

**A PROJECT REPORT ON**

**“ A PROJECT REPORT ON FINANCIAL STATEMENT ANALYSIS OF  
HDFC BANK”**

Submitted to

**Department of Management Sciences & Research (DMSR)**

**G.S. College of Commerce and Economics, Nagpur**

(An Autonomous Institution)

Affiliated to:

**Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur**

In partial fulfilment for the award of the degree of

**Master of Business Administration**

Submitted by

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Under the Guidance of

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**Year 2023-24**

**Department of Management Sciences and Research,**

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

**NAAC Accredited “A” Grade Institution**



**Academic Year 2023-24**

**CERTIFICATE**

This is to certify that **Ms. POOJA RAMESH KANOJIYA** has submitted the project report titled, **“A PROJECT REPORT ON FINANCIAL STATEMENT ANALYSIS OF HDFC BANK”**, under the guidance of **Dr. ARCHANA DADHE** towards the partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination.

It is certified that she has ingeniously completed her project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Accredited “A” Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

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**Academic Year 2023-24**

## **DECLARATION**

I, **POOJA RAMESH KANOJIYA** here-by declare that the project with title **“A PROJECT REPORT ON FINANCIAL STATEMENT ANALYSIS OF HDFC BANK”** has been completed by me under the guidance of **Dr. ARCHANA DADHE** in partial fulfilment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR – G. S. College of Commerce & Economics , Nagpur (NAAC Accredited “A” Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur university, Nagpur.**

This project was undertaken as a part of academic curriculum and has not been submitted for any other examination and does not form the part of any other course undertaken by me.

**PLACE : NAGPUR**

**POOJA RAMESH KANOJIYA**

**DATE**

**Department of Management Sciences and Research,**

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**Academic Year 2023-24**

**ACKNOWLEDGEMENT**

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**PLACE : NAGPUR**

**POOJA RAMESH KANOJIYA**

**DATE :**

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# INDEX

# **1- INTRODUCTION**

## **INTRODUCTION :**

Financial statement analysis is the process of identifying financial strengths and weaknesses of the firm by properly establishing relationship between the balance sheet and the profit and loss account.

There are various methods or techniques that are used in analyzing financial statements, such as comparative statements, schedule of changes in working capital, common size percentages, funds analysis, trend analysis, and ratios analysis.

Financial statements are prepared to meet external reporting obligations and also for decision making purposes. They play a dominant role in setting the framework of managerial decisions.

But the information provided in the financial statements is not an end in itself as no meaningful conclusions can be drawn from these statements alone.

However, the information provided in the financial statements is of immense use in making decisions through analysis and interpretation of financial statements.



## **DEFINITION :**

The financial statements provide a summary of the accounts of a business enterprise, the balance sheet reflecting the assets, liabilities and capital as on a certain date and the income statement showing the results of operations during a certain period.

**John N. Myer**

Define financial statements as, the end product of financial accounting in a set of financial statements prepared by the accountant of a business enterprise. That purport to reveal the financial position of the enterprise the result of its recent activities, and an analysis of what has been done with earnings.

**Smith and Asburne**

Financial statements, essentially, are interim reports presented annually and reflect a division of the life of an enterprise into more or less arbitrary accounting periods—more frequently a year.

**Anthony**

Development of accounting standards involves a process, and the implementation of any processed quire safe w guide lines. Taking this into perspective, the Accounting Standards Board (ASB) of Institute of Chartered Accountants of India(ICAI), which is the nation's most accomplished accounting body, came up with frame work which provides the fundamental basis for the development of new standards and appraisal of the existing ones. In this article, we review some of the fundamental concepts based on which financial statements are prepared and presented.

### **Components of Financial Statements :**

#### **Financial statements usually consist of the following:**

##### **1. Balance Sheet–**

A balance sheet depicts the value of economic resources controlled by an enterprise, as well as the liquidity and solvency of an enterprise. This is used to estimate the ability of the enterprise in meeting its financial commitments.

##### **2. Statement of Profit and Loss-**

Portrays the outcome of the functioning of the organization.

##### **3. Cash Flow Statement–**

Outlines the way of determination of income, as well assist usage.

##### **4. Notes and Schedules–**

Provides supplementary information explaining different modules of financial statements. A few examples can be risks and uncertainties affecting an enterprise, accounting policies etc.

Financial Statement Analysis is a method of reviewing and analyzing a company's accounting reports (financial statements) in order to gauge its past, present or projected future performance.

This process of reviewing the financial statements allows for better economic decision making. Globally, publicly listed companies are required by law to file their financial statements with their Levant authorities.

For example, publicly listed firms in America are required to submit their financial statements to the Securities and Exchange Commission (SEC). Firms are also obligated to provide their financial statements in the annual report that they share with their stakeholders.

As financial Statements are prepared in order to meet requirements, the second step-in the process is to analyze them effectively so that future profitability and cash flows can be forecasted. Another important purpose of the analysis of financial statements is to identify potential problem areas and troubleshoot those.

## **1.1 - FINANCIAL STATEMENT ANALYSIS**

## **MEANING OF FINANCE:**

“Finance is the Provide of money when is required” “Finance is the process of accumulated funds to productive funds to productive use”. “Finance has aptly been called the science of money”. “Finance may be defined as that administrative area or set of administrative functions in An organization which relate with the arrangement cash and credit, so that the organization May have the means to carry out its objective as satisfactory as possible.

## **FINANCE FUNCTION :**

“Finance function is the procurement of funds and their effective utilization for Business”.

- Establishing asset management politics.
- Determining the allocation of net profit.
- Establishing and controlling cash flows and outside financing.
- Deciding upon needs and sources of new outside financing.
- Checking upon financial performance.

## **FINANCIAL ANALYSIS :**

“Financial analysis is the process of evaluating the relationship between component parts of financial statements to obtain a better understanding of the firms position and performance” “Financial analysis is the identifying strength and weakness of the firm by properly establishing relationship between the items of balance sheet and the profit and loss account.

## **FINANCIAL STATEMENT :**

“A financial statement is an organized collection of data according to logical and consistent accounting its purpose is to convey an understanding of some financial Aspects of a business firm. It may show a position at a movement of time as in the case of A balance sheet or may reveal a series of activity over a given period of times, as in the case of an income statement.

## **TYPES OF FINANCIAL STATEMENT**

### ➤ Income statement: -

It explains what has happened to a business as a result of Operations between two balance sheet dates.

➤ Balance sheet: -

It is a statement of financial position of a business at a specified Moment of time.

➤ Statement of retained earnings: -

The term retained earning means the accumulated excess of earnings over losses and dividend.

STATEMENTS OF SHOWING CHANGES IN FINANCIAL POSITION

- Changes in the firms working capital
- Changes in the firms cash position
- Changes in the firms total financial position.

**METHOD OR DEVICES OF FINANCIAL ANALYSIS**

The analysis and interpretation of financial statement is used to determine the financial Position and results of operations as well. A number of methods or devices are used to Study the relationship between different statements. An effort is made to use those devices which clearly analyze the position of the enterprise.

The following methods of analysis are generally used:

- Comparative statements.
- Income statement
- Common-size statements
- Trend analysis

- Ratio

### **OBJECTIVE OF FINANCIAL ANALYSIS :**

These future ratios are compared with the actual ratios to find variance, if any such variance helping interpreting and taking corrective actions.

The main objectives of financial analysis are to assess:

- i. The present and future earning capacity of the concern.
- ii. The operational efficiency of the concern as a whole and of its various parts.
- iii. The short term and long term solvency of the concern for the benefit of debenture holders and trade creditors.
- iv. To compare the performance of the company with that of another company or of the same company with previous performance.

### **TYPES OF THE FINANCIAL ANALYSIS MAY BE**

- The nature of the analyst and the material used by him.
- The objective of analysis and
- The modus operandi of the analysis



## **Internal Analysis**

The people who have assessed to the books of accounts make the internal analysis. They are members of the analysis. Analysis of the financial statement or other financial data for managerial is the internal type of analysis. The internal analyst can give more reliable result than the external analyst because every type of analysis. The internal type of analysis can give more reliable than the external analyst because every type of information is at his disposal.

## **External Analysis**

It is made by those persons who aren't connected with the enterprise's they don't have the assess to the detailed record of the company and have to depend mostly on published statements such analysis is made by investors, credit agencies, agencies, government agencies and research scholars.

## **ACCORDING TO THE OBJECTIVE OF THE ANALYSIS**

### ➤ **Long Term Analysis –**

The analysis is made in order to study the long-term financial stability, solvency, profitability and earning capacity of a company. The purpose of making such type of analysis is to know whether in the long run the company will be able to earn a minimum amount, which will be sufficient to maintain a reasonable rate of return of the investment of the company and to meet it cost of capital. This type of analysis help the long term financial planning which essential for the continued success of the company.

### ➤ **Short Term Analysis –**

This is made to determine the short-term solvency and liquidity of the company. The purpose of this analysis is to know whether in the short run a company will have adequate funds readily available to meet its short-term requirements and sufficient borrowing capacity to meet contingencies in the near future. This analysis is made with reference to items of current assets and current liabilities (working capital analysis) to have fairly sufficient knowledge about the company's position which maybe helpful short-term financial planning.

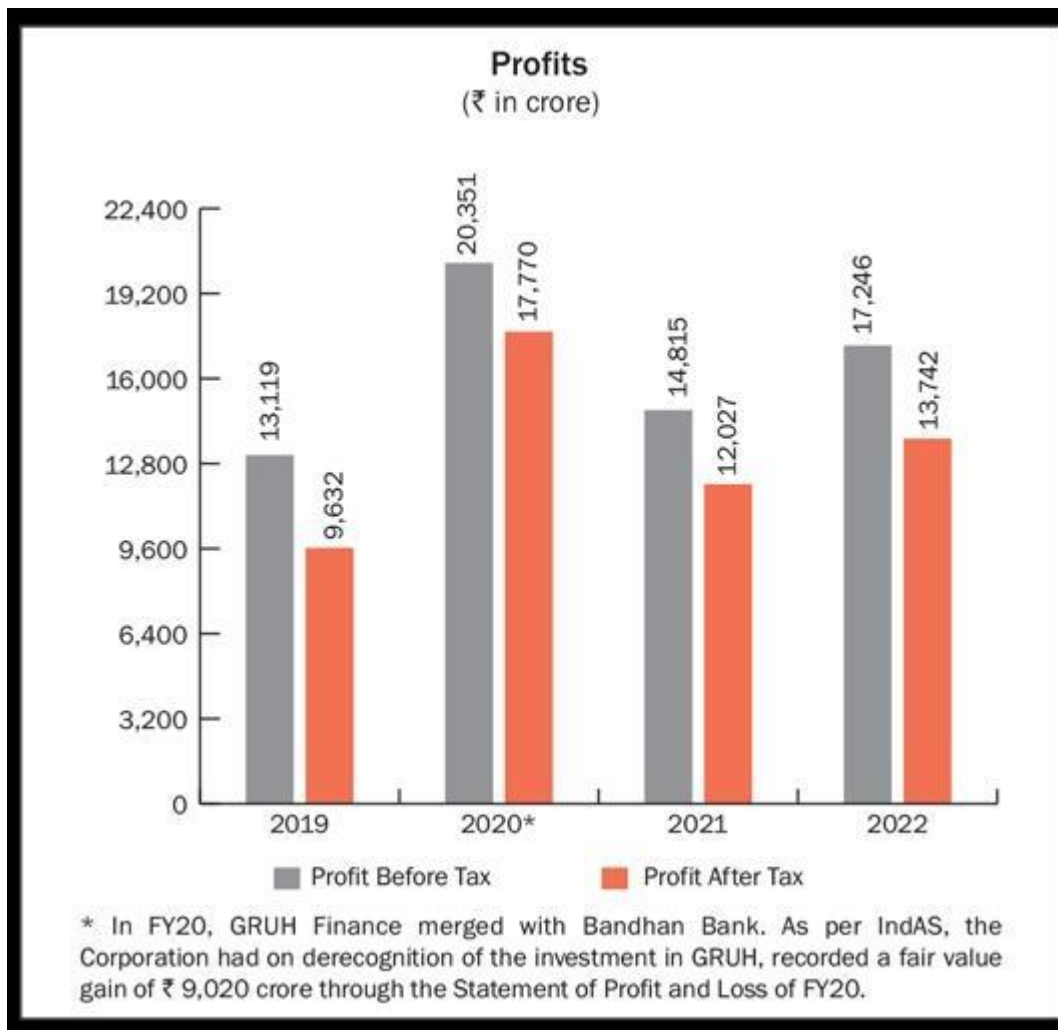
## KEY FINANCIAL RATIO / POSITION OF HDFC BANK

KEY FINANCIAL RATIOS OF HDFC BANK (in Rs. Cr.)	MAR 24	MAR 23	MAR 22	MAR 21	MAR 20
<b>PER SHARE RATIOS</b>					
Basic EPS (Rs.)	85.83	79.25	66.80	56.58	48.01
Diluted EPS (Rs.)	85.44	78.89	66.35	56.32	47.81 <a href="#">Get App</a>
Cash EPS (Rs.)	80.05	83.07	69.54	58.81	50.07
Book Value [Excl. Reval Reserve]/Share (Rs.)	576.02	502.17	432.95	369.54	311.83 <a href="#">Get App</a>
Book Value [Incl. Reval Reserve]/Share	576.02	502.17	432.95	369.54	311.83

Operating Revenue / Share (Rs.)	340.06	289.59	230.37	219.23	209.39
Net Profit/Share (Rs.)	80.05	79.05	66.65	56.44	47.89
<b>PER EMPLOYEE RATIOS</b>					
Interest Income/Employee (Rs.)	0.00	9,328,234.10	9,023,451.15	10,063,719.49	9,815,479.98 <a href="#">Get App</a>
Net Profit/Employee (Rs.)	0.00	2,546,368.33	2,610,652.37	2,591,035.71	2,244,771.35 <a href="#">Get App</a>
Business/Employee (Rs.)	0.00	201,128,063.77	206,813,042.29	205,498,809.40	183,054,361.58
<b>PER BRANCH RATIOS</b>					
Interest Income/Branch (Rs.)	0.00	206,604,701.06	201,439,796.75	215,510,389.62	211,987,907.87 <a href="#">Get App</a>
Net Profit/	0.00	56,397,777.01	58,280,282.56	55,485,957.92	48,481,009.97

Business/ Branches (Rs.)	0.00	4,454,648,441.76	4,616,900,617.16	4,400,671,989.48	3,953,480,747.42	
<b>KEY PERFORMANCE RATIOS</b>						
ROCE (%)	2.71	2.97	3.22	3.42	3.55	<a href="#">Get App</a>
CASA (%)	0.00	44.38	48.16	46.11	42.23	
Net Profit Margin (%)	23.53	27.29	28.93	25.74	22.86	
Operating Profit Margin (%)	4.47	7.97	5.83	4.89	2.71	<a href="#">Get App</a>
Return on Assets	1.68	1.78	1.78	1.78	1.71	
Return on Equity / Networth (%)	13.89	15.74	15.39	15.27	15.35	
Net Interest Margin (X)	3.00	3.52	3.48	3.71	3.67	
Cost to Income (%)	31.52	38.35	41.05	40.37	38.52	
Interest Income/Total Assets (%)	7.14	6.55	6.17	6.91	7.50	<a href="#">Get App</a>
Non-Interest Income/Total Assets (%)	1.36	1.26	1.42	1.44	1.51	<a href="#">Get App</a>
Operating Profit/Total Assets (%)	0.31	0.52	0.36	0.33	0.19	<a href="#">Get App</a>
Operating Expenses/Total Assets (%)	1.75	1.93	1.81	1.87	2.00	<a href="#">Get App</a>
Interest Expenses/Total Assets (%)	4.14	3.03	2.69	3.20	3.83	
<b>VALUATION RATIOS</b>						
Enterprise Value (Rs. Cr)	3,963,439.19	2,871,198.57	2,429,205.81	2,196,567.47	1,692,584.96	<a href="#">Get App</a>

EV Per Net Sales (X)	15.34	17.77	19.01	18.17	14.74
Price To Book Value (X)	2.51	3.21	3.40	4.04	2.76
Price To Sales (X)	4.26	5.56	6.38	6.81	4.19
Retention Ratios (%)	100.00	100.00	100.00	100.00	75.09
Earnings Yield (X)	0.06	0.05	0.05	0.04	0.06



## PROFIT & LOSS ACCOUNT OF HDFC BANK

----- in Rs. Cr. -----					
	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16
	12 mths	12 mths	12 mths	12 mths	12 mths
<b>INCOME</b>					
Interest / Discount on Advances / Bills	99,079.63	83,736.16	67,658.90	55,986.18	47,736.19
Income from Investments	20,572.73	19,924.75	16,229.79	15,951.56	14,125.50
Interest on Balance with RBI and Other Inter-Bank funds	1,868.77	660.62	540.62	544.86	375.16
Others	668.17	839.21	858.53	788.76	924.72
<b>Total Interest Earned</b>	<b>122,189.30</b>	<b>105,160.74</b>	<b>85,287.84</b>	<b>73,271.35</b>	<b>63,161.56</b>
Other Income	24,878.98	18,947.05	16,056.60	12,877.63	11,211.65
<b>Total Income</b>	<b>147,068.28</b>	<b>124,107.79</b>	<b>101,344.45</b>	<b>86,148.99</b>	<b>74,373.22</b>
<b>EXPENDITURE</b>					
Interest Expended	62,137.43	53,712.69	42,381.48	38,041.58	34,069.57
Payments to and Provisions for Employees	12,920.13	10,451.15	9,193.90	8,504.70	6,306.14
Depreciation	0.00	1,220.67	966.78	886.19	738.03
Operating Expenses (excludes Employee Cost)	20,115.92	16,022.94	13,766.54	11,360.18	10,787.71

& Depreciation)					
<b>Total Operating Expenses</b>	<b>33,036.05</b>	<b>27,694.76</b>	<b>23,927.22</b>	<b>20,751.07</b>	<b>17,831.88</b>
Provision Towards Income Tax	10,898.59	12,961.15	10,848.11	8,424.16	6,889.36
Provision Towards Deferred Tax	0.00	-1,088.60	-945.03	-346.04	-195.70
Other Provisions and Contingencies	13,699.94	8,382.18	6,571.82	3,990.81	2,960.77
<b>Total Provisions and Contingencies</b>	<b>24,598.53</b>	<b>20,254.73</b>	<b>16,474.90</b>	<b>12,068.93</b>	<b>9,654.43</b>
<b>Total Expenditure</b>	<b>119,772.01</b>	<b>101,662.18</b>	<b>82,783.61</b>	<b>70,861.58</b>	<b>61,555.89</b>
<b>Net Profit/ Loss for The Year</b>	<b>27,296.27</b>	<b>22,445.61</b>	<b>18,560.84</b>	<b>15,287.40</b>	<b>12,817.33</b>
<b>Net Profit/ Loss After EI &amp; Prior Year Items</b>	<b>27,296.27</b>	<b>22,445.61</b>	<b>18,560.84</b>	<b>15,287.40</b>	<b>12,817.33</b>
Minority Interest	0.00	-113.18	-51.34	-36.72	-19.72
Share Of Profit/Loss Of Associates	-42.31	0.00	0.52	2.34	3.73
<b>Consolidated Profit/Loss After MI And Associates</b>	<b>27,253.96</b>	<b>22,332.43</b>	<b>18,510.02</b>	<b>15,253.03</b>	<b>12,801.33</b>
Profit / Loss Brought Forward	0.00	43,098.98	34,532.33	24,825.59	19,550.86
Transferred on Amalgamation	0.00	0.00	0.00	27.45	0.00
<b>Total Profit/ Loss available for Appropriations</b>	<b>0.00</b>	<b>65,431.41</b>	<b>53,042.35</b>	<b>40,106.06</b>	<b>32,352.20</b>
<b>APPROPRIATIONS</b>					
Transfer To / From Statutory Reserve	0.00	5,499.76	4,562.03	3,777.16	3,180.93
Transfer To / From Capital Reserve	0.00	105.34	235.52	313.41	222.15
Transfer To / From General Reserve	0.00	2,107.82	1,748.67	1,454.96	1,229.62
Transfer To / From Investment Reserve	0.00	773.00	-44.20	4.29	-8.52
Dividend and Dividend Tax for The Previous Year	0.00	0.00	3,390.58	-1.69	-11.71
Equity Share Dividend	0.00	4,052.59	50.77	0.00	2,401.78
Tax On Dividend	0.00	43.31	0.00	25.60	512.35
Balance Carried Over To Balance Sheet	0.00	52,849.61	43,098.98	34,532.33	24,825.59
<b>Total Appropriations</b>	<b>0.00</b>	<b>65,431.41</b>	<b>53,042.35</b>	<b>40,106.06</b>	<b>32,352.20</b>

<b>OTHER ADDITIONAL INFORMATION</b>					
<b>EARNINGS PER SHARE</b>					
Basic EPS (Rs.)	50.00	83.00	72.00	60.00	51.00
Diluted EPS (Rs.)	50.00	83.00	71.00	59.00	50.00

## **BALANCE SHEET OF HDFC BANK**

<b>BALANCE SHEET OF HDFC BANK (in Rs. Cr.)</b>	<b>MAR 20</b>	<b>MAR 19</b>	<b>MAR 18</b>	<b>MAR 17</b>	<b>MAR 16</b>
	<u>12 mths</u>	<u>12 mths</u>	<u>12 mths</u>	<u>12 mths</u>	<u>12 mths</u>
<b>EQUITIES AND LIABILITIES</b>					
<b>SHAREHOLDER'S FUNDS</b>					
Equity Share Capital	0.00	0.00	519.02	512.51	505.64
<b>TOTAL SHARE CAPITAL</b>	<b>0.00</b>	<b>0.00</b>	<b>519.02</b>	<b>512.51</b>	<b>505.64</b>
Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
Reserves and Surplus	0.00	0.00	519.02	512.51	505.64
<b>TOTAL RESERVES AND SURPLUS</b>	<b>176,387.02</b>	<b>0.00</b>	<b>109,080.11</b>	<b>91,281.44</b>	<b>73,798.49</b>
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>176,387.02</b>	<b>0.00</b>	<b>109,080.11</b>	<b>91,281.44</b>	<b>73,798.49</b>
Minority Interest	0.00	0.00	356.33	291.44	180.62
Deposits	1,146,207.14	0.00	788,375.14	643,134.25	545,873.29
Borrowings	186,834.31	0.00	156,442.08	98,415.64	71,763.45
Other Liabilities and Provisions	70,853.61	0.00	48,413.49	58,708.88	38,140.33
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>1,580,282.08</b>	<b>0.00</b>	<b>1,103,186.17</b>	<b>892,344.16</b>	<b>730,261.82</b>
<b>ASSETS</b>					
Cash and Balances with Reserve Bank of India	72,211.00	0.00	104,688.21	37,910.55	30,076.58
Balances with Banks Money at Call and Short Notice	15,729.10	0.00	18,373.35	11,400.57	8,992.30
Investments	389,304.95	0.00	238,460.92	210,777.11	161,683.34
Advances	1,043,670.88	0.00	700,033.84	585,480.99	487,290.42
Fixed Assets	4,626.85	0.00	3,810.56	3,814.70	3,479.70
Other Assets	55,287.63	0.00	37,819.29	42,960.24	38,739.48
<b>TOTAL ASSETS</b>	<b>1,580,830.41</b>	<b>0.00</b>	<b>1,103,186.17</b>	<b>892,344.16</b>	<b>730,261.82</b>
<b>CONTINGENT LIABILITIES, COMMITMENTS</b>					
Bills for Collection	0.00	0.00	82,299.09	30,848.04	55,242.58
Contingent Liabilities	0.00	0.00	836,231.70	818,284.29	821,774.81



## **TYPES OF RATIOS**

HDFC Bank, like any other financial institution, uses various financial ratios to analyze its performance and financial health.

Here are some of the key types of ratios typically used:

### ➤ **Profitability Ratios**

- Net Interest Margin (NIM): Measures the difference between the interest income generated and the interest paid out relative to the amount of their interest-earning assets.
- Return on Assets (ROA): Indicates how profitable a bank is relative to its total assets.
- Return on Equity (ROE): Measures the profitability relative to shareholders' equity.

### ➤ **Efficiency Ratios**

- Cost to Income Ratio: Measures the costs of running a bank as a percentage of its income.
- Operating Efficiency Ratio: Reflects how efficiently a bank is operating.

### ➤ **Liquidity Ratio**

- Current Ratio: Indicates the bank's ability to pay short-term obligations.

- Loan to Deposit Ratio: Measures the bank's loans relative to its deposits.
- Liquidity Coverage Ratio (LCR): Ensures that the bank has an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be easily converted into cash to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

➤ **Asset Quality Ratios**

- Gross Non-Performing Assets (GNPA) Ratio: Indicates the proportion of non-performing assets to total loans.
- Net Non-Performing Assets (NNPA) Ratio: Measures the net non-performing assets after subtracting provisions.
- Provision Coverage Ratio (PCR): Indicates the proportion of provisions (reserves) made for NPAs.

➤ **Capital Adequacy Ratios**

- Capital Adequacy Ratio (CAR) or Capital to Risk (Weighted) Assets Ratio (CRAR): Measures a bank's capital in relation to its risk-weighted assets.
- Tier 1 Capital Ratio: Focuses on core capital, which includes equity capital and disclosed reserves.

➤ **Leverage Ratios**

- Debt to Equity Ratio: Measures the bank's financial leverage.
- Equity Multiplier: Indicates the proportion of a bank's assets that are financed by shareholders' equity.

➤ **Market Ratios**

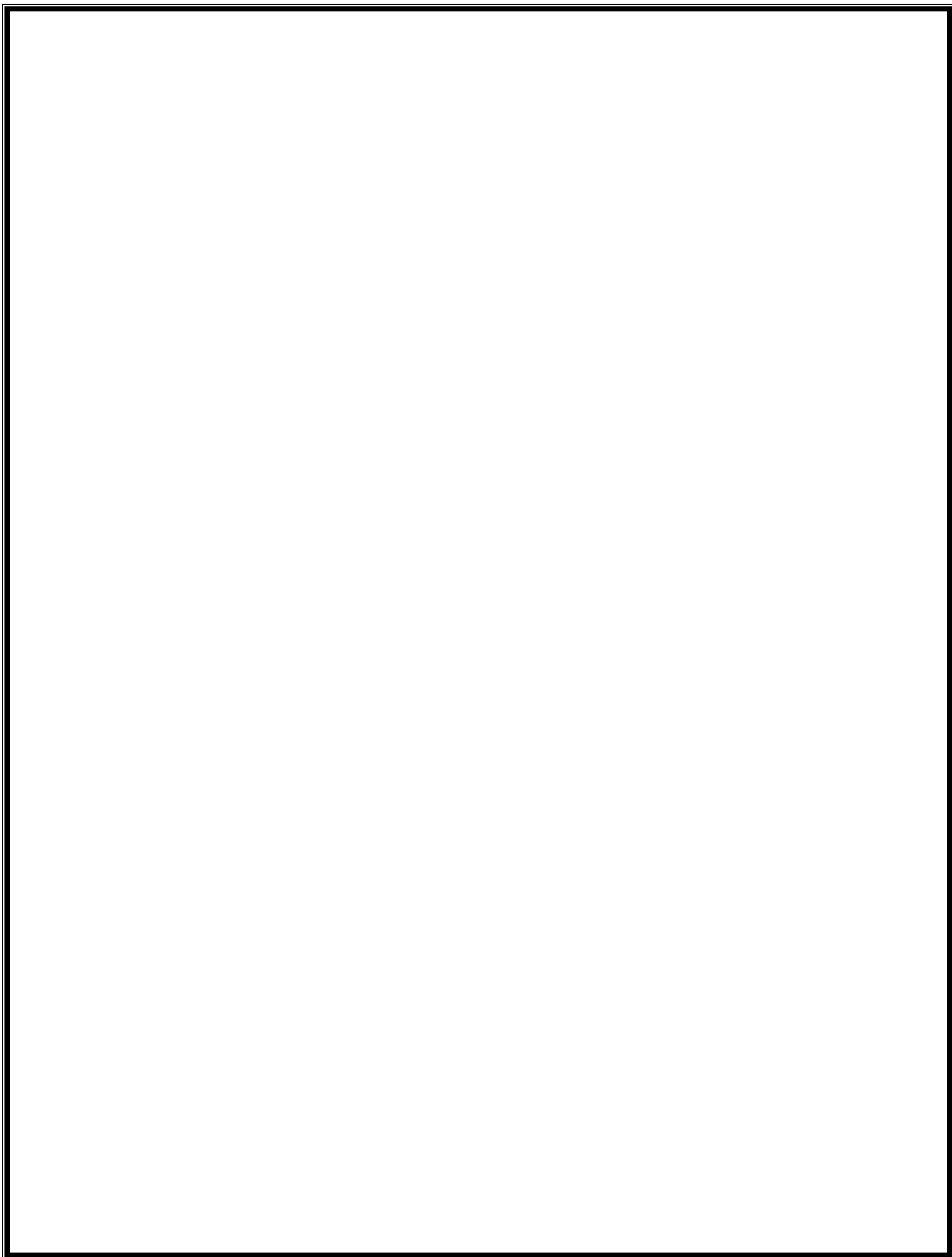
- Earnings Per Share (EPS): Indicates the portion of a company's profit allocated to each outstanding share of common stock.
- Price to Earnings (P/E) Ratio: Measures the current share price relative to its per-share earnings.
- Price to Book (P/B) Ratio: Compares a firm's market value to its book value.

These ratios provide insights into various aspects of HDFC Bank's performance, including profitability, efficiency, liquidity, asset quality, capital adequacy, leverage, and market valuation. Each ratio helps stakeholders to make informed decisions about the bank's financial health and operational performance.

## **2- COMPANY PROFILE**

### **2.1- HDFC BANK**





## **COMPANY PROFILE :**

### **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 the RBI's liberalization 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 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, a strong market reputation, large shareholder base and unique consumer franchise, HDFC was ideally positioned to promote a bank in the Indian environment. 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. HDFC Bank Limited (the Bank) is an India-based banking company engaged in providing a range of banking and financial services, including commercial banking and treasury operations. The Bank has a network of 1412 branches and 3295 automated teller machines (ATMs) in 528 cities and total employees are 52687.

### **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.

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, a strong market reputation, large shareholder base and unique consumer franchise, HDFC was ideally positioned to promote a bank in the Indian environment.

In a milestone transaction in the Indian banking industry, Times Bank was merged with HDFC Bank Ltd., effective February 26, 2000.

**MISSION :**

World Class Indian Bank. Benchmarking against international standards. To build 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. Operational excellence.
2. Customer Focus.
3. Product leadership
4. People



## **MANAGEMENT OF HDFC BANK:**

<b>Board Of Directors</b>	
<b>Name</b>	<b>Designation</b>
Mr.Kaizad Bharucha	Deputy Managing Director
Mr.Bhavesh Zaveri	Executive Director
Mr.M D Ranganath	Independent Director
Ms.Sunita Maheshwari	Independent Director
Mr.Umesh Chandra Sarangi	Independent Director
Mrs.Lily Vadera	Independent Director
Mr.Sanjiv Sachar	Independent Director
Mr.Sandeep Parekh	Independent Director
Mr.Sashidhar Jagdishan	Managing Director & CEO
Mrs.Renu Karnad	Non Exe.Non Ind.Director
Mr.Keki Mistry	Non Exe.Non Ind.Director
Mr.Atanu Chakraborty	Part Time Chairman & Independent Director

## **BUSINESS SEGMENT:**

HDFC Bank offers a wide range of commercial and transactional banking services and treasury products to wholesale and retail customers. The bank has three key business segments

## **WHOLESALE BANKING SERVICES :**

The Bank's target market ranges from large, blue-chip manufacturing companies in the Indian corporate to small & mid-sized corporate 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 corporate including multinationals, companies from the domestic business houses and prime public sector companies. It is recognized as a leading provider of cash management and transactional banking solutions to corporate customers, mutual funds, stock exchange members and banks

## **RETAIL BANKING SERVICES :**

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 the 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 Master card Maestro debit card as well. The Bank launched its credit card business in late 2001. By September 30,2005, the bank had a total card base (debit and credit cards) of 5.2 million cards. The Bank is also one of the leading players in the “merchant acquiring” business with over50,000 Point-of-sale (POS) terminals for debit / credit cards acceptance at merchant establishments.

## **PRODUCT OF HDFC BANK :**

### **Account & Deposits Service**

Banking should be effortless. With HDFC Bank, the efforts are rewarding. No matter what a customer’s need and occupational status, we have a range of solutions that are second to none. Whether you’re employed in a company and need a simple Savings account or run your own business and require a robust banking partner, HDFC Bank not only has the perfect solution for you, but also can recommend products that can augment your planning for the future.

It includes these services:

- Saving accounts.
- Current accounts.
- Fix deposits.
- Demate account.
- Safe deposits locker

➤ **Savings Accounts -**

These accounts are primarily meant to inculcate a sense of saving for the future, accumulating funds over a period of time. Whatever person's occupation, bank have confident that person will find the perfect banking solution. There some saving accounts like: -

➤ **Regular Saving Account -**

An easy-to-operate savings account that allows you to issue cheques, draw Demand Drafts and withdraw cash. Check up on your balances from the comfort of your home or office through Net Banking, Phone Banking and Mobile Banking. If you need money urgently then you can take money from the ATM machine. There are 1977 ATM centers across the country.

➤ **Saving plus Account -**

Introducing the best banking option for you with HDFC Bank Savings plus Account. Now you can get access to some of the finest banking facilities with HDFC Bank's Savings plus Account. All you have to do is maintain an Average Quarterly Balance of Rs. 10,000/-.

➤ **Saving Max Account -**

Welcome to a world of convenience. Presenting Savings Max account, loaded with maximum benefits to make your banking experience a pleasure. By maintaining an average quarterly balance of just Rs. 25,000/- you get a host of premium services from HDFC Bank absolutely free.

➤ **Senior Citizen Account -**

HDFC Bank appreciates your needs and endeavors, which is why, they present an account especially dedicated to customer, which like a dutiful child will help you fulfill your needs in the best manner possible.

➤ **No frills Account -**

In an effort to make banking simpler and more accessible for customers, bank has introduced the 'No Frills' Savings Account, which offers customer all the basic banking facilities. Customer can even avail of services like Net Banking, Mobile banking free of cost. In this customer can put Zero Initial Pay-in and a Zero Balance account

➤ **Kid's advantage account -**

Start saving for your child today and secure his/her future a sentence tells by the Hdfc bank. Open a Savings Account and transfer money every month into customer's Kids Advantage Account and watch the savings grow as customer's child grows. The accumulated savings in the Kids Advantage Account can over the years help in meeting customer child's needs.

Main features and benefits of this account are as follow:-

➤ **Current accounts -**

HDFC Bank Current Account gives the power of inter-city banking with a single account and access to more than cities. From special cheques that get treated at par with local ones in any city where branch, faster collection of outstation cheques (payable at branch locations), free account to account funds transfer between HDFC Bank accounts to Free inter-city clearing of up to 100 lakhs per month, bank's priority services have become the benchmark for banking efficiency. Super saver facility

➤ **Safe deposit locker -**

A Safe Deposit Locker with HDFC Bank is the solution to person's fear. Located at select branches in cities all over the country, bank's lockers ensure the safe keeping of valuables. Eligibility An individual (not minor), firms, limited company, associations, clubs, trusts, societies, etc may hire a locker.

➤ **Loan Services :**

In today's competitive world every thing happens only with the help of money or through the money every person need money. But some time a person has not cash on hand at that time he needs lone either from any friend or from any financial institute. Lone dose not mean that only lower class person needs it but also upper class person it is needed. As per the

requirement of the every person there are much type of loans are there in the HDFC bank.

➤ **Personal loan** :

A person has so many dreams but some time due to scarcity of money a dream can't be satisfy. So, here one solution for that person this is personal loan. From this he/she can fulfill their needs or requirement. It can be any thing either a dream of vacation or son/daughter's admission to college or any wedding, so personal loan can be helpful in this entire requirement. AS person ordered in the hotel for tea or coffee and it is immediately came fast, same over here any person want to get a personal loan with the nominal documents he can get the loan.

➤ **Home loan** :

HDFC Bank brings, HDFC home loans to doorstep. With over 30 years of experience, a dedicated team of experts and a complete package to meet all housing finance needs, HDFC Home Loans, help people realize dream.

➤ **Vehicles loan** :

Nowadays the life is being so fast, time value is becoming more important so to reach at the destination of any business related occasion or for a boy to reach college or any20.

Where at the fix time there are so many requirement of vehicles. But every people have no capacity to purchase vehicles with cash so for that here in

the HDFC bank vehicles loan is available. There are many types of vehicles loan.

### **CARD SERVICES:**

- Credit cards
- Debit card
- Kisan Card.
- Prepaid card
- Prepaid Travel Card.
- Gift plus Cards
- Prepaid Gift Card.
- Food plus Cards
- Prepaid Food Plus card.
- Money plus Card
- The Corporate Payment card

### **AWARDS & RECOGNITION :**

	Initiative
	- Best use of Mobility Technology in Banking
Dun & Bradstreet – Bharathi Cement Corporate Awards 2012	Corporate Awards 2012
NDTV Profit Business Leadership Awards 2012	Winner in the banking category
NASSCOM CNBC- TV18 IT Innovation Award	Best IT Driven Innovation in Banking (COMMERCIAL)
The National Quality Excellence Awards	Best Customer Service Result
FE Best Bank Awards	HDFC Bank wins in 3 categories at FE Best Bank Awards
Skoch Financial Inclusion Awards 2013	Organisation of the Year



DSCI Information Technology Award 2012	- Security in Bank (2nd time in a row)
	- Security Leader of the Year (Banking)
Businessworld Awards for Banking Excellence 2012	- Most tech-friendly Bank
	- Deal of the year (Rupee Bonds)
HT-Mars Customer Satisfaction Survey	Bank and Credit Card customer satisfaction Survey
CSO Forum Information Technology Award 2012	Best Organisation for Information Security Practice (2nd time in a row)
The Economic Times	ET Awards for Corporate Excellence - Company of the Year 2012
CNBC TV18's India Best Banks and Financial Institutions Awards 2012	Best Private sector Bank
Mint-Aon Hewitt study on India's Best Managed Boards 2012	Our Bank among India's six best managed Boards 2012
Forbes Asia	Fab 50 Companies - Winning for the 6th year
IBA Banking Technology Awards 2011	- Best Online Bank
	- Best use of Business Intelligence
	- Best Customer Relationship Initiative
	- Best Risk Management & Security

### **3- LITERATURE REVIEW**

## **LITERATURE REVIEW – DEFINITION :**

A literature review is a comprehensive summary and analysis of the existing research and scholarly articles on a particular topic. It involves critically evaluating, synthesizing, and summarizing the findings and arguments of various sources to provide a coherent narrative about what is known, what gaps exist, and what future research directions might be needed.

Literature reviews serve several purposes, including providing context for a research project, demonstrating the researcher's knowledge of the field, and identifying trends, conflicts, and key insights within the existing body of work. They are commonly found in research papers, theses, dissertations, and grant proposals.

### ➤ Nagalekshmi V.S, Vineetha S.Das

Found that the positive impact of merger Kotak Mahindra Bank Ltd with ING-Vysya Bank. It also found that momentous increment in various budgetary like operating profit, net profit, earnings per share, interest earned, return on assets, equity share capital, income on investment etc.,

### ➤ K. Dinesh Kumar and G. Venugopal

Revealed that ICICI Bank good performance of balance sheet ratios and Debt coverage ratios and next position of HDFC Bank. SBI and Kotak Mahindra Bank performance is good in profitability ratios.

➤ Murad Mohammad Galif Al-Kaseasbah and Abdel KarimSalimIssaAlbkour

in their paper entitled, financial performance of Indian Banking sector: A Case Study of SBI and ICICI Bank. To examine the financial performance of SBI and ICICI Bank. During the study, it was found that the SBI recorded fluctuating trend on the other hand ICICI failed to manage the increasing trend.

➤ Vinoth Kumar and BhawnaMalhothra ,

attempted has been made evaluate the performance & financial soundness of selected private sector banks in India for the period 2007-2017 CAMEL approach has been used. This study concluded that the Axis Bank is ranked first under the CAMEL analysis followed by ICICI Bank. Kotak Mahindra Bank occupied the third position. The fourth position occupied by HDFC Bank and the last position is occupied by IndusIndbank amongst all the selected banks.

➤ SuruchiSatsangiPrem Das Saini

analyzed financial performance of Kotak Mahindra Bank merger with ING Vysya Bank. The findings of the study showed the high growth rate which is observed in the financial performance of the Kotak Mahindra Bank after the mergers and acquisitions.

➤ PriyankaJha

analyzed financial performance of Public Sector Banks (Punjab National Bank) and Private Sector Banks (ICICI) in India. The

researcher concludes her research PNB has lower operational efficiency comparatively than ICICI Bank.

➤ Jaiswal and Jain

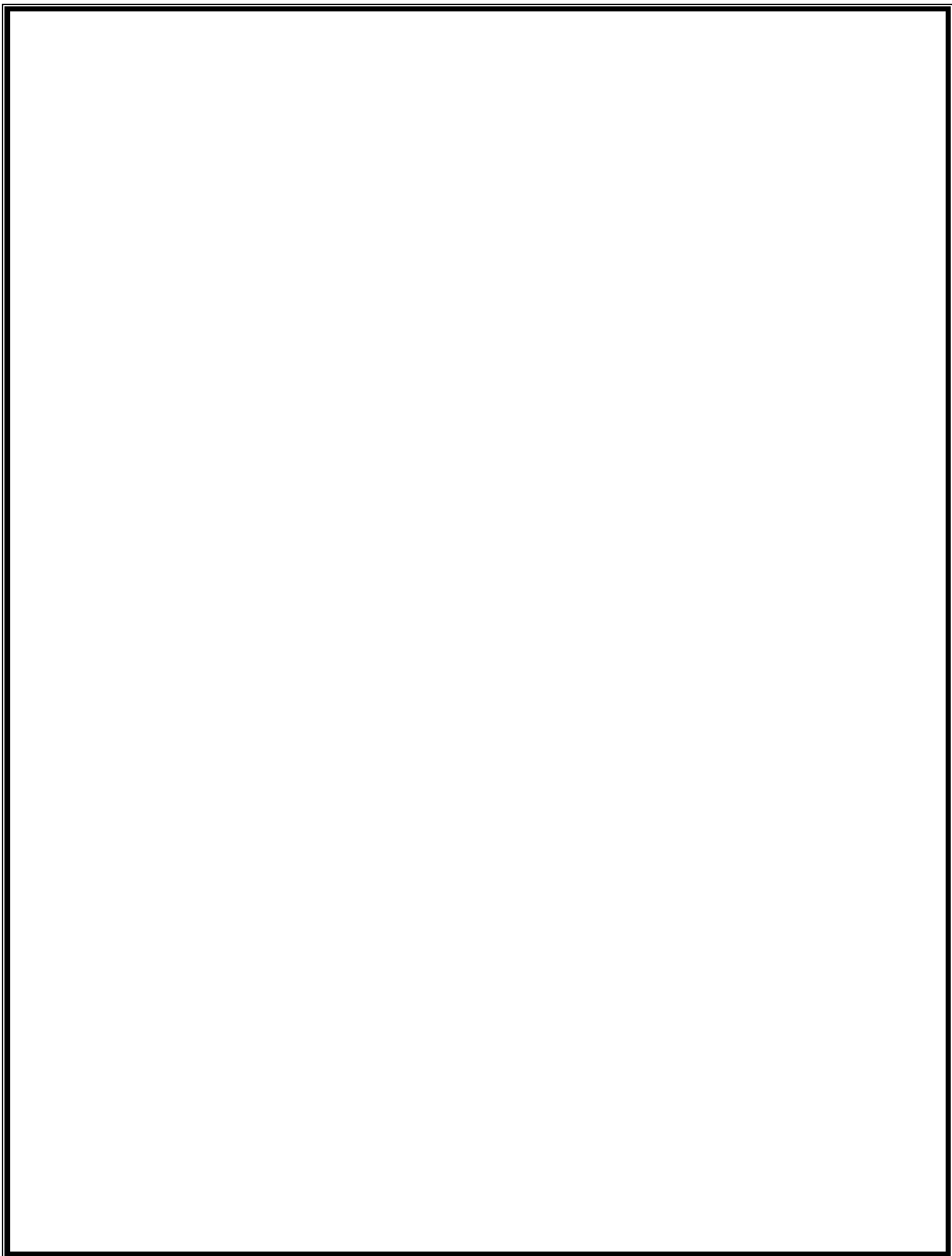
entitled a comparative study of financial performance SBI and ICICI Bank in India. This study examines the financial performance of Indian Banks with the help of CAMEL. This Study compares a financial performance of SBI and ICICI . The authors suggested that the SBI is performing well as compare to the ICICI. Furthermore it was found that the market position of SBI is better than ICICI in terms to earning per share, price ratio per share and dividend payout ratio. On the other hand ICICI Bank performing well in terms of NPA and provision for NPA in comparison of SBI bank.

➤ Gupta

entitled an empirical study of financial performance of ICICI bank a comparative analysis focused on operational control profitability and solvency etc., this research paper aimed to analysis and compare the financial performance of ICICI bank and offer suggestions for the improvement of efficiency in the bank. This study suggested that NPAs of the ICICI Bank is more than 1percent. Therefore ICICI should control NPAs.

➤ Tirkeyi and Salem

analyzed a comparative study financial statement of ICICI and HDFC through ratio analysis examined the financial position with the use of different ratios. It was found that financial position of ICICI is much better than HDFC.



## **4 – RESEARCH METHODOLOGY**

## **RESEARCH METHODOLOGY**

A research methodology describes the techniques and procedures used to identify and analyze information regarding a specific research topic. It is a process by which researchers design their study so that they can achieve their objectives using the selected research instruments.

It includes all the important aspects of research, including research design, data collection methods, data analysis methods, and the overall framework within which the research is conducted. While these points can help you understand what is research methodology, you also need to know why it is important to pick the right methodology.

## **RESEARCH DESIGN**

Research design is a comprehensive plan for conducting research. It outlines the steps and procedures necessary to collect, measure, and analyze data systematically. The primary goal of a research design is to ensure that the study addresses the research problem effectively, providing reliable and valid results.

## **RESEARCH APPROACH**

The research approach outlines the strategy and methods to systematically collect, analyze, and interpret data for the study. For a financial statement analysis of HDFC Bank, a quantitative research approach is most suitable as it involves numerical data analysis to evaluate financial performance.

**RESEARCH INSTRUMENT** Interviewing the customers personally and studying the response from the questionnaires field.



## **DATA COLLECTION :**

In research methodology, data collection refers to the systematic process of gathering and measuring information on variables of interest. This process allows researchers to obtain a complete and accurate dataset, which can then be analyzed to answer research questions, test hypotheses, and evaluate outcomes.

Data collection methods can be qualitative or quantitative and include techniques such as surveys, interviews, observations, and experiments. The choice of method depends on the research objectives, the nature of the variables, and the study design.

### ➤ **PRIMARY DATA** –

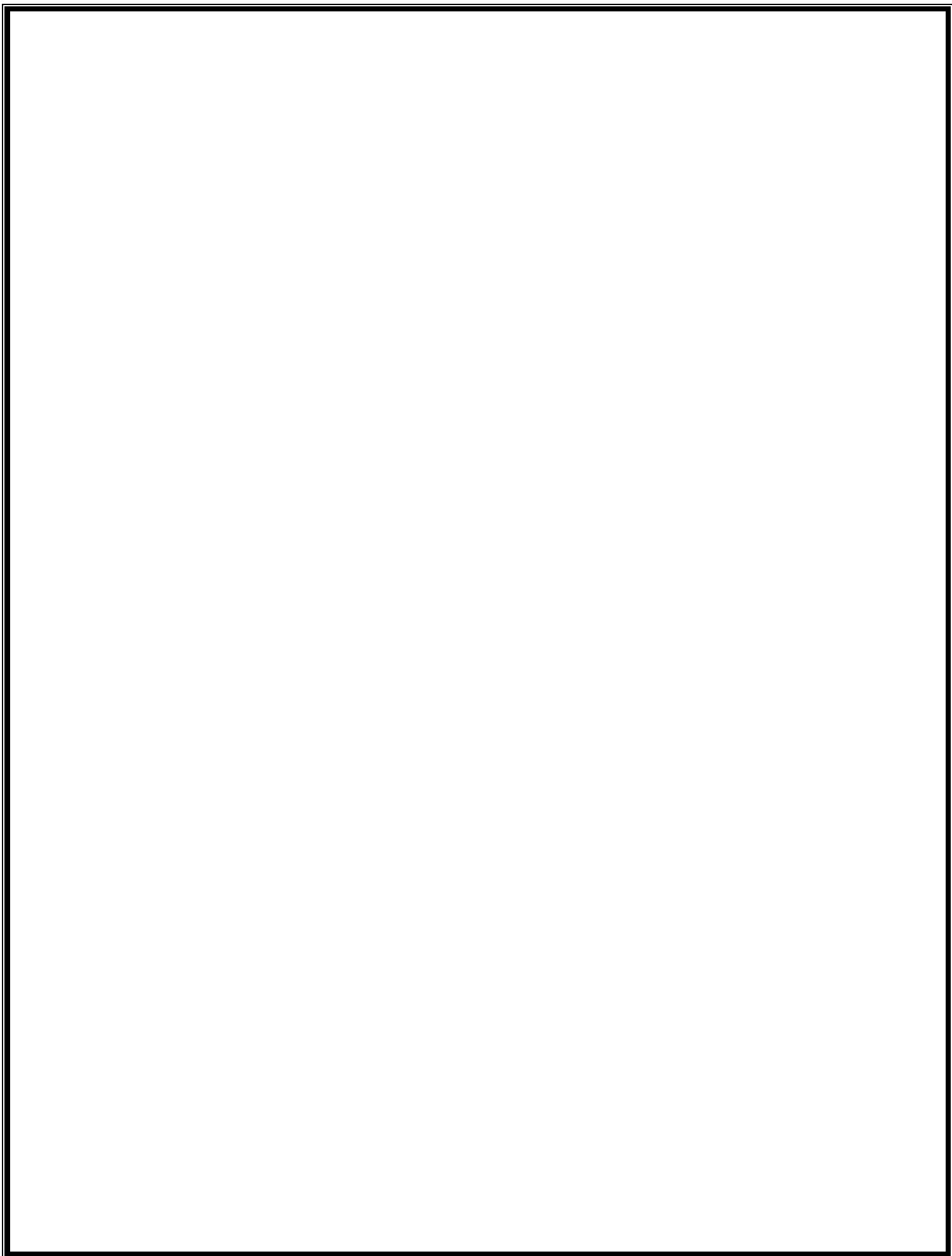
It is the information collected directly. In the study, it was mainly interviews with concerned officer and staffs individually or collectively. This study does not include any primary data.

### ➤ **SECONDARY DATA** –

The secondary data was collected from already published sources such as Pamphlets. Annual reports and internal records.

The data includes:

- 1.Collection of required data from annual reports of “The HDFC BANK”,
- 2.Reference from text books and journals relating to financial management and articles published in business dairies like the Economic times, business line etc.



## **4.1- SCOPE OF THE STUDY**

The current study only moves around the financial statement analysis of the HDFC Bank. The present study concentrates only on the financial department of the HDFC Bank with the use of comparative income statement and ratio analysis

## **4.2- NEED OF THE STUDY**

- The project work is done for analyzing the financial position of the HDFC Bank.
- The analysis of the financial position gives a better picture of the financial position of the organization in order to take better decisions.
- Financial management is very important for both individuals and organizations because it deals with managing the funds.
- It guides a company and individual to make optimum use of money to achieve maximum returns.
- Financial analysis helps to an individual / organization to save more and thus invest more.

## **4.3- OBJECTIVES OF THE STUDY**

- To study the financial position of the HDFC Bank .
- To compare the profitability position of the company.
- To analyze the liquidity position of the HDFC Bank.
- To know the credit worthiness position of the HDFC Bank.
- To observe the operating efficiency of the HDFC Bank.
- To give the suitable conclusions , suggestions for the better improvement of the HDFC Bank

## **4.4- HYPOTHESIS OF THE STUDY**

### **1. Null Hypothesis- H(o)**

HDFC Bank's profitability, as measured has not changed over the past years.

### **1. Alternate Hypothesis – H(1)**

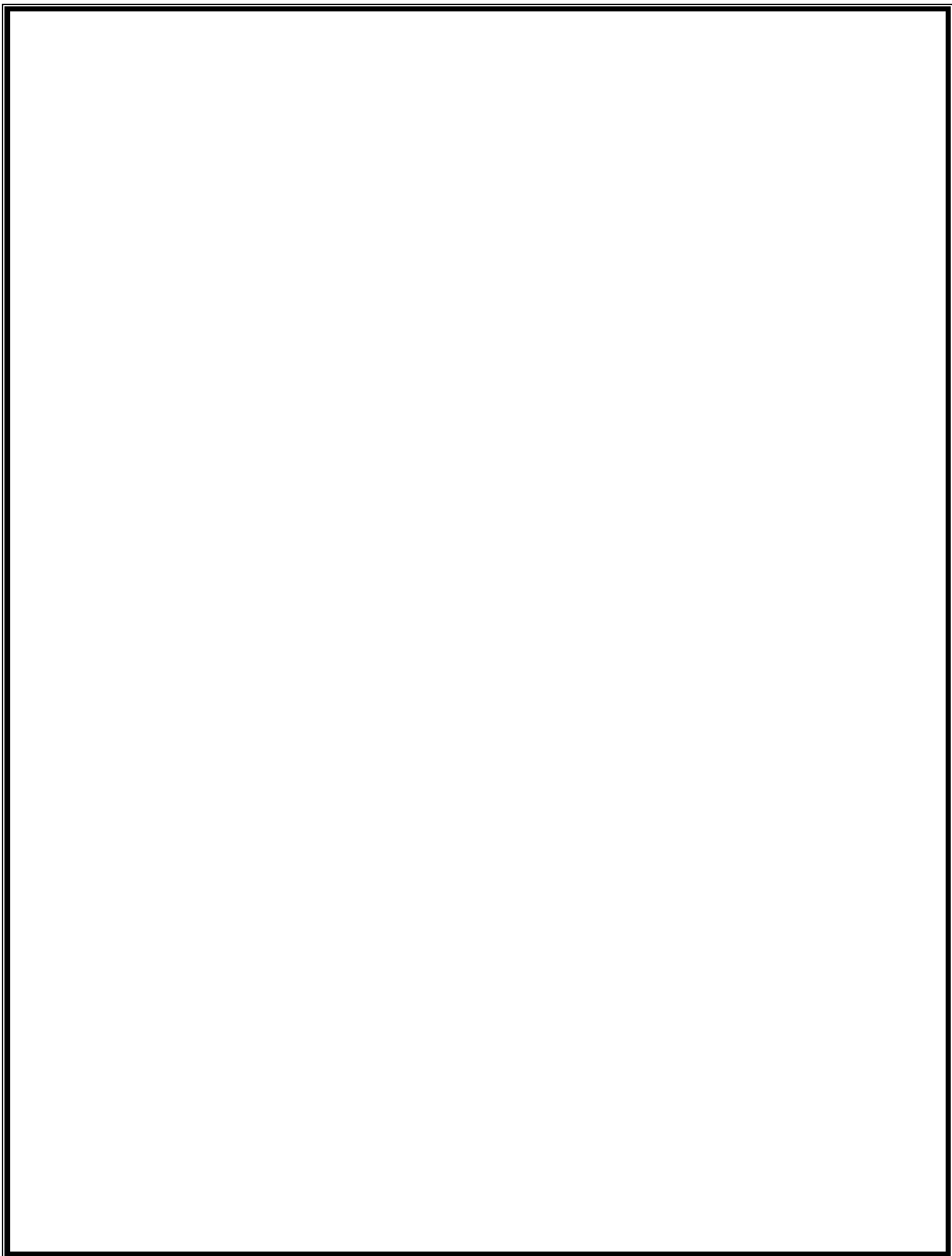
HDFC Bank's profitability, as measured has changed over the past years.

### **1. Null Hypothesis- H(o)**

HDFC Bank's Loan Growth Rate is consistent with industry growth rates.

### **1. Alternate Hypothesis – H(1)**

HDFC Bank's Loan Growth Rate is higher than industry growth rates.



## **4.5- LIMITATIONS OF THE STUDY**

Limitation faced during the preparation of this project report on financial statement analysis of HDFC bank 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 .
- The report is based on the analysis of the last 5 years data which may not be sufficient in some cases.
- The analysis and conclusion made is as per my limited understanding for this concern subject
- Only comparative, common-size statement and ratios analysis has been taken for the study as a tool of financial and no techniques is used.



## **5- DATA ANALYSIS & INTERPRETATION**

## DATA ANALYSIS :

This chapter deals with data analysis and interpretation. The outcome of the present study yields significant findings of HDFC Bank.

Some of the major ratio has been evaluated and interpreted for the purpose of understanding the financial performance of the bank.

The following analysis shows the company's performance. This analysis will help to understand the HDFCs financial position.

### LIQUIDITY OR SHORT TERM SOLVENCY RATIO :

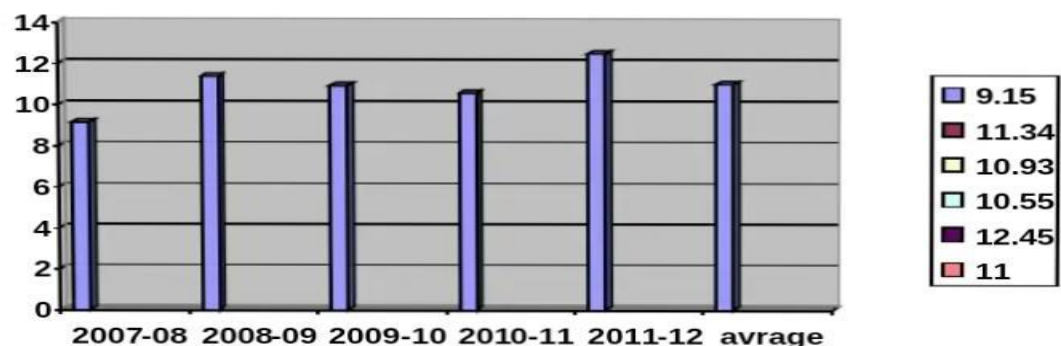
1)

#### **CURRENT RATIOS:**

#### **FORMULA:**

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO
2007-08	3273084438.4	357773744.9	9.15
2008-09	3393212856.5	299256401.6	11.34
2009-10	3357872071.3	307197938.3	10.93
2010-11	2357783278.8	223475367.9	10.55
2011-12	3047836429.1	244855617.6	12.45
Average	15429789074.1	286511814.06	11



➤ **INTERPRETATION –**

From the above calculated current ratio of HDFC it is observed that the current ratios of the HDFC Bank is 9.15 in 2007-08, and increased to 12.45 in the year 2011-12. and the HDFC Bank is maintaining the average current ratio as around 11, is more than the standard of current ratio

**2) QUICK RATIO :**

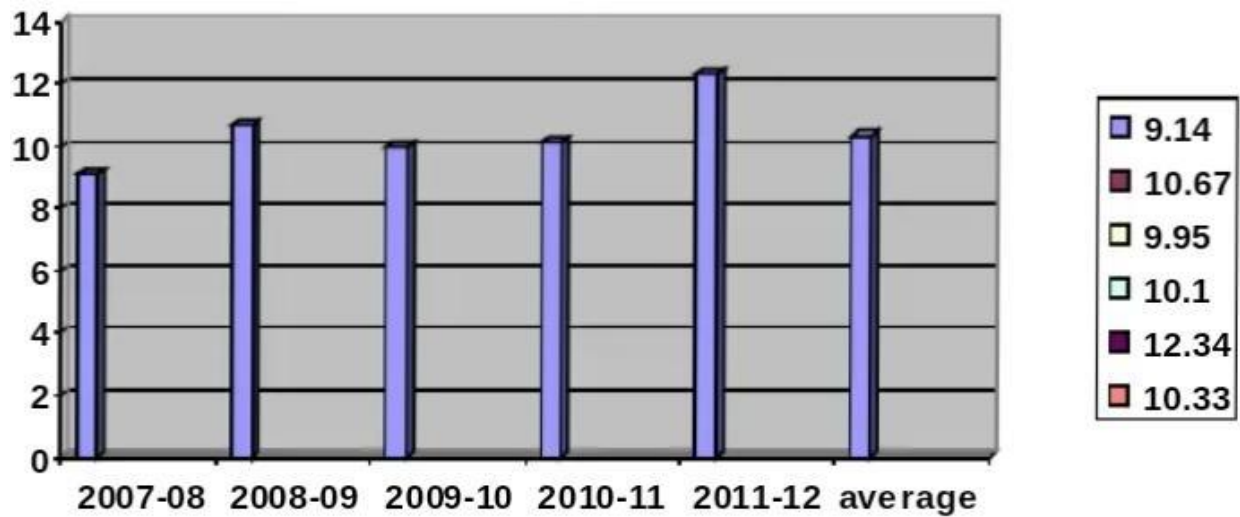
**FORMULA:**

$$\text{Quick ratio} = \frac{\text{Quick assets}}{\text{Current liabilities}}$$

Quick assets = Current assets – inventory & prepaid expenses

Quick liabilities = Current liability –HDFC Bank over draft (if there in current liabilities)

<b>YEAR</b>	<b>QUICK ASSETS</b>	<b>CURRENT LIABILITIES</b>	<b>QUICK RATIO</b>
<b>2007-08</b>	3272684438.4	357773744.9	9.14
<b>2008-09</b>	3191362856.5	299256401.6	10.67
<b>2009-10</b>	3057672071.3	307197938.3	9.95
<b>2010-11</b>	2257633278.8	223475367.9	10.10
<b>2011-12</b>	3023666429.1	244855617.6	12.34
<b>Average</b>	2960963814.1	286511814.06	10.33



➤ **INTERPRETATION –**

From the above calculated quick ratio of HDFC it is observed that the quick ratios of the HDFC Bank are 9.14 in 2007-08, and increased to 12.34 in the year 2011-12. and the HDFC Bank is maintaining the average quick ratio as around 10.33, which is more than the standard of current ratio.

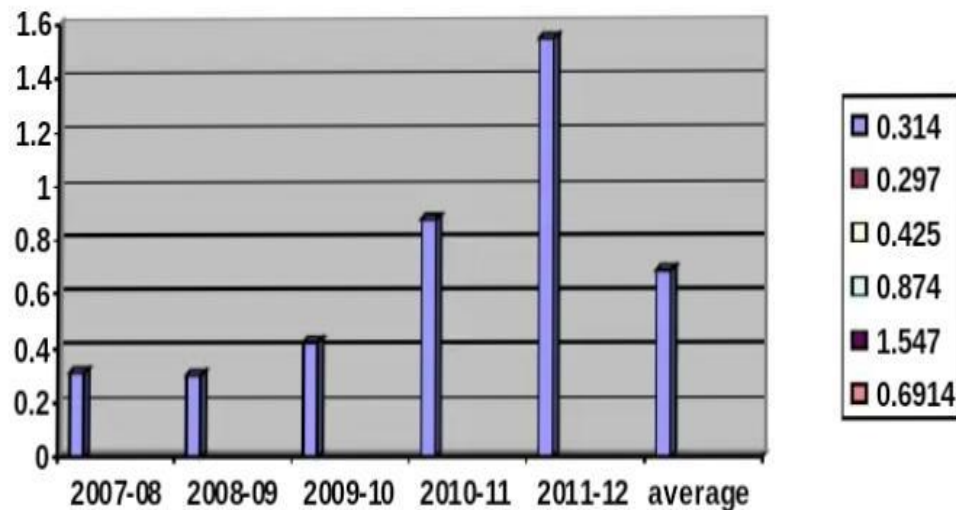
### 3) ABSOLUTE LIQUID RATIO / SUPER QUICK RATIO:

#### FORMULA:

$$\text{Absolute liquid ratio} = \frac{\text{Absolute liquid assets}}{\text{Current Liabilities}}$$

Absolute liquid assets = cash at HDFC Bank + short term / temporary investments

YEAR	ABSOLUTE LIQUID ASSETS	CURRENT LIABILITIES	ABSOLUTE RATIO
2007-08	112462919.4	357773744.9	0.314
2008-09	89066055.3	299356401.7	0.297
2009-10	130859505.9	307197938.3	0.425
2010-11	195511154.3	223475367.9	0.874
2011-12	378889599.8	244855617.6	1.547
Average	181357846.94	28651181.48	0.6914



#### ➤ INTERPRETATION -

From the above calculated absolute liquid ratio of HDFC it is observed that the absolute ratio of the HDFC Bank is 0.314 in 2007-08, and increased to 1.547 in the year 2011-12. And the HDFC Bank is maintaining the average absolute ratio as around 0.6914, which is more than the standard of current ratio

#### 4) DEBT EQUITY RATIO :

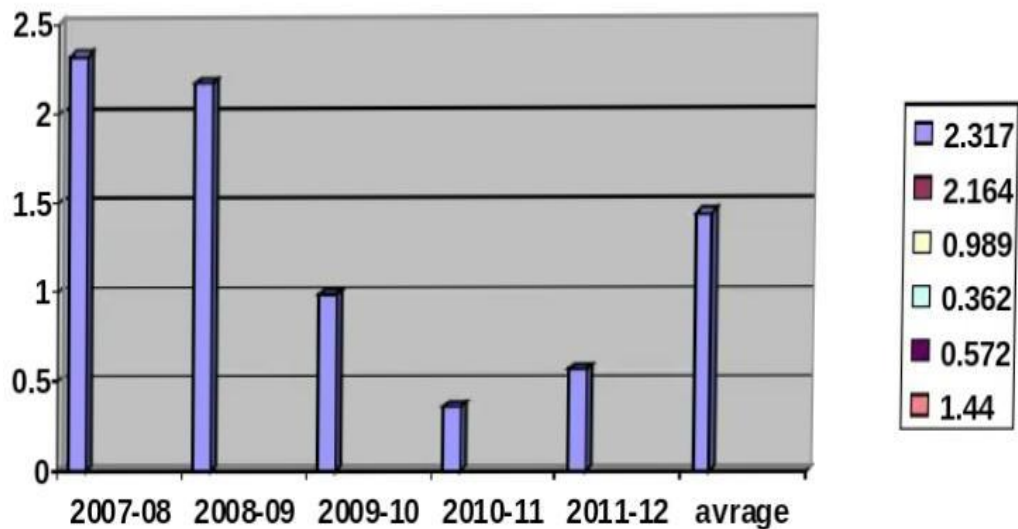
**FORMULA:**

$$\text{Debt equity ratio} = \frac{\text{External debt}}{\text{Internal debt}}$$

External debt = borrowings, adj., Heads by other liabilities, payable a/c.

Internal debt = share capital, reserves, deposits.

YEAR	EXTERNAL DEBT	INTERNAL DEBT	DEBT EQUITY
2007-08	4198113121.1	1811302135.5	2.317
2008-09	4275228374.2	1975170670.3	2.164
2009-10	2254253674.1	2277547698.0	0.989
2010-11	1127983284.7	3115582972.7	0.362
2011-12	1747228272.3	30545388936.	0.572
Average	2720561345.48	1886028482.6	1.44



➤ **INTERPRETATION –**

From the above calculated debt equity ratio of HDFC it is observed that the debt equity ratio of the HDFC Bank is 2.317 in 2007-08, and decreased to 0.572 in the year 2011-12. And the HDFC Bank is

maintaining the average debt equity ratio as around 1.44, which is more than the standard of debt-equity ratio.

### 5) PROFIT ABILITY RATIOS :

#### GROSS PROFIT RATIO:

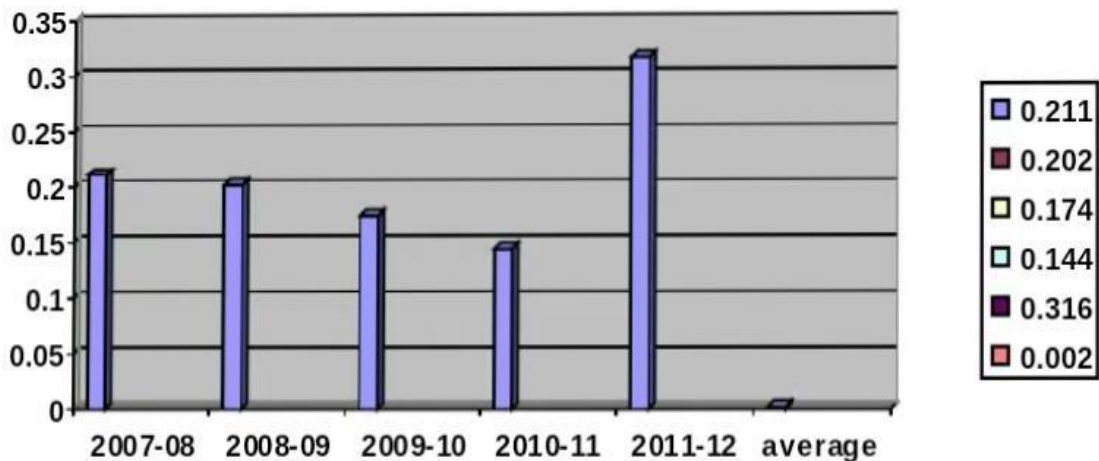
#### FORMULA:

$$\text{Gross profit ratio} = \frac{\text{Gross profit}}{\text{Net sales}} \times 100$$

$$\text{Gross profit} = \text{net sales} - \text{Cost of goods sold}$$

$$\text{Net sales} = \text{Total sales} - \text{sales revenue}$$

YEAR	GROSS PROFIT	NET SALES	GROSS PROFIT RATIO
2007-08	8381547.75	3963505421.56	0.211
2008-09	8605417.96	4239867264.45	0.202
2009-10	9373324.56	5358043483.07	0.174
2010-11	12823215.74	8868340185.5	0.144
2011-12	33424156.36	10577061148.7	0.316
Average	14521532.86	6601363500.6	0.002



#### ➤ INTERPRETATION –

The gross profit ratio of the HDFC Bank is 0.211 in 2007-08, and decreased to 0.202 in the year 2007-08. And increased to 0.316 in the



year 2011-12. And the HDFC Bank is maintaining the working capital turnover ratio as averagely around 0.002

## **6- FINDINGS & SUGGESTIONS**

## **FINDINGS :**

From the project study the following conclusions are drawn :

- The HDFC Bank is earning satisfactory level i.e., 2.56%
- The overall financial performance growth rs13000 i.e.,1.89%
- The absolute liquid assets (cash & HDFC Bank balance) has registered a growth of 11.11% which shows the healthy credit worthiness position of the HDFC Bank.
- Gross profit increased from 70,000 to 1,00,000 and in current 157.13%
- The profit available to the shareholders increased to 52.89%
- The current ratio has displayed a stable trend, consistently maintaining a healthy level of 0.35 over the past few years.
- The calculated of HDFC it is observed that the quick ratios of the HDFC Bank is increased .
- The above calculated of HDFC it is observed that the debt equity ratio of the HDFC Bank is decreased.

➤ The gross profit ratio of the HDFC Bank is decreased to increased

## **SUGGESTIONS :**

- To increase the profit of HDFC Bank, HDFC Bank should decrease their operating expenses and increase their income
  
- The HDFC Bank should change the capital structure in order to strengthen the long term solvency position of the HDFC Bank.
  
- The HDFC Bank should try to reduce the operating and non operating expenses in order to increase the profitability position of the HDFC Bank.
  
- The current ratio of the HDFC Bank is very high in comparison with the general rule. It indicates that the HDFC Bank holds more current assets than required. It should reduce it, so that there will profitable use of this amount.
  
- Unnecessarily much amount has been blocked in current assets, HDFC Bank should take necessary steps to make productive use of this

## **7- CONCLUSION**

## **CONCLUSION :**

- The HDFC Bank is maintaining the current ratio above, then the standard during the study period.
  
- The HDFC Bank is not utilizing the capital funds in fixed assets.
  
- The HDFC Bank is investing the huge funds in the current assets which leads to idle funds.
  
- The long term solvency position of the HDFC Bank is not satisfactory.
  
- The profitability position of the HDFC Bank is not satisfactory during the study period

## **8- REFERENCES :**

- <https://www.scribd.com/document/168562770/a-study-on-financial-statement-analysis-of-HDFC-doc>
  
- <https://www.scribd.com/document/402600364/HDFC-LINKY-doc>
  
- [https://www.researchgate.net/publication/337592002\\_A\\_STUDY\\_ON\\_FINANCIAL\\_ANALYSIS\\_AND\\_PERFORMANCE\\_OF\\_HDFC\\_BANK](https://www.researchgate.net/publication/337592002_A_STUDY_ON_FINANCIAL_ANALYSIS_AND_PERFORMANCE_OF_HDFC_BANK)
  
- [www.google.com](http://www.google.com)

**9- ANNEXURE**



Respected Sir / Madam,

I am a student of G.S. College Of Commerce & Economics, Nagpur conducting a survey on “ A Study on Financial Statement Analysis Of HDFC Bank” . The following statements relate to your feelings about the HDFC Bank .

Please show the extent to which you believe HDFC Bank has the features described in the statement . I request you to ✓ the option which in your opinion are believed to be true .

Name:

Age :

6. When you have a problem, the bank shows a sincere interest in solving it.					
7. The bank performs the service right the first time.					
8. The bank insists on error free records.					
9. Employees in the bank tell you exactly when the services will be performed.					
10. Employees in the bank give you prompt service.					
11. Employees in the bank are always willing to help you.					
12. Employees in the bank are never too busy to respond to your request.					
13. The employees of the bank are trustworthy.					
14. The behavior of employees in the bank instills confidence in you.					
15. You feel safe in your transactions with the bank.					
16. Employees in the bank have the knowledge to answer your questions.					
17. The bank gives you individual attention.					
18. The bank has operating hours convenient to all its customers					
19. The bank has your best interests at heart.					
20. The employees of the bank understand your specific needs.					

**\*\*\* THANK YOU \*\*\***