A Comparative Study of Financial Report of Top Two Banks in India (HDFC Bank & SBI Bank)

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INTRODUCTION

India, the largest independent democracy in the world and an economically developing power, relies heavily on its sound and efficient banking system for a stable economy. Banks collect unused savings, qualify them for investment, and provide loans and investments through securities purchases and discounting bills of exchange. They also facilitate better capital mobility, extending their reach to remote parts of the world. The industry has shifted to be more at par with service economies like others in India as a prerequisite for success with economic factors. Information Technology significantly changed the banking industry's paradigm as the internet enabled all modes of banking to facilitate bank-customer interfaces as follows: customer workload through reductions caused by internet banking, ATM providers, telebanking, and electronic payments, among others. A bank is an institution and a financial intermediary that accepts deposits and channels them into lending activities, either directly or indirectly through capital markets.

Public Sector Banks

India's public sector banks, including State Bank of India, Bank of Baroda, Bank of Maharashtra, and Bank of India, are the most dominant in the country, with the Indian Government and state governments holding over 50% of majority stakes. Private sector banks, such as RBL Bank, HDFC Bank, ICICI Bank, and Yes Bank, are owned by shareholders rather than the government.

INTRODUCTION Of HDFC BANK

HDFC BANK

Introduction to HDFC Bank HDFC Bank was incorporated in the name of 'HDFC Bank Limited', by August 1994 and its registered office remained situated in Mumbai, India. HDFC Bank began functioning as a Scheduled Commercial Bank from January 1995. It was among the first, as a Housing Development Finance Corporation, to receive the RBI's 'in-principle' approval to promote a private sector bank under RBI's liberalization of Indian Banking Industry in 1994. HDFC Bank Head office is located in Mumbai. The Bank, at present, has a network of over 1416 branches spread across the cities of 550 towns across India. All these branches are online, with an online real–time linkage. More than 500 locations have customers who are being serviced through Telephone Banking, also. The Bank possesses a network of approximately more than 3382 networked ATMs across these cities. The promoter of the company HDFC was incepted in 1977, and it is India's premier housing finance company with impeccable track record both in the Indian market and international markets. HDFC has gained considerable expertise in retail mortgage loans to different market segments and has a large corporate client base for its housing related credit facilities

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INTRODUCTION Of SBI BANK

SBI Bank The roots of the State Bank of India lie in the 19th century when the Bank of Calcutta (later renamed as Bank of Bengal) was established on June 2, 1806. The Bank of Bengal was one of three Presidency banks, the other two being Bank of Bombay and Bank of Madras. These three Presidency banks were incorporated as joint-stock companies. They have the exclusive right to issue paper currency until 1861 when the right was taken over by the Government of India. The three Presidency banks amalgamated on January 27,1921 and were named Imperial Bank of India.

The Imperial Bank of India remained a joint-stock company without Government participation. All in all, the SBI was formed after the merger of approximately twenty banks. According to the State Bank of India Act of 1955, the Reserve Bank of India, acquired a controlling interest in the Imperial Bank of India and the Imperial Bank of India became the State Bank of India on July 1, 1955.

But the Indian Government acquired the Reserve Bank of India's stake in SBI in 2008 to remove any conflict of interest because the RBI is the country's banking regulatory authority. In 1959, the government passed the State Bank of India (Subsidiary Banks) Act thus making the eight banks that had belonged to princely states subsidiaries of SBI. But now all the subsidiaries have been merged with SBI

	Company Profile of HDFC Bank
Traded as	• NSE: HDFCBANK • BSE: 500180 • NYSE: HDB (ADS) • BSE SENSEX Constituent

	• NSE NIFTY 50 Constituent
ISIN	INE040A01034
Industry	Financial services
Founded	August 1994 (28 years ago)
Headquarters	Mumbai, Maharashtra, India
Area served	India
Key people	• Atanu Chakraborty (Chairman) • Sashidhar Jagdishan (CEO)
Products	• Credit cards • Consumer banking • Commercial banking • Finance and insurance • Investment banking • Mortgage loans • Private banking • Private equity • Wealth management [2]
Revenue	₹167,695 crore (US$21 billions)
Operating income	₹68,798 crore (US$8.6 billions)
Net Income	₹38,151 crore (US$4.8 billions)
Total assets	₹2,1122,934 crore (US$270 billions)
Total equity	₹246,771 crore (US$31 billions)
Owner	Housing Development Finance Corporation (25.7%)
Website	www.hdfcbank.com

	Company profile Of SBI Bank

Formerly	Imperial Bank of India
Type	CPSU
Traded as	• NSE: SBIN • BSE: 500112 • LSE: SBID • BSE SENSEX Constituent • NSE NIFTY 50 Constituent
ISIN	INE062A01020
Industry	Banking Financial services
Predecessor	Predecessor Imperial Bank of India (1921 – 1955) Bank of Calcutta (1806 – 1921) Bank of Bombay (1840 – 1921) Bank of Madras (1843 – 1921)
Founded	1 July 1955; 67 years ago, State Bank of India 27 January 1921 Imperial Bank of India 2 June 1806 Bank of Calcutta 15 April 1840 Bank of Bombay 1 July 1843 Bank of Madras
Headquarters	State Bank Bhawan, M.C. Road Nariman Point, + Mumbai, Maharashtra, India
Number of locations	22,219 Branches, 62,617 ATMs in India, International: 229 Branches in 31 countries
Area served	Worldwide
Products	• Retail banking • Corporate banking • Investment banking • Mortgage loans

	• Private banking • Wealth management • Credit cards • Finance and Insurance
Website	www.sbi.co.in
Revenue	₹406,973 crore (US$51 billions)
Operating Income	₹78,898 crore (US$9.9 billion)
Net Income	₹43,774crore (US$5.5 billions)
Number of employees	2,44,250
Subsidiaries	• SBI Life Insurance Ltd • SBI Cards and Payment Services Ltd • SBI General Insurance (70%) • Jio Payments Bank (30%) • Yes Bank (30%) • Andhra Pradesh Grameena Vikas Bank (35%) • Kaveri Grameena Bank (35%)

Review of Literature

1.Avani Ojha and Hemchandra Jha

The conducted studies on the effect of NPAs on the operations of the SBI and PNB using various research methods and analyzed the hypothesis based on the entire study that NPAs play a significant role. Non-performing assets have a significant effect on bank profitability because they are closely linked to efficiency. The profitability and asset liability management of Indian banks. NPAs are the result of advances not recovered or not recovered within a specific time frame for a particular type of lending. It further reveals that banks review NPAs on a periodical basis, by intent, borrower, country.

2. M, Rajitha

This paper assesses the financial performance of HDFC and SBI banks in terms of accounting ratios and the functioning of the Indian banking system. The research is carried out by comparing different ratios from 2018 to 2022 with capital adequacy, debt equity, leverage, profit and loss account ratios, net interest margin ratio, return on equity, and other factors. The research finds that HDFC has performed better than SBI in terms of ratio analysis and customer satisfaction. This paper shall study the financial strength and profitability of the banking sector.

3. Dr. Meenu Maheshwari

This paper assesses HDFC and SBI bank financial performance using accounting ratios and the working of the Indian banking system. The research compares different types of ratios from 2018 to 2022 with focuses on capital adequacy, debt equity, leverage, profit and loss account ratios, net interest margin ratio, return on equity, among others. The findings showed that HDFC has the edge over SBI regarding the ratio analysis and customer satisfaction. The study aims to study the banking sector's financial strength and profitability

4. Dr. V. Mahalakshmi

Economic development is the key to developing countries, and banks play a significant role in providing finance for this development. The banking system involves accepting and safeguarding money owned by others, entitles and lends it out to earn a profit. Technological changes, such as computers, have brought about enormous changes in the banking and financial system. Indian banks have evolved through time, serving various sectors and fulfilling national responsibilities. They serve the needs of different sectors, thereby fastening economic growth.

5. Ammara Shakeel

The Indian banking sector is crucial for economic development, mobilizing deposits and disbursing credit. With over half of the financial sector share, it needs efficiency measurement to improve its health. The government and Reserve Bank are working to make it economically viable.6. Dr.G.V. Sreenivasa Murthy

Indian banking has grown significantly since the 1990s, overcoming competition and the 2008 Global Financial Crisis. The industry is adopting best practices in accounting, international prudential norms, and reducing directed lending. The Reserve Bank of India leads the system, with various classes of banks including public, foreign, private, regional rural, and cooperative banks. This is the era of unprecedented growth and diversification in industry using new technologies, such as internet and mobile devices, to carry out transactions. Nationalization, liberalization, financial inclusion, and advancement in technology characterize the Indian banking sector.

7. Ms. G. VIJAYALAKSHMI

The banking sector is very important to the trade, commerce, and industry sectors, and it is well known that its performance directly relates to the Indian economy. In India, nationalized banks have a great dominance over the banking system. Indian economic growth has been estimated to have decreased significantly. The arrival of electronic banking in India brought both opportunities and challenges and allowed people and companies to carry on their banking businesses from their homes or offices.

8. Gunjeet Kaur

The financial system's role is to allocate capital investment towards productive applications, but the global financial crisis and recession have questioned this. The debate over how to clean up after the crisis is focused on how to regulate markets without undermining their benefits. Effective regulation is needed to realize the potential of open financial markets. Some of the major contributory factors that are rising systemic risk are global macroeconomic imbalances, changed financial sector structure, and leveraged financial institutions. Action is needed in the following four areas: to assess systemic risk, transparency, and expand cross institutional and cross-border regulation.

9. Mr. P. Rajendran

The given paper analyzes the financial position of HDFC Bank which comes under private sector banks of India. This bank can claim having more than 4,805 branches with 12,860 networked ATMs; thereby it renders wholesale banking, retail banking, treasury, auto loans, personal loans, and digital products. Here, the paper analyzed five years of bank's soundness, thereby its ratio analysis was positive and performed well. Again, its credit worthiness and market position by the comparison with the competitors had also been done.

10. Dr. Seema Pandit

Indian banks are critical for the country's economic development, being the providers of financial services in sectors. However, no sector has been free of some challenges such as degradation in asset quality, governance issues, economic slowdown, and a pandemic. The use of the CAMEL model to compare State Bank of India and HDFC Bank indicated that HDFC Bank had better capital adequacy, asset quality, and management compared to State Bank of India, but State Bank of India had better liquidity than HDFC Bank.

11. Smirlock & Brown, 1986

Explored profitability of demand deposits as one of the characteristics of the total deposits. Demand deposits had a strong positive relation with earnings, based on the results of their study. Loan loss provision and net charge-offs significantly negatively affected large banks' profitability, based on Miller and Noulas (1997).

These results indicated that the composition of assets and liabilities affected net charge-offs. Therefore, commercial banks' asset liability portfolio choices would have an impact on their profitability through net charge-offs. Consequently, banks with higher wages and benefits will require greater net interest margins to be profitable. (S M Miller, A G Noulas, 1997).

12.Kanagaraj, P., and Arunkumar, D. (2021).

The financial performance of SBI (State Bank of India) is the subject of the research study, according to appropriately arranging the relationship between the items of the asset report and the benefit and trouble accounts, a bank's financial impact reveals its strength and inadequacy.

The study paper aims at analysing the financial implementation of SBI for a six-year period (2015–2020). The goal of business banks is to increase the value of support. For the assessment, a variety of instruments were used, including recent quantity, net benefit proportion, stock turnover quantity, and other implementation extents. The concepts show that the association needs to discover the required channels to acquire regular pay and in this way of maintaining stable efficiency.

13.M. Kavitha (2012).

The paper is titled „Financial Performance of Selected Public Sector Banks in India. Budgetary execution of the public division banks was examined for the hour of ten years with the help of the going with instruments and methodologies, Ratio Analysis, Correlation, Regression. The result reveals that open division banks have performed well on the wellspring of advancement rate and money related adequacy during the examination period. The old private part banks and new private segment banks plays a significant activity in advancing of new sort of stores and advances plans.

14.Bhakhar Deep, Bhagat Utsav

The research evaluates the SBI Mutual Fund and HDFC Mutual Fund, of India, based on the use of secondary data in computing risk and return gauges. It seeks to understand which of the two-house fund offers better risk-adjusted returns using historical data. SBI Mutual Fund, with a strong back up in research techniques and led by

SBI Funds Management Private Limited, has investment products of a diverse kind. HDFC Mutual Fund, managed by HDFC Asset Management Limited, is the HDFC Group's direct subsidiary and provides a number of mutual funds.

15. Swetha C and Dr. S. Rosaline Jayanthi

This study measures the effect of Non-Performing Assets (NPA) on the profitability of HDFC Bank and State Bank of India (SBI). NPAs negatively influence the financial performance of banks through a rise in provisioning needs and a decline in income. The research adopts a quantitative approach to analyze financial statements and NPA metrics from both banks for a given period. It compares HDFC Bank's robust asset quality with SBI's diversified portfolio, thereby giving insights into asset management and risk strategies' impact on profitability and offering recommendations for improving asset quality and financial stability.

16.K. Moneesh Kumar and S. Gurusamy (2015)

Investigated that NPAs are universal problems faced by all banks irrespective of the sector. It is mainly due to fall in the quality of loans sanction and failure in recovery. They found in their study that the major loss on account of NPA is caused by public sector banks as compared to private sector banks where fall in the quality of loans sanction and follow up is a common phenomenon.

Though some of the public-sector banks have done better in the past but most of them suffered by NPA syndrome owing to mergers of few financially weaker banks and this affected the financial position of the strong bank. Common characteristics that lead to NPAs in public sector as well as private sector banks include faulty lending policy, unsecured loans, lack of supervision, misutilisation of loans, wilful defaults, lengthy and tedious legal processes, priority sector lending, political intervention, performance pressure, lack of accountability, lack of technics and technology, and other external factors.

17. Uma Ghosh, C.S. Adhikari2 and Archisman Neogi

The financial statement provides valuable information on a business unit's operational results, and analysing these statements can help assess a firm's profitability and financial soundness. The process involves identifying financial strengths and weaknesses by establishing relationships between the balance sheet, profit and loss account, and other operational data. Along with their subsidiary companies, using annual records and ratio analysis and index tools. The results showed that HDFC Bank had a lower interest rate, higher operational efficiency, and higher equity and deposit index values.

The banking sector in India is highly regulated, and HDFC Bank has the largest market capitalization among banking players. banks. The analysis revealed that ICICI Bank's financial position was significantly better than HDFC Bank. Financial soundness is crucial for a company's survival and long-term growth.

17. Uma Ghosh, C.S. Adhikari2 and Archisman Neogi

The financial statement provides very important information on a business unit's operational results. By analysing these statements, the profitability and financial soundness of a firm can be assessed. This process includes identifying financial strengths and weaknesses through establishing relationships between the balance sheet, profit and loss account, and other operational data. Along with their subsidiary companies, by using annual records and ratio analysis and index tools. Results were obtained, including a lower interest rate for HDFC Bank and a higher operational efficiency plus higher values for equity and deposit indices. The India banking sector is highly regulated, and HDFC has the highest market capitalization from all banking players. An analysis indicated that the financial soundness of ICICI bank was way better than that of HDFC Bank. Financial soundness is more important to ensure survival for long-run growth of an organization.

Research Methodology

This report undertakes a relative analysis of the fiscal performance of HDFC Bank and State Bank of India (SBI) by examining their periodic reports over the last five times. The end is to identify both the parallels and differences in their fiscal criteria.

Data Collection:

The primary source of data for this analysis will be the periodic reports of HDFC and SBI. To condense this, secondary data will be collected from fiscal databases, academic journals, papers, and other applicable literature. This comprehensive approach will enhance the depth of the analysis. The gathered data will be precisely reviewed and compared to estimate the fiscal performance of both banks.

The exploration employs an intentional slice system to elect the periodic reports of HDFC and SBI for the once five times. This selection process is grounded on the vacuity of data and its applicability to the exploration objects.

Sampling Technique:

The research has utilized purposive sampling to choose the annual reports of HDFC and SBI for the past five years. This is done considering the availability of data and its suitability in relation to the objectives of the research.

Data Analysis:

The analysis will concentrate on crucial fiscal rates that measure liquidity, profitability, and functional effectiveness. The results will be presented in tables and graphs to ameliorate clarity and understanding. Analytical tools similar as Excel and SPSS may be employed to insure accurate and effective data analysis.

Ethical Considerations:

All data collected from the banks will be treated intimately and used solely for exploration purposes. The study will cleave rigorously to the ethical guidelines set forth by the exploration institution, icing integrity and respect throughout the exploration process.

PROBLEM DEFINITION

- Performance Comparison Assess whether HDFC Bank (a private sector bank) performs better than SBI (public sector bank).

- Client Satisfaction estimate client satisfaction regarding electronic services handed by both banks.

- Stock Performance Analyses stock price oscillations for both banks to give perceptivity for investors.

- Creditworthiness Assessment Examine the creditworthiness of both HDFC Bank and SBI.

- Current Financial Status probe the current fiscal health of both banks.
  request Share Analysis Analyses request shares within the banking sector for HDFC Bank and SBI.

OBJECTIVES

Conduct a relative analysis of the fiscal performance of HDFC Bank and SBI.
Analyses trends in non-performing means (NPA) and fiscal reports for both banks from 2020 to 2024.
Document monthly oscillations in profitability, liquidity, and effectiveness criteria for both HDFC Bank and SBI.

This structured methodology aims to give a comprehensive understanding of the fiscal dynamics between these two prominent banks in India

DATA ANALYSIS AND INTERPRETATION

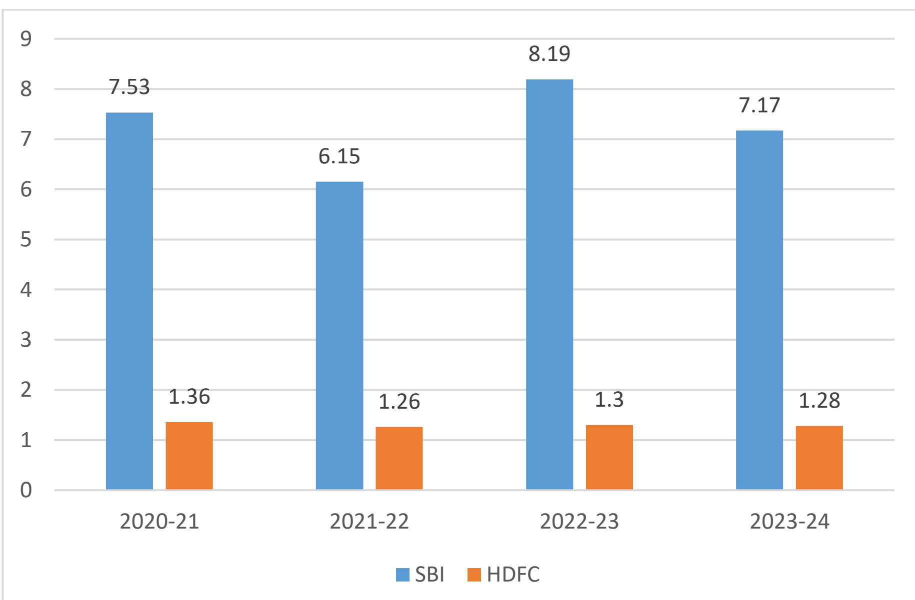
Gross nonperforming asset rate

Gross nonperforming means-Gross nonperforming means signify the total quantum sum of all recovered by an association, or by the applicable existent owing to an association and therefore the obliged individualities are unfit to meet their liability to pay.

Gross non-performing means all those loans which the people, who took that loan from that fiscal institution have defaulted that. It simply comprises all those additions of defaulted loans created.

Gross NPA rate = (A1 A2 A3 An) Gross Advances

YEAR	SBI	HDFC
2020-21	7.53	1.36
2021-22	6.15	1.26
2022-23	8.19	1.3
2023-24	7.17	1.28



(Graph 1 shows the % of Gross NPAs of SBI and HDFC for last Five years)

Interpretation

Interpretation

NPA rates for SBI are advanced than HDFC's, loan defaults or credit threat. rates for SBI've been shifting and have recovered a little to 7.17 in 2023- 24. HDFC has NPA rates that are low and show minor changes. High NPA rates for SBI indicate a advanced credit threat exposure as against the low rates for HDFC, which reflects strong asset quality and credit operation.

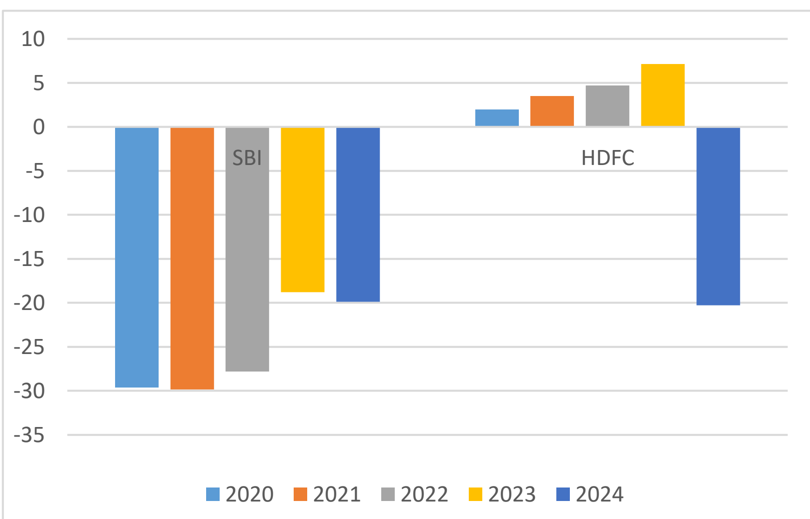
Profitability Ratios

Operating
profit rate is a performance or profitability rate that measures the comparison of operating income of a reality with its net deals to establish the effectiveness of operations.

Formula-

Operating Profit Ratio=Operating income/Net sales

Year	SBI	HDFC
2020	-29.63	1.97
2021	-29.82	3.51
2022	-27.81	4.7
2023	-18.8	7.16
2024	-19.86	-20.26



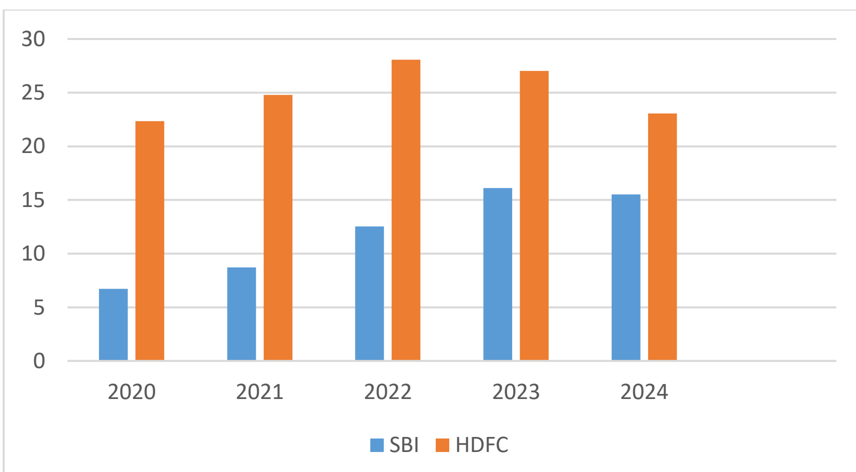
(Graph 2 showing Operating Profit Ratio of SBI and HDFC for the last Five years)

Interpretation:

The following analysis presents the periodic performance trends of State Bank of India(SBI) and HDFC Bank from 2020 to 2024. SBI has shown a nonstop downcast line over these five times, recording negative values each time. specially, the decline observed in 2023 was less pronounced than in former times. In discrepancy, HDFC Bank displayed positive growth from 2020 to 2023, with harmonious increases until passing a notable drop of 20.26 in 2024. This decline marks HDFC's first downturn within this period, suggesting implicit shifts in the request terrain or challenges that are not apparent in SBI's performance.

Net Profit Ratio= (Net profit ÷ Net sales) x 100

Year	SBI	HDFC
2020	6.73	22.33
2021	8.73	24.78
2022	12.53	28.06
2023	16.12	27.02
2024	15.51	23.07



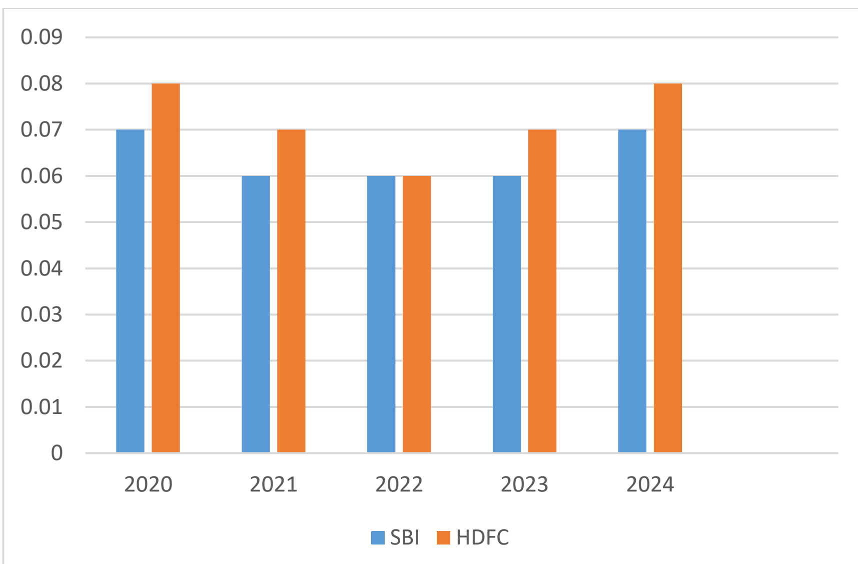
(Graph 3 showing Net Profit Ratio of SBI and HDFC for the last five years)

Interpretation:

It putatively depicts the from 2020 up to 2024, indicating growth for both banks in the separate period. SBI has given positive performance each time till 2023, where it outgunned with a performance of 16.12. also, it fell to 15.51 in 2024. HDFC also had a steady rise each time from 2020 till 2022, that's until the peak of 28.06, and a fall in 2023 and sprucely to 23.07 in 2024. Though both banks fell in 2024, HDFC had generally performed better than SBI during the period. This trend suggests that the banks have adaptability with HDFC leading the performance.

Fixed Asset Turnover Ratio = Net Sales/ Average Fixed Assets

Year	SBI	HDFC
2020	0.07	0.08
2021	0.06	0.07
2022	0.06	0.06
2023	0.06	0.07
2024	0.07	0.08



(Table 4 showing Fixed Asset Turnover Ratio of SBI and HDFC for the last five years)

Interpretation:

Table below contains monthly rates for for times from 2020 to 2024. Both banks indicate balanced rates during the given ages, with slight time differences. The rate for SBI is nearly analogous across times, at around 0.06

between times 2021- 2023 and increases by little to 0.07 in 2024 while that of 2020 is the same as shown. HDFC also follows the same trend, which starts and ends the period at 0.08, with small declines to 0.07 and 0.06 in mid-period times. The constancy of these rates means that both the banks' fiscal performance has been steady, with HDFC maintaining a slightly advanced rate utmost of the time.

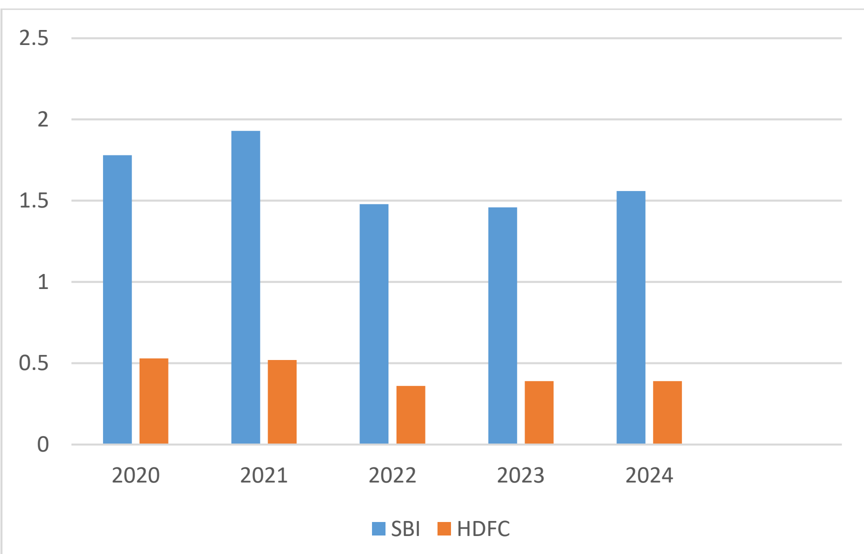
Lquidity Ratios

Liquidity rates are those that measure the capability of a company to repay short and Long- term scores. exemplifications of liquidity rates are as follows

Current Ratio

The current rate is a liquidity rate that presents the capability of a company to liquidate short- term. scores or those falling due within one time. This rate measures the fiscal strength of the Company. immaculately, 21 is the standard current rate.

Year	SBI	HDFC
2020	1.78	0.53
2021	1.93	0.52
2022	1.48	0.36
2023	1.46	0.39
2024	1.56	0.39



(Graph 5 showing Current Ratios of SBI and HDFC for the last five years)

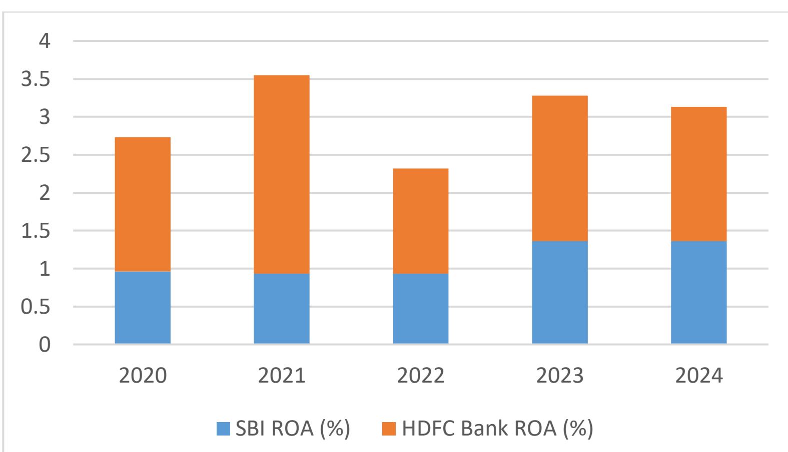
Interpretation:

The following table indicates the monthly comparison of detailed statistics of SBI and HDFC for 2020 through 2024. In the former's case, values have a declining trend starting with 1.78 in 2020 to 1.46 in 2023 before adding a bit to 1.56 in 2024, reflecting partial restoration. For HDFC, it's comparatively a junction 0.53 in 2020 and goes on to 0.36 in 2022, later stabilizing at 0.39 in the final two times.
Generally, SBI performs better than HDFC in the parameters given above, and HDFC is vulnerable to variation that has started going north recently, whereas SBI is stable. It could also be due to functional or request strategy differences. Net Profit rate

Return on means is one similar fiscal rate that measures an institution's or an establishment's capability to efficiently exploit means to induce profit. Measured in percent terms, this rate helps the investor, critic, and indeed operation determine how efficiently this institution or establishment utilizes their means

Formula = (Total means Net Profit) × 100

Year	SBI	HDFC
2020	0.96	1.77
2021	0.93	2.62
2022	0.93	1.39
2023	1.36	1.92
2024	1.36	1.77



(Table 6 howing ROA of SBI and HDFC for the last Five years)

Interpretation:

From the data of 2020 to 2024- ROA of SBI and HDFC Bank, it's set up that there's a positive trend of effectiveness in this asset. The ROA of SBI in 2020 was 0.96, which is the proper result of being effective. nonetheless, in 2020 and in the time 2021, HDFC Bank displayed good profitability and proper exploitation of means by showing ROA of 1.77 percent, independently 2.62. Although ROA has lowered to 1.39 in the time 2022 and 1.92 in the time 2023, therefore it's decaying. thus, despite this volatility the ROA of HDFC Bank was also brilliant since in both 2021 and 2023, it reached the peak.

This minor fall in 2022 and 2024 could be reflective of slight profit volatility or indeed a purposeful reorientation of the operation of means. Both SBI and HDFC Bank have witnessed excellent developments over the last five times in the optimal deployment of their means.

Conclusion

The analysis of fiscal rates between SBI and HDFC Bank from 2020 to 2024 reveals several crucial findings. SBI constantly has advanced non-preforming means (NPA) rates, which indicates an advanced position of loan defaults or credit threat. still, it shows a slight recovery in 2023- 24. HDFC maintains low and stable NPA rates, which highlights its better asset quality and effective credit threat operation.

There are mixed performances of both the banks in their operating profit rates. SBI has operated with negative rates throughout the period, which indicates poor functional effectiveness. HDFC has maintained positive rates till 2023 but declined drastically in 2024, which may indicate some implicit challenges or changes in the request. Both the banks have seen growth in net profit rates, though HDFC has performed well during all the times.

Fixed Asset Development rates indicate that two banks have stable and roughly equal rates over the ages, with HDFC always outpacing SBI in this direction. SBI always outperforms HDFC in liquid rates, which means that these banks are more at meeting short- term scores. HDFC always possesses a advanced Return on means (ROA), suggesting more effective use of means and better profitability in proportion to means.

In sum, HDFC Bank shows stronger fiscal performance across utmost criteria, utmost especially on profitability and application of means, therefore reflecting a more effective operation and advanced- quality means. On the other hand, though facing a advanced chance of NPAs and functional inefficiency, SBI has maintained a positive trend in application of means and profitability during the once many times; still, it still trails HDFC in numerous major areas.

MAJOR Findings:

As we can see, the debt equity rate of SBI is further than HDFC so it should try to restructure its debt and NPAs. The borrowings should be reduced to the position that it is not further than 4- 5 times of equity. It'll drop their NPAs. Also, this will affect in better fiscal health of the companies. Banks should restrain its vast lending to respectable companies or persons so that recovery becomes hastily and lightly which would in turn lead to smaller NPAs. We can enhance the gross profit rate of SBI by raising further profit by taking control over the cost of a company.

By getting into the products and services of the bank and thereby making different changes in such a small time shall raise profit. This will increase the profit periphery of the Banks because it reduces redundant operating charges and direct outflow charges.

GENERAL Findings: perfecting the present rate of HDFC Bank can be achieved by following three ways

1. Defer all capital purchase that would have a cash payout.

2. Seek to know whether some of the term loans can be re-amortized.

3. trade all capital means that's earning no return on the business, use cash to reduce the current debt.

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