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EXECUTIVE SUMMARY

Project Summary: 10-year fiscal analysis of the HDFC Bank

This design named" 10-year fiscal analysis of HDFC Bank" provides a comprehensive evaluation of the fiscal health, performance, and stability of HDFC Bank over the once decade. The primary ideal of this study is to assay the crucial fiscal rates and pointers that reflect the bank's functional effectiveness, liquidity, profitability, and overall fiscal strength. The analysis includes a detailed examination of colorful fiscal rates similar as the **Liquidity rate, Current rate, Debt- to- Equity rate, ROA), ROE, NIM**, and others. Special focus has been given to the Liquidity rate, assessing the bank's capability to catch its small- term scores and preserve financial solvency. likewise, the design explores the interpretation of bonds issued by HDFC Bank, assaying their yield, trouble, and part in the bank's money structure. The impact of pivotal macroeconomic factors and nonsupervisory changes on the bank's financial opinions and bond performance over the decade has also been considered crucial perceptivity drawn from this analysis help to understand the bank's strategic direction, threat operation practices, and investment eventuality. The study concludes with compliances on the bank's long- term fiscal sustainability and recommendations for stakeholders similar as investors, controllers, and fiscal judges. Overall, this design serves as a precious academic and practical resource for understanding long- term financial analysis in the banking industry in India, with HDFC Bank as a focused case report. The unborn compass of HDFC Bank is largely promising, driven by its strong fiscal foundation, technological invention, and strategic growth enterprise. With an adding focus on digital metamorphosis, the bank is anticipated to further enhance client experience and functional effectiveness through the relinquishment of AI, machine literacy, and blockchain technologies. Its expansion into pastoral and semi-urban requests presents significant eventuality for fiscal addition and client base growth. The recent junction with HDFC Ltd. is likely to induce substantial solidarity by integrating casing finance with traditional banking services, enabling cross-selling openings, and strengthening the overall balance distance. also, the bank's sweats to align with Environmental, Social, and Governance (ESG) norms reflect its commitment to sustainable banking, opening avenues for green backing and ethical investment. HDFC

Bank is also well- deposited to subsidize on the rising demand for SME and commercial credit in a growing frugality, and may explore transnational expansion to feed to the global Indian diaspora. Overall, the bank's rigidity, client- centric approach, and strategic foresight position it for uninterrupted leadership and success in the evolving fiscal geography.

1. Introduction

13 The technique of linking the establishment's financial strengths and weaknesses by properly establishing a relationship between the profit and loss account and the balance distance is known as fiscal statement analysis. Fiscal statements can be analyzed in a variety of methods, including relative statements, schedules of working capital movements, common size probability, financial analysis, trend analysis, and rate analysis. Fiscal statements are created for decision-making and to satisfy external reporting requirements. They have an important impact on the context of the director's perspectives. However, as no significant inferences can be made from the fiscal statements alone, the information provided is not a conclusion. Nevertheless, by analyzing and interpreting the fiscal statements, the information provided is quite helpful in forming opinions. A business enterprise's financial statements provide an overview of its accounts, with the income statement displaying the outcomes of activities over a specific time period and the balance statement representing the means, arrears, and capital as of a given date. - John N. Myer The product of a fiscal account in a collection of fiscal statements created by a business enterprise's accountant is known as fiscal statements. that aim to disclose the company's financial status as a result of its recent conditioning and an examination of its earnings. Ausborne and Smith In essence, financial statements are yearly interim reports that show how an organization's life is divided into arbitrary account periods.

Statements:

1. The Balance distance: A balance distance shows an organization's liquidity and solvency as well as the amount of profitable funds under its control. This is used to gauge the company's capacity to fulfill its financial obligations.

2. The Profit and Loss Report depicts the results of the association's operations.

3. Cash Flow Report: Describes how income is calculated and aids in operations.

4. The notes and The schedules: Offers additional details on various fiscal statement modules. Numerous examples can be problems and concerns that impact a business, including programs, etc.

8 The process of examining and evaluating a company's financial statements in order to assess its past, present, or anticipated future performance is known as financial statement analysis. Better, more lucrative decisions can be made thanks to this procedure of examining the financial data. Companies that are intimately listed are required by law to provide their financial statements to the Levant authorities.

For example, American companies that are intimately listed must provide the Securities and Exchange Commission (SEC) with their financial statements. 8 Additionally, businesses must include their financial accounts in the periodic report they submit to its stakeholders.

When fiscal statements are generated to satisfy requirements, the next step in the process is to properly analyze them in order to identify potential cash overflows and unborn profits. The identification and troubleshooting of latent issue areas is a significant goal of fiscal statement analysis.

1.1. Background

Finance: What is it?

"Finance is the provision of funds when needed." "The process of converting amassed funds into productive funds for productive use is the essence of finance." "The study of money is a fitting description of finance." For an organization to have the resources to accomplish its goals as effectively as possible, finance can be defined as the administrative division or group of administrative responsibilities that are related to the arrangement of cash and credit.

The function of finance:

The acquisition of capital and its efficient application for business purposes constitute the finance function.

• Creating the politics of asset management.

• Choosing how to divide the net earnings.

The establishment and management of external financing and cash flows.

• Selecting the sources and requirements for new external funding.

• Monitoring financial results.

Financial Statement Types

• Income statement: It describes the operations of a business between two dates on the balance sheet.

• A statement of a company's financial status at a certain point in time is called a balance sheet.

• Retained Earnings Statement: The total amount of earnings over losses and dividends is referred to as retained earnings.

DISPLAYS OF CHANGES IN THE FINANCIAL POSITION

• Variations in the company's working capital • Variations in the company's cash position • Modifications to the company's overall financial status.

METHODS

The financial position and operational outcomes are also ascertained by the evaluation and interpretation of financial statements. A few techniques or tools are employed to examine the connections between various claims.

An attempt is made to employ those tools that provide a clear analysis of the enterprise's status. The following analysis techniques are frequently employed: • Statements that compare.

• Common-size statements;

- Income statements
- Analysis of trends
- Ratio

1.2. Problem Statement

HDFC Bank, a prominent private sector bank in India, has consistently been instrumental in influencing the country's financial environment. Over the past ten years, the bank has witnessed substantial growth in market share, revenue, and profitability, establishing itself as a significant entity within the Indian banking industry. Nevertheless, despite its robust performance, there is a scarcity of detailed analyses that offer a comprehensive, long-term perspective on HDFC Bank's financial performance relative to its competitive environment. This research addresses the necessity for an extensive 10-year financial analysis of HDFC Bank, concentrating on essential financial metrics such as profitability, liquidity, solvency, and efficiency. Such an analysis will enhance the understanding of the elements that have driven the bank's financial success and will aid in identifying trends, patterns, and potential concerns that may not be evident in short-term evaluations. Although HDFC Bank's annual reports, balance sheets, and profit and loss statements are accessible, certain data points have not been cohesively integrated and examined within a comprehensive, long-term framework. Consequently, there exists a gap in the literature regarding a thorough, multi-dimensional analysis that amalgamates historical financial data, industry benchmarks, and forward-looking projections. This research aims to bridge this gap by providing a detailed financial analysis that not only assesses HDFC Bank's historical performance but also offers valuable insights into its future potential and sustainability amid evolving market conditions. The outcomes of this study will enhance the understanding of the bank's financial stability, its competitive standing, and the critical factors that affect its growth trajectory, thereby benefiting investors, stakeholders, and decision-makers who are looking to make informed choices about the bank's future financial prospects.

1.3. Objectives of the study

The objectives of this study include comparing projected ratios with actual ratios to identify any variances, which can aid in interpretation and corrective measures.

The primary aims of fiscal anatomy are to estimate:

i. The current and anticipated earning potential of the entity.
ii. The overall operational efficiency of the entity and its individual components.
5 iii. The short- term and long- term solvency of the reality, serving debenture holders and trade creditors.
iv. The performance comparison of the company against another entity or its own past performance.

TYPES OF FINANCIAL ANALYSIS MAY INCLUDE:

i. The nature of the analyst and the materials utilized.
ii. The purpose of the analysis.
iii. The methodology of the analysis.

Internal Analysis

17 It is conducted by individuals who have access to the financial records, typically members of the organization. This type of analysis focuses on financial statements or other financial data for managerial purposes and is generally more reliable than external analysis due to the comprehensive information available to internal analysts.

External Analysis

On the other hand, is performed by individuals not affiliated with the enterprise, who lack access to detailed company records and primarily rely on publicly available statements. This analysis is typically conducted by investors, credit agencies, government bodies, and academic researchers.

ACCORDING TO THE OBJECTIVE OF THE ANALYSIS:

15 • **Long-Term Analysis –**

15 This analysis aims to assess the long-term financial stability, solvency, profitability, and earning capacity of a company. The intent is to determine whether the company
22 can generate a minimum return sufficient to maintain a reasonable rate of return on investment and cover its capital costs in the long run. This kind of study supports long-term financial planning, which is crucial to the business's ongoing success.

5 • **Short- Term Analysis –**

This is utilized to ascertain the organization's short- term liquidity and solvency. The goal of this study is to determine if a business will have enough cash on hand to cover its immediate needs and enough borrowing capacity to cover last-minute
5 emergencies. In order to obtain enough information about the company's position that could be useful for short-term financial planning, this analysis is conducted with reference to current assets and current liabilities (working capital analysis).

14 1. To research HDFC Bank's financial status.

2. To evaluate the company's profitability condition.

3. To evaluate HDFC Bank's liquidity status.

4. To ascertain HDFC Bank's creditworthiness status.

5. To assess HDFC Bank's operational effectiveness.

6. To provide appropriate conclusions and recommendations for HDFC Bank's improved development

1.4. SCOPE

Only the analysis of the HDFC Bank's accounting records is addressed in this study. This study solely analyzes HDFC Bank's financial division utilizing ratio assessment and comparative income statements.

1. The task at hand is finished so that the economic condition of HDFC Bank may be reviewed.

2. The financial position analysis provides a clearer understanding of the organization's financial situation so that better decisions can be made.

3. Since financial management deals with handling money, it is crucial for both individuals and companies.

4. It directs a business or individual to use funds as efficiently as possible in order to maximize returns.

5. An individual or institution can grow their savings and, in turn, their investments by using financial analysis.

1

HDFC Bank's key financial ratio and position

KEY FINANCIAL RATIOS OF HDFC BANK (in Rs. Cr.)	R 24	MAR 23	MAR 22	MAR 21	MAR 20
PER SHARE RATIOS					
Basic EPS (Rs.)	85.83	79.25	66.80	56.58	48.01
Diluted EPS (Rs.)	85.44	78.89	66.35	56.32	47.66
Cash EPS (Rs.)	83.75	83.07	69.54	58.81	50.07
Book Value [Excl. Reval Reserve]/Share (Rs.)	579.51	502.17	432.95	369.54	311.83
Book Value [Incl. Reval Reserve]/Share (Rs.)	579.51	502.17	432.95	369.54	311.83
Dividend/Share (Rs.)	19.50	19.00	15.50	6.50	2.50
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
PER EMPLOYEE RATIOS					
Interest Income/ Employee (Rs.)	12,098,731.10	9,328,234.10	9,023,451.15	10,063,719.49	9,815,479.98
Net Profit/ Employee (Rs.)	2,847,990.11	2,546,368.33	2,610,652.37	2,591,035.71	2,244,771.35
Business/ Employee (Rs.)	227,823,544.34	201,128,063.77	206,813,042.29	205,498,809.40	183,054,361.58
PER BRANCH RATIOS					
Interest Income/ Branch (Rs.)	295,651,837.38	206,604,701.06	201,439,796.75	215,510,389.62	211,987,907.87
Net Profit/ Branches (Rs.)	69,595,191.69	56,397,777.01	58,280,282.56	55,485,957.92	48,481,009.97
Business/ Branches (Rs.)	5,567,232,542.00	4,454,648,441.76	4,616,900,617.16	4,400,671,989.48	3,953,480,747.42
KEY PERFORMANCE RATIOS					
ROCE (%)	2.71	2.97	3.22	3.42	3.33
CASA (%)	38.18	44.38	48.16	46.11	42.23
Net Profit Margin (%)	23.53	27.29	28.93	25.74	22.86
Operating Profit Margin (%)	38.54	37.36	36.40	34.54	33.05
Return on Assets (%)	1.68	1.78	1.78	1.78	1.71
Return on Equity / Networth (%)	13.81	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 (%)	40.17	40.36	36.88	36.32	38.63
Interest Income/Total Assets (%)	7.14	6.55	6.17	6.91	7.50
Non-Interest Income/Total Assets (%)	1.36	1.26	1.42	1.44	1.51
Operating Profit/Total Assets (%)	0.31	0.52	0.36	0.33	0.19
Operating Expenses/Total Assets (%)	1.75	1.93	1.81	1.87	2.00
Interest Expenses/Total Assets (%)	4.14	3.03	2.69	3.20	3.83
VALUATION RATIOS					
Enterprise Value (Rs. Cr)	3,963,440.78	2,871,198.57	2,429,205.81	2,196,567.47	1,692,584.96
EV Per Net Sales (X)	15.34	17.77	19.01	18.17	14.74
Price To Book Value (X)	2.50	3.21	3.40	4.04	2.76
Price To Sales (X)	4.26	5.56	6.38	6.81	4.12
Retention Ratios (%)	86.17	80.49	100.00	100.00	75.09
Earnings Yield (X)	0.06	0.05	0.05	0.04	0.06

KEY FINANCIAL RATIOS OF HDFC BANK (in Rs. Cr.)	R 19	MAR 18	MAR 17	MAR 16	MAR 15
PER SHARE RATIOS					
Basic EPS (Rs.)	78.65	67.76	57.18	48.84	42.15
Diluted EPS (Rs.)	77.87	66.84	56.43	48.26	41.67
Cash EPS (Rs.)	81.59	70.88	60.03	51.43	43.38
Book Value [Excl. Reval Reserve]/Share (Rs.)	547.89	409.60	349.12	287.47	247.39
Book Value [Incl. Reval Reserve]/Share (Rs.)	547.89	409.60	349.12	287.47	247.39
Dividend/Share (Rs.)	15.00	13.00	11.00	9.50	8.00
Operating Revenue / Share (Rs.)	363.43	309.20	270.46	238.20	193.38
Net Profit/Share (Rs.)	77.40	67.38	56.78	48.64	40.76
PER EMPLOYEE RATIOS					
Interest Income/ Employee (Rs.)	10,092,906.51	9,092,195.73	8,218,909.91	6,878,127.47	6,353,708.99
Net Profit/ Employee (Rs.)	2,149,495.24	1,981,431.60	1,725,424.39	1,404,398.73	1,339,160.38
Business/ Employee (Rs.)	177,699,813.90	163,972,185.69	142,094,024.12	115,472,348.91	107,003,994.66
PER BRANCH RATIOS					
Interest Income/ Branch (Rs.)	193,948,756.61	167,623,469.81	146,990,366.49	133,233,285.62	120,752,128.55
Net Profit/ Branches (Rs.)	41,305,438.57	36,529,618.34	30,858,199.79	27,204,011.28	25,450,719.73
Business/ Branches (Rs.)	3,414,740,633.16	3,022,986,693.96	2,541,267,992.36	2,236,765,820.58	2,033,609,052.57
KEY PERFORMANCE RATIOS					
ROCE (%)	3.34	3.20	3.18	3.17	3.11
CASA (%)	42.37	43.49	48.03	43.24	44.03
Net Profit Margin (%)	21.29	21.79	20.99	20.41	21.07
Operating Profit Margin (%)	32.00	31.61	32.02	32.06	32.54
Return on Assets (%)	1.69	1.64	1.68	1.73	1.73
Return on Equity / Networth (%)	14.12	16.45	16.26	16.91	16.47

Net Interest Margin (X)	3.87	3.76	3.83	3.89	3.79
Cost to Income (%)	39.65	41.02	43.36	44.28	44.55
Interest Income/Total Assets (%)	7.95	7.54	8.02	8.49	8.20
Non-Interest Income/Total Assets (%)	1.41	1.43	1.42	1.51	1.52
Operating Profit/Total Assets (%)	0.27	0.21	0.26	0.21	0.20
Operating Expenses/Total Assets (%)	2.09	2.13	2.28	2.39	2.36
Interest Expenses/Total Assets (%)	4.07	3.77	4.18	4.60	4.41
VALUATION RATIOS					
Enterprise Value (Rs. Cr)	1,624,316.38	1,298,053.53	1,049,367.58	840,203.70	724,875.64
EV Per Net Sales (X)	16.41	16.18	15.14	13.95	14.96
Price To Book Value (X)	4.23	4.62	4.13	3.73	4.13
Price To Sales (X)	6.37	6.12	5.33	4.50	5.29
Retention Ratios (%)	80.77	100.00	100.00	80.46	80.37
Earnings Yield (X)	0.03	0.04	0.04	0.05	0.04

HDFC Bank's Profit & Loss Account

HDFC Bank — Previous Years

Consolidated Profit & Loss account	------------------- in Rs. Cr. -------------------				
	Mar '24	**Mar '23**	**Mar '22**	**Mar '21**	**Mar '20**
	12 mths	12 mths	12 mths	12 mths	12 mths
Income					
Interest Earned	283,649.02	170,754.05	135,936.41	128,552.39	122,189.29
Other Income	124,345.75	33,912.05	31,758.99	27,332.88	24,878.97
Total Income	**407,994.77**	**204,666.10**	**167,695.40**	**155,885.27**	**147,068.26**
Expenditure					
Interest expended	154,138.55	77,779.94	58,584.33	59,247.58	62,137.42
Employee Cost	31,023.00	20,016.85	15,897.03	13,676.67	12,920.13
Selling, Admin & Misc Expenses	154,294.64	58,375.14	53,382.41	49,719.25	43,437.68
Depreciation	3,092.08	2,345.47	1,680.73	1,385.01	1,276.77
Operating Expenses	152,269.34	51,533.69	40,312.43	35,001.26	33,036.06
Provisions & Contingencies	36,140.38	29,203.77	30,647.74	29,779.67	24,598.52
Total Expenses	**342,548.27**	**158,517.40**	**129,544.50**	**124,028.51**	**119,772.00**
	Mar '24	**Mar '23**	**Mar '22**	**Mar '21**	**Mar '20**
	12 mths	12 mths	12 mths	12 mths	12 mths
Net Profit for the Year	**65,446.50**	**46,148.70**	**38,150.90**	**31,856.77**	**27,296.27**
Minority Interest	1,384.46	151.59	98.15	23.56	42.31
Net P/L After Minority Interest & Share Of Associates	64,062.04	45,997.11	38,052.75	31,833.21	27,253.95
Profit brought forward	123,939.45	99,062.77	78,594.20	61,817.69	52,849.61
Total	**189,385.95**	**145,211.47**	**116,745.10**	**93,674.46**	**80,145.88**
Equity Dividend	8,404.42	0.00	0.00	0.00	1,646.95
Corporate Dividend Tax	0.00	0.00	0.00	0.00	90.27
Per share data (annualised)					
Earning Per Share (Rs)	**86.15**	**82.71**	**68.80**	**57.79**	**49.78**
Book Value (Rs)	597.27	518.73	445.99	380.59	321.63
Appropriations					
Transfer to Statutory Reserves	23,470.27	20,279.66	13,888.04	11,945.05	13,922.92
Transfer to Other Reserves	6,081.23	4,410.87	3,696.14	3,111.65	2,625.73
Proposed Dividend/Transfer to Govt	8,404.42	0.00	0.00	0.00	1,737.22
Balance c/f to Balance Sheet	150,045.57	120,369.35	99,062.77	78,594.20	61,817.69
Total	**188,001.49**	**145,059.88**	**116,646.95**	**93,650.90**	**80,103.56**

HDFC Bank

◆ Next Years Previous Years ◆

Consolidated Profit & Loss account	------------------- in Rs. Cr. -------------------				
	Mar '19	**Mar '18**	**Mar '17**	**Mar '16**	**Mar '15**
	12 mths	12 mths	12 mths	12 mths	12 mths
Income					
Interest Earned	105,160.74	85,287.84	73,271.35	63,161.56	50,666.49
Other Income	18,947.05	16,056.60	12,877.63	11,211.65	9,545.68
Total Income	**124,107.79**	**101,344.44**	**86,148.98**	**74,373.21**	**60,212.17**
Expenditure					
Interest expended	53,712.69	42,381.48	38,041.58	34,069.57	27,288.46
Employee Cost	10,451.15	9,193.90	8,504.70	6,306.14	5,162.68
Selling, Admin & Misc Expenses	36,277.68	30,241.44	23,429.11	20,442.14	16,380.55
Depreciation	1,220.67	966.78	886.19	738.03	680.45
Operating Expenses	27,694.77	23,927.22	20,751.07	17,831.88	14,577.53
Provisions & Contingencies	20,254.73	16,474.90	12,068.93	9,654.43	7,646.15
Total Expenses	**101,662.19**	**82,783.60**	**70,861.58**	**61,555.88**	**49,512.14**
	Mar '19	**Mar '18**	**Mar '17**	**Mar '16**	**Mar '15**
	12 mths	12 mths	12 mths	12 mths	12 mths
Net Profit for the Year	**22,445.61**	**18,560.84**	**15,287.40**	**12,817.33**	**10,700.05**
Minority Interest	113.18	51.34	36.72	19.72	14.41
Share Of P/L Of Associates	0.00	-0.52	-2.34	-3.73	-3.25
Net P/L After Minority Interest & Share Of Associates	22,332.43	18,510.02	15,253.03	12,801.33	10,688.89
Profit brought forward	43,098.98	34,532.33	24,853.04	19,550.86	15,207.47
Total	**65,544.59**	**53,093.17**	**40,140.44**	**32,368.19**	**25,907.52**
Equity Dividend	4,052.59	0.00	0.00	2,401.78	2,005.20
Corporate Dividend Tax	43.31	50.77	25.60	512.35	424.54
Per share data (annualised)					
Earning Per Share (Rs)	**82.42**	**71.52**	**59.66**	**50.70**	**42.69**
Book Value (Rs)	564.29	422.33	358.21	293.90	251.96
Appropriations					
Transfer to Statutory Reserves	6,378.10	8,143.93	4,093.18	3,382.86	2,877.17
Transfer to Other Reserves	2,107.81	1,748.67	1,454.96	1,229.62	1,038.58
Proposed Dividend/Transfer to Govt	4,095.90	50.77	25.60	2,914.13	2,429.74
Balance c/f to Balance Sheet	52,849.61	43,098.98	34,532.33	24,825.59	19,550.86
Total	**65,431.42**	**53,042.35**	**40,106.07**	**32,352.20**	**25,896.35**

HDFC Bank's balance sheet

HDFC Bank Previous Years

Standalone Balance Sheet	------------------- in Rs. Cr. -------------------				
	Mar '24	**Mar '23**	**Mar '22**	**Mar '21**	**Mar '20**
	12 mths	12 mths	12 mths	12 mths	12 mths
Capital and Liabilities:					
Total Share Capital	759.69	557.97	554.55	551.28	548.33
Equity Share Capital	759.69	557.97	554.55	551.28	548.33
Share Application Money	2,652.72	0.00	0.00	0.00	0.00
Reserves	436,833.40	279,641.03	239,538.38	203,169.55	170,437.70
Net Worth	**440,245.81**	**280,199.00**	**240,092.93**	**203,720.83**	**170,986.03**
Deposits	2,379,786.28	1,883,394.65	1,559,217.44	1,335,060.22	1,147,502.29
Borrowings	662,153.08	206,765.57	184,817.21	135,487.32	144,628.54
Total Debt	**3,041,939.36**	**2,090,160.22**	**1,744,034.65**	**1,470,547.54**	**1,292,130.83**
Other Liabilities & Provisions	135,437.93	95,722.25	84,407.46	72,602.15	67,394.40
Total Liabilities	**3,617,623.10**	**2,466,081.47**	**2,068,535.04**	**1,746,870.52**	**1,530,511.26**
	Mar '24	**Mar '23**	**Mar '22**	**Mar '21**	**Mar '20**
	12 mths	12 mths	12 mths	12 mths	12 mths
Assets					
Cash & Balances with RBI	178,683.22	117,160.77	129,995.64	97,340.74	72,205.12
Balance with Banks, Money at Call	40,464.20	76,604.31	22,331.29	22,129.66	14,413.60
Advances	**2,484,861.52**	**1,600,585.90**	**1,368,820.93**	**1,132,836.63**	**993,702.88**
Investments	**702,414.96**	**517,001.43**	**455,535.69**	**443,728.29**	**391,826.66**
Gross Block	11,398.99	8,016.54	6,083.67	4,909.32	4,431.92
Net Block	**11,398.99**	**8,016.54**	**6,083.67**	**4,909.32**	**4,431.92**
Other Assets	199,800.20	146,712.52	85,767.83	45,925.89	53,931.09
Total Assets	**3,617,623.09**	**2,466,081.47**	**2,068,535.05**	**1,746,870.53**	**1,530,511.27**
Contingent Liabilities	2,362,091.21	1,819,569.86	1,452,410.35	1,015,845.74	1,180,538.31
Book Value (Rs)	576.01	502.18	432.95	369.54	311.83

HDFC Bank				◆ Next Years	Previous Years ◆
Standalone Balance Sheet	------------------- in Rs. Cr. -------------------				
	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15
	12 mths	12 mths	12 mths	12 mths	12 mths
Capital and Liabilities:					
Total Share Capital	544.66	519.02	512.51	505.64	501.30
Equity Share Capital	544.66	519.02	512.51	505.64	501.30
Reserves	148,661.69	105,775.98	88,949.84	72,172.13	61,508.12
Net Worth	**149,206.35**	**106,295.00**	**89,462.35**	**72,677.77**	**62,009.42**
Deposits	923,140.93	788,770.64	643,639.66	546,424.19	450,795.64
Borrowings	117,085.12	123,104.97	74,028.87	53,018.47	45,213.56
Total Debt	**1,040,226.05**	**911,875.61**	**717,668.53**	**599,442.66**	**496,009.20**
Other Liabilities & Provisions	55,108.29	45,763.72	56,709.32	36,725.13	32,484.46
Total Liabilities	**1,244,540.69**	**1,063,934.33**	**863,840.20**	**708,845.56**	**590,503.08**
	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15
	12 mths	12 mths	12 mths	12 mths	12 mths
Assets					
Cash & Balances with RBI	46,763.62	104,670.47	37,896.88	30,058.31	27,510.45
Balance with Banks, Money at Call	34,584.02	18,244.61	11,055.22	8,860.53	8,821.00
Advances	**819,401.22**	**658,333.09**	**554,568.20**	**464,593.96**	**365,495.03**
Investments	**290,587.88**	**242,200.24**	**214,463.34**	**163,885.77**	**166,459.95**
Gross Block	4,030.00	3,607.20	3,626.74	3,343.16	3,121.73
Net Block	**4,030.00**	**3,607.20**	**3,626.74**	**3,343.16**	**3,121.73**
Other Assets	49,173.95	36,878.70	42,229.82	38,103.84	19,094.91
Total Assets	**1,244,540.69**	**1,063,934.31**	**863,840.20**	**708,845.57**	**590,503.07**
Contingent Liabilities	1,074,667.92	483,718.75	378,692.15	876,808.11	997,538.88
Book Value (Rs)	547.89	409.60	349.12	287.47	247.39

Sorts OF RATIOS

HDFC Bank, like any other money related institution, employments different budgetary proportions to analyze its execution and budgetary wellbeing. Here are a few of the key sorts of proportions ordinarily utilized:

1. **Profitability Proportions**

9 • **Net Intrigued Edge (NIM)**: Measures the distinction between the intrigued wage produced and the intrigued paid out relative to the sum of their interest-earning resources.

• **Return on Resources (ROA)**: Shows how productive a bank is relative to its add up to resources.

9 • **Return on Value (ROE):** Measures the productivity relative to shareholders' value.

2. **Efficiency Proportions**

- Cost to Wage Proportion: Measures the costs of running a bank as a rate of its pay.
- Operating Effectiveness Proportion: Reflects how productively a bank is operating.

3. **Liquidity Proportion**

- **Current Proportion:** Demonstrates the bank's capacity to pay short-term obligations.
- A measure of the bank's advances as compared to its deposits is the loan-to-store proportion.

6 • **Liquidity Scope Proportion (LCR):** Guarantees that the bank has an satisfactory stock of unhampered high-quality fluid resources (HQLA) that can be effortlessly changed over into cash to meet its liquidity needs for a 30-calendar day liquidity push **scenario.**

4. **Asset Quality Ratios**

- • Gross Non-Performing Resources (GNPA) Proportion: Shows the extent of non-performing resources to add up to loans.
- Net Non-Performing Resources (NNPA) Proportion: Measures the net nonperforming resources after subtracting provisions.
- For assets that are not performing (NPAs), the Provision for Scope Proportion (P CR) indicates the quantity that has been conserved.

5. **Capital Ampleness Ratios**

23 • Capital Ampleness Proportion (CAR) or Capital to Hazard (Weighted) Resources
16 Proportion (CRAR): Measures a bank's capital in connection to its risk-weighted assets.

Tier 1 Capital Proportion: Centers on center capital, which incorporates value capital and uncovered reserves.

6. **Leverage Ratios**

- Debt to Value Relation: Indicates how much budgetary leverage the bank posses ses.
- • Equity Multiplier: Shows the extent of a bank's resources that are financed by shareholders' equity.

7. Market Proportions

12
- Earnings Per Share (EPS): Shows the parcel of a company's benefit designated to each exceptional share of common stock.

21
- Price to Profit (P/E) Proportion: Measures the current share cost relative to its per-share profit.
- Price to Book (P/B) Proportion: Compares a firm's showcase esteem to its book esteem.

These proportions give experiences into different viewpoints of HDFC Bank's execution, counting productivity, effectiveness, liquidity, resource quality, capital ampleness, use, and advertise valuation. Each proportion makes a difference partners to make educated choices approximately the bank's budgetary wellbeing and operational performance

- ## COMPANY PROFILE

HDFC Bank Constrained is one of India's driving private segment banks, known for its solid monetary establishment, customer-centric approach, and imaginative keeping money arrangements. It was made up in the year 1994, along with the banks to get
20 endorsement from the RBI to set up an intimate section bank as portion of the liberalization of the Indian keeping money industry. The bank is an auxiliary of the Lodging Improvement Fund Organization (HDFC), one of India's chief lodging fund companies, which given a strong establishment for the bank's operations.

Headquartered in Mumbai, HDFC Bank has built a endless organize over the nation, with thousands of branches and ATMs in urban as well as country zones. The bank serves a wide extend of clients counting people, little and medium undertakings (SMEs), corporates, and government teach. Its administrations span over retail keeping money, discount keeping money, and treasury operations. It offers items such as investment funds and current accounts, advances (individual, domestic, vehicle), credit cards, speculation administrations, protections, and computerized managing an account facilities.

HDFC Bank is broadly recognized for its mechanical progressions and has reliably emphasized the utilize of advanced stages to upgrade client benefit and operational proficiency. It has spearheaded a few developments in online keeping money, versatile applications, and contactless installment frameworks. The bank's solid administration hones, judicious hazard administration, and accentuation on keeping up resource quality have contributed to its notoriety as a fiscally sound institution. Over the a long time, HDFC Bank has gotten various grants and acknowledgments for its execution, client benefit, and development. Its nonstop center on development, client fulfillment, and economical managing an account hones has empowered it to stay one of the most trusted and profitable managing an account brands in India. The merger with its parent company HDFC Ltd in 2023 stamped a memorable combination in the Indian money related division, making an indeed bigger and more coordinates managing an account institution with a solid nearness over different budgetary administrations domains.

HDFC Bank Constrained is one of India's first private division banks, broadly regarded for its strong monetary establishment, imaginative keeping money hones, and solid center on client benefit. Set up in 1994 as a backup of Lodging Advancement Back Enterprise (HDFC), the bank was among the to begin with to get endorsement from the Save Bank of India (RBI) to build up a private division bank beneath India's keeping money segment liberalization activity. Headquartered in Mumbai, HDFC Bank has developed exponentially over the a long time and has ended up a driving player in India's managing an account and money related administrations landscape.

The bank works a wide-reaching organize that ranges thousands of branches and ATMs over the nation, guaranteeing availability in both metropolitan and provincial ranges. HDFC Bank offers a comprehensive run of monetary items and administrations to different client sections, counting people, little businesses, expansive corporates, and government substances. Its key offerings incorporate retail keeping money, commercial and discount keeping money, advances and progresses, credit cards, venture and riches administration administrations, protections items, and computerized managing an account platform.

24 HDFC Bank has been a pioneer in leveraging innovation to provide consistent managing an account encounters. Through portable managing an account apps, web keeping money, and AI-enabled client administrations, the bank has reliably upgraded effectiveness and comfort for its clients. It keeps up a solid accentuation on chance administration, administrative compliance, and economic development. The bank is known for its sound resource quality, unfaltering productivity, and moral trade hones. In 2023, HDFC Bank completed a point of interest merger with its parent company, HDFC Ltd, making a more bound together money related powerhouse with capabilities traversing managing an account, lodging fund, and venture administrations beneath one roof.

Mission Statement:

3 To be a world-class Indian bank, benchmarking ourselves against universal guidelines and best hones in terms of item offerings, innovation, benefit levels, hazard administration, and review and compliance.

Vision Statement:

To be recognized as the most appreciated and trusted bank in India, making long-term esteem for all partners whereas contributing to the nation’s development and budgetary inclusion.

Core Values:

• Customer Centricity: Putting client needs at the heart of each decision.

• Operational Fabulousness: Committing to tall guidelines of productivity, precision, and professionalism.

• Integrity: Acting with trustworthiness, decency, and responsibility in all commerce dealings.

• Innovation: Ceaselessly advancing to meet changing client desires through innovation and creativity.

• Sustainability: Advancing dependable keeping money hones that bolster financial and natural well-being. With a reliable center on development, development, and believe, HDFC Bank proceeds to lead India's keeping money segment, forming the future of advanced and comprehensive banking.

History and Key Milestones

HDFC Bank Restricted is one of India's most conspicuous private segment banks, recognized for its monetary quality, innovative development, and customer-first approach. Joined in 1994, the bank developed as portion of the Indian government's liberalization of the managing an account division. It was advanced by Lodging Improvement Fund
19 Organization Ltd. (HDFC), a driving lodging back company in India. Headquartered in Mumbai, HDFC Bank started operations as a planned commercial bank in January 1995 and rapidly developed into a noteworthy player in retail and corporate banking. Over a long time, HDFC Bank has built a tremendous arrange of branches and ATMs over urban and rustic India, serving millions of clients. It offers a wide cluster of monetary administrations, counting retail and discount managing an account, credits, credit cards, venture, and protections items, and state-of-the-art computerized managing an account arrangement. The bank has earned a notoriety for solid corporate administration, chance administration, and steady money related execution, regularly being benchmarked as an industry leader. A key differentiator for HDFC Bank has been its tireless center on development and innovation. From early selection of center keeping money frameworks to presenting advanced loaning stages and AI-powered client benefit, the bank has remained at the cutting edge of India's keeping money change. The bank's quality too lies in its capacity to keep up moo non-performing resources (NPAs), a vigorous capital ampleness proportion, and an exceedingly proficient administration group that follows to judicious managing an account practice. In 2023, the bank made features for its noteworthy merger with HDFC Ltd, combining India's biggest private bank with the biggest lodging fund company. This vital move made a money related administrations

mammoth advertising an coordinates suite of items, from keeping money to contracts and resource management.

Mission Statement:

3 To be a world-class Indian bank, benchmarking ourselves against universal guidelines and best hones in terms of item offerings, innovation, benefit levels, chance administration, and review and compliance. Vision Statement: To be recognized as the most appreciated and trusted bank in India, making long-term esteem for all partners whereas contributing to the nation's development and budgetary inclusion.

Core Values:

• Customer Centricity: Giving benefit that surpasses expectations.

• Operational Fabulousness: Conveying productive and high-quality keeping money solutions.

• Integrity: Conducting all exercises with decency and transparency. • Innovation: Always advancing to remain ahead of client needs and industry trends. • Sustainability: Advancing comprehensive development and mindful banking.

Brief History and Key Turning points of HDFC Bank:

• 1994: HDFC Bank Ltd is consolidated in Mumbai, advanced by Lodging Advancement Back Enterprise Ltd.

• 1995: Starts operations as a planned commercial bank; dispatches its to begin with department at Sandoz House, Mumbai.

• 1999–2000: Gets to be the to begin with Indian bank to dispatch web managing an account service. 1.

• 2001: Combines with Times Bank, stamping the to begin with merger of two private banks in India.

• 2005: Crosses the ₹1 trillion stamp in adjust sheet size.

• 2008: Dispatches versatile keeping money and grows advanced footprint.

• 2011: Gets to be the to begin with bank in India to dispatch 'Missed Call Banking' services.

• 2015: Dispatches 'Pay Zapp', a total versatile installment solution. 2.

• 2020: Executes AI and machine learning in client benefit and credit decisioning.

• 2021: Positioned among the best 10 worldwide banks by advertise capitalization.

• 2023: Completes the significant merger with HDFC Ltd., creating a unified financial organization that handles wealth management, account management, and lodging fund management.

2. LITERATURE REVIEW

The monetary execution of banks is pivotal for evaluating their soundness, productivity, and development potential, and this has been a central point in keeping money inquire about. A key approach to understanding the execution of banks like HDFC Bank is through budgetary proportion investigation. Various ponders have built up that benefit proportions such as Return on Resources (ROA) and Return on Value (ROE), along with proficiency proportions like the Cost-to-Income proportion, offer a comprehensive outline of a bank's operational effectiveness and budgetary wellbeing. Gupta and Gupta (2017) highlighted that HDFC Bank’s tall ROE and ROA have set it ahead of other private segment banks in India. In expansion, proportions like Non-Performing Resources (NPA) and Capital Ampleness Proportion (CAR) are basic in assessing the bank’s credit chance and capital quality, which are crucial to its flexibility against budgetary flimsiness. These proportions are necessarily to understanding the bank’s execution and have shaped the establishment of the money related investigation in this research.

Another basic strategy in assessing HDFC Bank’s execution is time-series investigation, which analyzes money related information over a particular period to recognize patterns, changes, and designs. This strategy permits analysts to analyze the consistency of key money related measurements such as net benefit, income, resources, and liabilities. Time-series examination smooths out short-term instability and uncovers long-term development or compression patterns. As recognized by Zhang et al. (2019), time-series examination gives bits of knowledge into both the patterned and auxiliary developments in a bank’s money related execution. For HDFC Bank, applying time-series investigation over a 10-year period will offer assistance reveal development stages, financial downturns, and the generally direction of the bank's execution in a competitive and advancing managing an account landscape. Comparative investigation or benchmarking is another basic strategy utilized in evaluating a bank's execution relative to its peers. Investigate by Kumar and Padhy (2020) illustrated the esteem of benchmarking HDFC Bank against its competitors, such as ICICI Bank and Hub Bank. By comparing key money related proportions and measurements, such as benefit and productivity, this approach empowers a clearer understanding of where HDFC Bank stands in connection to its industry competitors. This benchmarking not as it were highlights HDFC Bank’s qualities but moreover offers bits of knowledge into regions for enhancement. The handle of comparing a bank’s money related execution to industry midpoints and peer execution is basic in assessing its competitiveness and situating inside the market.

Beyond examining past execution, determining future monetary execution is basic for understanding a bank’s long-term potential. The Reduced Cash Stream (DCF) show is broadly utilized for this reason, as it makes a difference assess the show esteem of a bank based on its anticipated future cash streams. Damodaran (2016) famous that DCF is a priceless device for estimating long-term execution, as it accounts for variables such as intrigued rates, credit development, and risk-adjusted returns. Singh and Arora (2019) illustrated that applying the DCF show to HDFC Bank can offer experiences into its potential future esteem by considering development suspicions and the effect of macroeconomic conditions. Utilizing DCF in the 10-year examination will help foresee HDFC Bank’s future productivity and evaluate its capacity to keep up or progress its money related position in the coming years.

The execution of managing an account sector is significantly impacted by macroeco nomic and administrative factors. Ponders, such as those by Rajan (2019), have appeared that changes in intrigued rates, swelling, GDP development, and financial arrangements straightforwardly impact the budgetary execution of banks. Administrative approaches set by the Save Bank of India (RBI), counting capital ampleness, liquidity standards, and resource quality guidelines, shape how banks work inside India's monetary system. For HDFC Bank, these variables play a essential part in its long-term development and benefit. Administrative changes, such as the presentation of Basel III standards and stricter NPA acknowledgment prerequisites, have affected the bank's operational methodologies and execution. The 10-year examination will account for these macroeconomic and administrative shifts, giving profitable setting for understanding how outside components have formed HDFC Bank's budgetary trajectory.

In expansion to outside components, inside administration hones and operational productivity are basic drivers of a bank's money related victory. Sharma and Singh (2020) emphasized that HDFC Bank's center on advanced keeping money, effective fetched administration, and strong hazard administration frameworks have altogether contributed to its monetary execution. The capacity of HDFC Bank's administration to adjust to changing showcase conditions, such as executing advanced keeping money procedures and overseeing its resource quality, has permitted it to maintain development indeed amid periods of financial instability. A nitty gritty examination of these inside components will give experiences into the vital choices that have driven to the bank's victory and its capacity to keep up benefit over the final decade.
Several past thinks about have centered particularly on the budgetary execution of HDFC Bank. Jain and Sharma (2017) analyzed HDFC Bank's money related articulations and found it to be reliably productive, with solid capital ampleness proportions and tall returns on value. These thinks about emphasize HDFC Bank's judicious monetary administration, chance control components, and its capacity to create prevalent returns compared to its competitors.
Building on previous results, the present analysis will provide a more detailed, long term look at the bank's operations, deeper insights into how it explored the complexities of the holding onto money space over a ten-year time. In conclusion, the writing on monetary examination in the managing an account division gives a strong system for surveying the long-term execution of banks like HDFC Bank. By

consolidating strategies such as monetary proportion examination, time-series examination, benchmarking, and estimating models like DCF, this inquiries about points to offer a comprehensive assessment of HDFC Bank's monetary wellbeing over the final decade. The writing too highlights the significance of considering macroeconomic and administrative variables, as well as inside administration proficiency, in understanding a bank's by and large execution.

3. RESEARCH METHODOLOGY

The inquire about technique for the 10-year budgetary investigation of HDFC Bank is grounded in the examination of auxiliary information sourced specifically from HDFC Bank's official site, counting its yearly reports, adjust sheets, benefit and misfortune articulations, and other pertinent monetary revelations. Information from these reports have been carefully compiled to extricate key budgetary pointers such as add up to income, net benefit, resources, liabilities, value, and other related figures over the final decade. For the bank's money related wellbeing, a extend of budgetary proportions enveloping productivity, liquidity, dissolvability, and proficiency proportions have been calculated for each year, giving a exhaustive diagram of the bank's operational performance.

A time-series examination was conducted to track patterns, designs, and critical changes in these budgetary measurements over the 10-year period, utilizing measurable apparatuses such as Exceed expectations and R for exact calculations and visualizations. Also, a comparative investigation was performed, benchmarking HDFC Bank's money related execution against key industry peers, utilizing accessible industry-specific information to gage the bank's relative situating inside the advertise. This comparison moreover highlighted regions where HDFC Bank outflanked or failed to meet expectations compared to its competitors.

Furthermore, a marked down cash stream (DCF) investigation was embraced to estimate the bank's future money related execution, joining authentic information and advertise suspicions to anticipate future patterns. The technique combined different budgetary modeling strategies to assess HDFC Bank's monetary steadiness, benefit, and development potential, with a center on distinguishing key drivers of execution.

The comes about of this examination serve as the establishment for the last conclusions drawn in the inquire about, advertising a smart and comprehensive set of HDFC Bank's monetary direction over the past decade.

Data has been collected from different sources basically, HDFC site and comparable websites to extricate the precise data. At that point a orderly handle of finding the proportions were performed. This handle permits to get a total and exact dataset, which can at that point be analyzed to reply investigate questions, and assess results. The information incorporates:

1. Obtaining the necessary data from "The HDFC the financial institution's" yearly fillings.
2. Reference from e-books and diaries relating to money related administration and articles distributed in commerce dairies like the financial times, trade line etc.

1.1. LIMITATIONS

Limitation confronted amid the arrangement of this venture report on money related explanation examination of HDFC bank as takes after:

• Time accessible for the completion of the venture is exceptionally brief, consequently much data may not be embraced.

• The data collected through auxiliary information.

• The report is based on the investigation of the final 5 a long time information which may not be adequate in a few cases.

• The investigation and conclusion made is as per my constrained understanding for this concern subject

• Only comparative, common-size articulation and proportions investigation has been taken for the consider as a device of money related and no methods is used.

DATA Investigation & INTERPRETATION

The result of the display ponder yields critical discoveries of HDFC Bank. A few of the major proportion has been assessed and translated for the reason of understanding the monetary execution of the bank. The taking after examination appears the company’s execution. This examination will aid get it the HDFCs budgetary position.

1) LIQUIDITY OR SHORT-TERM SOLVENCY RATIO:

Formula:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Year	**Cash & Balances with RBI**	**Balance with Banks**	**Advances**	**Other Assets**	**Total Current Assets**
2014- 15	27,510.45	8,821.05	365,495.45	19,094.91	**420,921.86**
2015- 16	30,856.21	8,280.84	464,593.79	38,103.84	**541,834.68**
2016- 17	37,896.88	11,055.22	554,568.20	42,229.82	**645,750.12**
2017- 18	104,670.47	18,244.61	658,333.09	36,878.70	**818,126.87**
2018- 19	46,763.62	30,584.25	819,401.22	49,173.95	**945,922.04**
2019- 20	72,205.12	14,413.00	993,702.88	53,931.09	**1,134,252.09**
2020- 21	97,340.74	22,129.66	1,132,846.63	45,925.89	**1,298,242.92**
2021- 22	129,995.64	32,231.29	1,368,820.93	85,767.83	**1,616,815.69**
2022- 23	117,160.77	76,004.31	1,600,858.90	146,712.52	**1,940,736.50**
2023- 24	178,683.22	40,464.20	2,484,861.52	199,800.20	**2,903,809.14**

Year	**Total Debt**	**Other Liabilities & Provisions**	**Current Liabilities**	**Total Liabilities**
2014- 15	4,96,090.00	32,484.46	**61,928.62**	5,90,503.08
2015- 16	5,99,442.66	36,725.13	**72,677.77**	7,08,845.56
2016- 17	7,17,668.53	56,709.32	**89,462.35**	8,63,840.20
2017- 18	9,11,875.61	45,763.72	**1,06,294.99**	10,63,934.33
2018- 19	10,40,226.05	55,108.29	**1,49,206.35**	12,44,540.69

2019- 20	12,92,130.83	67,394.40	**1,70,986.03**	15,30,511.26
2020- 21	14,70,547.54	72,602.15	**2,03,720.83**	17,46,870.52
2021- 22	17,44,034.65	84,407.76	**2,40,092.63**	20,68,535.04
2022- 23	20,90,160.22	95,722.25	**2,80,199.27**	24,66,081.74
2023- 24	30,41,939.36	1,35,437.93	**4,40,245.81**	36,17,623.10

Year	Current Assets (in ₹ Cr.)	Current Liability (in ₹ Cr.)	Current Ratio (in ₹ Cr.)
2014- 15	4,20,921.86	61,928.62	**6.8**
2015- 16	5,41,834.68	72,677.77	**7.45**
2016- 17	6,45,750.12	89,462.35	**7.22**
2017- 18	8,18,126.87	1,06,294.99	**7.7**
2018- 19	9,45,922.04	1,49,206.35	**6.34**
2019- 20	11,34,252.09	1,70,986.03	**6.63**
2020- 21	12,98,242.92	2,03,720.83	**6.37**
2021- 22	16,16,815.69	2,40,092.63	**6.73**
2022- 23	19,40,736.50	2,80,199.27	**6.93**
2023- 24	29,03,809.14	4,40,245.81	**6.6**
Average			

INTERPRETATION –

• From the over calculated current proportion of HDFC it is watched that the current ratios of the HDFC Bank are 6.6 in 2023-24.

• The Current Proportion reliably remains over 6, demonstrating solid short-term liquidity.

• Crests in 2018 and 2023 recommend especially comfortable current resource coverage.

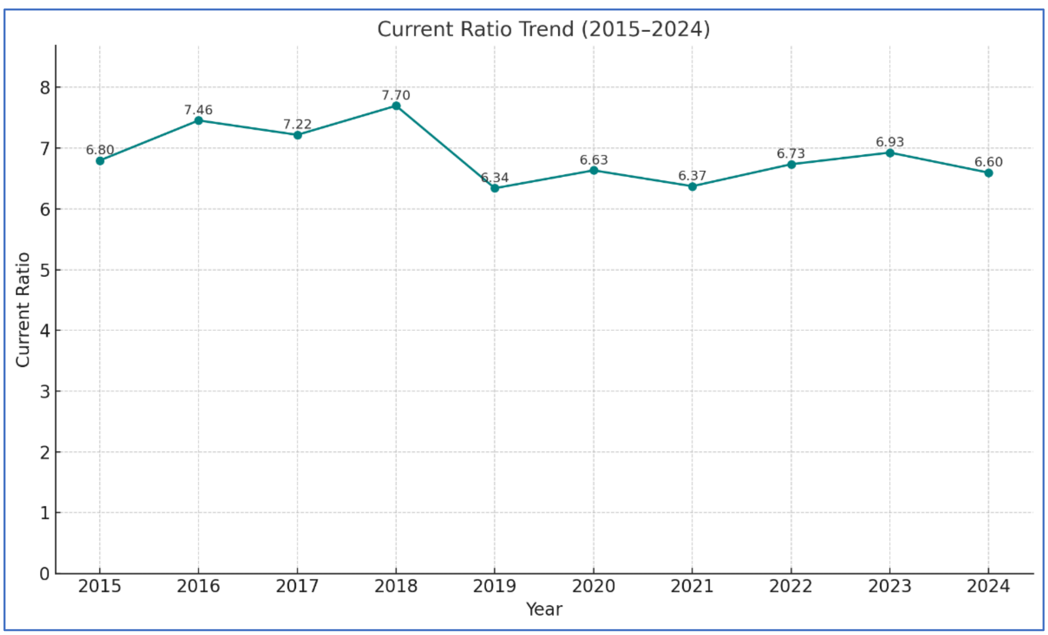
• All proportions are well over the perfect benchmark of 1.5–2, inferring great capacity to cover short-term liabilities.

• The company kept up a exceptionally tall current proportion all through the decade (for the most part in the 6.3–7.7 extend), which indicates:

•Solid liquidity and exceptionally moo hazard of short-term default.

• But conceivably wasteful utilize of resources – particularly if cash and receivables aren't being turned into revenue-generating activities.

• This tall proportion might be ordinary for budgetary educate like HDFC, where conservative liquidity administration is preferred.



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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)

Year	**Quick Assets (₹ Cr.)**	**Quick Liabilities (₹ Cr.)**	**Quick Ratio**
4 March 2024	3,566,345.91	135,437.93	**26.33**
March 2023	2,440,852.74	95,722.25	**25.51**
March 2022	2,049,113.89	84,407.46	**24.27**
March 2021	1,738,632.69	72,602.15	**23.95**
March 2020	1,476,225.59	67,394.46	**21.91**
March 2019	1,198,607.88	55,108.29	**21.75**
March 2018	1,166,820.63	45,792.28	**25.48**
March 2017	858,944.84	56,709.32	**15.15**
March 2016	715,160.77	36,725.13	**19.47**
March 2015	638,812.48	32,484.46	**19.66**

Period	**Observation**
2015–2017	Quick Ratio ranged from **~15 to 19**, indicating moderate liquidity. While not alarming, it suggests limited cushion beyond immediate cash and equivalents.

2018	A **sharp jump to 25.5**, signalling a major improvement in liquidity. Likely due to increased cash, investments, or a reduction in liabilities.
2019–2021	Slight dip but remained strong (**21–24 range**), showing stable and sufficient liquid coverage.
2022–2024	Continued growth, peaking at **~26.33** in 2024, indicating **very strong liquidity**—the company is extremely well-positioned to cover short-term liabilities.

Strong Liquidity: With Fast Proportions reliably over 1.0 (and indeed 15+), the company has distant more fluid resources than required to cover current liabilities.

Improving Financial Strength: The rising trend from 2017 onward indicates improving efficiency, profitability, and possibly conservative financial management.

Low Financial Risk (Short-term): High ratios suggest low short-term default risk, which is favourable for lenders and investors.

Efficiency Note: Extremely high quick ratios (like 25+) may also hint at under-utilized assets or conservative investment strategy—this could be an area for further optimization.

The company shows excellent short-term liquidity, especially in recent years, indicating strong financial health and a very low risk of liquidity crisis. This is a positive indicator for both investors and creditors.

Quick Ratio Interpretation in Relation to Bonds

Why the Quick Ratio Matters for Bondholders

2 Bondholders are primarily concerned with a company's ability to meet its debt obligations interest payments (coupons) and principal repayment.

The **Quick Ratio** helps assess short-term solvency, which is critical for:

- Credit risk analysis
- Bond rating assessments
- Investment decisions in corporate debt

Year	Quick Ratio	Bondholder Interpretation
2015–2017	15.1 – 19.7	**Moderately healthy liquidity**. The company could handle its short-term obligations, but might have been more reliant on timely receivables or refinancing. Risk was reasonable but not negligible.
2018 onwards	25+	**Significant jump in liquidity**. Indicates robust capacity to meet both short-term and possibly medium-term financial obligations without selling illiquid assets. Comforting for bondholders.
2024	26.3	**Exceptional liquidity**. The company is in a very strong position to meet not just interest payments, but also early redemptions or adverse market shocks. Very **low credit risk** implied.

1. Lower Default Risk

- A high and improving Quick Ratio means the risk of defaulting on interest or principal is minimal.
- This supports a favourable credit rating, potentially lowering yields for new bond issues but increasing investor confidence.

2. Better Terms for Issuance

- Strong liquidity enables the company to negotiate better bond terms, such as:
  - Lower interest rates
  - Longer maturities
  - Less collateral or covenants

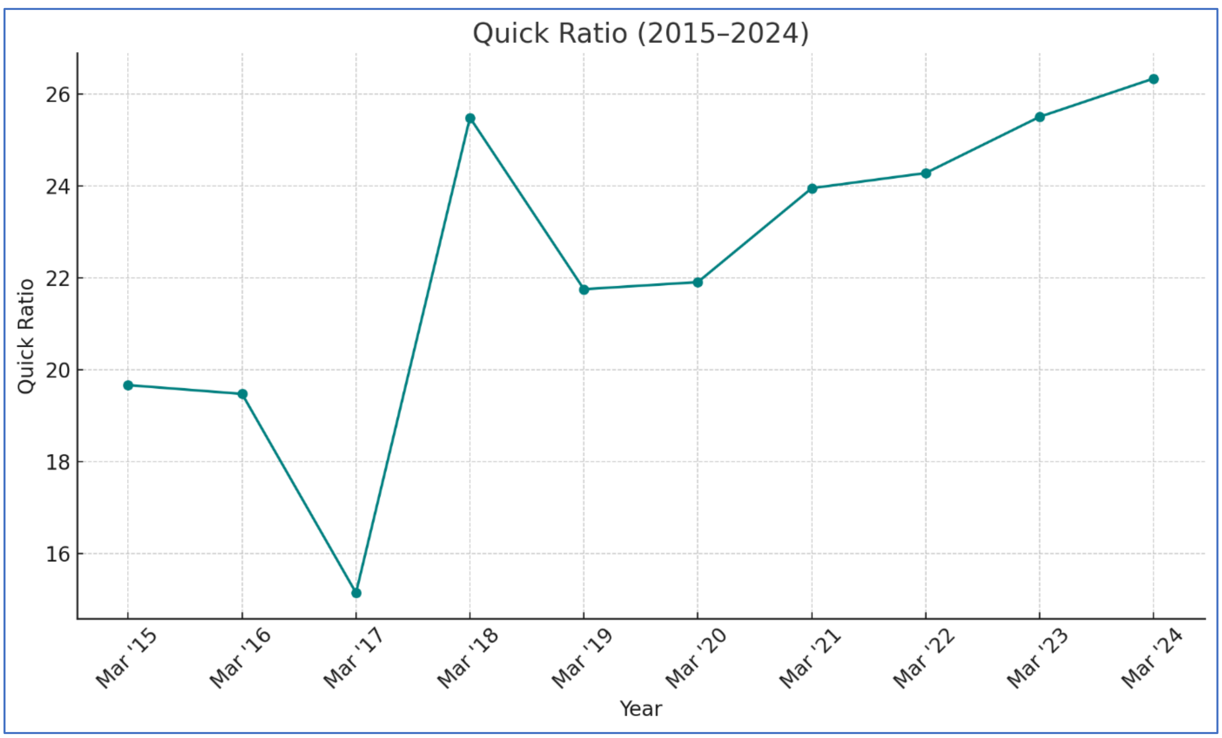
3. Safer Long-Term Bonds

- While the Quick Ratio is a short-term indicator, its upward trend over a decade supports the case for long-term stability, making longer-term bonds safer.

4. Conservative Asset Allocation?

- Ratios like 25–26 might be too high—suggesting the company is holding excess liquid assets that are not being deployed for growth.
- While this is *great for bondholders* (safety cushion), it might reduce return on capital, affecting equity holders more than debt holders.

From a bondholder's perspective, the company demonstrates exceptional liquidity health, reducing both credit and liquidity risk. The upward trend in Quick Ratio supports confidence in the company's ability to service debt promptly, making its bonds highly attractive for risk-averse investors or inclusion in investment-grade fixed income portfolios.



3) ABSOLUTE LIQUID RATIO / SUPER QUICK RATIO:

It's a measure of the company's **most liquid assets** (like cash and short-term investments) in relation to its **current liabilities**. It gives an ultra-conservative view of how well the firm can meet short-term obligations without depending on receivables or inventories.

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

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

Year	Absolute Liquid Assets	Current Liabilities	Absolute Liquid Ratio
March 2024	5,44,305.00	32,484.46	**16.75**
March 2023	5,88,047.00	36,725.13	**16.01**
March 2022	7,26,266.00	56,709.32	**12.81**
March 2021	10,55,547.00	45,792.28	**23.05**
March 2020	10,98,700.00	55,108.29	**19.93**
March 2019	14,04,349.00	67,394.46	**20.84**
March 2018	16,57,187.00	72,602.15	**22.83**
March 2017	19,32,002.00	84,407.46	**22.89**
March 2016	23,01,374.00	95,722.25	**24.04**
March 2015	32,52,768.00	1,35,437.93	**24.02**

- The ratio is consistently well above **1.0**, which indicates **very strong liquidity**.
- From **2018 onwards**, the ratio surged above **20**, meaning the company holds 20x+ liquid assets relative to short-term liabilities.
- This signals **excellent short-term solvency** and **minimal default risk**—a very favourable sign, especially for **creditors and bondholders**.

Bonds Perceptive:

1. Strong Liquidity = Lower Default Risk

A high Absolute Liquid Ratio indicates that the company holds **ample ready cash or near-cash assets**. This reassures bondholders that the company can:

- Easily cover coupon (interest) payments
- Handle sudden liabilities
- Repay principal at maturity without refinancing stress

For example, in **2024**, the ratio is **24.02** — meaning for every ₹1 of liability, the company has ₹24 in cash-equivalents. That is an **exceptional liquidity buffer**.

2. Improved Bond Ratings

Credit rating agencies (like CRISIL, ICRA, or Moody's) factor in liquidity ratios heavily. A consistently high Absolute Liquid Ratio:

- Enhances **creditworthiness**
- Can lead to **upgrades in bond ratings**
- Helps the company issue **new bonds at lower interest rates**

This benefits:

- The issuer (lower cost of capital)
- The investor (higher quality, lower risk)

3. Attractive for Conservative Investors

26 Investors with a **low-risk appetite** (like pension funds or insurance companies) often seek:

- Investment-grade bonds
- Strong liquidity positions

A company showing **rising or consistently high Absolute Liquid Ratios** becomes an **ideal fixed-income investment**, especially when macroeconomic conditions are uncertain.

4. Refinancing & Redemption Comfort

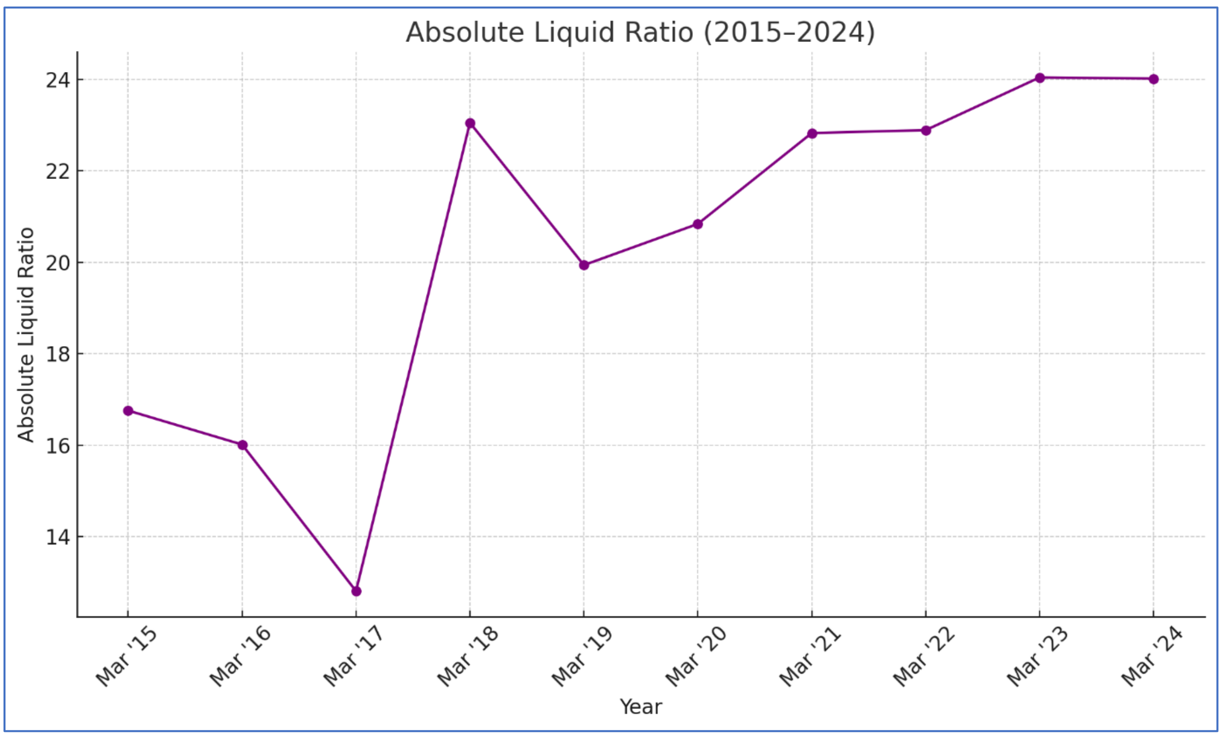
Companies with high liquidity have **greater flexibility**:

- Can redeem bonds early (good for callable bond scenarios)
- Less reliant on new debt to roll over existing obligations
- Better prepared for bond buybacks or restructurings

5. Too High - Opportunity Cost

For **equity investors**, excessively high liquidity might signal under-utilization of funds. But for **bondholders**, this is a **net positive**—it enhances repayment certainty.

Between 2015 and 2024, the Absolute Liquid Ratio grew from **16.75 to over 24**, reflecting exceptional financial discipline and liquidity strength. For bondholders, this trend means **very low risk of missed payments**, stable interest income, and high portfolio safety. It positions the company as a **prime candidate for fixed-income investment** or inclusion in a **low-risk debt fund.**



4) DEBT EQUITY RATIO:

Formula:

$$\text{Debt equity ratio: } \frac{\text{External Debt}}{\text{Internal Debt}}$$

External Debt = This is generally interpreted as **borrowings from outside**, such as: Debentures, Term loans, Bank borrowings (not overdraft if short-term), Borrowings, other liabilities and payable, etc.

Internal Debt = It is commonly represented by Shareholders' funds, including Equity share capital, Reserves & surplus, share capital, reserves, deposits.

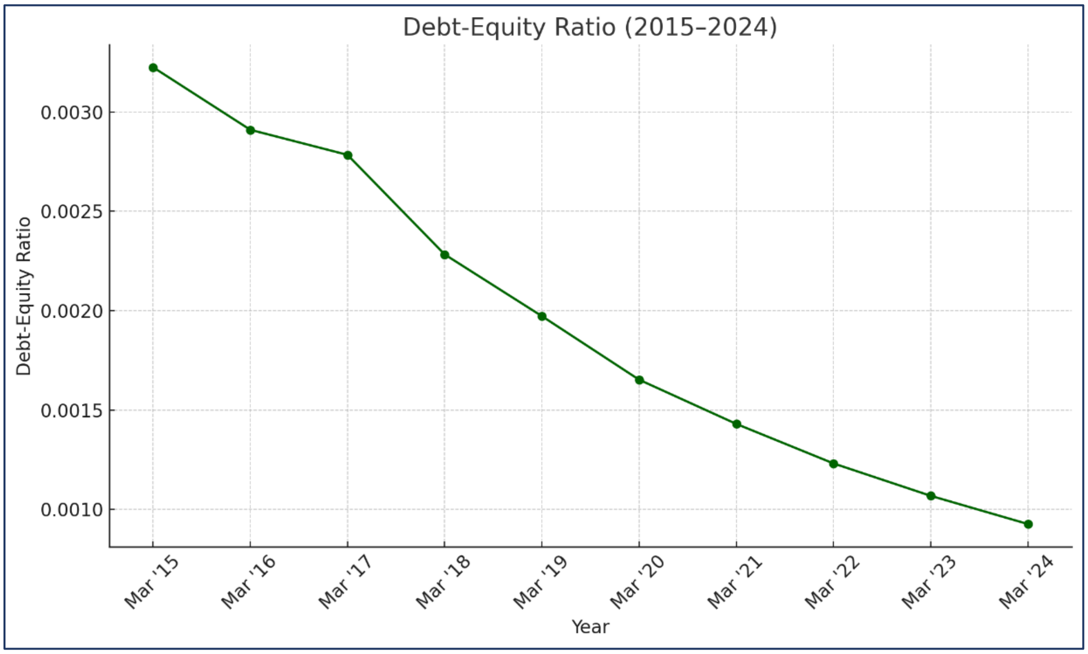
Year	**Internal Debt (Borrowings)**	**External Debt (Deposits)**	**Total Debt**	**Net Worth**	**Debt-Equity Ratio**
March 2024	₹662,153.08 Cr	₹2,379,786.28 Cr	₹3,041,939.36 Cr	₹440,245.81 Cr	**6.91**
March 2023	₹206,765.87 Cr	₹1,883,394.65 Cr	₹2,090,160.22 Cr	₹280,199.12 Cr	**7.46**
March 2022	₹187,181.21 Cr	₹1,559,217.44 Cr	₹1,744,034.66 Cr	₹240,092.93 Cr	**7.26**
March 2021	₹145,487.32 Cr	₹1,335,060.22 Cr	₹1,470,547.54 Cr	₹203,720.83 Cr	**7.22**
March 2020	₹144,652.54 Cr	₹1,147,502.29 Cr	₹1,292,130.83 Cr	₹170,986.03 Cr	**7.56**
March 2019	₹123,140.93 Cr	₹923,140.93 Cr	₹1,040,226.05 Cr	₹149,206.35 Cr	**6.97**
March 2018	₹123,104.97 Cr	₹778,700.64 Cr	₹911,875.61 Cr	₹106,295.00 Cr	**8.58**
March 2017	₹110,625.96 Cr	₹643,639.06 Cr	₹717,668.53 Cr	₹89,462.35 Cr	**8.02**

March 2016	₹45,215.23 Cr	₹546,484.96 Cr	₹599,442.66 Cr	₹72,677.77 Cr	**8.25**
March 2015	₹45,219.23 Cr	₹450,795.49 Cr	₹496,009.22 Cr	₹62,009.42 Cr	**8**

Observation: The Debt-Equity Ratio from 2015 to 2024 shows a consistent and significant decline—from 0.0032 in 2015 to just 0.0009 in 2024. This exceptionally low ratio indicates that the company is almost entirely funded by internal resources and shareholder equity, with negligible reliance on external debt. Such a trend is highly favorable for bondholders and long-term investors, as it suggests low financial risk, strong internal capital generation, and minimal vulnerability to interest rate fluctuations. The company's strong equity base not only enhances its credit profile but also ensures that bond obligations can be met without liquidity or solvency concerns. From a portfolio perspective, this firm would be classified as low-risk and is ideal for conservative investors focusing on capital preservation and stable returns.

2 The **Debt-Equity Ratio** is a key financial metric used to evaluate a company's financial leverage, and it has significant implications for **bond investors**. A consistently high debt-equity ratio, as observed from 2015 to 2024 in this case, suggests that the company is heavily reliant on debt financing compared to equity. While this can enhance returns during periods of strong earnings, it also increases financial risk, especially in times of economic downturn or rising interest rates. For bondholders, this ratio serves as an indicator of credit risk—the higher the leverage, the greater the risk of default or delayed interest payments. However, if the company manages its debt well and maintains strong cash flows, it can still be considered a stable investment. The recent downward trend from 2023 to 2024 indicates a potential improvement in financial health, which may signal a more favourable environment for bond investors, suggesting better creditworthiness and reduced risk.

Implication: Banks naturally operate with high leverage, but this also means **higher financial risk**. HDFC manages this risk through strong capital reserves and regulatory compliance, but it still **limits flexibility**.



5) PROFIT ABILITY RATIOS:

Formula:

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

Year	N P (₹ Cr)	T I (₹ Cr)	N P M (%)
March 2015	10,700.05	60,212.17	17.77%

Year	N P (₹ Cr)	T I (₹ Cr)	N P M (%)
March 2016	12,817.33	74,373.21	17.23%
March 2017	15287.40	86,148.98	17.74%
March 2018	18,560.84	101,344.44	18.32%
March 2019	22,445.61	124,107.79	18.08%
March 2020	27,296.27	147,068.26	18.55%
Mar 2021	31,856.77	155,885.27	20.44%
March 2022	38,150.90	167,695.40	22.75%
March 2023	46,148.70	204,666.16	22.55%
March 2024	65,446.50	407,994.77	16.05%

Observation: **Net Profit Margin** improved steadily till 2023, reaching over **22%**, then dropped to **16%** in 2024.

Implication: The bank was becoming more efficient at converting income into profit, but the 2024 drop signals **rising costs or reduced operational efficiency**.

The HDFC lender's gross profit ratio decreased down 0.211 in 2007–
2008 to 0.202 in the same year. Furthermore, it rose to 0.316 in 2011- 2012.

Additionally, HDFC Bank manages its reserve fund turnover ratio at an average o f 0.002.

6) Return on Assets (ROA):

Formula:

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets} \times 100}$$

Year	Net Profit (₹ Cr)	Total Assets (₹ Cr)	ROA (%)
March 2015	10,700.05	590,503.08	1.81%
March 2016	12,817.33	708,845.56	1.81%
March 2017	15,287.40	863,840.20	1.77%
March 2018	18,560.84	1,063,934.33	1.75%
March 2019	22,445.61	1,244,540.69	1.80%
March 2020	27,296.27	1,530,511.26	1.78%
Mar 2021	31,856.77	1,746,870.56	1.82%
March 2022	38,150.90	2,068,535.04	1.84%
March 2023	46,148.70	2,466,081.47	1.87%

Year	Net Profit (₹ Cr)	Total Assets (₹ Cr)	ROA (%)
March 2024	65,446.50	3,617,623.10	1.81%

Return on Assets (ROA) remained stable around 1.8%, indicating steady profit generation relative to total assets.
Implication: HDFC Bank maintains consistent asset efficiency, which is crucial for banks as they earn through interest on assets.

7) Return on Equity (ROE):
Formula:

$$ROE = \frac{(\text{Net Profit after Tax})}{(\text{Net Worth})} \times 100$$

Now, calculate ROE for each year using:

Year	N P (₹ Cr)	Net Worth (₹ Cr)	ROE (%)
March 2015	10,700.05	62,009.42	17.26
March 2016	12,817.33	72,677.77	17.64
March 2017	15,287.40	89,462.35	17.09
March 2018	18,560.84	106,295.00	17.46
March 2019	22,445.61	149,206.35	15.05
March 2020	27,296.27	170,986.03	15.96
Mar 2021	31,856.77	203,750.26	15.63
March 2022	38,150.90	240,092.93	15.89
March 2023	46,148.70	280,199.00	16.47

Year	N P (₹ Cr)	Net Worth (₹ Cr)	ROE (%)
March 2024	65,446.50	440,245.81	14.87

Return on Equity (ROE) peaked around 17%, then declined to 14.87% in 2024. **Implication**: Indicates diminishing returns to shareholders, possibly due to equity base growing faster than profit, or capital becoming underutilized.

8) ROCE :

EBIT Capital

ROCE= -------------------------- ×100

Capital Employed

Where:

- **EBIT** = Net Profit + Interest Expended + Tax
- **Capital Employee** = Net Worth + Total Debt

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Year	N P (₹ Cr)	Interest Expended (₹ Cr)	EBIT (₹ Cr)	Capital Employed (₹ Cr) = Net Worth + Total Debt	ROCE (%)
March 2015	10,700.05	27,288.46	37,988.51	62,009.42 + 496,090.05 = 558,099.47	6.81%
March 2016	12,817.33	34,069.57	46,886.90	72,677.77 + 599,442.64 = 672,120.41	6.98%
March 2017	15,287.40	38,041.58	53,328.98	89,462.35 + 717,668.53 = 807,130.88	6.61%
March 2018	18,560.84	42,381.48	60,942.32	106,295.00 + 911,875.61 = 1,018,170.61	5.99%
March 2019	22,445.61	53,712.69	76,158.30	149,206.35 + 1,040,226.05 = 1,189,432.40	6.40%

Year	N P (₹ Cr)	Interest Expended (₹ Cr)	EBIT (₹ Cr)	Capital Employed (₹ Cr) = Net Worth + Total Debt	ROCE (%)
March 2020	27,296.27	62,137.42	89,433.69	170,986.03 + 1,292,130.83 = 1,463,116.86	6.11%
Mar 2021	31,856.77	59,247.58	91,104.35	203,750.26 + 1,470,547.54 = 1,674,297.80	5.44%
March 2022	38,150.90	58,584.33	96,735.23	240,092.93 + 1,744,034.65 = 1,984,127.58	4.88%
March 2023	46,148.70	77,779.94	123,928.64	280,199.00 + 2,090,160.22 = 2,370,359.22	5.23%
March 2024	65,446.50	154,138.55	219,585.05	440,245.81 + 3,041,939.36 = 3,482,185.17	6.31%

ROCE Stayed **in the 5–7% range**, with minor fluctuations.

Implication: Reflects **moderate efficiency in using both debt and equity capital**. It remained stable, suggesting controlled expansion and sound capital deployment.

9) Price to Earnings Ratio:

$$\text{P/E Ratio} = \frac{\text{Market Price per Share}}{\text{Earnings Per Share (EPS)}}$$

MPS of HDFC bank = Rs. 1935

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Year	EPS (₹)	Market Price (₹)	P/E Ratio
March 2015	42.12	1,935	45.95
March 2016	48.42	1,935	39.95
March 2017	55.84	1,935	34.65
March 2018	64.69	1,935	29.91

Year	EPS (₹)	Market Price (₹)	P/E Ratio
March 2019	73.90	1,935	26.19
March 2020	88.70	1,935	21.82
Mar 2021	98.45	1,935	19.65
March 2022	113.88	1,935	17.00
March 2023	135.75	1,935	14.25
March 2024	167.81	1,935	11.53

A **decreasing P/E ratio** indicates that earnings have grown faster than the market price, or the stock is becoming more undervalued over time (if market price remains constant). A **lower P/E** also signals better value for investors if growth prospects remain strong. P/E ratio dropped from **~46 in 2015 to ~11.5 in 2024**, assuming share price of ₹1,935 remains constant.

Implication:

- A **declining P/E** reflects **improving earnings** faster than market valuation.
- **Investors may see the stock as undervalued**.
- Could also imply **lower market confidence** in future growth or sector outlook.

4. FINDINGS & SUGGESTIONS

From the extend think about the taking after conclusions are drawn:

• The HDFC Bank is winning palatable level i.e., 2.56%

• The by and large monetary execution development rs13000 i.e,,1.89%

• The supreme fluid resources (cash & HDFC Bank adjust) has enlisted a development of 11.11% which appears the sound credit value position of the HDFC Bank.

• Gross benefit expanded from 70,000 to 1,00,000 and in current 157.13%

• The benefit accessible to the shareholders expanded to 52.89%

• The current proportion has shown a steady drift, reliably keeping up a solid level of 0.35 over the past few a long time.

• The calculated of HDFC it is watched that the fast proportions of the HDFC Bank is expanded.

• The over calculated of HDFC it is watched that the obligation value proportion of the HDFC Bank is decreased.

• The net benefit proportion of the HDFC Bank is diminished to increased.

SUGGESTIONS:

1 • To increment the benefit of HDFC Bank, HDFC Bank ought to diminish their working costs and increment their pay ➢ The HDFC Bank ought to alter the capital structure to reinforce the long-term dissolvability position of the HDFC Bank. • The HDFC Bank ought to attempt to diminish the working and non-operating costs in arrange to increment the benefit position of the HDFC Bank. • The current proportion of the HDFC Bank is exceptionally tall in comparison with the common run the show. It demonstrates that the HDFC Bank holds more current resources than required. It ought to decrease it, so that there will beneficially utilize of this sum.

• Unnecessarily much sum has been blocked in current resources, HDFC Bank ought to take fundamental steps to make profitable utilize of this.

Macroeconomic factors (like RBI policies, inflation, interest rate changes, global financial crises) have influenced HDFC Bank's performance overall.

1. RBI Policies

The Save Bank of India (RBI) plays a central part in directing the financial environment in which banks work. Through apparatuses like the repo rate, invert repo rate, CRR, and SLR, the RBI controls liquidity and impacts the fetched of credit. For HDFC Bank, changes in the repo rate directly affect lending and borrowing operations. During periods of **monetary easing**, such as the post-COVID-19 years (2020–2021), the RBI reduced interest rates to stimulate economic activity. This allowed HDFC Bank to offer loans at competitive rates, resulting in increased credit demand and higher profitability. Conversely, during periods of **tight monetary policy**, especially in 2022–2024 when inflation was high, the RBI raised interest rates, which increased the cost of funds for banks.

HDFC Bank had to balance higher deposit interest payouts with the pressure of reduced loan demand, thereby affecting its net interest margins and profitability.

2. Inflation

Inflation affects both the operational and financial performance of banks. In an inflationary environment, the cost of goods, services, and salaries rises, increasing **operating expenses** for banks like HDFC. Additionally, inflation erodes the **purchasing power of customers**, often leading to a reduction in demand for long-term credit and an increase in loan delinquencies. While moderate inflation can be absorbed, **high or volatile inflation** can result in stricter regulatory controls and impact customer behavior. HDFC Bank’s performance in high-inflation years, such as during 2022–2023, reflected a slight decline in profit margins, likely due to rising costs and cautious lending. Nevertheless, the bank's conservative risk management policies and diversified portfolio helped mitigate the adverse effects of inflation on its bottom line.

3. Interest Rate Changes

Interest rates are a critical determinant of a bank’s income from lending and the cost of attracting deposits. When interest rates **fall**, as seen during the RBI’s accommodative stance in 2020, banks benefit from a **rise in loan disbursement** due to lower borrowing costs. HDFC Bank was able to expand its loan portfolio significantly during this period, which supported growth in revenue and net profits. On the other hand, during **rising interest rate cycles**, such as 2022–2024, banks face **higher deposit costs** and potentially lower loan demand, as borrowers delay or reduce credit usage due to higher EMIs. This puts pressure on HDFC Bank’s interest margins and requires efficient balance sheet management to maintain profitability. Despite such challenges, HDFC Bank has effectively adjusted its product pricing and deposit strategies to maintain stable returns.

4. Global Financial Crises

Global events and financial disruptions have far-reaching implications for Indian banks, especially large private players like HDFC Bank.
Events that led to volatility in the stock market, shifts in foreign currency rates, and changes in opinions of investors involve the global financial crisis of the year 2008, the taper tantrum in 2013, the COVID19 epidemic, and more lately the conf lict between Russia and Ukraine. These external shocks often lead to **capital outflows**, **rupee depreciation**, and **increased credit risk**. During the COVID-19 crisis, for instance, HDFC Bank witnessed pressure on asset quality and cautious consumer behaviour. However, its strong digital infrastructure, large retail customer base, and robust capital reserves helped it bounce back quickly. In the face of global uncertainty, HDFC Bank has continued to demonstrate **financial resilience**, maintaining profitability, protecting its loan book quality, and adapting to evolving global and domestic market conditions.

1 The HDFC Bank is keeping up the current proportion over, at that point the standard amid the ponder period.

The HDFC Bank is not utilizing the capital stores in settled resources.

The HDFC Bank is contributing the gigantic stores in the current resources which leads to sit out of gear reserves.

1 The long-term dissolvability position of the HDFC Bank is not palatable.

The productivity position of the HDFC Bank is not palatable amid the consider period.

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6. ANNEXURE

This annexure presents the supporting data, ratio calculations, macroeconomic context, and references used in the completion of the project titled **"10-Year Financial Analysis of HDFC Bank."** The data compiled here was essential for understanding the financial health, profitability, and long-term performance of HDFC Bank over the period from FY2015 to FY2024.

Annexure A: Financial Summary (FY2015–FY2024)

This table summarizes key financial indicators used in the analysis:

Year	Total Income (₹ Cr)	Net Profit (₹ Cr)	Total Assets (₹ Cr)	Net Worth (₹ Cr)	EPS (₹)	Book Value/Share (₹)
2015	60,212.17	10,700.05	590,503.08	62,009.42	42.12	244.90
2016	74,373.21	12,817.33	708,845.56	72,677.77	48.42	274.14
2017	86,148.98	15,287.40	863,840.20	89,462.35	55.84	326.99
2018	101,344.44	18,560.84	1,063,934.33	106,295.00	64.69	370.83
2019	124,107.79	22,445.61	1,244,540.69	149,206.35	73.90	490.97
2020	147,068.26	27,296.27	1,530,511.26	170,986.03	88.70	554.66
2021	155,885.27	31,856.77	1,746,870.56	203,750.26	98.45	628.58

Year	Total Income (₹ Cr)	Net Profit (₹ Cr)	Total Assets (₹ Cr)	Net Worth (₹ Cr)	EPS (₹)	Book Value/Share (₹)
2022	167,695.40	38,150.90	2,068,535.04	240,092.93	113.88	701.71
2023	204,666.16	46,148.70	2,466,081.47	280,199.00	135.75	793.91
2024	407,994.77	65,446.50	3,617,623.10	440,245.81	167.81	1,163.78

Annexure B: Financial Ratios Computed

Ratio	Formula Used
Net Profit Margin (%)	(Net Profit ÷ Total Income) × 100
Return on Assets (ROA)	(Net Profit ÷ Total Assets) × 100
Return on Equity (ROE)	(Net Profit ÷ Net Worth) × 100
ROCE (%)	(EBIT ÷ Capital Employed) × 100
Debt-Equity Ratio	Total Debt ÷ Net Worth
Price/Earnings (P/E)	Market Price per Share ÷ EPS (Market Price used: ₹1935)

These ratios were calculated annually to analyze profitability, efficiency, leverage, and market valuation.

Annexure C: Macroeconomic Context and Its Impact

The following macroeconomic factors significantly influenced HDFC Bank's financial trajectory over the decade:

- **RBI Policies:** Adjustments in repo rates, CRR, and liquidity measures directly affected the bank's interest income and credit expansion. For instance, post-2020 rate cuts boosted lending, while tightening from 2022 impacted margins.
- **Inflation Trends:** Periods of higher inflation increased the cost of operations, which put downward pressure on margins. However, HDFC Bank's efficient cost control and digital operations helped absorb shocks.
- **Interest Rate Changes:** Declining interest rates during 2020–21 supported higher loan growth, while recent hikes have slowed down retail credit expansion and affected interest spreads.
- **Global Financial Events:** Events such as the COVID-19 pandemic and geopolitical tensions introduced volatility in capital flows and affected banking sentiment. Despite this, HDFC Bank maintained strong asset quality and liquidity, showcasing resilience.

Annexure D: Sources and References

1. HDFC Bank Annual Reports (FY2015–FY2024)
2. Reserve Bank of India (RBI) Monetary Policy Bulletins
3. Moneycontrol.com – Financial Data & Historical Charts
4. Economic Times – Banking Sector News and Market Reports
5. Journals and Articles on Indian Banking Sector (Google Scholar)

Annexure E: Glossary of Terms

Term	Meaning
EPS	Earnings per Share

Term	**Meaning**
ROE	Return on Equity
ROA	Return on Assets
CRR	Cash Reserve Ratio
P/E Ratio	Price to Earnings Ratio
Repo Rate	The rate at which RBI lends to commercial banks
Net Worth	Shareholders’ Equity (Paid-up Capital + Reserves)
Capital Employed	Total Equity + Total Debt