



“RATIO ANALYSIS A COMPREHENSIVE STUDY ON FINANCIAL ANALYSIS OF H.D.F.C. BANK”

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Abstract: This study has been carried out to evaluate the financial performance of HDFC Bank. 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. The bank at present has an enviable network of over 6,342 branches spread over cities across India. All branches are linked on an online real time basis. Customers in over 3,226 cities/towns are also servicing through telephone banking. The bank also has a ATMs 18,130 across cities and towns. HDFC Bank provides a number of products and services including wholesale banking and retail banking, treasury, auto loans, two wheeler loans, personal loans, loans against property, consumer durable loans, life style loan, credit cards and the various digital products. The financial performance of above mentioned bank has been evaluated for the past five year’s i.e.2018, 2019, 2020, 2021 and 2022. The data analyzed by ratio analysis such as current ratio, liquidity ratio, fixed assets ratio, debt-equity ratio and proprietary ratio and give interpretation to each ratio. In this comparison of balance sheet of past five years are also done and interpretation is given .The HDFC bank is one of the top bank in India. To conclude this article the financial soundness of the bank is satisfactory during the study period.

Key words: Ratio Analysis HDFC Bank financial performance Ratios.

INTRODUCTION

A bank is a financial institution that offers its customers banking and other financial services. A bank is a financial institution that performs basic banking functions such as receiving deposits and disbursing loans. Money lenders conducted financial transactions prior to the foundation of banks. Interest rates were extremely expensive at the time, and there was no guarantee of public savings or loan consistency. To address these issues, the government built an organized banking system, which is strictly regulated.

The Reserve Bank of India is the country's central bank. The Reserve Bank of India (RBI) oversees and governs India's financial system. It is in charge of overseeing and implementing exchange control, banking laws, and the government's monetary policy. The Indian banking sector operates in accordance with the Reserve Bank of India's (RBI) standards.

HISTORY OF HDFC BANK

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an “inprinciple” approval from the reserve bank of India (RBI) to set up a bank in the private sector, as part of RBI liberalization of Indian banking industry in 1994. The bank was in corporate in Aug. 1994 in the name of HDFC Bank Ltd. With its registered office in Mumbai, India, HDFC Bank commenced operations as scheduled commercial bank in January 1995. The bank at present has an enviable network of over 6,342 branches spread over cities across India. All branches are linked on an online real time basis. Customers in over 3,226 cities/towns are also servicing through telephone banking. The bank also has a ATMs 18,130 across cities and towns. Products and services offer by HDFC Bank like wholesale banking, retail banking, treasury, auto loans, home loans, personal loans, credit card and various digital products

JUSTIFICATION OF THE STUDY

Financial Statements are prepared primarily for decision-making. They play a dominant role in setting the framework of managerial decisions. But the information in the financial statement is not an end in itself as no meaningful can be drawn from these statements alone. There are various methods or techniques used in analyzing financial statement such as comparative statement, trend analysis, common size statement, schedule of changes in working capital, fund flow and cash flow analysis, cost volume profit analysis and

“RATIO ANALYSIS”. Ratio analysis is one of the most powerful tool of financial analysis. It is a process of establishing and interpreting various ratios that the financial statements can be analyzed more clearly and decisions made from such analysis.

OBJECTIVE OF THE STUDY

Objectives are the ends that states specifically how goal be achieved. Every study must have an objective for which all the efforts have been done. Without objective no research can be conducted and no result can be obtained. On the basis of objective all the research process is followed. Objectives are the main aspect of every study. The objective of the study gives direction to go through the research problem. It guides the researcher and keeps him on track.

- To evaluate the financial performance of HDFC bank for the five years.
- To examine the liquidity and solvency position of the bank.
- To examine the profitability position of the bank.
- To analyze the financial statements of the corporation to its true financial position by the use of ratios.

STATEMENT OF PROBLEM

The statement of problem is based on finance and aims to analyze the financial performance of the HDFC bank for the past 5 years. Financial performance analysis enables the outsiders and investors to evaluate the past and current performance and financial position and to predict future performance. The study is conducted to know whether the financial performance in the organization is sound or not with the help of last five years financial Statements.

LITERATURE REVIEW

(Dr. Seema Pandit, Jash Gandhi 2021): Study compare the performance of SBI and HDFC Bank by applying CAMEL Model. The research was conducted in 2021. The results shows that the SBI Bank performed well on the parameters of Capital Adequacy, Asset Quality and Management whereas HDFC Bank performed well on the parameters of liquidity. In 1995, a rating system for domestic as well as foreign banks based on international CAMEL Model was introduced by RBI. CAMEL Model as a tool is very effective, efficient and accurate to be used as a performance evaluation in banking industries and to anticipate the future and relative risk.

(Shewta Yadav, Jonghag Jang 2021) tried to examine the impact on financial performance of HDFC Bank before and after the merger and to compare the pre and post-merger effect caused on its financial performance by CAMEL Analysis. The data used in the study is secondary data covering total time period of ten years which include five year prior merger (2003-2008) and five year of post-merger period (2009-2014). The research technique used in this study is CAMEL Analysis. Paired sample T-test has been also conducted to check the statistical significance difference between before and after merger CAMEL ratios and to measure the effect of merger on financial performance. The result showed that the financial performance of HDFC increased after the merger and positively impacted by the act of merger.

Nandhini Thakur (2020), ‘The study is conducted on financial statement analysis of HDFC Bank with the time period of 2013-14 to 2017-18. Tools used in this study was ratio analysis, cash and fund flow analysis trend analysis. 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.’

(Jyoti Saini 2019) Ratio analysis is the very cardinal tool of financial analysis. It defines the relationship between two items of the financial statements of the organization or company. In financial analysis, ratio helps to determine the financial status and performance of the organization. Financial ratio provides the mathematical expressions for the representation of the relationship among the financial statement’s entities. Ratios also help to encapsulate the large financial data of company to tell about the performance and financial performance of the organization. Secondary data has been used by the researcher to achieve the objective of the study. The time period for the data has been studied from 2013-14 to 2017-18

(Ahmad Azman Sulaiman (2018) : this study checks the strength of various banks held in Malaysia by using descriptive design based on variable inside the organization .the features of bank are liquidity ratios , turnover ratio etc. Research method: here, the Z-test had been used to check the strength by using records of financial statements of banks from 2000 -2011. The study showed the distinction between Islamic and the conventional banks. Islamic banks give less loan of money to cover defective loans than conventional banks in the matter of profitability ratio, the conventional banks have high profitability because of higher assets and Islamic banks have greater profitability ratio, because of the higher equity. The 11 conventional and 8 Islamic banks of Malaysia have stronger financial status. Both banks have to work and have to make condition better for uncertain economic failure and increased competition.

(Dr. Gagandeep Sharma, Dr. Divya Sharma 2017): Analysed the financial performance of top three Indian Private sector bank. The study covers a period of 5 years from 2011-12 to 2015-16 .Their aim was to study the ratio of profitability of top three private sector bank (HDFC, ICICI, AXIS). The study finalizes that HDFC bank is found to be consistent on the basis of cost to income ratio and return on net worth.

(Sanjib Kumar Pakira 2016): The paper compares the growth performance of SBI and HDFC Bank in terms of affiliation and association between earnings and growth performance indicators for the period from 2005-06 to 2014-15 using secondary data with the application of descriptive methods of statistical analysis including multiple regressions. In view of the fact that the growth performance of the banking sector is straightforwardly connected to the economy but it is estimated to have slow down remarkably because of ongoing crisis in Europe and economic slowdown in the United States. Examines his research growth performance analysis a comparative study between SBI and HDFC Bank Limited. His objective was to analysis the growth rate in SBI and HDFC Bank

limited as both the banks are giant banks in public and private sector. In this research work the researcher found that HDFC Bank has performed much better than the SBI Bank.

(Dr Ahmed Arif Almazari 2012): This study attempts basically to measure the financial performance of the Jordanian Arab commercial bank for the period 2000-2009 by using the DuPont system of financial analysis which is based on analysis of return on equity model. Arab bank had less financial leverage in the recent years, which means the bank is relying less on debt to finance its assets.

(Vinoth Kumar and Bhawna Malhotra 2017), 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 IndusInd bank amongst all the selected banks.

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RESEARCH METHODOLOGY

This study is quantitative nature meaning it primarily deals with financial statement of HDFC .Bank for the past five years FROM 2017 -2018 TO 2021- 2022. This study is based on secondary data which is taken from banks website and the annual reports. The data is analyzed by the ratio analysis and Comparative Balance Sheet .The performance of the bank is clearly explained for the study period.

Ratio analysis

1) Liquidity Ratio

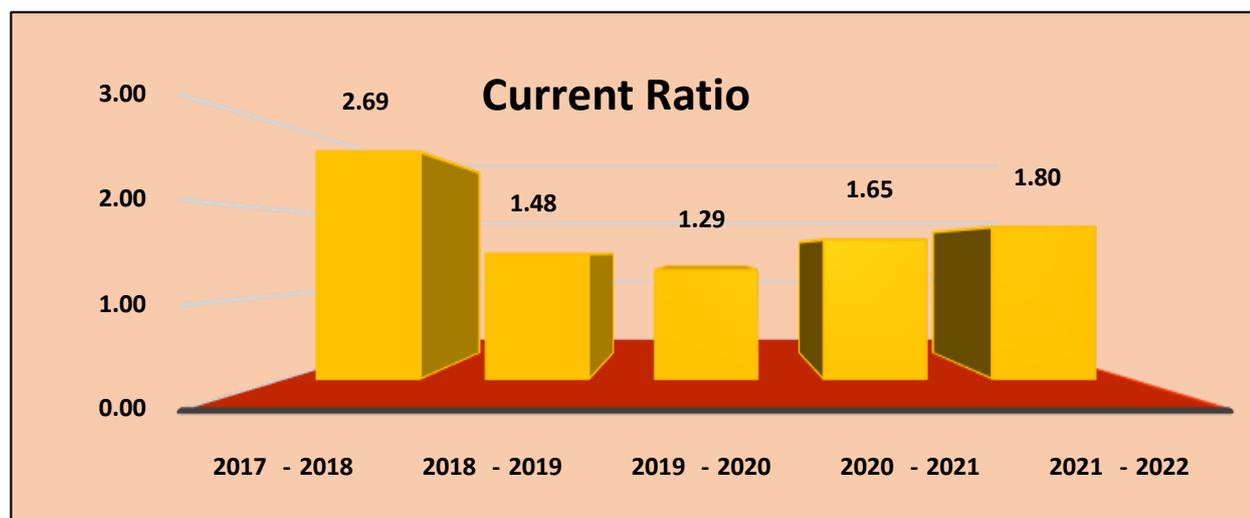
(a) Current Ratio

Current Ratio = $\frac{\text{Current Asset}}{\text{Current Liability}}$ (Ideal Ratio = 2:1)

Table: Showing Current Ratio

Year	Current Asset	Current Liability	Current Ratio
2017 - 2018	122915.08	45763.72	2.69
2018 - 2019	81347.64	55108.29	1.48
2019 - 2020	86618.72	67394.4	1.29
2020 - 2021	119470.4	72602.15	1.65
2021 - 2022	152326.92	84407.46	1.80
Mean	112535.752	65055.204	1.782
Standard Deviation	29084.14	15066.86	0.5422
CV	25.84435567	23.16011491	30.43
CAGR	-75.21	-63.11	-86.56

INTERPRETATION: Table shows current assets and current liabilities over a period of 5 years from 2017-2018 to 2021- 2022. The average current ratio is 1.78 and its Standard Deviation is 0.54. Coefficient of Variation is 30.43 and CAGR (Compound Annual Growth Rate) follows a negative trend. Current ratio is high during period 2017 – 2018 that is 2.69. It indicates the firm is liquid and low during the period 2019 – 2020 and standard in another period. In 2021.2022 the ratio is 1.80 which shows that the company is able to pay the short term obligation.



Leverage / Solvency Ratio

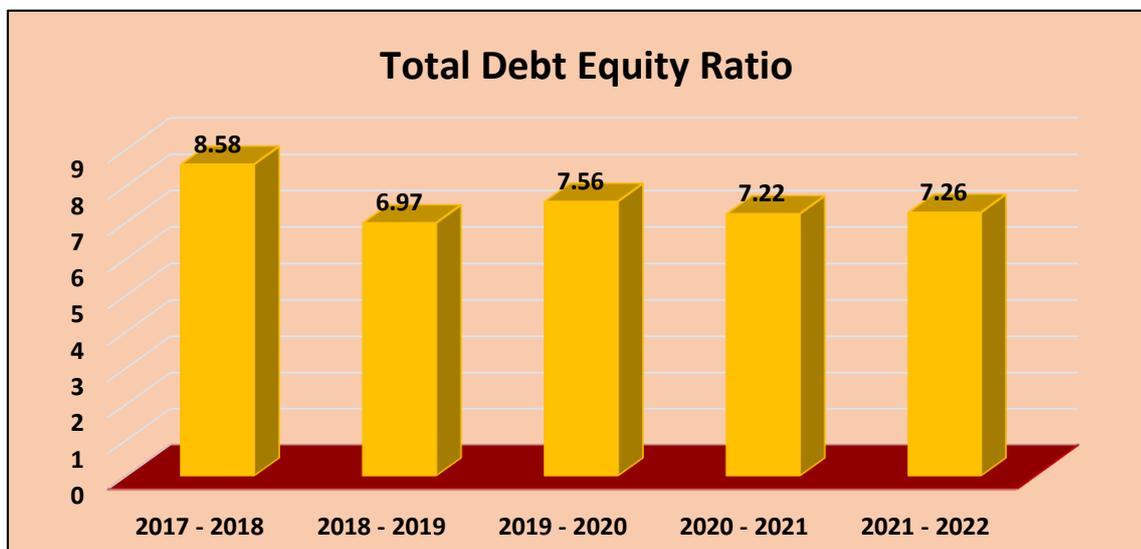
(a) Debt Equity Ratio

$$\text{Debt Equity Ratio} = \frac{\text{Total Debt}}{\text{Equity Share holder Fund}} \quad (\text{Ideal ratio} = 1:1)$$

Table: Showing Debt Equity Ratio

Year	Total Debt	Equity	Total Debt Equity Ratio
2017 - 2018	911875.61	106295	8.58
2018 - 2019	1040226.05	149206.35	6.97
2019 - 2020	1292130.83	170986.03	7.56
2020 - 2021	1470547.54	203720.83	7.22
2021 - 2022	1744034.65	240092.94	7.26
Mean	1291762.94	174060.23	7.52
Standard Deviation	333203.75	51135.51	0.63
CV	25.79449678	29.37805494	8.38
CAGR	-0.62	-0.55	-0.83

INTERPRETATION: The above table shows the Debt Equity Ratio. The average Debt Equity Ratio is 7.52 and its Standard deviation is 0.63, the coefficient of variation is 8.38 and CAGR follows a negative trend. The ideal debt equity ratio is 1:1. During the five years of study the debt equity ratio is very high. These indicates that the higher proportion of debt content in the capital structure. In 2017-2018 the ratio is 8.58 which is very high that shows Company is borrowing more capital from the market to fund its operations. In 2021-2022 the ratio is reduce by 7.26 which shows that company is utilizing its assets and borrowing less money from the market.



(b) Proprietary Ratio

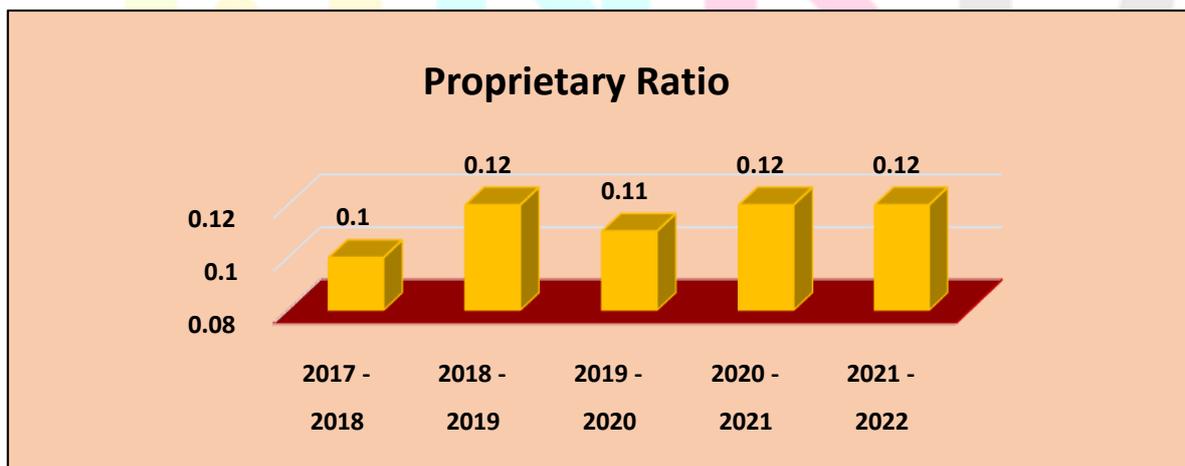
Proprietary Ratio = $\frac{\text{Shareholder Fund}}{\text{Total Asset}}$ (Ideal ratio= .5:1)

Table: Showing Proprietary Ratio

Year	Shareholder's fund	Total Asset	Proprietary Ratio
2017 - 2018	106295	1063934.31	0.1
2018 - 2019	149206.35	1244540.69	0.12
2019 - 2020	170986.03	1530511.26	0.11
2020 - 2021	203720.83	1,746,870.52	0.12
2021 - 2022	240092.94	2,068,535.05	0.12
Mean	174060.23	1530878.37	0.114
Standard Deviation	51135.51	398670.75	0.0089
CV	29.37805494	26.04196113	7.807017544
CAGR	-0.548251677	-0.611153615	-0.76

INTERPRETATION: The above table shows the proprietary ratio. The average proprietary ratio is 0.114 and its standard deviation is 0.0089. The coefficient of variation is 7.81 an CAGR follows a negative trend. The ratio is high during the period 2020-2021 & 2021-22. It indicates that the margin for meeting no operating expenses, creating reserves and paying dividend is less.

(c)



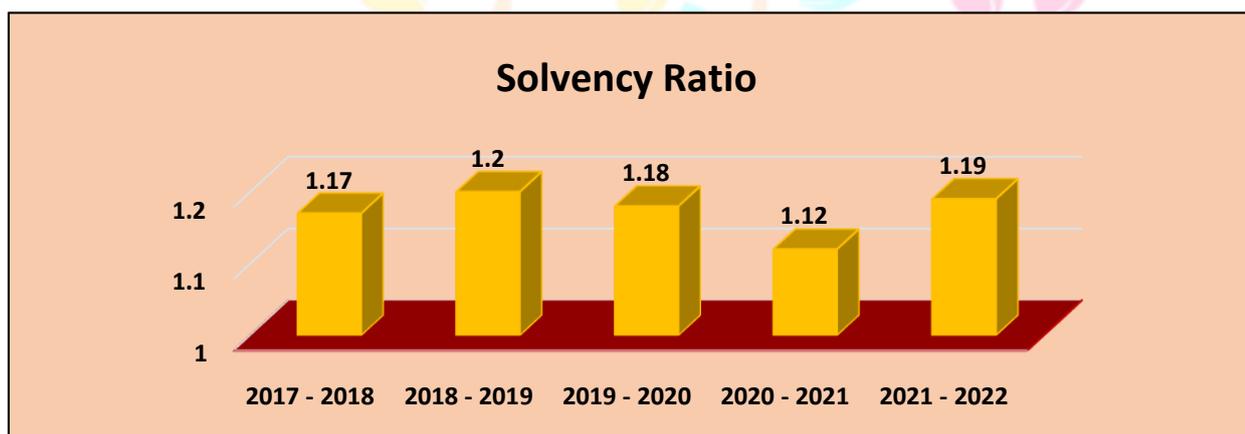
Solvency Ratio

Solvency Ratio = $\frac{\text{Total Asset}}{\text{Total Debt}}$

Table: Showing Solvency Ratio

Year	Total Asset	Total Debt	Solvency Ratio
2017 - 2018	1063934.31	911875.61	1.17
2018 - 2019	1244540.69	1040226.05	1.2
2019 - 2020	1530511.27	1292130.83	1.18
2020 - 2021	174670.53	1470547.54	1.12
2021 - 2022	2,068,535.05	1744034.65	1.19
Mean	1,216,438.37	1291762.936	1.172
Standard Deviation	695348.47	333203.75	0.0311
CV	57.1626551	25.79449686	2.653583618
CAGR	-0.611153615	-0.617484089	-0.796581197

INTERPRETATION: The above table shows the solvency ratio. Its average is 1.17, its standard deviation is 0.0311. The coefficient of variation is 2.65 and CAGR follows a negative trend. Generally, higher the solvency ratio the stronger is its financial position and vice versa. From the above data it is clear that, the assets are more than the outside liabilities. In all year's solvency ratio is above 1:1, it indicates that there is no difficult in paying off its outside liabilities



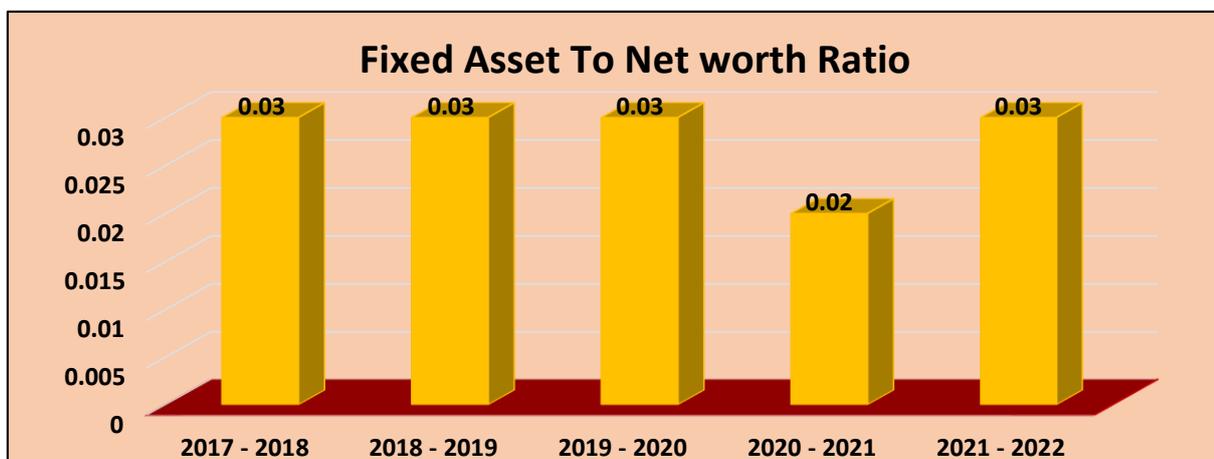
(d) Fixed Asset to Net worth Ratio

Fixed Asset to net worth ratio = $\frac{\text{Fixed Asset}}{\text{Net worth}}$ (Ideal ratio = .67:1)

Table Showing Fixed asset to Net worth ratio

Year	Fixed Asset	Net worth	Fixed Asset To Net worth Ratio
2017 - 2018	3607.2	106295	0.03
2018 - 2019	4030	149206.35	0.03
2019 - 2020	4431.92	170986.03	0.03
2020 - 2021	4909.32	203720.83	0.02
2021 - 2022	6,083.67	240,092.94	0.03
Mean	4612.422	174060.23	0.028
Standard Deviation	953.28	51135.51	0.0045
CV	20.66766658	29.37805494	16.07142857
CAGR	-0.662692947	-0.548251677	-0.8

INTERPRETATION: The above table shows the Fixed Asset to net worth ratio. The average Fixed Asset to net worth ratio is 0.028 and its standard deviation is 0.0045. The coefficient of variation is 16.07 and CAGR follows a negative trend. The table shows fixed assets to proprietary ratio of the Concern. Ratio less than 1 indicates that all fixed assets are purchased out of proprietor's fund and a part of proprietor's fund is invested in working capital.



Profitability ratio

(a) Operating Profit Ratio

$$\text{Operating Profit Ratio} = \frac{\text{Operating Profit} \times 100}{\text{Total Income}}$$

Table Showing Operating profit ratio

Year	Operating Profit	Total Income	Operating Profit Ratio
2017-2018	72771.28	95461.66	76.23
2018-2019	90478.57	116597.94	77.59
2019-2020	107375.94	138073.47	77.77
2020-2021	113340.49	146063.12	77.59
2021 - 2022	119820.83	157,263.02	76.19
Mean	100757.422	130691.842	77.074
Standard Deviation	19068.5	24680.94	0.79
CV	18.9251567	18.88483598	1.02499
CAGR	-0.670691982	-0.670521087	-0.8001

INTERPRETATION: The above table shows the Operating Profit Ratio. The average Operating Profit Ratio is 77.07 and its standard deviation is 0.79, the coefficient of variation is 1.025 and CAGR. Follows a negative trend. The ratio that is used to define a relationship between the operating profit and the net sales. Typically, an operating profit ratio of about 20% is considered good, and below 5% is considered low. The HDFC bank has good Operating Profit Ratio.

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Research Through Innovation



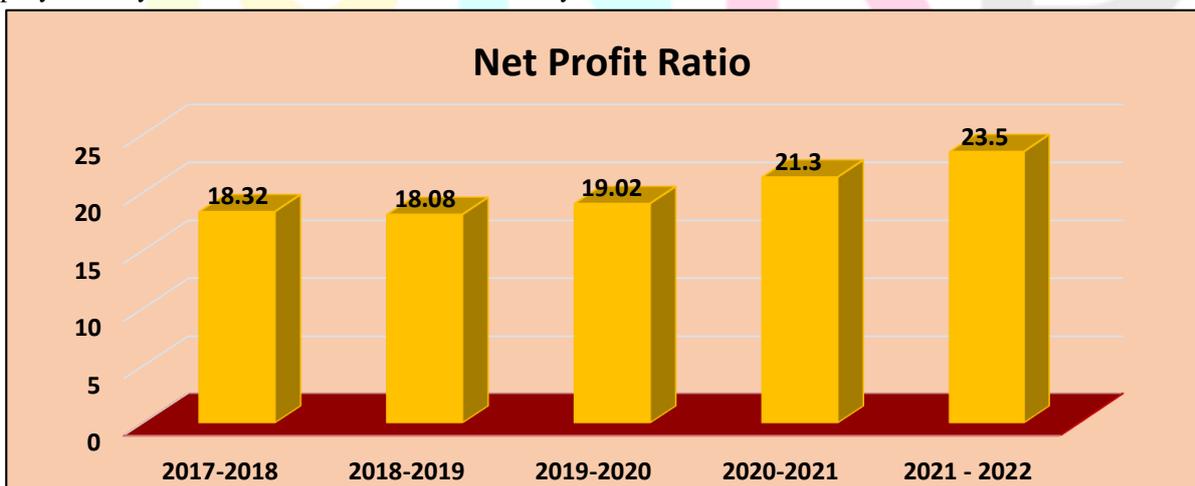
(b) Net Profit Ratio

$$\text{Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Total Income}} \times 100$$

Table Showing Net Profit Ratio

Year	Net Profit	Total Income	Net Profit Ratio
2017-2018	17486.73	95461.66	18.32
2018-2019	21078.17	116597.94	18.08
2019-2020	26257.32	138073.47	19.02
2020-2021	31116.53	146063.12	21.3
2021 - 2022	36961.36	157263.02	23.5
Mean	26580.022	130691.842	20.044
Standard Deviation	7768.76	24680.94	2.31
CV	29.22781629	18.88483598	11.52464578
CAGR	-0.577263902	-0.670521087	-0.743449782

INTERPRETATION: The above table shows the Net Profit Ratio. The average Net Profit Ratio is 20.04 and its standard deviation is 2.31. The coefficient of variation is 11.52 and CAGR follows a negative trend. In 2021-2022 the net profit ratio is 23.5. Here the bank has a very high net profit ratio and is above its idle ratio. Hence this indicates there is high efficiency as well as profitability for the company and they have to maintain this same satisfactory level as well.



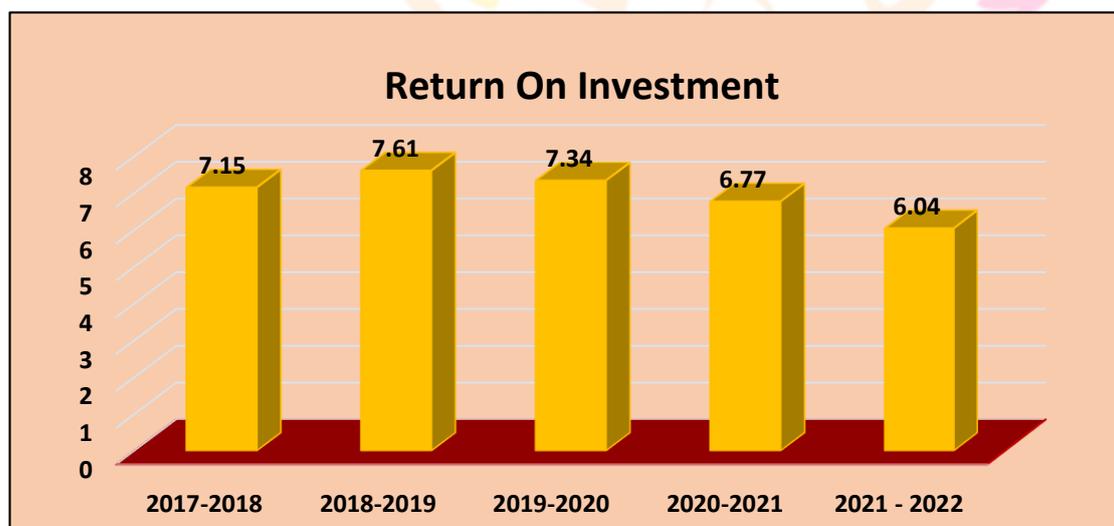
(c) Return On Investment

$$\text{ROI} = \frac{\text{Profit before interest and tax}}{\text{Capital employed}} \times 100$$

Table Showing Return on Investment

Year	Operating Profit	Capital Employed	Return On Investment
2017-2018	72771.28	1018170.6	7.15
2018-2019	90478.57	1189432.4	7.61
2019-2020	107375.94	1463116.86	7.34
2020-2021	113340.49	1674268.37	6.77
2021 - 2022	119820.83	1984127.59	6.04
Mean	100757.422	1465823.164	6.982
Standard Deviation	19068.5	383692.87	0.61
CV	18.9251567	26.17593168	8.73675
CAGR	-0.670691982	-0.610256358	-0.831

INTERPRETATION: The above table shows the return on investment. The average return on investment is 6.98 and its standard deviation is 0.61. The coefficient of variation is 8.74 and CAGR follows a negative trend. The figure shows that bank is not having sufficient return on capital employed. Its ideal ratio is 15%. Overall banks profitability is low and shows that there is inefficient use of capital employed.

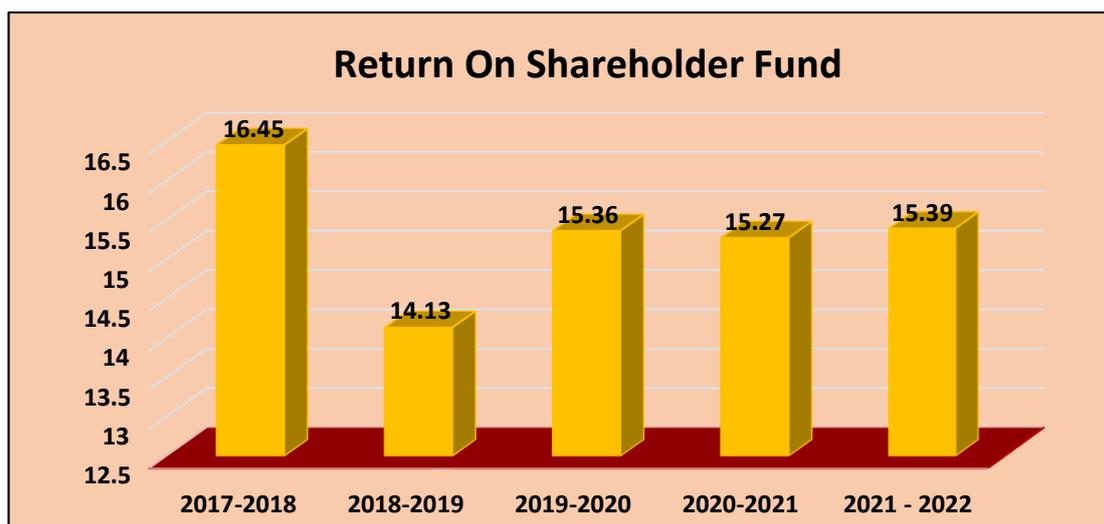
**(d) Return On Shareholder Fund**

$$\text{Return on shareholders fund} = \frac{\text{Net profit after interest and tax}}{\text{Shareholder's fund}} \times 100$$

Table Showing Return on shareholder fund

Year	Net Profit	Shareholder Fund	Return On Shareholder Fund
2017-2018	17486.73	106295	16.45
2018-2019	21078.17	149206.35	14.13
2019-2020	26257.31	170986.03	15.36
2020-2021	31116.53	203720.83	15.27
2021 - 2022	36961.36	240,092.94	15.39
Mean	26580.02	174060.23	15.32
Standard Deviation	7768.76	51135.51	0.82188807
CV	29.22781849	29.37805494	5.364804634
CAGR	-0.577263902	-0.548251677	-0.812887538

INTERPRETATION: The above table shows the return on shareholder fund. The average return on investment is 15.32 and its standard deviation is 0.82. The coefficient of variation is 5.36 and CAGR follows a negative trend. The ideal ratio of return on shareholders' fund is 15%. From the above figure it is clear that banks Return on shareholders' fund in all the 5 year is more than the standard ratio, which means there is better utilization of owner's fund and higher productivity.



COMPARATIVE BALANCE SHEET

1) Table showing comparative balance sheet of financial year 2016 -17 to 2017 -2018

Particulars	2016-17	2017-18	Amount Of Increase /Decrease	Percentage Of Increase/Decrease
Capital And Liabilities				
Capital	512.51	519.02	6.51	1.27
Reserves and Surplus	88949.84	105775.98	16826.14	18.92
Deposits	643639.66	788770.64	145130.98	22.55
Borrowings	74028.87	123104.97	49076.1	66.29
Other Liabilities and Provisions	56709.32	45763.72	-10945.6	-19.3
Total	863840.19	1063934.3	200094.13	23.16
Assets				
Cash And Balances with RBI	37896.88	104670.47	66773.59	176.2
Balances with Other Banks	11055.22	18244.61	7189.39	65.03
Investments	214463.34	242200.24	27736.9	12.93
Advances	554568.2	658333.09	103764.89	18.71
Fixed Assets	3626.74	3607.2	-19.54	-0.54
Other Assets	42229.82	36878.7	-5351.12	-12.67
Total	863840.19	1063934.3	200094.13	23.16

INTERPRETATION: During the financial year 2017 -2018 the fixed asset is decreased by .54 % and also other asset and other liability and provision decreases, the bank borrowings is increased by 66.29 % and investment is increased by 12.93 %.The other liabilities has been decrease by 19.3 %.The bank has to focus on increasing of fixed asset.

Particulars	2017-18	2018-19	Amount Of Increase /Decrease	Percentage Of Increase/Decrease
Capital And Liabilities				
Capital	519.02	544.66	25.64	4.94
Reserves and Surplus	105775.98	148661.69	42885.71	40.54
Deposits	788770.64	923140.93	134370.29	17.04

Borrowings	123104.97	117085.12	-6019.85	-4.89
Other Liabilities and Provisions	45763.72	55108.29	9344.57	20.42
Total	1063934.3	1244540.7	180606.37	16.98
Assets				
Cash And Balances with RBI	104670.47	46763.62	-57906.85	-55.32
Balances with Other Banks	18244.61	34584.02	16339.41	89.56
Investments	242200.24	290587.88	48387.64	19.98
Advances	658333.09	819401.22	161068.13	24.47
Fixed Assets	3607.2	4030	422.8	11.72
Other Assets	36878.7	49173.95	12295.25	33.34
Total	1063934.3	1244540.7	180606.37	16.98

comparative balance sheet of financial year 2017 -18 to 2018 -19

INTERPRETATION: During the financial year 2018-2019 borrowings decreased by 4.89 % cash and Balance with RBI decreased by 55.32. While banks deposit increased by 17.04% and advances increased by 24.47%. The fixed asset is 11.72% .HDFC bank has to increase the cash and balance with RBI. The borrowing of bank has been decrease by -4.89%.

3) Table showing comparative balance sheet of financial year 2018 -19 to 2019 -2020

Particulars	2018-19	2019-20	Amount Of Increase /Decrease	Percentage Of Increase/Decrease
Capital And Liabilities				
Capital	544.66	548.33	3.67	0.67
Reserves and Surplus	148661.69	170437.7	21776.01	14.65
Deposits	923140.93	1147502.3	224361.36	24.3
Borrowings	117085.12	144628.54	27543.42	23.52
Other Liabilities and Provisions	55108.29	67394.4	12286.11	22.29
Total	1244540.69	1530511.3	285970.57	22.98
Assets				
Cash And Balances with RBI	46763.62	72205.12	25441.5	54.4
Balances with Other Banks	34584.02	14413.6	-20170.42	-58.32
Investments	290587.88	391826.66	101238.78	34.84
Advances	819401.22	993702.88	174301.66	21.27
Fixed Assets	4030	4431.92	401.92	9.97
Other Assets	49173.95	53931.09	4757.14	9.67
Total	1244540.69	1530511.3	285970.57	22.98

INTERPRETATION: During the financial year 2019-2020 Balance with other banks decreased by 58.32and banks advance, investments and deposit increased. Which is good for the bank due to this bank can generate more profit.

4) Table showing comparative balance sheet of financial year 2019 -20 to 2020 -2021

Particulars	2019-20	2020-21	Amount Of Increase /Decrease	Percentage Of Increase/Decrease
Capital And Liabilities				
Capital	548.33	551.28	2.95	0.54

Reserves and Surplus	170437.7	203169.55	32731.85	19.2
Deposits	1147502.3	1335060.2	187557.93	16.34
Borrowings	144628.54	135487.32	-9141.22	-6.32
Other Liabilities and Provisions	67394.4	72602.15	5207.75	7.73
Total	1530511.3	1746870.5	216359.26	14.14
ASSET				
Cash And Balances with RBI	72205.12	97340.74	25135.62	34.81
Balances with Other Banks	14413.6	22129.66	7716.06	53.53
Investments	391826.66	443728.29	51901.63	13.25
Advances	993702.88	1132836.6	139133.75	14
Fixed Assets	4431.92	4909.32	477.4	10.77
Other Assets	53931.09	45925.89	-8005.2	-14.84
Total	1530511.3	1746870.5	216359.26	14.14

INTERPRETATION: During the financial year 2020-2021 borrowings is decreased by 6.32% and other assets decreased by 14.84 and deposit, investments, advances is increased.

5) Table showing comparative balance sheet of financial year 2020 -21 to 2021 -2022

Particulars	2020-2021	2021-2022	Amount Of	Percentage Of Increase/Decrease
			Increase /Decrease	
Capital And Liabilities				
Capital	551.28	554.55	3.27	0.59316
Reserves and Surplus	203169.55	239,538.38	36,368.83	17.9007
Deposits	1335060.2	1,559,217.44	224,157.24	16.79
Borrowings	135487.32	184,817.21	49,329.89	36.4092
Other Liabilities and Provisions	72602.15	84,407.46	11,805.31	16.2603
Total	1746870.5	2,068,535.05	321,664.55	18.4138
ASSET				
Cash And Balances with RBI	97340.74	129,995.64	32,654.90	33.547
Balances with Other Banks	22129.66	22,331.29	201.63	0.91113
Investments	443728.29	455,535.69	11,807.40	2.66095
Advances	1132836.6	1,368,820.93	235,984.33	20.8313
Fixed Assets	4909.32	6,083.67	1,174.35	23.9208
Other Assets	45925.89	85,767.83	39,841.94	86.7527
Total	1746870.5	2,068,535.05	321,664.55	18.4138

INTERPRETATION: During the financial year 2021-2022 borrowings has been increase by 36.41%. All the asset like cash and balance with RBI is 33.555, Balances with Other Banks is 0.91%, Investments is 2.66%, Advances is 20.83%, Fixed Assets is 23.92 and Other Assets is 86.75% increase in 2021-2022.

Ranking Of HDFC

Top 10 Best Private Sector Banks in India 2023

Bank Name	Total Branches	Total ATMs	City of Headquarter
HDFC Bank	6,342	18,130	Mumbai
ICICI Bank	5,275	15,589	Mumbai
Axis Bank	4,758	10,990	Mumbai
Kotak Mahindra Bank	1,600	2,519	Mumbai
Yes Bank	1,000+	1,800	Mumbai
Federal Bank	1,282	1,885	Aluva
IndusInd Bank	2,015	2,886	Pune
RBL Bank	502	414	Mumbai
J&K Bank	964	1,388	Srinagar
South Indian Bank	933	1,200+	Thrissur

Top 10 Largest Banks in India 2023

1	HDFC Bank Ltd.
2	State Bank of India
3	ICICI Bank Ltd.
4	Kotak Mahindra Bank Ltd.
5	Axis Bank Ltd.
6	IndusInd Bank Ltd.
7	Yes Bank Ltd.
8	Punjab National Bank
9	Bank Of Baroda
10	Bank of India

FINDINGS

During the study period the current ratio of bank is close to the ideal ratio 2:1, during the 3 years from 2017-18 to 2018-19. The ratio was slightly low in the year 2019-20 and in 2021-22 the ratio has been increases.

The ideal debt equity ratio is 1:1. During the five years of study the debt equity ratio is very high. These indicates that the higher proportion of debt content in the capital structure.

The ideal proprietary ratio is high during the year 2018-19, 2020-21 & 2021-22. The bank having low ratio during the last four years from 2017-18 & 2019-20 A low ratio indicates the firm is more dependent on creditors for its working capital.

During the period of study the solvency ratio is satisfactory. Fixed asset to net worth ratio is less than one it indicates that all fixed asset are purchased out of proprietors fund and a part of proprietor fund is invested in working capital.

The Return on investment shows that the bank is not having the sufficient return on capital employed. It's ideal ratio is 15% overall bank profitability is low.

During the period of study net profit is very high and is above its ideal ratio it indicates the bank has high profitability.

In the financial year 2017-18 the fixed assets of the bank increased by 11.72 % from the previous year. There was only 59.32 % increase in the capital of the bank in 2021-2022. While the balances with other banks increased to 91.11 % in the year. The bank deposits increased by 16.79 % and the advances provided increased by 20.83 %

During the financial year 2021-2022 cash balance has been increased by 33.55%.

During the financial year 2017 -2018 the fixed asset is decreased by .54 % and also other asset and other liability and provision decreases, the bank borrowings is increased by 66.29 % and investment is increased by 12.93 %. The other liabilities has been decrease by 19.3 %. The bank has to focus on increasing of fixed asset.

During the financial year 2018-2019 borrowings decreased by 4.89 % cash and Balance with RBI decreased by 55.32. While banks deposit increased by 17.04% and advances increased by 24.47%. The fixed asset is 11.72% .HDFC bank has to increase the cash and balance with RBI. The borrowing of bank has been decrease by -4.89%.

During the financial year 2019-2020 Balance with other banks decreased by 58.32 and banks advance, investments and deposit increased. Which is good for the bank due to this bank can generate more profit.

During the financial year 2020-2021 borrowings is decreased by 6.32% and other assets decreased by 14.84 and deposit, investments, advances is increased.

During the financial year 2021-2022 borrowings has been increase by 36.41%. All the asset like cash and balance with RBI is 33.555, Balances with Other Banks is 0.91%, Investments is 2.66%, Advances is 20.83%, Fixed Assets is 23.92 and Other Assets is 86.75% increase in 2021-2022.

CONCLUSIONS

The study mainly concentrates on the analysis of financial performance and soundness of the bank. It helps to understand the working of the bank. From the study of financial performance of HDFC BANK it can be concluded that the bank has satisfactory position with regard to profitability and the bank needs to improve its liquidity and solvency. If the bank continues to work with more efficiency, it can have greater success in the near future. Bank should work like this so that it always remain top of the other banks.

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