



A STUDY ON FINANCIAL PERFORMANCE OF HDFC BANK

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ABSTRACT

Banks functions the entire monetary and financial system to ensure smooth operations in India. It acts like lifeblood-money that supports and fosters growth in all the industries in the country. In banking sector, the growth of the bank is measured by the increase in the number of banks" branches, deposits, credit, etc.. The current investigation manages the examination of "A STUDY ON FINANCIAL PERFORMANCE OF HDFC BANK". The investigation utilized six years of Axis Bank auxiliary information and fundamental goal is to discover the monetary presentation of the business that can be useful in discovering the development angles. This examination was carried under the time of six years 2015-2020 of monetary record and benefit and misfortune account. This ratio establishes relationship between reserves and capital.

KEY WORDS: Financial performance, Growth, HDFC BANK, Ratio analysis

INTRODUCTION

Financial performance is that the process of measuring how effectively a corporation utilizes its assets from primary mode of business to boost incomes it also measures organizations whole financial health over a specific period of your time . Financial performance of the organization deals with the financial strength and weaknesses of bank accurately establishing a relationship between the record and earnings report . This process wont to clearly understand the expansion of longterm and short-term of bank. There are several ways to research data the researcher used ratio analysis during this research. This analysis also helpful determines the credit worthiness of the bank to gauge the market position among the competitors. Bank is extremely important a part of our country. There are many sorts of Bank like, full service bank , Public Sector Bank, Private Sector Bank, Co-operative Bank etc. Private Sector Bank has two types. First is Old Private Sector and second is New Private Sector Bank. HDFC Bank is New Private Sector Bank. the complete sort of HDFC Bank is that the development Finance Corporation. In 1994 HDFC Bank was incorporated, with its registered office in

Mumbai, India. Its first corporate office and a full service branch at Sandoz House, Worli was inaugurated by the then Union minister of finance , Manmohan Singh. As of June 30, 2016, the Bank's distribution network was at 4,541 branches and 12,013 ATMs. Here I discuss about Financial Performance of HDFC Bank in India with tool of Ratio like Current Ratio, Total Assets Turnover Ratio, Quick Ratio, Credit Deposit Ratio etc.

STATEMENT OF THE PROBLEM

After some HDFC Bank customers complained via social media that they were unable to access bank accounts,the bank has said it's looking into the difficulty . a number of our customers face intermittent issues while accessing net banking or mobile banking app. We are looking into it on priority for resolution. We apologise for the inconvenience and request you to undertake again after a while.

OBJECTIVE OF THE STUDY

- ✓ To identify the financial strength and weakness of the HDFC Bank.
- ✓ To analyses the profitability, liquidity and



- ✓ solvency position of HDFC Bank.
 To offer suitable suggestions for improving

performance of the bank.

RESEARCH METHODOLOGY

Source of Data	Secondary data
Period of Study	2015 to 2020
Framework of analysis	Financial Statements
Tools and Techniques	Ratio analysis

STATISTICAL TOOLS

A number of methods are often used for the aim of study of monetary statement. These also are termed as techniques or tools of monetary analysis. one among these enterprises can choose those techniques which are suitable to its requirements. The principal techniques of monetary analysis are:-

- a. Comparative Financial Statement.
- b. Ratio Analysis.

REVIEW OF LITERATURE

Kaushik (1995) studied the social objectives and profitability of public and personal sector banks during the amount 1973 to 1991. He compared the general public and personal banks with the assistance of varied profitability and productivity indicators through ratios, average, correlation, regression and correlational analysis . He found that public sector banks were having lower profitability as compared to non-public sector banks. Further, he found that the varied productivity indicators showed an increasing trend during the amount of study for all the banks though the rise was much higher within the case of personal sector banks. He concluded that the profitability of public sector banks showed a declining trend thanks to social objectives not due to cost inefficiency and low productivity. He suggested that productivity might be increased with the assistance of innovative banking, improved technological and managerial knowledge, well-educated and trained manpower and infrastructural facilities.

.N. S. Varghese (2000) is of the opinion that new generation private sector banks with their latest technology are ready to implement e-banking and are highly preferred by investors within the stock exchange . He also points out that prominent new generation private sector banks like HDFC and ICICI have entered into internet banking through which greater convenience is obtainable with lower transaction cost..

Ram Mohan TT (2003) , in his paper ‘Long run performance of public and personal sector bank stocks’ Vol 37, has made an effort to match the three categories of banks-Public, Private and Foreign-using Physical quantities of inputs and outputs, and

comparing the revenue maximization efficiency of banks during 1992-2000. The findings show that PSBs performed significantly better than private sector banks but not differently from foreign banks. The conclusion points to a convergence in performance between public and personal sector banks within the post-reform era, using financial measures of performance.

FINDINGS

- The current ratio of the bank was remains constant for the 6 years for 2014-2015 to 2019-2020 as 0.99.
- The liquid ratio of the corporate was highest within the year 2018-2019 and therefore the lowest value of ratio is 0.67 within the year 2017-2018.
- Absolute liquid ratio of the corporate was highest within the year 2017-2018 and therefore the lowest within the year 2016-2017 and 2018-2019

SUGGESTIONS

- The bank should increase the margin of profit after the acquisition the margin of profit it’s continually lower then following years.
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- The return on asset in HDFC Bank is in decreasing trend. The HDFC Bank should take necessary steps to enhance the return on asset.
- Before acquisition the borrowing is low but within the year 2010 the borrowing level of HDFC Bank it’s very high so HDFC Bank concentrates during this regard

CONCLUSION

A securities analyst can adopt the subsequent tools for analysis of the budget . These also are termed as methods of monetary analysis. The banking sector is one among the core sectors within the economic development of India. therefore the purpose of the study is to consider financial performance of HDFC



bank. This study attempted to seek out whether HDFC BANK have performed well or not. the most objective of the study is to gauge the danger exposure of the bank within the last five years and to predict the longer term performance of the bank.

REFERENCE

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