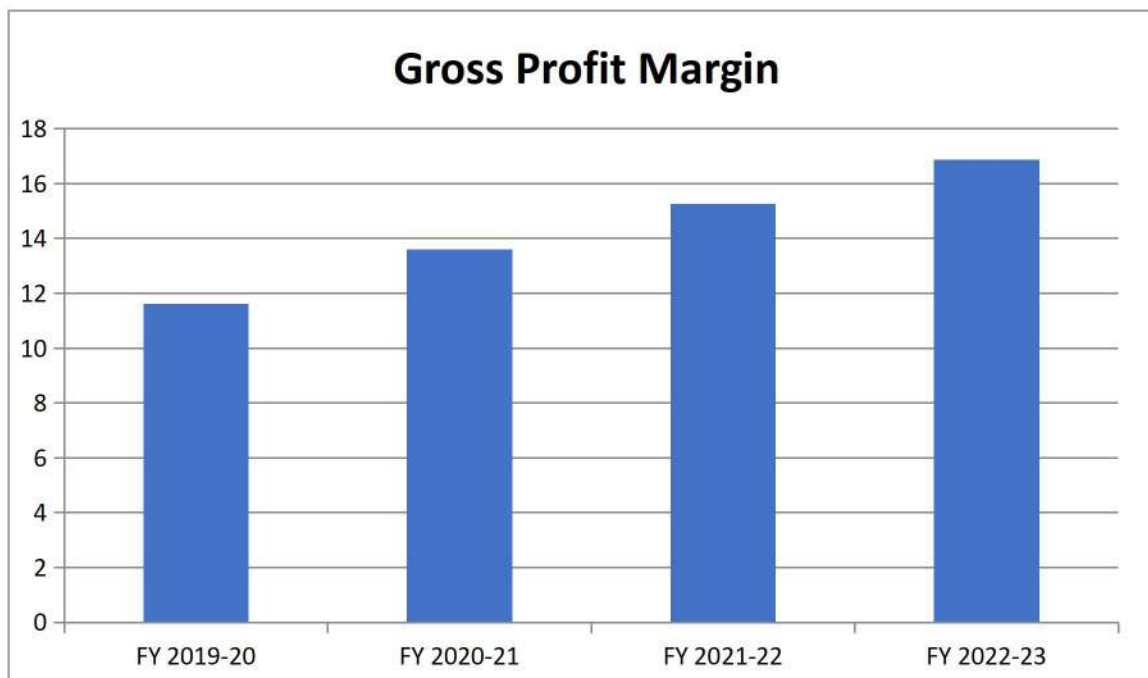


### INTERPRETATION

The operating profit margin continued to rise to 18.26%. This indicates a sustained trend of improving operational efficiency over the years. The company may have implemented strategies to enhance productivity, control costs, or increase pricing, resulting in higher operating profits relative to revenue.

## Gross Profit Margin

Year	Gross Profit Margin
<b>FY 2019-20</b>	<b>11.62</b>
<b>FY 2020-21</b>	<b>13.61</b>
<b>FY 2021-22</b>	<b>15.26</b>
<b>FY 2022-23</b>	<b>16.87</b>

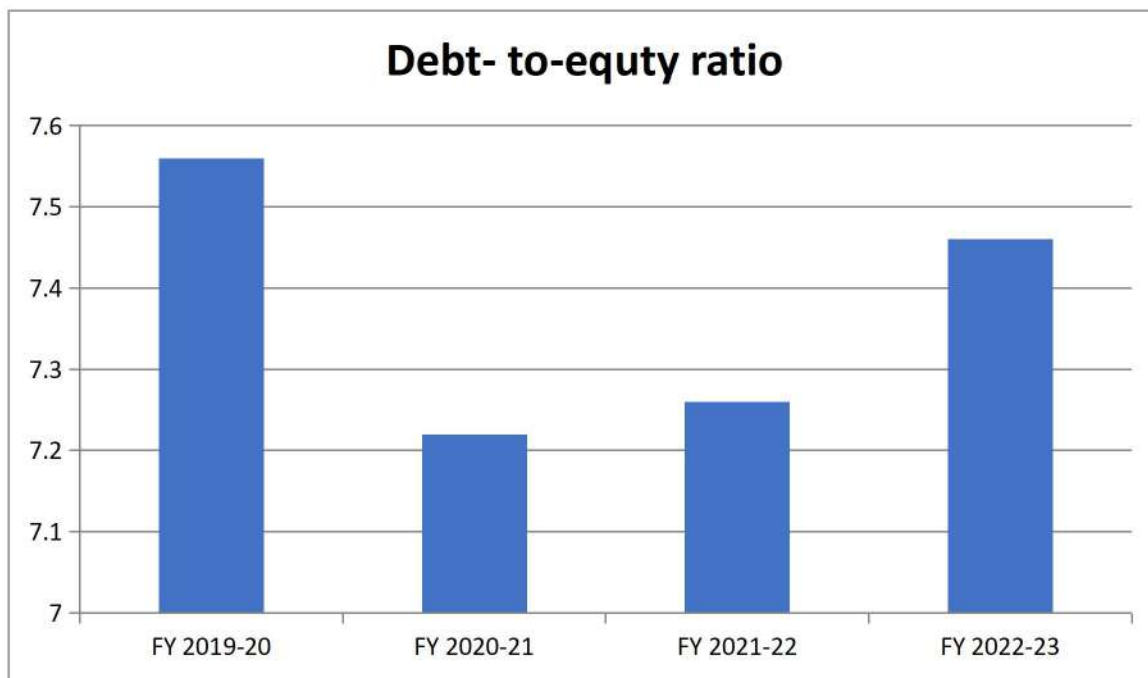


### INTERPRETATION

The trend shows a positive trajectory in the company's gross profit margin, indicating improving efficiency in producing and selling goods or services. This trend is generally favorable as it signifies better profitability at the gross level, which is essential for covering operating expenses and generating operating and net profits.

## Debt-to-Equity Ratio

Year	Debt-to-equity Ratio
<b>FY 2019-20</b>	<b>7.56</b>
<b>FY 2020-21</b>	<b>7.22</b>
<b>FY 2021-22</b>	<b>7.26</b>
<b>FY 2022-23</b>	<b>7.46</b>



### INTERPRETATION

The trend shows a relatively high and stable level of debt relative to equity financing over the years. While a high debt-to-equity ratio can provide tax benefits and leverage opportunities, it also increases financial risk. It's essential for the company to carefully manage its debt levels to ensure it remains sustainable and manageable in the long term.

**Chapter 7:**  
**HYPOTHESIS TESTING**

## Hypothesis Testing

### Hypothesis 1

From the research study, it was found that alternate hypothesis i.e., " HDFC Bank's profitability has experienced a significant increase recent years has been accepted and null hypothesis is rejected.

### Hypothesis 2

Null Hypothesis is rejected i.e.,“ HDFC Bank's debt-to-equity ratio remains constant over the analyzed period.”

## **Chapter 8: FINDINGS**

## **Findings**

- The current ratio indicates that bank liquidity and repayment of debts are sound during the period of study.
- The trend shows a positive trajectory in the company's profitability over the years, with fluctuations possibly reflecting changes in the business environment or company strategies.
- The trend shows a significant improvement in the company's liquidity position over the years, moving from a situation of potential liquidity challenges to a more favorable position with ample short-term assets to cover its short-term obligations.
- The company's inventory turnover ratio has remained relatively low over the years, suggesting potential inefficiencies in inventory management that could impact cash flow and profitability. Further analysis and potential adjustments to inventory management practices may be necessary to improve the turnover ratio and optimize operations.
- While a high debt-to-equity ratio can provide tax benefits and leverage opportunities, it also increases financial risk. It's essential for the company to carefully manage its debt levels to ensure it remains sustainable and manageable in the long term.
- The proprietary ratio of the HDFC Bank has shown an increasing trend during the study period, it shows that the company increased during the study period because of an increase in fixed assets.

## **Chapter 9: CONCLUSION**



## **Conclusion**

After analyzing the data collected from HDFC Bank's annual reports and website, the researcher concluded that the bank's financial performance was strong during the study period of five financial years from 2020 to 2023. This is noteworthy as HDFC Bank is the largest private sector bank in India. Various financial ratios were used to conduct the analysis.

HDFC Bank is a largest private sector bank in India. The research was on financial performance of HDFC Bank for four years from 2020 -2023. The data has been collected from annual reports of the bank and the web site. The data was analyzed through ratio analysis. The research presented sought to know the financial viability and financial health of HDFC Bank. For this tables and ratio analysis were used to analyze and interpret the information obtained.

Ratio analysis of financial statement shows that bank's current ratio is better growth 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.

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.

**Chapter 10:**  
**BIBLIOGRAPHY**

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- **Nandidi Thakuelr (2020) The study in conduct of financial statement analysis of HDFC Bank.**
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## **Websites:**

[https://en.wikipedia.org/wiki/HDFC\\_Bank](https://en.wikipedia.org/wiki/HDFC_Bank)

<https://www.hdfcbank.com>

<https://www.goodreturns.in/>

<https://www.macrotrends.net>

<https://www.moneycontrol.com/>

<https://www.scribd.com>

# ANNEXURE

**Balance Sheet****Balance Sheet**

As at March 31, 2023

₹ in '000

	Schedule	As at March 31, 2023	As at March 31, 2022
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	5,579,743	5,545,541
Reserves and surplus	2	2,796,410,334	2,395,383,846
Deposits	3	18,833,946,463	15,592,174,400
Borrowings	4	2,067,655,655	1,848,172,073
Other liabilities and provisions	5	957,222,477	844,074,643
<b>Total</b>		<b>24,660,814,672</b>	<b>20,685,350,503</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	1,171,607,706	1,299,956,352
Balances with banks and money at call and short notice	7	766,043,125	223,312,892
Investments	8	5,170,014,280	4,555,356,930
Advances	9	16,005,859,000	13,688,209,314
Fixed assets	10	80,165,410	60,836,735
Other assets	11	1,467,125,151	857,678,280
<b>Total</b>		<b>24,660,814,672</b>	<b>20,685,350,503</b>
Contingent liabilities	12	17,481,303,179	13,954,422,995
Bills for collection		714,395,377	569,680,463
Significant accounting policies and notes to the financial statements The schedules referred to above form an integral part of the Balance Sheet.	17 & 18		



# Balance Sheet

As at March 31, 2022

₹ in '000

	Schedule	As at March 31, 2022	As at March 31, 2021
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	5,545,541	5,512,776
Reserves and surplus	2	2,395,383,846	2,031,695,513
Deposits	3	15,592,174,400	13,350,602,208
Borrowings	4	1,848,172,073	1,354,873,236
Other liabilities and provisions	5	844,074,643	726,021,504
<b>Total</b>		<b>20,685,350,503</b>	<b>17,468,705,237</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	1,299,956,352	973,407,363
Balances with banks and money at call and short notice	7	223,312,892	221,296,594
Investments	8	4,555,356,930	4,437,282,921
Advances	9	13,688,209,314	11,328,366,309
Fixed assets	10	60,836,735	49,093,169
Other assets	11	857,678,280	459,258,881
<b>Total</b>		<b>20,685,350,503</b>	<b>17,468,705,237</b>
Contingent liabilities	12	13,954,422,995	9,710,975,961
Bills for collection		569,680,463	447,481,440
Significant accounting policies and notes to the financial statements The schedules referred to above form an integral part of the Balance Sheet.	17 & 18		



# Balance Sheet

As at March 31, 2021

₹ in '000

	Schedule	As at 31-Mar-21	As at 31-Mar-20
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	5,512,776	5,483,286
Reserves and surplus	2	2,031,695,513	1,704,377,008
Deposits	3	13,350,602,208	11,475,022,947
Borrowings	4	1,354,873,236	1,446,285,372
Other liabilities and provisions	5	726,021,504	673,943,976
<b>Total</b>		<b>17,468,705,237</b>	<b>15,305,112,589</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	973,407,363	722,051,210
Balances with banks and money at call and short notice	7	221,296,594	144,135,970
Investments	8	4,437,282,921	3,918,266,581
Advances	9	11,328,366,309	9,937,028,781
Fixed assets	10	49,093,169	44,319,155
Other assets	11	459,258,881	539,310,892
<b>Total</b>		<b>17,468,705,237</b>	<b>15,305,112,589</b>
Contingent liabilities	12	9,710,975,961	11,289,534,044
Bills for collection		447,481,440	515,849,020
Significant accounting policies and notes to the financial statements	17 & 18		
The schedules referred to above form an integral part of the Balance Sheet.			

## Consolidated Balance Sheet

As at March 31, 2020

₹ in '000

	Schedule	As at 31-Mar-20	As at 31-Mar-19
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	5,483,286	5,446,613
Reserves and surplus	2	1,758,103,766	1,531,279,982
Minority interest	2A	5,766,413	5,017,945
Deposits	3	11,462,071,336	9,225,026,779
Borrowings	4	1,868,343,231	1,577,327,790
Other liabilities and provisions	5	708,536,341	583,957,956
<b>Total</b>		<b>15,808,304,373</b>	<b>12,928,057,065</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	722,110,033	468,045,896
Balances with banks and money at call and short notice	7	157,291,086	350,130,527
Investments	8	3,893,049,519	2,894,458,722
Advances	9	10,436,708,771	8,692,226,631
Fixed assets	10	46,268,558	42,198,371
Other assets	11	552,876,406	480,996,918
<b>Total</b>		<b>15,808,304,373</b>	<b>12,928,057,065</b>
Contingent liabilities	12	11,304,740,615	10,251,253,094
Bills for collection		515,849,020	499,528,010
Significant accounting policies and notes to the Consolidated financial statements	17 & 18		
The schedules referred to above form an integral part of the Consolidated Balance Sheet.			



<b>BALANCE SHEET OF HDFC BANK (in Rs. Cr.)</b>	<b>MAR 23</b>	<b>MAR 22</b>	<b>MAR 21</b>	<b>MAR 20</b>
	12 mths	12 mths	12 mths	12 mths
<b>EQUITIES AND LIABILITIES</b>				
<b>SHAREHOLDER'S FUNDS</b>				
Equity Share Capital	557.97	554.55	551.28	548.33
<b>TOTAL SHARE CAPITAL</b>	<b>557.97</b>	<b>554.55</b>	<b>551.28</b>	<b>548.33</b>
Revaluation Reserve	0.00	0.00	0.00	0.00
Reserves and Surplus	279,641.03	239,538.38	203,169.55	170,437.70
Total Reserves and Surplus	279,641.03	239,538.38	203,169.55	170,437.70
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>280,199.01</b>	<b>240,092.94</b>	<b>203,720.83</b>	<b>170,986.03</b>
Deposits	1,883,394.65	1,559,217.44	1,335,060.22	1,147,502.29
Borrowings	206,765.57	184,817.21	135,487.32	144,628.54
Other Liabilities and Provisions	95,722.25	84,407.46	72,602.15	67,394.40
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>2,466,081.47</b>	<b>2,068,535.05</b>	<b>1,746,870.52</b>	<b>1,530,511.26</b>
<b>ASSETS</b>				
Cash and Balances with Reserve Bank of India	117,160.77	129,995.64	97,340.74	72,205.12
Balances with Banks Money at Call and Short Notice	76,604.31	22,331.29	22,129.66	14,413.60
Investments	517,001.43	455,535.69	443,728.29	391,826.66
Advances	1,600,585.90	1,368,820.93	1,132,836.63	993,702.88
Fixed Assets	8,016.54	6,083.67	4,909.32	4,431.92
Other Assets	146,712.52	85,767.83	45,925.89	53,931.09
<b>TOTAL ASSETS</b>	<b>2,466,081.47</b>	<b>2,068,535.05</b>	<b>1,746,870.52</b>	<b>1,530,511.26</b>

<b>OTHER ADDITIONAL INFORMATION</b>				
Number of Branches	7,821.00	6,342.00	5,608.00	5,416.00
Number of Employees	173,222.00	141,579.00	120,093.00	116,971.00
Capital Adequacy Ratios (%)	19.26	18.90	18.79	18.52
<b>KEY PERFORMANCE INDICATORS</b>				
Tier 1 (%)	17.13	17.87	17.56	17.23
Tier 2 (%)	2.13	1.03	1.23	1.29
<b>ASSETS QUALITY</b>				
Gross NPA	18,019.03	16,140.96	15,086.00	12,649.97
Gross NPA (%)	1.12	1.00	1.00	1.00
Net NPA	4,368.43	4,407.68	4,554.82	3,542.36
Net NPA (%)	0.27	0.32	0.40	0.36
Net NPA To Advances (%)	0.27	0.00	0.00	0.00
<b>CONTINGENT LIABILITIES, COMMITMENTS</b>				
Bills for Collection	71,439.54	56,968.05	44,748.14	51,584.90
Contingent Liabilities	1,748,130.32	1,395,442.30	971,097.60	1,128,953.40