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A Comparative Study of Financial Report of Top Three Private Banks in India (HDFC, ICICI & Axis Bank)

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A B S T R A C T

The emergence of digital banking at the start of the twenty-first century has given the banking sector a new dimension and given it a worldwide mark. Banking can often be divided into two categories: corporate banking and retail banking. Using liquidity and profitability ratios of Indian all three private banks HDFC, ICICI and AXIS Bank from 2019–20 to 2023–24, the research aims to assess and compare the financial performance based on total revenue earned throughout the specified period, the top three private sector banks were chosen for the current analysis. The quick and current ratios were used to assess liquidity performance. The profitability performance of the banks was examined using the following metrics: operational ratio, Leverages ratio, Efficiency Ratio, net profit ratio, gross profit ratio, and Stock market analysis of top three private banks of India.

Keywords: bank, liquidity, private sector, Ratio analysis, financial performance etc.

1. Introduction

India is a rapidly expanding economic powerhouse in addition to being the largest independent democracy in the world. No country can have a stable economy without a strong and dependable financial system. Any financial institution that takes deposits and uses them to fund lending activities—either directly through loans or indirectly through capital markets—is referred to as a bank. The growth of a country's economy depends on its banks. They collect people's unused savings and make them eligible for investment. A variety of customer-focused products, such as online banking, are now available, and the banking industry's policies have undergone significant change. Customers now have less work to do thanks to telebanking, electronic payments, and ATM providers. Without an effective and the convenience of the internet Customers can access and manage their bank accounts through banking without physically visiting the bank. The availability of credit/debit cards and ATMs has altered the alternatives available to customers. Private sector banks are those in which most of the stake is owned by the bank's shareholders rather than the government. Private sector banks in India include Axis Bank, HDFC Bank, ICICI Bank, Yes Bank, And Others.

1.1 Introduction of HDFC bank

One of the first Indian financial institutions to be granted "in principle" permission by the Reserve Bank of India (RBI) to open a bank in the private sector was the Housing Development Finance Corporation Limited, also known as HDFC Ltd. This was carried out in 1994 as part of the RBI's liberalization strategy for the Indian banking sector.With its registered office located in Mumbai, India, HDFC Bank was established in August 1994 under the name HDFC Bank Limited. In January 1995, the bank opened for business as a Scheduled Commercial Bank.

1.2 Introduction of ICICI bank

The World Bank, the Indian government, and representatives of the Indian industry came together to form ICICI in 1955. ICICI took advantage of the new chances to offer a greater range of financial goods and services to a wider group of consumers as India's economy grew more market-oriented and integrated with the global economy. As a division of the ICICI group, ICICI Bank was established in 1994.

1.3 Introduction of Axis bank

The bank was founded on 3 December 1993 as UTI Bank a part of Unit Trust of India, a Government of India entity, opening its registered office in Ahmedabad and a corporate office in Mumbai. The bank has nine international offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Shanghai, Colombo and representative offices at Dhaka, Dubai, Sharjah and Abu Dhabi, which focus on corporate lending, trade finance, syndication, investment banking and liability businesses.

2. Objective of Study

The paper is intended to know which topmost private sector bank is giving best revenue generation (HDFC Bank, ICICI bank and Axis bank) and the performance of all three banks from various factors like liquidity ratio, efficiency ratio, operational ratio etc. The research will also focus on stock market analysis of all three banks of last five years (2019-2024).

Following are the objectives of study:

•To compare and evaluate the financial performance of HDFC, ICICI & Axis Bank.

•To understand and compare the trends of NPA and Financial Report of all Three banks over the last Five years (2019 to 2024).

•To ascertain yearly fluctuations in terms of profitability, liquidity and efficiency of HDFC, ICICI & AXIS Bank.

2.1 Scope of Study

•In the present study, a chance has been made to measure, evaluate and compare the financial performance of HDFC, ICICI and Axis Bank

•The study is based on secondary data that has been collected through annual reports of the respected banks, websites, journals, documents and other published information.

•The study covers the period of 5 years i.e., from the years 2019-20, 2020-21 and 2021- 2022, 2022-23 & 2023-24.

•Ratio analysis was applied to analyze and compare the trends in financial performance.

2.2 Limitation

•The study is confined only to the selected and restricted indicators and the study is confined only for a period of Five years.

•As the analysis is entirely based on secondary data, it has its drawbacks, firms can cheat and duplicate their financial statements.

•Ratio analysis metrics do not necessarily represent future performance of the company

3. Literature Review

- Miss Niharika Singh and Miss Priya conducted studied on Financial Analysis of Axis Bank where the bank's performance, profitability, liquidity, solvency, efficiency, and general financial health will all be assessed using a variety of financial metrics and indicators. Study shows that in future they would like to learn more about Axis Bank's financial situation, pinpoint its advantages and disadvantages, evaluate its capacity to produce profits for shareholders, and offer well-informed suggestions for upcoming plans of action.
- Mr. srijan paul has done several types of analysis in his research paper "impact of digitalization on profitability of public and private sector banks in India".The study has considered the State bank of Indian from the public sector bank and HDFC bank from private sector. The secondary data used in the study spans the years 2012–13 through 2017–18. The application of the auto regressive distributed log methodology revealed both short-term and long-term associations. After applying the ordinary least squares approach, it was discovered that the Neft, rtgs, and mobile transactions all had favorable effects. The VAR model forecasted that the rise in digital transactions would boost bank profitability. Therefore, more research is required, considering how economic variables and digitization affect the banking industry.
- The researcher Kaushal Ganesh Lokare,PROF. Dhanajay Bhavsar,PROF. Mahendra Yadav and Dr. Praveen Suryavanshi concluded that HDFC Bank's financial performance was strong during the five fiscal years from 2019 to 2023 after examining the data gathered from the bank's website and annual reports. Given that HDFC Bank is India's biggest private sector bank, this is significant. The research was performed using a variety of financial ratios.
- The Researcher S.J SNEHA and VARSHA.Y concluded that ICICI Bank, India's second-largest bank, is important to the economy and investors. Understanding the bank's evolution is aided by the examination of financial performance. The productivity of the bank was trending downward. The proportion of performing assets also increases annually. As time goes on, the bank's performance improves until several ratios show notable fluctuations. This study looked at the overall financial performance of ICICI banks from 2019 and 2023.

4. Methodology tools and techniques for data collection

Research Methodology

The research methodology for this study can be a comparative research design that compares the financial reports of HDFC, ICICI & Axis Bank. This will help us make decisions about all three banks and investigate the similarities and differences in the financial Report of all three banks.

Data Collection:

The annual reports of HDFC, ICICI, and Axis banks will serve as the primary source of data for this study. Journals, articles, financial databases, and pertinent books will be the secondary sources of information. To determine the financial performance of both institutions, the gathered data will be analyzed and compared.

Sampling Technique:

The study will use a deliberate sampling technique where the researchers will select the annual reports of HDFC, ICICI and AXIS banks for the last five years. The eligibility of condition will be based on the availability of reports and the Significance of the data.

Data Analysis:

Financial ratios, including profitability, efficiency, and liquidity ratios, will be used to analyze the gathered data. Following a comparison of the data, the findings will be displayed in the form of tables and graphs. Data analysis can be done with statistical tools like SPSS and Excel.

Ethical Considerations:

The researchers will ensure the privacy of the data collected from the banks. The study will stick to the ethical guidelines set by the research institution.

Research Design

DURATION OF STUDY- The period of this study will cover the last 5 years of the financial data- 2019-20, 2020-21, 2021-22,2022-23 & 2023-24.

DATA COLLECTION PROCEDURE- Minor Data will be used in this study to compare the financial statements of all three banks over the last five years.

DATA COLLECTION METHODS- Data has been collected through Ratio Analysis.

STATISTICAL TOOLS USED- The statistical tool used in the Report is Microsoft excel for showing graphs based on different ratios.

5. Analysis and Interpretation

Ratio analysis of HDFC bank, ICICI Bank and Axis Bank from its annual reports and balance sheet for the year 2019-20, 2020-21,2021-22,2022-23 and 2023-24 is presented below-:

NON-PERFORMING ASSETS RATIOS-

NON-PERFORMING ASSETS (NPA) are assets for which interest is overdue for more than 90 days (about 3 months). It includes-

Gross non-performing asset ratio

The gross non-performing asset (GNPA) ratio is a measure of the total amount of non-performing loans (NPAs) a bank has compared to its total assets. It is a key marker of a bank's money related wellbeing and can affect investors' confidence.

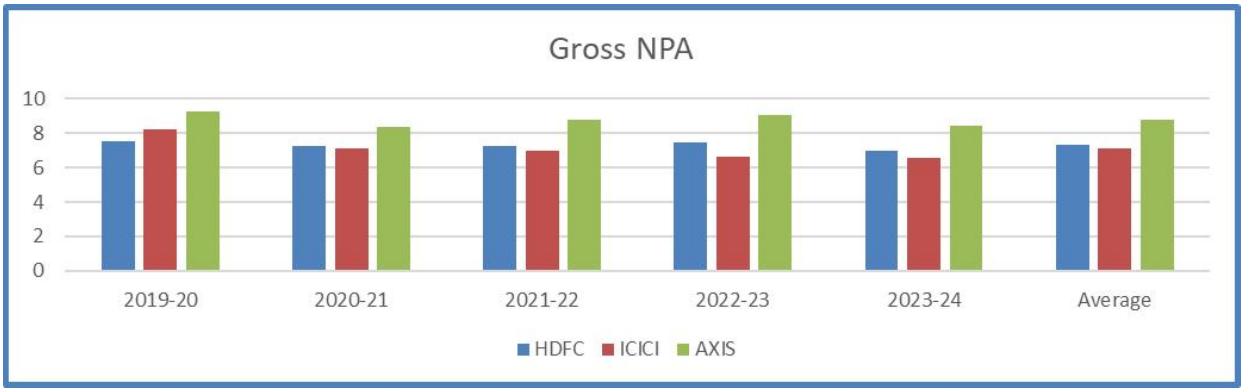
Gross non-performing loans are the sum of all the loans that have been defaulted on by the individuals who have acquired loans from the financial institution. This means that all loans defaulted are added together to form gross non-performing assets.

Gross NPA Ratio= Total gross NPA/Total assets

YEAR	HDFC	ICICI	AXIS
2019-20	1.26	5.53	4.86
2020-21	1.32	4.96	3.70
2021-22	1.17	3.60	2.82
2022-23	1.12	2.81	2.02
2023-24	1.24	2.16	1.43
Average	**1.22**	**3.81**	**2.96**

Table 1

(Table 1 shows the % of Gross NPA of HDFC, ICICI and AXIS Bank for last five years)



Graph 1

(Graph 1 shows the % of Gross NPAs of HDFC, ICICI and AXIS Bank for last five years)

Interpretation: The gross NPA ratio of HDFC bank was at 1.26, ICICI bank was at 5.53 and Axis bank was at 4.86 in 2019-20.

In 2020-21, the HDFC bank ratio was at 1.32, ICICI bank at 4.96 and Axis bank at 3.70, which clearly shows that Axis bank and ICICI bank ratio dropped.

In 2021-22, HDFC bank was at 1.17, ICICI bank at 3.60 and Axis bank at 2.82, which clearly shows that all three-bank ratio dropped.

In 2022-23, HDFC bank was at 1.12, ICICI bank at 2.81, and Axis bank at 2.02, which clearly shows that year-by-year ratio is decreasing of all three-banks.

In 2023-24, HDFC bank was at 1.24, ICICI bank at 2.16 and Axis bank at 1.43, which clearly shows that year-by-year ratio is decreasing of Axis and ICICI bank.

So, the average Gross NPA ratio of HDFC stood at 1.22, ICICI bank at 3.81 and Axis bank at 2.96 which clearly shows that Axis bank and ICICI bank asset quality is in Improvement mode while HDFC bank assets quality is in stable mode.

NET NON-PERFORMING ASSESTS RATIO

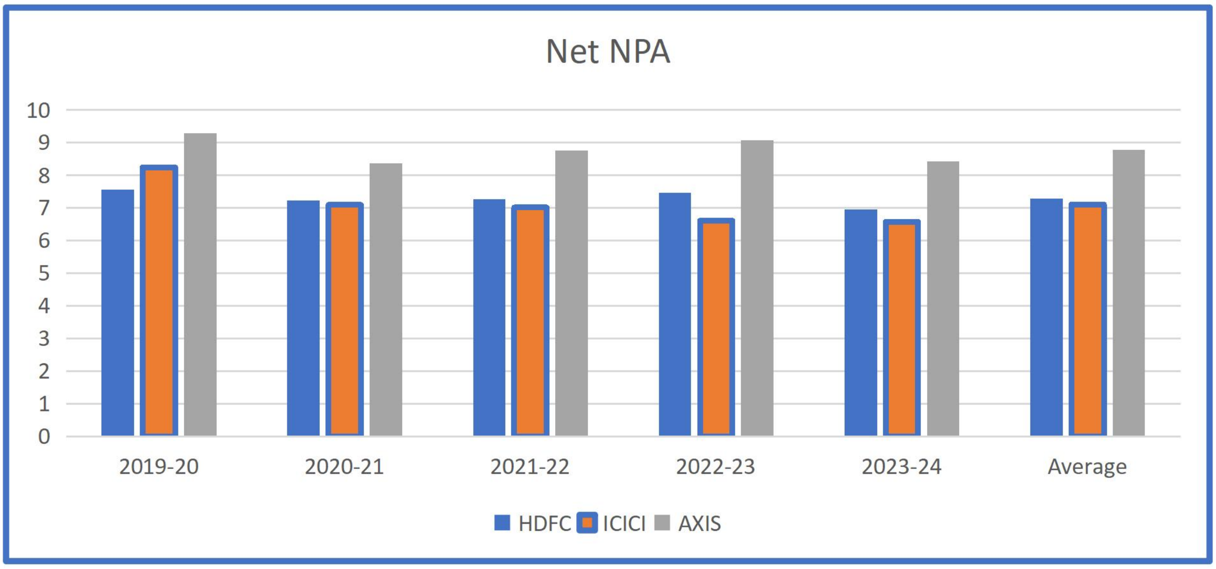
The Net Non-Performing Assets (NNPA) ratio is a metric that shows the actual losses a bank has experienced due to non-performing assets (NPAs). It is calculated by subtracting the arrangement for potential losses from the total gross NPAs.

Net NPA = Total Gross NPAs – Arrangement (Provisions)

YEAR	HDFC	ICICI	AXIS
2019-20	0.36	1.41	1.56
2020-21	0.40	1.14	1.05
2021-22	0.32	0.76	0.73
2022-23	0.27	0.48	0.39
2023-24	0.33	0.42	0.31
Average	**0.33**	**0.84**	**0.80**

Table 2

(Table 2 shows the % of Net NPA of HDFC, ICICI and AXIS Bank for last five years)



Graph 2

(Graph 2 shows the % of Net NPAs of HDFC, ICICI and AXIS Bank for last five years)

Interpretation: The Net NPA ratio of HDFC bank was at 0.36, ICICI bank was at 1.41 and Axis bank was at 1.56 in 2019-20.

In 2020-21, the HDFC bank ratio was at 0.40, ICICI bank at 1.14 and Axis bank at 1.05, which clearly shows that Axis bank and ICICI bank ratio dropped.

In 2021-22, HDFC bank was at 0.32, ICICI bank at 0.76 and Axis bank at 0.73, which clearly shows that all three-bank ratio dropped.

In 2022-23, HDFC bank was at 0.27, ICICI bank at 0.48 and Axis bank at 0.39, which clearly shows that year-by-year ratio is decreasing of all three-banks.

In 2023-24, HDFC bank was at 0.33, ICICI bank at 0.42 and Axis bank at 0.31, which shows that year-by-year ratio is decreasing of Axis and ICICI bank.

So, the average Net NPA ratio of HDFC stood at 0.33, ICICI bank at 0.84 and Axis bank at 0.80 which clearly shows that HDFC bank has overall very good financial health and it is better than other two banks in managing their net NPAs.one more observation from net NPA is ICCI and AXIS are also improving their net NPA year by year.

Efficiency Ratios

A bank's efficiency ratio is a calculation that measures how well the bank is controlling its expenses related to its revenue. It measures two things which are profitability and financial health.

if ratio is low that indicates following two things:

1) bank is spending less to generate revenue

2) bank is in profit mode

Efficiency Ratio Formula:

Efficiency Ratio = non-interest operating cost / Revenue

Fixed Asset Turnover Ratio

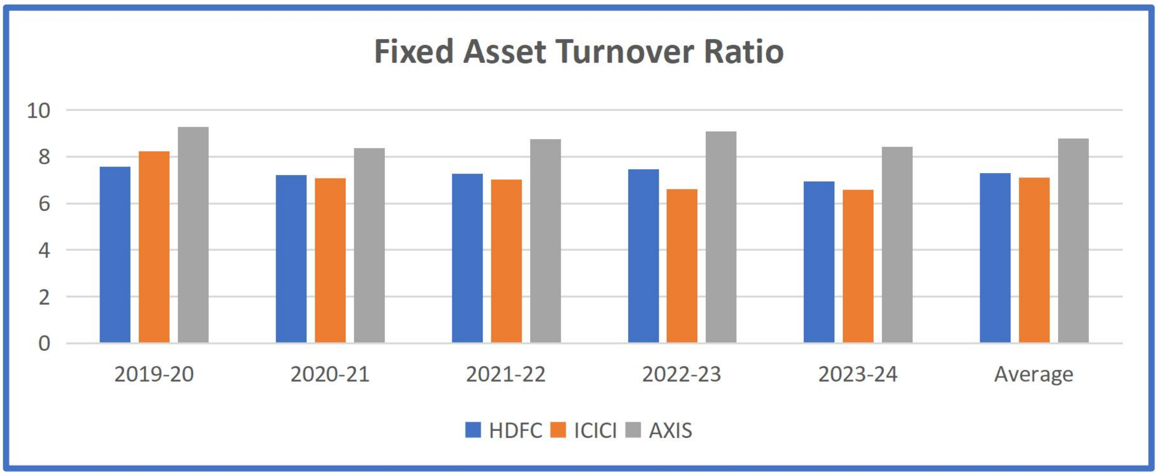
The fixed asset turnover ratio (FAT) is a financial metric that checks how well a company uses its fixed assets to generate sales. for calculation, you must divide a company's net sales by the average value of its fixed assets over a period.

Fixed Asset Turnover Ratio = Net Sales/ Average Fixed Assets

YEAR	HDFC	ICICI	AXIS
2019-20	0.08	0.07	0.07
2020-21	0.07	0.07	0.06
2021-22	0.06	0.06	0.06
2022-23	0.07	0.07	0.07
2023-24	0.08	0.08	0.08
Average	**0.07**	**0.07**	**0.06**

Table 3

(Table 3 shows the % Fixed Asset turnover ratio of HDFC, ICICI and AXIS Bank for last five years)



Graph 3

(Graph 3 shows the % Fixed Asset turnover ratio of HDFC, ICICI and AXIS Bank for last five years)

Interpretation: The Fixed Asset Turnover ratio of HDFC bank was at 0.08, ICICI bank was at 0.07 and Axis bank was at 0.07 in 2019-20.

In 2020-21, the HDFC bank ratio was at 0.07, ICICI bank at 0.07 and Axis bank at 0.06, which clearly shows that all three-bank ratio dropped.

In 2021-22, HDFC bank was at 0.06, ICICI bank at 0.06 and Axis bank at 0.06, which clearly shows that all three-bank ratio dropped.

In 2022-23, HDFC bank was at 0.07, ICICI bank was 0.07, and Axis bank was at 0.07, which clearly shows that year-by-year ratio is increased of all three banks.

In 2023-24, HDFC bank was at 0.08, ICICI bank at 0.08, and Axis bank at 0.08, which clearly shows that year-by-year ratio is increased of all three banks.

So, the average Fixed Asset Turnover ratio of HDFC stood at 0.07, ICICI bank at 0.07 and Axis bank at 0.06 which clearly shows overall the company is underutilizing its fixed assets.

Sometimes it is decreasing or increasing year by year indicates company has stable investment in fixed assets.

Leverage Financial Ratios

Financial leverage ratios measure how much debt a company uses to finance its operations. They help investors and analysts evaluate a company's financial health and risk. in short it is used to evaluate company’s debt level.

Debt to Equity Ratio

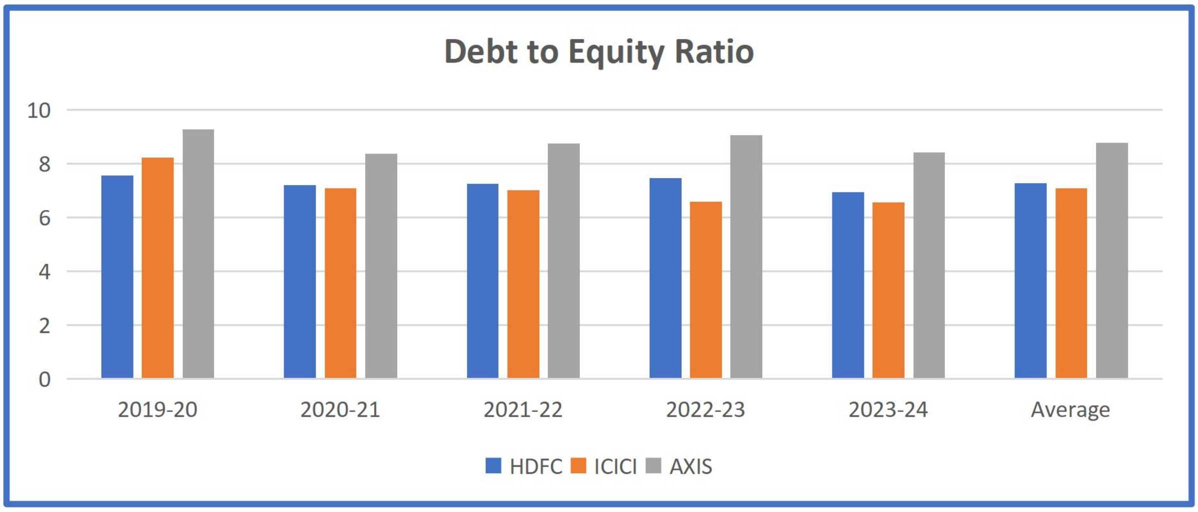
The debt-to-equity ratio (D/E ratio) determines how much debt a company has compared to its assets.

D/E = Total liabilities / Total Shareholder’s Equity

YEAR	HDFC	ICICI	AXIS
2019-20	7.56	8.24	9.28
2020-21	7.22	7.09	8.37
2021-22	7.26	7.01	8.75
2022-23	7.46	6.60	9.07
2023-24	6.95	6.57	8.42
Average	**7.29**	**7.10**	**8.77**

Table 4

(Table 4 shows the % Debt to Equity ratio of HDFC, ICICI and AXIS Bank for last five years)



Graph 4

(Graph 4 shows the % Debt to Equity ratio of HDFC, ICICI and AXIS Bank for last five years)

Interpretation: The Debt-to-Equity ratio of HDFC bank was at 7.56, ICICI bank was at 8.24 and Axis bank was at 9.28 in 2019-20.

In 2020-21, the HDFC bank ratio was at 7.22, ICICI bank at 7.09, and Axis bank at 8.37, which clearly shows that axis bank debt to equity ratio is increasing.

In 2021-22, HDFC bank was at 7.26, ICICI bank at 7.01 and Axis bank at 8.75, which clearly shows that axis bank debt to equity ratio is increasing.

In 2022-23, HDFC bank was at 7.46, ICICI bank at 6.60, and Axis bank at 9.07, which clearly shows that axis bank debt to equity ratio is increasing.

In the year 2023-24 HDFC bank was at 6.95, ICICI bank at 6.57 and Axis bank at 8.42, which clearly shows that year-by-year ratio is decreasing of all HDFC and ICICI bank.

So, the average Debt to Equity ratio of HDFC stood at 7.29, ICICI bank at 7.10 and Axis bank at 8.77 which clearly shows overall axis bank debt to equity ratio is increasing and high D/E indicates that company is facing difficulty in paying debt.

In conclusion, low D/E indicates less debt and less risky company.

Profitability Ratios

Profitability ratios in banking terms give you an idea that how the bank is generating profit from its assets in an excellent way. common profitability ratio used in banking are as follows:

Operating Profit Ratio:

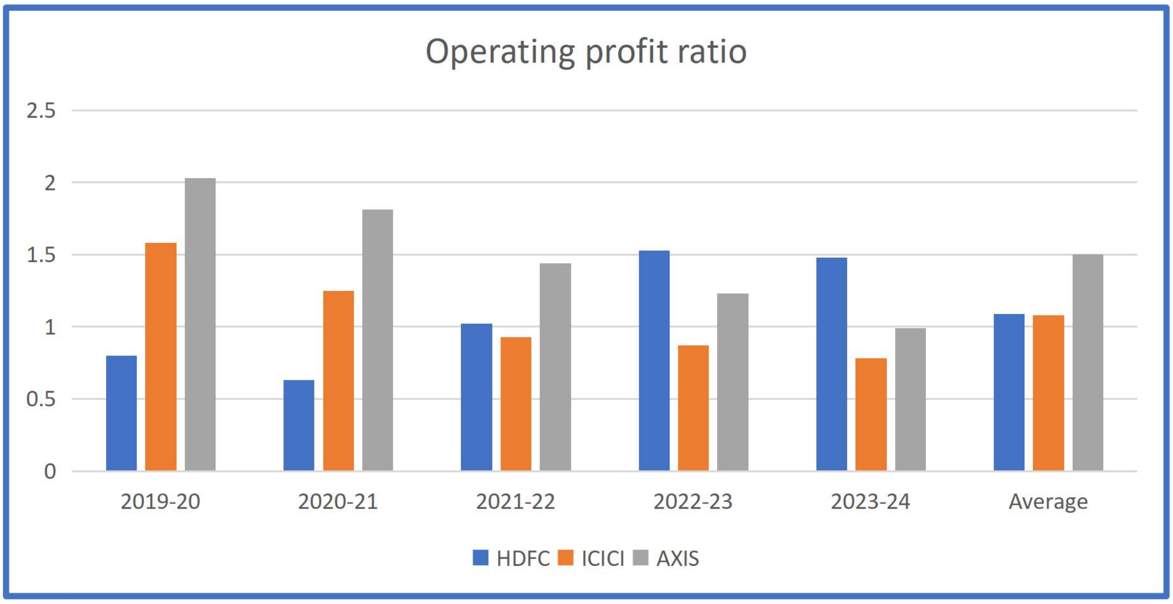
It is also called the operating margin. It is a profitability ratio that measures how much profit a company makes from its operations. It is calculated by dividing a company's operating profit by its net sales.

Operating profit Ratio = Operating income / Net Sales

YEAR	HDFC	ICICI	AXIS
2019-20	12.66	-1.94	-15.74
2020-21	14.69	2.88	-7.98
2021-22	16.52	15.35	4.70
2022-23	18.26	21.89	15.85
2023-24	9.46	23.22	10.92
Average	**14.31**	**12.28**	**1.55**

Table 5

(Table 5 shows the % Operating profit ratio of HDFC, ICICI and AXIS Bank for last five years)



Graph 5

(Graph 5 shows the % Operating Profit ratio of HDFC, ICICI and AXIS Bank for last five years)

Interpretation: The Operating profit ratio of HDFC bank was at 12.66, ICICI bank was at -1.94 and Axis bank was at -15.74 in 2019-20.

In 2020-21, the HDFC bank ratio was 14.69, ICICI bank at 2.88 and Axis bank at -7.98, which clearly shows that ICICI and axis bank operating profit ratio is recovering.

In 2021-22, HDFC bank was at 16.52, ICICI bank at 15.35 and Axis bank at 4.70, which clearly shows that ICICI and axis bank operating profit ratio is recovering.

In 2022-23, HDFC bank was at 18.26, ICICI bank at 21.89 and Axis bank at 15.85, which clearly shows that ICICI and axis bank operating profit ratio is recovering.

In 2023-24, HDFC bank was at 9.46, ICICI bank at 23.22, and Axis bank at 10.92, which clearly shows that HDFC and axis bank operating profit ratio is at downfall.

So, the average Operating profit ratio of HDFC stood at 14.31, ICICI bank at 12.28 and Axis bank at 1.55 which clearly shows overall axis bank overhead costs are too high and survival chances of bank is now depends on their reserve cash. If they run out of cash, they may have to sell assets to cover their expenses and remain in operation. The average operating profit ratio suggests that Axis bank has a low operating profit margin while HDFC and ICICI have an extremely high operating profit margin.

Gross Profit Ratio:

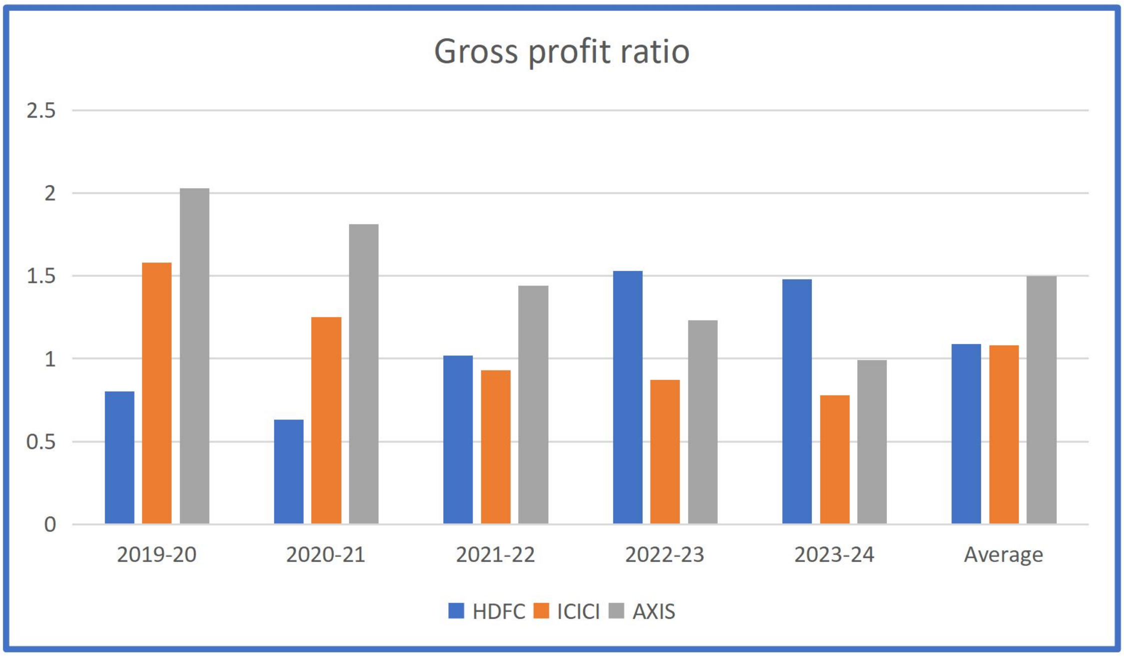
The gross profit ratio is a financial ratio which measures the profitability of a bank by dividing its gross profit by net sales. The Gross Profit Ratio (GP ratio) is a measure of profitability that expresses the company's gross profit as a percentage of its total sales.

Gross Profit Ratio=Gross profit/Net sales

YEAR	HDFC	ICICI	AXIS
2019-20	11.62	-3.20	-16.97
2020-21	13.61	1.53	-9.47
2021-22	15.26	13.99	3.20
2022-23	16.87	20.68	0.47
2023-24	8.38	22.06	9.70
Average	**13.14**	**11.01**	**-2.61**

Table 6

(Table 6 shows the % Gross profit ratio of HDFC, ICICI and AXIS Bank for last five years)



Graph 6

(Graph 6 shows the % Gross Profit ratio of HDFC, ICICI and AXIS Bank for last five years)

Interpretation: The Gross profit ratio of HDFC bank was at 11.62, ICICI bank was at -3.20 and Axis bank was at -16.97 in 2019-20.

In 2020-21, the HDFC bank ratio was at 13.61, ICICI bank at 1.53 and Axis bank -9.47, which clearly shows that axis bank with negative profit ratio, indicating sales are not covering costs.

In 2021-22, HDFC bank was at 15.26, ICICI bank at 13.99 and Axis bank at 3.20, which clearly shows that all three-bank gross profit ratio is recovering.

In the year 2022-23 HDFC bank was at 16.87, ICICI bank was at 20.68 and Axis bank was at 0.47 which clearly shows that axis bank gross profit ratio is again at downfall

In the year 2023-24 HDFC bank was at 8.38, ICICI bank was at 22.06 and Axis bank was at 9.70 which clearly shows that HDFC bank operating profit ratio is at downfall compared to previous year

So, the average Gross profit ratio of HDFC stood at 13.14, ICICI bank at 11.01 and Axis bank at -2.61 which clearly shows overall HDFC and ICIC bank are generating profit over the cost and Axis bank is trying hard to recover its cost but not the profit.

Net Profit Ratio

The Net profit ratio indicates generating revenue after deduction of expenses, taxes, debts, etc.

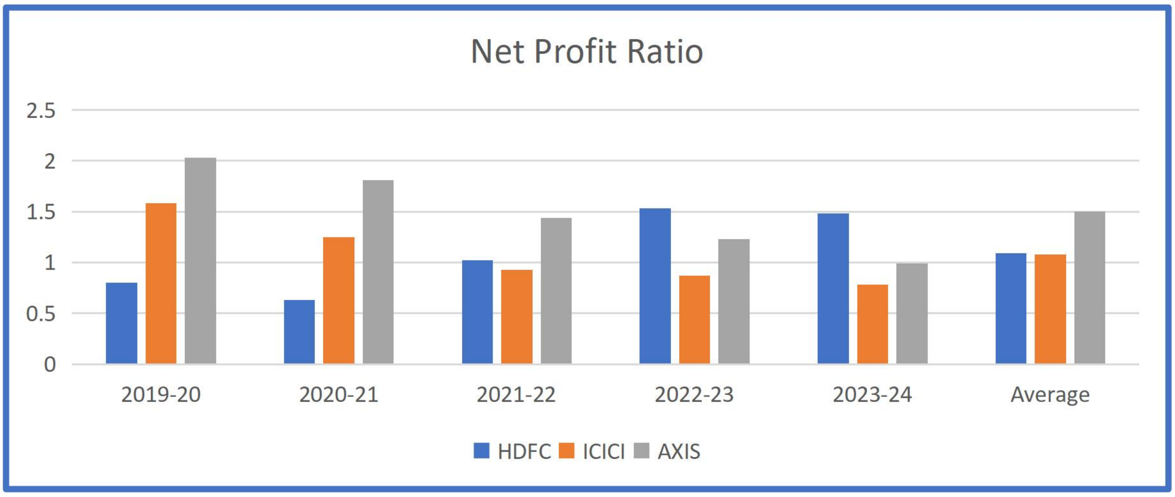
To calculate the gross profit ratio, we are not considering taxes, interest and other expenses. But to calculate the net profit ratio, we must consider taxes, interest and other expenses.

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

YEAR	HDFC	ICICI	AXIS
2019-20	22.86	10.60	2.59
2020-21	25.74	20.46	10.35
2021-22	28.93	27.02	19.33
2022-23	27.29	29.20	11.24
2023-24	24.92	28.61	22.73
Average	**25.94**	**23.17**	**13.24**

Table 7

(Table 7 shows the % Net profit ratio of HDFC, ICICI and AXIS Bank for last five years)



Graph 7

(Graph 7 shows the % Net Profit ratio of HDFC, ICICI and AXIS Bank for last five years)

Interpretation: The Net profit ratio of HDFC bank was at 22.86, ICICI bank was at 10.60 and Axis bank was at 2.59 in 2019-20.

In 2020-21, the HDFC bank ratio was 25.74, ICICI bank was 20.46, and Axis bank was 10.35, which clearly shows that all three banks are earning compared to their spend amount.

In 2021-22, HDFC bank was at 28.93, ICICI bank at 27.02 and Axis bank at 19.33, which clearly shows that all three banks are earning compared to their spending amount.

In the year 2022-23 HDFC bank was at 27.29, ICICI bank was at 29.20 and Axis bank was at 11.24 which clearly shows that axis bank earnings ratio compared to spending is again at downfall

In 2023-24, HDFC bank was at 24.92, ICICI bank at 28.61 and Axis bank at 22.73, which clearly shows that Axis bank has recovered compared to last year.

So, the average Net profit ratio of HDFC stood at 25.94, ICICI bank at 23.17 and Axis bank at 13.24 which clearly shows overall HDFC and ICIC bank are making more money compared to axis bank.

Liquidity Ratio:

A liquidity ratio is a type of financial ratio used to calculate a Bank's ability to pay its short-term debt obligations. The metric helps to determine how to cover its current liabilities.

Current Ratio:

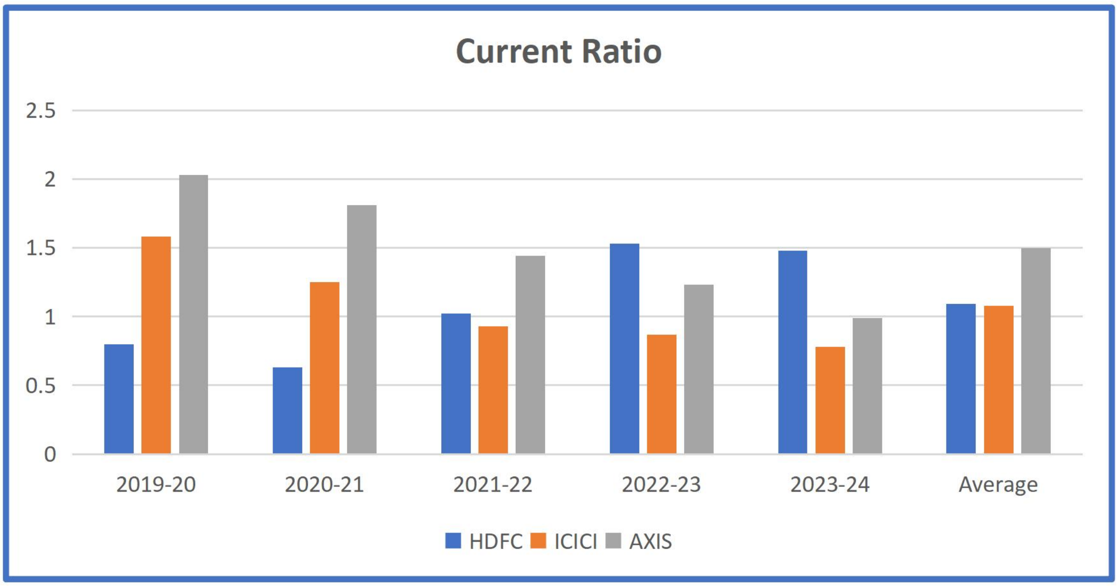
The current ratio is a type of liquidity ratio which measures a company's/Bank ability to pay off short-term obligations or those due within one year. This ratio measures the financial strength of the company. Normally, 2:1 is Considered as the ideal current ratio.

Current Ratio=Current Assets/Current Liabilities

YEAR	HDFC	ICICI	AXIS
2019-20	0.80	1.58	2.03
2020-21	0.63	1.25	1.81
2021-22	1.02	0.93	1.44
2022-23	1.53	0.87	1.23
2023-24	1.48	0.78	0.99
Average	**1.09**	**1.08**	**1.5**

Table 8

(Table 8 shows the % Current ratio of HDFC, ICICI and AXIS Bank for last five years)



Graph 8

(Graph 8 shows the % Current ratio of HDFC, ICICI and AXIS Bank for last five years)

Interpretation: The Current ratio of HDFC bank was at 0.80, ICICI bank was at 1.58 and Axis bank was at 2.03 in 2019-20.

In 2020-21, the HDFC bank ratio was at 0.63, ICICI bank at 1.25 and Axis bank at 1.81, which clearly shows that axis bank is having good current ratio for the year.

In 2021-22, HDFC bank was at 1.02, ICICI bank at 0.93 and Axis bank at 1.44, which clearly shows that Axis bank is having good current ratio for the year.

In the year 2022-23 HDFC bank was at 1.53, ICICI bank was at 0.87 and Axis bank was at 1.23 which clearly shows that HDFC bank is having good current ratio for the year.

In 2023-24, HDFC bank was at 1.48, ICICI bank at 0.78 and Axis bank at 0.99, which clearly shows that HDFC bank is having good current ratio for the year.

So, the average Current ratio of HDFC stood at 1.09, ICICI bank at 1.08 and Axis bank at 1.5 which clearly shows that Axis can pay short term debt obligations.

Stock Market Analysis of All three banks (Last 5 years) - (Time period 24 jan 2020 to 23 jan 2025)

YEAR	**HDFC**	**ICICI**	**AXIS**
High	1880.0	1362.35	1339.65
low	838.85	291.05	325.45
low to high profit in %	125%	460%	410%
P/E ratio	18.36	18.15	10.56
Market capital	12.73L cr.	8.50L cr.	2.95L cr.
Number of employees	2,06,758	1,87,765	1,04,633
No. of Branches worldwide	9,143	6,613	5,577

Table 9

(Table 9 shows the Stock market analysis of HDFC, ICICI and AXIS Bank for last five years)

Interpretation:

As per till 2024 data, Number of Employees in HDFC bank are higher than compared to other two banks which makes them grow well due to more manpower and more resources and a greater number of branches as per information given in Table number 9.

As per till 2024 data, Market capital of HDFC bank is higher than compared to other two banks which makes them more powerful in terms of giving loans as well as all future investment for better profit.

6. MAJOR FINDING

- As we see, the debt equity ratio of all three banks then Axis bank is higher than the other two banks. so, it should try to restructure its debt and NPAs. If it continues then the bank will be considered a high risky company.
- The borrowings should be reduced to the level of 4-5 times equity. It will decrease their NPAs. Also, this will result in better financial health for the companies.
- Banks should limit their huge lending to trusted companies or individuals so that recovery becomes comparatively faster and easier which would consequently result in fewer NPAs.
- We can increase the gross profit ratio of Axis Bank by generating more revenue by managing the costs of the company efficiently.
- Working on the products and services of the bank and making different changes briefly will increase the revenue.
- Reducing extra operating expenses and direct overhead expenses will increase the profit margin of the Banks.

7. Conclusion

After the above study on the comparative analysis of HDFC, ICICI and AXIS bank, it was discovered that all three banks are managing their ratios to the best of their abilities within the specified parameters. However, when we compare the banks, it appears that HDFC Bank has an edge over ICICI and AXIS, reason being HDFC Bank have lower NPAs than the AXIS. HDFC Bank having average Gross NPAs less than 1.5% while ICICI having the GNPAs near about 3.86% and AXIS bank having GNPA near about 2.91% as per the annual report of all three banks over the last Five years.

While Axis Bank controls its ratios, especially the current assets ratio, but is less competitive in terms of net profit and non-performing assets (NPAs), HDFC Bank has effectively managed its NPA and profitability ratios and is playing a significant role as a profitable commercial bank. To be a commercially successful bank, Axis must concentrate more on managing its net profits and non-performing assets.

The comparison of HDFC Bank, ICICI bank and Axis Bank reveals that ICICI and AXIS bank has net non-performing assets (NPAs) in decreasing order year by year during the study period, while HDFC Banks has net NPAs at stable rate.

This is an enlightening comparison that shows AXIS Bank must focus on acquiring high-quality assets or risk jeopardizing its customers' future hard-earned money.

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