

“Financial Analysis with Reference To Kotak Mahindra Bank”

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Abstract:

“Effective financial management is the key for running a financially successful business. The term financial analysis is also referred as financial statement analysis. Financial statements report profitability and financial position of the business at the end of financial year. Financial analysis helps to determine the financial strength and weakness of the firm by establishing strategic relationship between the items of balance sheet and profit and loss account. The main objective of the study is to compare and analyze the financial statements for the past ten financial years and also to analyze and interpret the liquidity, efficiency, profitability and solvency position of Kotak Mahindra Bank. For the purpose of the study various methods and techniques are used in financial analysis such as comparative statements analysis, common size statement analysis, trend analysis and ratio analysis. Financial analysis are used by many including Shareholders, Debenture holders, Creditors, Commercial, Financial Institutions, Managers or Management, Government Departments, SEBI and Stock Exchanges. Research methodology adopted for the study is descriptive in nature and is collected from various sources like annual report of Kotak Mahindra Bank available in www.bseindia.com, secondary data from Company website(www.kotak.com), other websites (www.moneycontrol.com, ibef.org and www.google.com) and book sources .The study involves various ratios like Liquidity Ratios, Leverage ratios/solvency ratios, Activity/Turnover ratios and Profitability ratios. The findings of the study reveal that as per liquid ratio and cash ratio it was ascertained that the banks day to day cash management is good which helps in current asset management so the liquidity position of Kotak Mahindra Bank is good. Fixed asset turnover ratio has increased in 2020 so the fixed assets have been effectively used but current asset turnover ratio and capital turnover ratio are showing decreasing trends. Hence in this regard the bank should be in a position to meet debt obligations and reduce expenses in order to improve efficiency of bank. As per debt equity ratio the bank is trying to increase its leverage along with ROE and proprietary ratio owner’s stake in total assets as it is seen increasing in recent years so bank is improving its solvency position. As

per gross profit ratio and net profit ratio it is observed that sales are increasing but the bank need to ensures adequate return to the owners by increasing return on equity capital ratio. So the banks overall profitability is in better position the bank ensures adequate return to the owners and the banks overall profitability is in better position. The suggestion provided in study to increase its number of branches in the state, check on unnecessary operating expenses by using automation, use channel optimization and check staff productivity, to review the capital requirements and relative capital costs and sell of ideal assets to improve profitability and financial position of the business which might certainly help the bank to inculcate the same and reap profits ahead.

Keywords: *Industry Analysis, Company Analysis, Comparative Statements Analysis, Common Size Statement Analysis, Trend & Ratio Analysis.*

INDUSTRY PROFILE:

According to section 5(b) Banking regulation Act 1949 Banking means “Accepting deposits for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise and withdraw by cheque, draft or otherwise”.

Reserve Bank of India is the Central Bank of our country. It was established on 1st April 1935 accordance with the provisions of the Reserve Bank of India Act, 1934. It holds the apex position in the banking structure. No company shall carry on banking business in India unless it holds a licence issued in that behalf by the Reserve Bank and any such licence may be issued subject of such conditions as the Reserve Bank of India under section 22. The banking sector is nothing less than the backbone of Indian economy. As it helps in implementing monetary policy, growth of capital market, Capital formation, Promote savings and investment habits of the people, Promotion of new entrepreneurs and financial assistance to agriculture sector etc. Banking structure in India involves Scheduled and Non-Scheduled Banks scheduled banks are classified into commercial and cooperative banks. Commercial bank includes public sector, private sector, foreign banks and regional rural banks.

INTRODUCTION:

According to John Myer, “financial statement analysis is largely a study of relationship among the various financial factors in a business as disclosed by single set of statements and a study of the trend of these factors as shown in a series of statements.

ANALYTICAL TOOLS OR METHODS OF FINANCIAL ANALYSIS:

- **COMPARATIVE STATEMENT ANALYSIS:** The comparative statements analysis is also referred as horizontal analysis. These are statements of the financial position at different periods of time on percentage form. The elements of financial position are shown in a

comparative form so as to give idea of financial position at 2 or more periods. These statements enable an in-depth study of financial position operating results. There are two types of comparative statement analysis:-a) Comparative balance sheet and b) Comparative Income Statement.

- **COMMON SIZE STATEMENTS ANALYSIS:** The common size statements analysis is also referred as vertical analysis, it involves evaluating financial statements in which the items of financial statements are converted into percentage of common base. It help the analysts compare companies of different sizes in different industries. There are two types of common size statement analysis:- a) Common size balance sheet and b) Common size income statement.
- **TREND ANALYSIS:** Trend analysis helps the future forecasts of various items. For calculation of trend Base year is assumed to be equal to 100 and on the basis the percentage of item of each year calculated.
- **RATIO ANALYSIS:** Ratio analysis is one of the techniques used to analyse the financial statement. It is the process of establishing and interpreting various ratios (quantitative relationship between figures and group of figures). Ratio analysis helps in analysing financial statement and decision making.

OBJECTIVES OF MY RESEARCH

- To compare and analyze the financial statements for past ten financial years.
- To analyze and interpret the liquidity, solvency position, efficiency and profitability of the Kotak Mahindra Bank.

RESEARCH METHODOLOGY:

The main aim of the study is to analyse the financial statements of kotak Mahindra Bank by using secondary data available in the annual reports published in official websites of kotak Mahindra bank or in the BSE website. **Data collection methods- Secondary data:**

- Kotak Mahindra Bank annual report.
- Kotak Mahindra Bank balance sheet and income statement for past ten years.
- Company website - www.kotak.com
- Other websites - ibef.org, www.moneycontrol.com, www.bseindia.com, www.google.

COMPANY PROFILE:

In 1985 Uday Kotak founded an Indian financial services conglomerate. In February 2003, the Reserve Bank of India (RBI) issued a banking licence to Kotak Mahindra Finance Ltd(KMFL),

the group's flagship company This approval created banking history since Kotak Mahindra Finance Ltd. is the first non-banking finance company in India to convert itself in to a bank as Kotak Mahindra Bank Ltd. It is Indian private sector bank headquartered in Mumbai, Maharashtra, India.

In a study by Brand Finance Banking 500 published in February 2014 by Banker magazine (from The Financial Times stable), KMBL was ranked 245th among the world's top 500 banks with brand valuation of around half a billion dollars (\$481 million) and brand rating of AA+. As of April 2019, it is the second largest Indian private sector bank by market capitalization, with 1600 branches & 2519 ATMs

VISION:

- The Global Indian Financial Services Brand
- The Most Trusted Financial Services Company
- Value Creation

BOARD OF DIRECTORS:

Name	Designation
Mr. Prakash Apte	Non-Executive - Independent Director-Chairperson
Mr. Uday Kotak	Executive Director-CEO-MD
Jaimin Bhatt	Group Chief Financial Officer
Mr. Dipak Gupta	Executive Director
Mr. K V S Manian	Executive Director
Mr. Gaurang Shah	Executive Director
Mr. C Jayaram	Non-Executive - Non Independent Director
Mr. S Mahendra Dev	Non-Executive - Independent Director
Ms. Farida Khambata	Non-Executive - Independent Director
Mr. Uday Khanna	Non-Executive - Independent Director
Mr. Uday Shankar	Non-Executive - Independent Director
Mr. Paul Parambi	Chief Risk Officer
Ms. Bina Chandarana	Joint President & Company Secretary

Source - Company annual report

COMPARATIVE STATEMENTS ANALYSIS:
COMPARATIVE BALANCE SHEET OF KOTAK MAHINDRA BANK (in Rs. Cr.)

	2011-12		2012-13		2013-14		2014-15		2015-16	
Particulars	change in Rs.	change in %	change in Rs.	change in %	change in Rs.	change in %	change in Rs.	change in %	change in Rs.	change in %
EQUITIES AND LIABILITIES										
Equity Share Capital	1.90	0.52	2.96	0.80	11.86	3.18	1.02	0.26	531.01	137.50
Reserves and surplus	1936.00	18.28	2345.80	18.72	3814.40	25.64	3076.30	16.46	10676.30	49.05
Minority Interest	52.85	49.30	48.66	30.40	62.17	29.79	64.80	23.92	59.91	17.85
Employees stock options (grants) outstanding	-2.09	-5.66	-33.07	-94.97	6.78	387.43	-5.54	-64.95	0.42	14.05
Deposits	9147.80	33.49	12928.40	35.46	7540.61	15.27	15913.70	27.95	63105.30	86.63
Borrowings	7121.40	32.26	6977.27	23.90	- 7164.80	-19.81	2407.74	8.30	12314.90	39.20
Policyholders funds	866.33	10.64	1065.74	11.83	937.28	9.30	2778.05	25.22	1355.67	9.83
Other Liabilities and Provisions	-456.00	-9.04	133.72	2.92	1209.52	25.62	2103.05	35.47	4184.28	52.09
TOTAL CAPITAL AND LIABILITIES	18668.00	25.34	23485.00	25.43	6402.00	5.53	26339.00	21.55	92227.80	62.08
ASSETS										
Cash and Balances with Reserve Bank of India	-84.23	-3.98	190.13	9.36	739.75	33.31	984.61	33.26	2979.78	75.53
Balances with Banks Money at Call and Short Notice	665.80	75.71	752.29	48.69	1385.11	60.29	-724.27	-19.67	1716.18	58.01
Investments	5609.40	21.53	9248.81	29.21	- 2116.20	-5.17	8559.82	22.07	22923.00	48.41
Advances	11902.00	28.86	13114.00	24.68	5434.87	8.20	16939.70	23.63	56160.60	63.36
Fixed Assets	14.87	2.48	4.61	0.75	644.19	103.92	120.88	9.56	376.05	27.15
Other Assets	560.71	20.06	175.41	5.23	314.24	8.90	458.40	11.92	8072.17	187.54
TOTAL ASSETS	18668.00	25.34	23485.00	25.43	6402.00	5.53	26339.00	21.55	92227.80	62.08

Table No 1: Comparative analysis of balance sheet for the year 2011 to 2015

	2016-17		2017-18		2018-19		2019-20	
Particulars	change in Rs.	change in %	change in Rs.	change in %	change in Rs.	change in %	change in Rs.	change in %
EQUITIES AND LIABILITIES								
Equity share capital	3.26	0.36	32.37	3.52	1.56	0.16	2.14	0.22
Reserves and surplus	5126.9	15.8	11962.9	31.84	7292.11	14.72	8852.25	15.58
Minority Interest	78.83	19.93	-474.43	-100	0	0	0	0
Employees stock options (grants) outstanding	-1.55	-45.45	0.3	16.13	-0.09	-4.17	0.79	38.16
Deposits	19591	14.41	35695.8	22.95	33588.5	17.56	35575.95	15.82
Borrowings	5960.1	13.63	8914.06	17.94	7834.97	13.37	-862.22	-1.3
Policyholders funds	3644.6	24.06	3632.46	19.33	4992.48	22.26	4091	14.92
Other Liabilities and Provisions	980.55	8.03	1769.49	13.41	3241.3	21.66	31850.36	174.92
TOTAL CAPITAL AND LIABILITIES	35384	14.69	61532.9	22.28	57450.8	17.01	48001.46	12.15
ASSETS								
Cash and Balances with Reserve Bank of India	587.33	8.48	1421.27	18.92	1977.42	22.13	-1397.68	-12.81
Balances with Banks Money at Call and Short Notice	13402	286.7	-2609.2	-14.43	4886.41	31.59	34213.07	168.09
Investments	-1812	-2.58	22515.1	32.89	12510.4	13.75	7709.89	7.45
Advances	22332	15.42	38872.4	23.26	37464.7	18.19	6416.97	2.64
Fixed Assets	-2.4	-0.14	784.27	44.6	154.57	6.08	-836.5	-31.01
Other Assets	877.5	7.09	549.09	4.14	457.28	3.31	1081.97	7.59
TOTAL ASSETS	35384	14.69	61532.9	22.28	57450.8	17.01	48001.46	12.15

Table No 2: Comparative analysis of balance sheet for the year 2016 to 2020
Interpretation -

- The share capital of the bank shows an increasing % trend from the year 2011 to 2020 but there is fluctuation in the rate of increase in capital. In 2015-16 i.e. 137.5% the rate of increase in capital is more than other years.
- There is fluctuation in all the years in the rate of increase in reserves and surplus also. This shows that bank is efficiently utilizing its reserves and surplus.
- The deposits of bank shows increasing % trend in all the years and there is no decreasing % in any year than it indicates that the bank has not repaid any of its deposits.
- The borrowings also shows an increasing % trend in all the years except in the year 2013-14 and 2019-20 which shows decreasing % i.e. (19.81%) and (1.3%) which indicate bank has repaid a large amount of borrowings in this year and thereby reducing the dependence on outside debt.

Comparative income statement of kotak Mahindra Bank (in Rs. Cr.):

	2011-12		2012-13		2013-14		2014-15		2015-16	
Particulars	change in Rs.	change in %	change in Rs.	change in %	change in Rs.	change in %	change in Rs.	change in %	change in Rs.	change in %
INCOME										
Total interest earned	1,990.5	47.5	1,862.3	30.1	724.6	9.0	952.8	10.9	6,664.3	68.6
Others	1.3	127.9	-0.1	-5.5	12.8	573.2	-3.8	-25.1	353.6	3,132.1
TOTAL INCOME	2,187.3	44.0	2,045.6	28.6	963.7	10.5	1,581.5	15.6	7,248.1	61.7
EXPENDITURE										
Interest Expended	1,575.6	75.3	1,169.1	31.9	210.3	4.3	449.1	8.9	3,987.7	72.6
Payments to and Provisions for Employees	118.5	15.1	172.8	19.1	97.0	9.0	294.5	25.1	1,350.3	92.1
Depreciation	18.5	18.8	15.8	13.5	32.7	24.6	27.8	16.8	94.4	48.9
Operating Expenses (excludes Employee Cost & Depreciation)	144.5	21.5	186.4	22.8	203.2	20.3	389.8	32.3	772.1	48.4
TOTAL OPERATING EXPENSES	281.5	18.1	374.9	20.4	332.9	15.1	712.1	28.0	2,216.8	68.1
TOTAL PROVISIONS AND CONTINGENCIES	63.3	12.5	225.9	39.6	278.7	35.0	56.9	5.3	819.8	72.5
TOTAL EXPENDITURE	1,920.4	46.3	1,769.9	29.1	821.9	10.5	1,218.0	14.1	7,024.3	71.1
NET PROFIT / LOSS FOR THE YEAR	266.9	32.6	275.7	25.4	141.8	10.4	363.5	24.2	223.8	12.0

Table No 3: Comparative analysis of income statement for the year 2011 to 2015

	2016-17		2017-18		2018-19		2019-20	
Particulars	change in Rs.	change in %	change in Rs.	change in %	change in Rs.	change in %	change in Rs.	change in %
INCOME								
Total interest earned	1,314.75	8.02	2,049.57	11.58	4,194.71	21.24	2,986.40	12.47
Others	32.57	8.93	-65.22	-16.41	-14.49	-4.36	-25.88	-8.14
TOTAL INCOME	2,179.67	11.47	2,624.61	12.39	4,746.53	19.94	3,754.49	13.15
EXPENDITURE								
Interest Expended	88.97	0.94	644.03	6.73	2,467.44	24.15	745.70	5.88
Payments to and Provisions for Employees	-48.44	-1.72	181.70	6.56	233.38	7.91	694.02	21.80
Depreciation	3.28	1.14	12.03	4.14	64.23	21.22	-366.92	-100.00
Operating Expenses (excludes Employee Cost & Depreciation)	192.13	8.12	613.50	23.97	791.47	24.95	1,009.04	25.45
TOTAL OPERATING EXPENSES	146.98	2.69	807.22	14.37	1,089.08	16.95	1,336.14	17.78
TOTAL PROVISIONS AND CONTINGENCIES	622.00	31.88	500.56	19.45	408.98	13.31	590.80	16.96
TOTAL EXPENDITURE	857.95	5.07	1,951.81	10.99	3,965.50	20.11	2,672.64	11.29
NET PROFIT / LOSS FOR THE YEAR	1,321.72	63.25	672.80	19.72	781.03	19.12	1,081.85	22.24

Table No 4: Comparative analysis of income statement for the year 2016 to 2020
Interpretation –

- This the net profit also shows an increasing % trend for all the year 2011-12, 2012-13 , 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 i.e. 32.6%, 25.4%, 10.4%, 24.2% 12.0% , 63.25%, 19.72%, 19,12% and 22.23% respectively. This indicates that the total incomes are showing higher rate increasing % as compared to the rate of increasing % of total expenditure.

COMMON SIZE STATEMENTS ANALYSIS:
Common size Balance sheet of kotak Mahindra Bank (in Rs. Cr.)

Particulars	2011		2012		2013		2014		2015	
	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)
EQUITIES AND LIABILITIES										
Equity Share Capital	368.44	0.50	370.34	0.40	373.30	0.32	385.16	0.32	386.18	0.26
TOTAL RESERVES AND SURPLUS	10594.51	14.38	12530.70	13.57	14876.49	12.84	18690.85	15.29	21767.14	14.65
Minority Interest	107.21	0.15	160.06	0.17	208.72	0.18	270.89	0.22	335.69	0.23
Employees stock options (grants) outstanding	36.91	0.05	34.82	0.04	1.75	0.00	8.53	0.01	2.99	0.00
Deposits	27312.98	37.07	36460.73	39.48	49389.14	42.64	56929.75	46.57	72843.46	49.03
Borrowings	22073.32	29.96	29194.69	31.61	36171.96	31.23	29007.14	23.73	31414.88	21.14
Policyholders funds	8145.20	11.05	9011.53	9.76	10077.27	8.70	11014.55	9.01	13792.60	9.28
Other Liabilities and Provisions	5042.56	6.84	4586.52	4.97	4720.24	4.07	5929.76	4.85	8032.81	5.41
TOTAL CAPITAL AND LIABILITIES	73681.13	100	92349.39	100	115834.6	6	122236.6	3	148575.7	6
ASSETS										
Cash and Balances with Reserve Bank of India	2114.86	2.87	2030.63	2.20	2220.76	1.92	2960.51	2.42	3945.12	2.66
Balances with Banks Money at Call and Short Notice	879.40	1.19	1545.20	1.67	2297.49	1.98	3682.60	3.01	2958.33	1.99
Investments	26048.99	35.35	31658.43	34.28	40907.24	35.32	38791.05	31.73	47350.87	31.87
Advances	41241.95	55.97	53143.61	57.55	66257.65	57.20	71692.52	58.65	88632.21	59.65
Fixed Assets	600.42	0.81	615.29	0.67	619.90	0.54	1264.09	1.03	1384.97	0.93
Other Assets	2795.51	3.79	3356.22	3.63	3531.63	3.05	3845.87	3.15	4304.27	2.90
TOTAL ASSETS	73681.13	100	92349.39	100	115834.6	6	122236.6	3	148575.7	6

Table No 5: Common size statement analysis of balance sheet for the year 2011 to 2015.

	2016		2017		2018		2019		2020	
Particulars	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)
EQUITIES AND LIABILITIES										
Equity Share Capital	917.19	0.38	920.45	0.33	952.82	0.28	954.38	0.24	956.52	0.22
TOTAL RESERVES AND SURPLUS	32443.45	13.47	37570.39	13.60	49533.24	14.67	56825.35	14.38	65677.60	14.82
Minority Interest	395.60	0.16	474.43	0.17	0.00	0.00	0.00	0.00	0.00	0.00
Employees stock options (grants) outstanding	3.41	0.00	1.86	0.00	2.16	0.00	2.07	0.00	2.86	0.00
Deposits	135948.76	56.46	155540.00	56.32	191235.80	56.63	224824.26	56.89	260400.21	58.76
Borrowings	43729.79	18.16	49689.91	17.99	58603.97	17.35	66438.94	16.81	65576.72	14.80
Policyholders funds	15148.27	6.29	18792.87	6.80	22425.33	6.64	27417.81	6.94	31508.81	7.11
Other Liabilities and Provisions	12217.09	5.07	13197.64	4.78	14967.13	4.43	18208.43	4.61	50058.79	11.30
TOTAL CAPITAL AND LIABILITIES	240803.58	100	276187.56	100	337720.47	100	395171.25	100	443172.71	100
ASSETS										
Cash and Balances with Reserve Bank of India	6924.90	2.88	7512.23	2.72	8933.50	2.65	10910.92	2.76	9513.24	2.15
Balances with Banks Money at Call and Short Notice	4674.51	1.94	18076.32	6.54	15467.13	4.58	20353.54	5.15	54566.61	12.31
Investments	70273.90	29.18	68461.54	24.79	90976.60	26.94	103487.02	26.19	111196.91	25.09
Advances	144792.82	60.13	167124.91	60.51	205997.32	61.00	243461.99	61.61	249878.96	56.38
Fixed Assets	1761.02	0.73	1758.62	0.64	2542.89	0.75	2697.46	0.68	1860.96	0.42
Other Assets	12376.44	5.14	13253.94	4.80	13803.03	4.09	14260.31	3.61	15342.28	3.46
TOTAL ASSETS	240803.58	100	276187.56	100	337720.47	100	395171.25	100	443172.71	100

Table No 6: Common size statement analysis of balance sheet for the year 2016 to 2020.

Interpretation -

- The reserves of kotak Mahindra bank is increasing in the year 2020 i.e. 14.8% .This indicates that in past years the companies reserves are increasing that means that the bank is earning more profits.
- The cash balance of bank for the year 2019 i.e. 2.7% but was decreasing in the year 2020 i.e. 2.1% This indicates that the cash balance of kotak bank were increasing but in the year 2020 there was decrease in cash balance so bank need to manage its cash properly.
- Kotak bank advances for the year 2019 i.e. 61.6% but was decreasing in the year 2020 i.e. 56.3%. This indicates that bank advance were increasing but there was decrease in the year 2020 so bank need to take necessary steps to increase its advances.

Common size income statement of kotak Mahindra Bank (in Rs. Cr.)

	2011		2012		2013		2014		2015	
Particulars	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)
INCOME										
Total interest earned	4189.8	100.0	6180.2	100.0	8042.5	100.0	8767.1	100.0	9719.9	100.0
Other Income	780.5	18.6	977.4	15.8	1160.7	14.4	1399.7	16.0	2028.5	20.9
TOTAL INCOME	4970.3	118.6	7157.6	115.8	9203.2	114.4	10166.8	116.0	11748.3	120.9
EXPENDITURE										
Interest Expended	2092.2	49.9	3667.8	59.3	4836.8	60.1	5047.1	57.6	5496.1	56.5
TOTAL OPERATING EXPENSES	1553.3	37.1	1834.8	29.7	2209.7	27.5	2542.6	29.0	3254.7	33.5
TOTAL PROVISIONS AND CONTINGENCIES	506.6	12.1	570.0	9.2	795.9	9.9	1074.6	12.3	1131.5	11.6
TOTAL EXPENDITURE	4152.1	99.1	6072.5	98.3	7842.4	97.5	8664.3	98.8	9882.3	101.7
NET PROFIT / LOSS FOR THE YEAR	818.2	19.5	1085.1	17.6	1360.7	16.9	1502.5	17.1	1866.0	19.2

Table No 7: Common size statement analysis of income statement for the year 2011 to 2015.

	2016		2017		2018		2019		2020	
Particulars	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)	(in Rs. Cr.)	(in %)
INCOME										
Total interest earned	16384.2	100.0	17698.9	100.0	19748.5	100.0	23943.0	100.0	26929.6	100.0
Other Income	2612.2	15.9	3477.2	19.6	4052.2	20.5	4604.0	19.2	5372.1	19.9
TOTAL INCOME	18996.4	115.9	21176.1	119.6	23800.7	120.5	28547.2	119.2	32301.7	119.9
EXPENDITURE										
Interest Expended	9483.8	57.9	9572.8	54.1	10216.8	51.7	12684.3	53.0	13430.0	49.9
TOTAL OPERATING EXPENSES	5471.5	33.4	5618.5	31.7	6425.7	32.5	7514.8	31.4	8850.9	32.9
TOTAL PROVISIONS AND CONTINGENCIES	1951.3	11.9	2573.3	14.5	3073.9	15.6	3482.9	14.5	4073.7	15.1
TOTAL EXPENDITURE	16906.6	103.2	17764.6	100.4	19716.4	99.8	23681.9	98.9	26354.5	97.9
NET PROFIT / LOSS FOR THE YEAR	2089.8	12.8	3411.5	19.3	4084.3	20.7	4865.3	20.3	5947.2	22.1

Table No 8: Common size statement analysis of income statement for the year 2016 to 2020

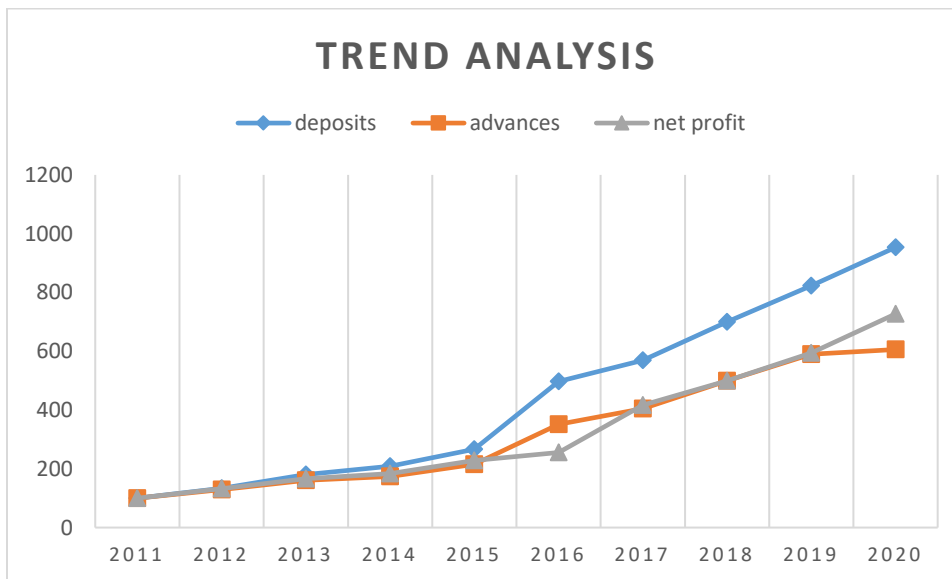
Interpretation –

- Interest expended by kotak Mahindra bank shows continuously decreasing from the year 2016 to 2020 i.e. 57.9% to 49.9% this indicate that banks interest on deposits of its customers and interest on loan taken are reducing.
- The kotak bank operating expenses has increased in the year 2015 i.e. 32.9% than it started to decrease continuously till 2019 but there was increase in 2020 i.e. 33.6% so the bank need to decrease its operating expenses to earn more profits.

TREND ANALYSIS

Year	deposits	advances	net profit
2011	100	100	100
2012	133.492318	128.858141	132.61752
2013	180.826625	160.655958	166.31059
2014	208.434781	173.833972	183.64174
2015	266.699057	214.907903	228.06473
2016	497.744149	351.081411	255.41812
2017	569.472829	405.230378	416.96204
2018	700.164537	499.484918	499.19333
2019	823.140719	590.326088	594.65277
2020	953.393625	605.885415	726.87917

Table No 9: Trend analysis for the year 2011 to 2020.



Graph No 1: Diagrammatic representation of trend analysis for the year 2011 to 2020.

Interpretation -

- Deposits of bank for the past ten years shows an increasing trend as in the beginning from 20011 to 2015 there was not much increase but than from the year 2015 to 2020 there is continuous increasing trend in deposits
- Similarly advances shows an increasing from the year 2011 to 2020

- There is an increasing trend in the net profits of Kotak Mahindra Bank for the past ten years i.e. from 2011 to 2020

The overall performance of the Kotak Mahindra Bank in past ten years.

RATIO ANALYSIS

Book referred – Financial Management – M Y Khan. P K Jain

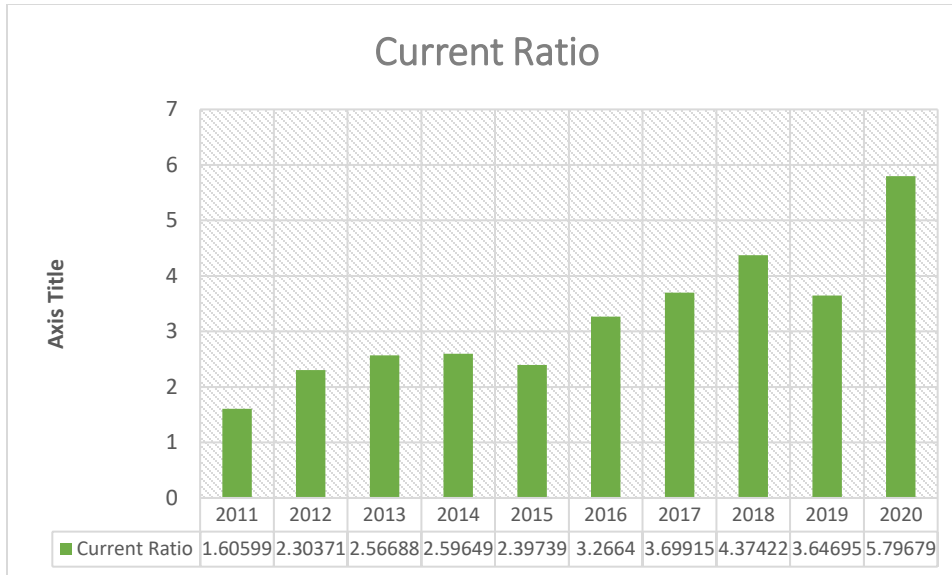
- **LIQUID RATIO** - Liquidity refers to the ability of a firm to meet its obligations in the short run.

Current Ratio-Current Ratio establishes the relationship between current Assets and current Liabilities. It attempts to measure the ability of a firm to meet its current obligations. The ideal current ratio is 2:1. It indicates that current assets double the current liability is considered to be satisfactory. If current liabilities exceeds current assets, then the company may have problem in meeting its short term obligations.

$$\text{current ratio} = \frac{\text{current assets}}{\text{current liabilities}}$$

Year	Current assets	Current liabilities	Current ratio
2011	8,098.29	5,042.56	1.605988
2012	10,566.01	4,586.52	2.30371
2013	12,116.27	4,720.24	2.566876
2014	15,396.58	5,929.76	2.596493
2015	19,257.78	8,032.81	2.39739
2016	39,905.93	12,217.09	3.266402
2017	48,819.99	13,197.64	3.699145
2018	65,469.56	14,967.13	4.374223
2019	66,405.26	18,208.43	3.646951
2020	1,07,530.38	18,550.00	5.796786

Table No 10: Current ratio for the year 2011 to 2020.



Graph No 2: Diagrammatic representation of current ratio for the year 2011 to 2020.

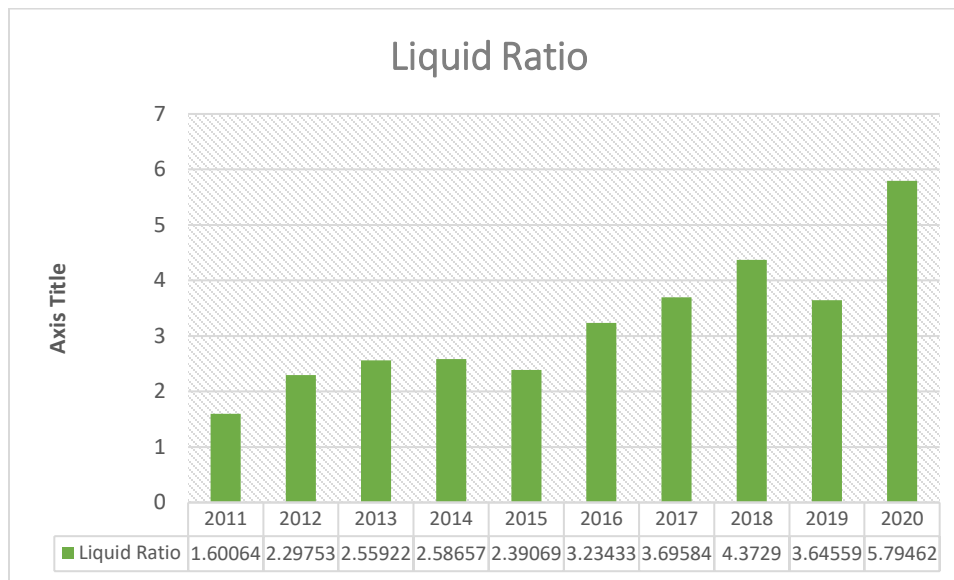
Interpretation – The above graph indicates that current ratio in the year 2011, 2012, 2013, 2014 and 2015 i.e. 1.6, 2.3, 2.5, 2.5 and 2.3 respectively which were close to the ideal ratio of 2:1 but in the year 2016, 2017, 2018, 2019 and 2020 i.e. 3.2, 3.6, 4.3, 3.6 and 5.7 respectively and which are above the ideal ratio so the bank need to properly use its current assets or its short term financing facilities.

- **Quick Ratio/ Acid/ Liquid test ratio** -The Liquid ratio is used to measure a firm's ability to pay its short-term obligations 'as and when they become due. Quick Ratio establishes the relationship between the quick assets and current liabilities. The ideal Quick Ratio of 1:1 is considered to be satisfactory. High Acid Test Ratio is an indication that the firm has relatively better position to meet its current obligation in time.

$$\text{Quick Ratio} = \frac{\text{Liquid assets}}{\text{Current liabilities}}$$

Year	Liquid asset	Current liabilities	Liquid ratio
2011	8071.34	5,042.56	1.600643
2012	10537.66	4,586.52	2.297528
2013	12080.12	4,720.24	2.559217
2014	15337.71	5,929.76	2.586565
2015	19203.99	8,032.81	2.390694
2016	39514.07	12,217.09	3.234327
2017	48776.3	13,197.64	3.695835
2018	65449.82	14,967.13	4.372904
2019	66380.39	18,208.43	3.645586
2020	107490.29	18,550.00	5.794625

Table No 11: Liquid ratio for the year 2011 to 2020.



Graph No 3: Diagrammatic representation of liquid ratio for the year 2011 to 2020.

Interpretation – A quick ratio of 1:1 is considered favourable because of every rupee of current liability, there is at least one rupee of liquid asset. In the above graph liquid ratio for the year 2011 was 1.6:1 it implies that the current assets of 1.6 of the bank can meet all current claims, further it goes on increasing from the year 2012 to 2018 i.e. 2.29 to 4.3 respectively but starts to decrease for the year 2019 i.e. 3.6 and again started to increase in the year 2020 i.e. 5.7. It indicates that the bank has sufficient liquid assets, it is considered satisfactory as bank can easily meet its obligations in all the years from 2011 to 2020.

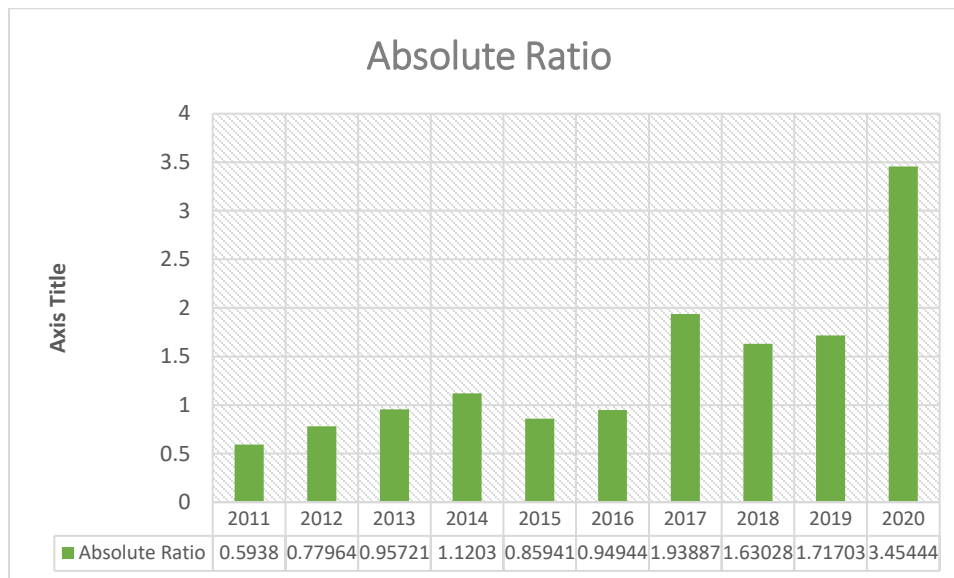
▪ **Cash Ratio/ Absolute ratio:**

Absolute Liquid Ratio is also called as Cash Position Ratio (or) Over Due Liability Ratio. This ratio established the relationship between the absolute liquid assets and current liabilities. The optimum value for this ratio should be one, i.e., 1: 2. It indicates that 50% worth absolute liquid assets are considered adequate to pay the 100% worth current liabilities in time. If the ratio is relatively lower than one, it represents that the company's day-to-day cash management is poor.

$$\text{Absolute Ratio} = \frac{\text{Absolute liquid assets}}{\text{current liabilities}}$$

Year	Absolute liquid assets	Current liabilities	Absolute ratio
2011	2,994.26	5042.56	0.593798
2012	3,575.83	4586.52	0.779639
2013	4,518.25	4720.24	0.957208
2014	6,643.11	5929.76	1.1203
2015	6,903.45	8032.81	0.859407
2016	11,599.41	12217.09	0.949441
2017	25,588.55	13197.64	1.938873
2018	24,400.63	14967.13	1.630281
2019	31,264.46	18208.43	1.717032
2020	64,079.85	18,550.00	3.454439

Table No 12: Absolute ratio for the year 2011 to 2020.



Graph No 4: Diagrammatic representation of absolute ratio for the year 2011 to 2020.

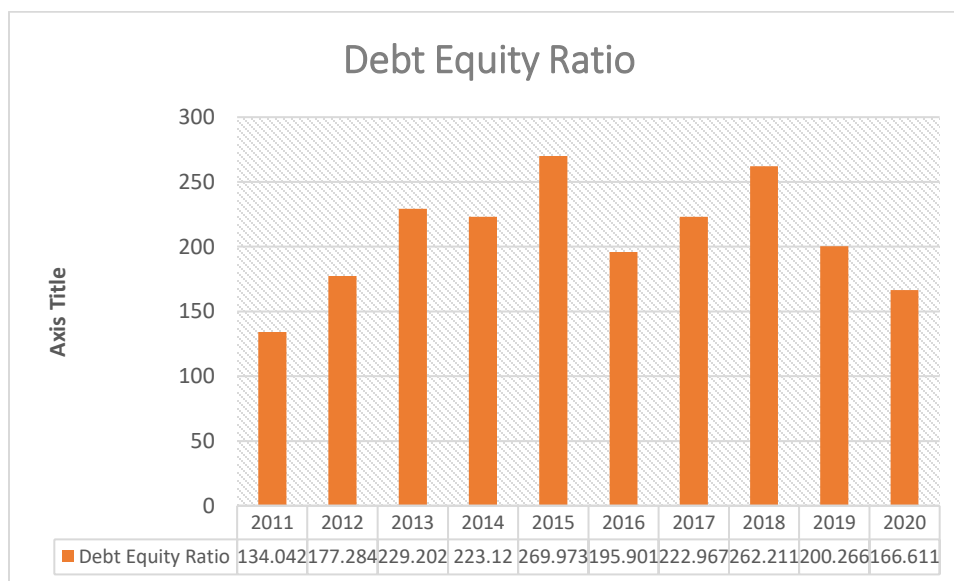
Interpretation – In the above graph absolute liquid ratio in the year 2011 was 0.59, there after it shows increasing trend for the year 2012, 2013 and 2014 i.e. 0.77, 0.95 and 1.12 respectively and then it started to increase in the year 2016 and 2017 i.e. 0.94 and 1.93 respectively but in the year 2018 and 2019 it reduced to 1.7 and in the year 2020 it again increased to 3.4. This indicates that in past three years there is availability of liquid cash balance in the bank which helps to pay off its short term liabilities.

- **LEVERAGE RATIO**-Financial leverage refers to the use of debt finance.
- **Debt Equity Ratio:** This ratio shows the relationship between the borrowed capital and owner’s capital. This ratio is calculated to ascertain the firm's obligations to creditors in relation to funds invested by the owners. The ideal Debt Equity Ratio is 1: 1.

$$\text{Debt Equity Ratio} = \frac{\text{Long term debt}}{\text{Shareholders equity}}$$

Year	Total debt	Shareholder s' equity	Debt equity ratio
2011	49,386.30	368.44	134.0416
2012	65,655.42	370.34	177.2842
2013	85,561.10	373.3	229.202
2014	85,936.89	385.16	223.12
2015	1,04,258.34	386.18	269.9734
2016	1,79,678.55	917.19	195.9011
2017	2,05,229.91	920.45	222.9669
2018	2,49,839.77	952.82	262.2109
2019	2,91,263.20	1454.38	200.2662
2020	3,25,976.93	1956.52	166.6106

Table No 13: Debt equity ratio for the year 2011 to 2020.



Graph No 5: Diagrammatic representation of debt equity ratio for the year 2011 to 2020.

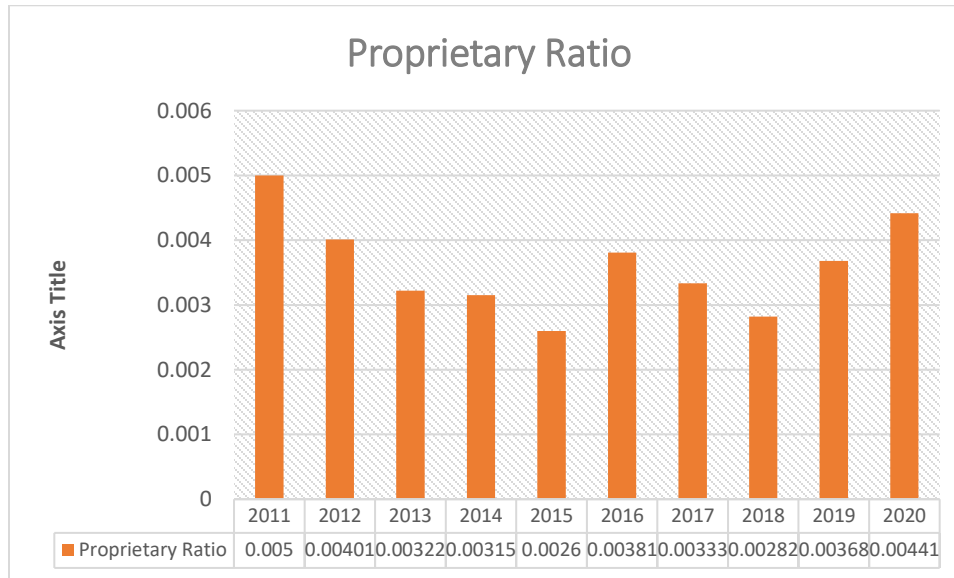
▪ **Interpretation** –In the above graph debt equity ratio shows increasing trend from the year 2011 to 2015 i.e. 134.0 to 269.97 but in the year 2016 it was reduced to 195.9 but after that it again shows an increasing trend for the year 2017 and 2018 i.e. 222.9 and 262.2 respectively but in the year 2019 and 2020 it is showing a decreasing trend i.e. 200.2 to 166.6 respectively. This indicates that the debt equity ratio for the past ten years are always too high, this shows that the bank is more relying on outside funds as compared to the internal source of capital in its capital structure.

➤ **Proprietary Ratio:** Proprietary Ratio is also known as Capital Ratio or Net Worth to Total Asset Ratio. This ratio shows the relationship between shareholders' fund and total assets.

$$\text{Proprietary Ratio} = \frac{\text{Shareholders fund}}{\text{Total assts}}$$

Year	Shareholders fund	Total assets	Proprietar y ratio
2011	368.44	73,681.13	0.005
2012	370.34	92,349.39	0.00401
2013	373.3	1,15,834.66	0.003223
2014	385.16	1,22,236.63	0.003151
2015	386.18	1,48,575.76	0.002599
2016	917.19	2,40,803.58	0.003809
2017	920.45	2,76,187.56	0.003333
2018	952.82	3,37,720.47	0.002821
2019	1454.38	3,95,171.25	0.00368
2020	1956.52	4,43,172.71	0.004415

Table No 14: Proprietary ratio for the year 2011 to 2020.



Graph No 6: Diagrammatic representation of proprietary ratio for the year 2011 to 2020.

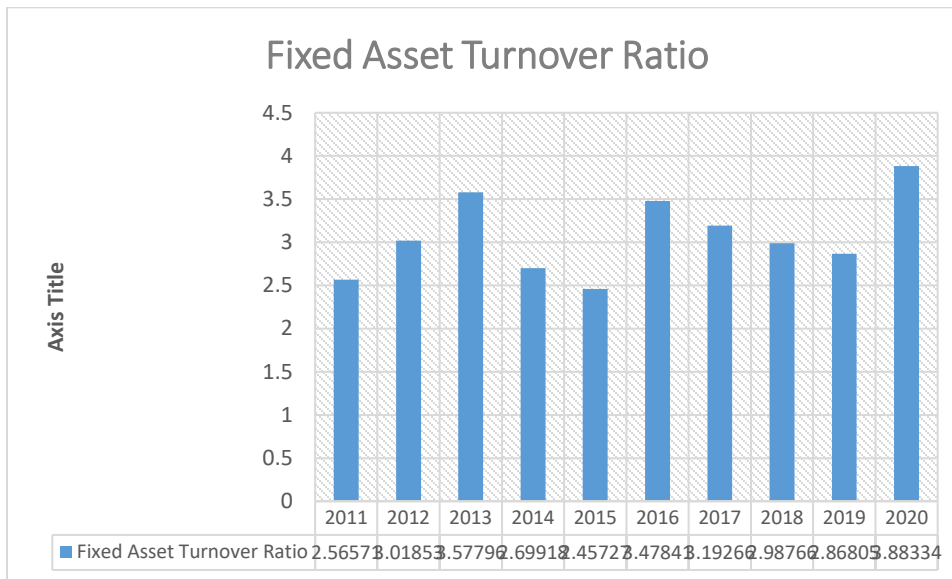
Interpretation – In the above graph the proprietary ratio for the year 2011 was 0.5% but started to decrease from the years 2012 to 2015 i.e. 0.40% to 0.26% respectively and then in the year 2016 there was an increase in the proprietary ratio up to 0.38% but started to decrease from the years 2017 to 2018 i.e. 0.33% to 0.28% respectively but again in 2019 and 2020 it started to increase i.e. 0.36% and 0.44% respectively. Hence it leads to conclusion that owners have more stake in the total assets of the bank. As owners stake in total assets is increasing in the recent years it is good sign as far the long term solvency is concerned.

- **TURNOVER/ACTIVITYRATIO:** Turnover ratio is concerned with measuring the efficiency in asset management. The proper balance between sales and assets generally reflects that assets are managed well.
- **Fixed Assets Turnover Ratio:** Fixed Asset Turnover Ratio indicates the extent to which the investment in fixed assets contributes towards sales. Higher the ratio highlights a firm has successfully utilized the fixed assets. If the ratio is depressed, it indicates the underutilization of fixed assets.

$$\text{Fixed Asset Turnover Ratio} = \frac{\text{cost of goods sold}}{\text{Average fixed assets}}$$

Year	Cost Of Goods Sold	Average Fixed Assets	Fixed Asset Turnover Ratio
2011	1,553.32	605.415	2.565711
2012	1,834.83	607.855	3.018532
2013	2,209.73	617.595	3.57796
2014	2,542.61	941.995	2.699176
2015	3,254.73	1324.53	2.457272
2016	5,471.52	1572.995	3.478409
2017	5,618.50	1759.82	3.192656
2018	6,425.72	2150.755	2.987658
2019	7,514.80	2620.175	2.868053
2020	8,850.94	2279.21	3.883337

Table No 15: Fixed asset turnover ratio for the year 2011 to 2020.



Graph No 7: Diagrammatic representation of fixed asset turnover ratio for the year 2011 to 2020.

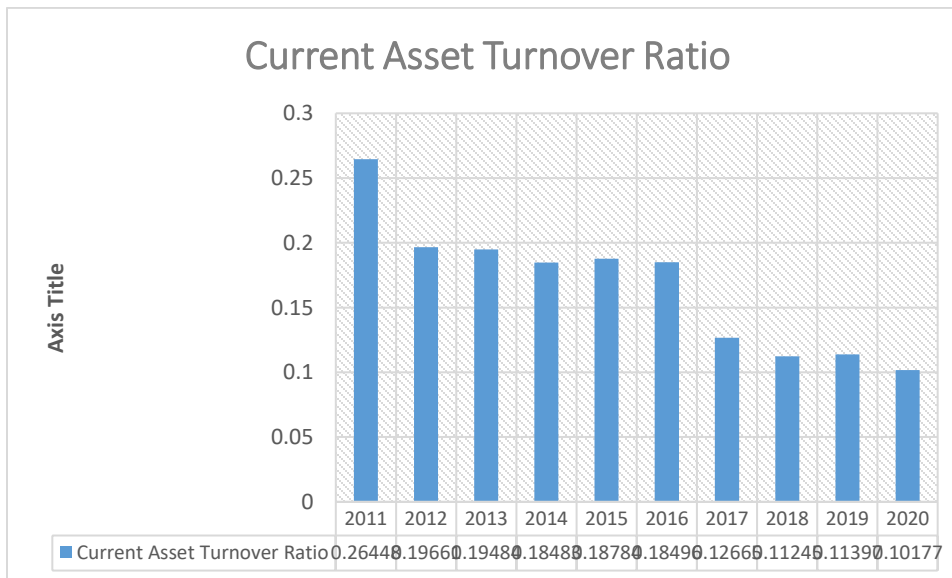
Interpretation –In the above graph fixed assets turnover ratio shows increasing trend from 2011 ,2012 and 2013 i.e. 2.56, 3.01 and 3.57 respectively but started to show decreasing trend for 2014 and 2015 and then in the year 2016 it increased to 3.47 but again started to decrease from 2017 to 2019 i.e. 3.19 to 2.86 respectively and then in the year 2020 it increased up to 3.88, it is good sign to the bank because the fixed assets have been effectively used and managed in the business for the year 2020.

- **Current Asset Turnover Ratio:** This is ratio to know the efficiency of utilization of current assets this indicates the efficiency with firm uses its current assets to generate sales.

$$\text{Current Asset Turnover Ratio} = \frac{\text{Cost Of Goods Sold}}{\text{Average current assets}}$$

Year	Cost Of Goods Sold	Average Current Assets	Current Asset Turnover Ratio
2011	1,553.32	5873.15	0.264478
2012	1,834.83	9332.15	0.196614
2013	2,209.73	11341.14	0.194842
2014	2,542.61	13756.425	0.184831
2015	3,254.73	17327.18	0.18784
2016	5,471.52	29581.855	0.184962
2017	5,618.50	44362.96	0.126648
2018	6,425.72	57144.775	0.112446
2019	7,514.80	65937.41	0.113969
2020	8,850.94	86967.82	0.101773

Table No 16: Current asset turnover ratio for the year 2011 to 2020.



Graph No 8: Diagrammatic representation of current asset turnover ratio for the year 2011 to 2020.

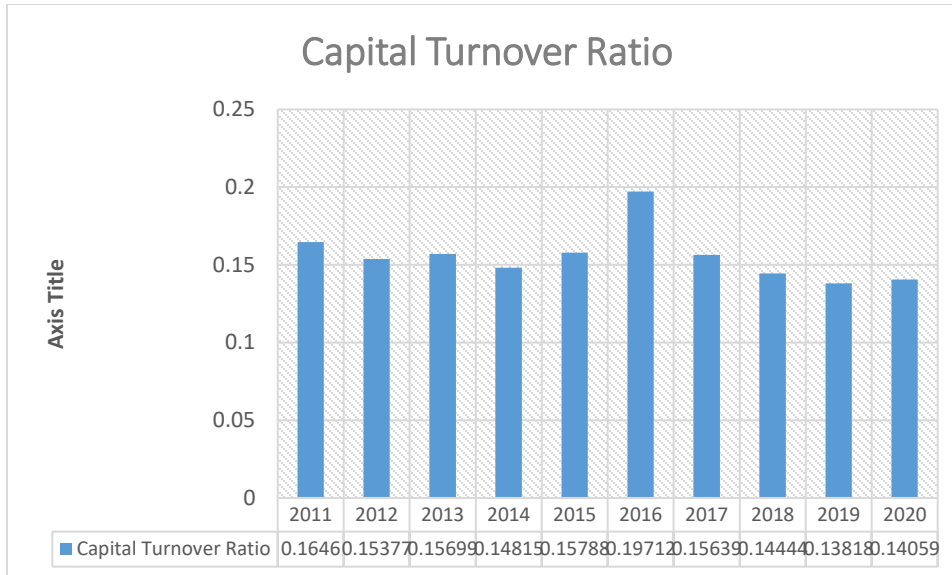
- **Interpretation** –In the above graph the current asset turnover ratio for the year 2011 shows a better position i.e. 0.26 were current assets of banks were efficiently utilized and managed but it started to decrease from 2012 to 2020 i.e. 0.19 to 0.10 respectively. Hence it indicates that there is no proper utilization of current assets available in the business so it is not good sign for the bank. So the bank need to increase its cost of goods sold to the proportion current assets available.

- **Capital turnover ratio:** The objective of this ratio is to determine how efficiently the capital employed is being used, profitability and effective management by computing how many times capital employed is turn-over in a stated period.

$$\text{Capital Turnover Ratio} = \frac{\text{Cost of goods sold}}{\text{Average capital employed}}$$

Year	Cost Of Goods Sold	Average Capital Employed	Capital Turnover Ratio
2011	1,553.32	9,436.95	0.1646
2012	1,834.83	11,932.00	0.153774
2013	2,209.73	14,075.42	0.156992
2014	2,542.61	17,162.90	0.148146
2015	3,254.73	20,614.67	0.157884
2016	5,471.52	27,756.98	0.197122
2017	5,618.50	35,925.74	0.156392
2018	6,425.72	44,488.45	0.144436
2019	7,514.80	54,382.90	0.138183
2020	8,850.94	62,956.93	0.140587

Table No 17: Capital turnover ratio for the year 2011 to 2020.



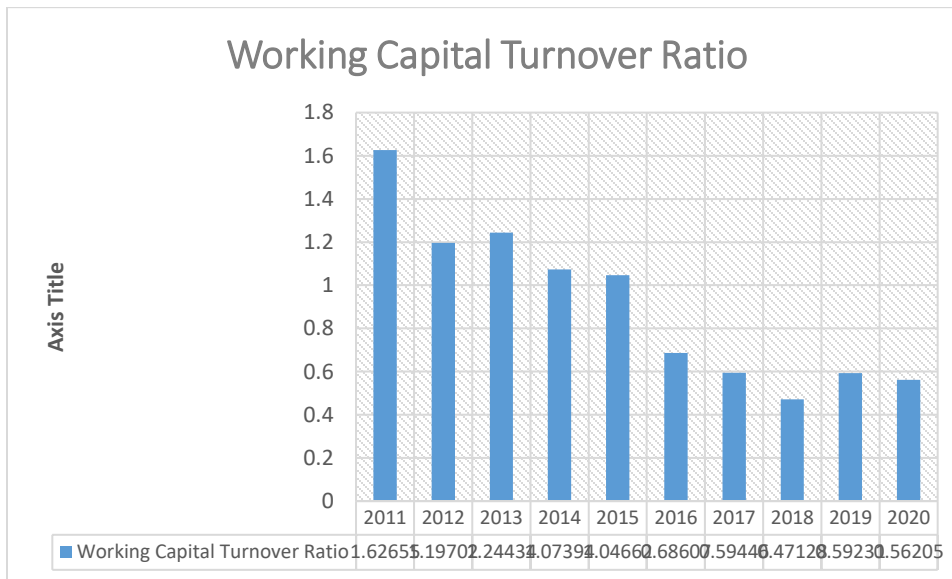
Graph No 9: Diagrammatic representation of capital turnover ratio for the year 2011 to 2020.

- Interpretation** – In the above graph the capital turnover ratio for the year 2011 to 2015 that was not much fluctuations i.e. around 0.16 to 0.15. In the year 2016 there was an increasing in capital turnover ratio i.e. 0.19 but again from the year 2017 to 2020 there was decreasing trend i.e. 0.15 to 0.14 respectively. This indicates that there is not much efficient utilization of capital employed in the business in the past years. This is because the cost of goods sold are increasing in the proportion of capital employed in the bank.
- Working Capital Turnover Ratio:** This ratio is used if a firm may also like to relate net current assets (or net working capital gap) to sales. It may thus computed by dividing sales by net working capital.

$$\text{Working Capital Turnover Ratio} = \frac{\text{Net sales}}{\text{Net working capital}}$$

Year	Total Income	Net Working Capital	Working Capital Turnover Ratio
2011	4,970.29	3,055.73	1.6265475
2012	7,157.58	5,979.49	1.19702182
2013	9,203.15	7,396.03	1.24433649
2014	10,166.83	9,466.82	1.07394352
2015	11,748.32	11,224.97	1.04662373
2016	18,996.42	27,688.84	0.68606774
2017	21,176.09	35,622.35	0.59446078
2018	23,800.70	50,502.43	0.47127831
2019	28,547.23	48,196.83	0.59230514
2020	32,301.72	57,471.59	0.56204674

Table No 18: Working capital turnover ratio for the year 2011 to 2020.



Graph No 10: Diagrammatic representation of working capital turnover ratio for the year 2011 to 2020.

Interpretation –In the above graph the working capital turnover ratio shows a continuous decreasing trend, as in the year 2011 it has 1.62 but it was decrease up to 1.19 in the year 2012, than it was slightly increased to 1.24 in the year 2013 and there after it started to decrease further from the years 2014 to 2018 i.e. 1.07 to 0.47 respectively and then it started to increase slightly in the year 2019 and 2020 i.e. 0.59 and 0.56 respectively. It indicates that the bank is not efficiently using working capital employed in the bank. Even though the working capital

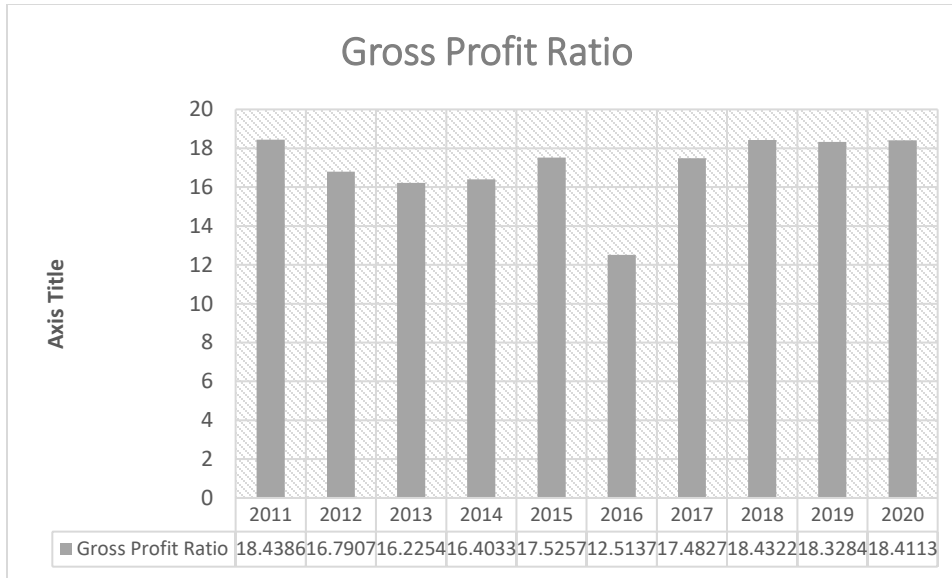
employed is increasing year by year the working capital turnover ratio is decreasing this is due to not increase in the income to the proportion of increase in working capital employed.

- **PROFITABILITYRATIO:** Profitability reflects the final result of business operations. Profitability ratios are calculated to measure overall performance and operating efficiency of the company.
 - **Gross Profit Ratio** -Gross Profit Ratio established the relationship between gross profit and net sales. Higher Gross Profit Ratio is an indication that the firm has higher profitability.

$$\text{Gross Profit Ratio} = \frac{\text{Gross profit}}{\text{Net sales}} \times 100$$

Year	Gross Profit	Total Income	Gross Profit Ratio
2011	916.45	4,970.29	18.43856
2012	1,201.81	7,157.58	16.79073
2013	1,493.25	9,203.15	16.22542
2014	1,667.70	10,166.83	16.40334
2015	2,058.98	11,748.32	17.52574
2016	2,377.16	18,996.42	12.51373
2017	3,702.16	21,176.09	17.48274
2018	4,386.99	23,800.70	18.43219
2019	5,232.25	28,547.23	18.3284
2020	5,947.18	32,301.72	18.41134

Table No 19: Gross profit ratio for the year 2011 to 2020.



Graph No 11: Diagrammatic representation of gross profit ratio for the year 2011 to 2020.

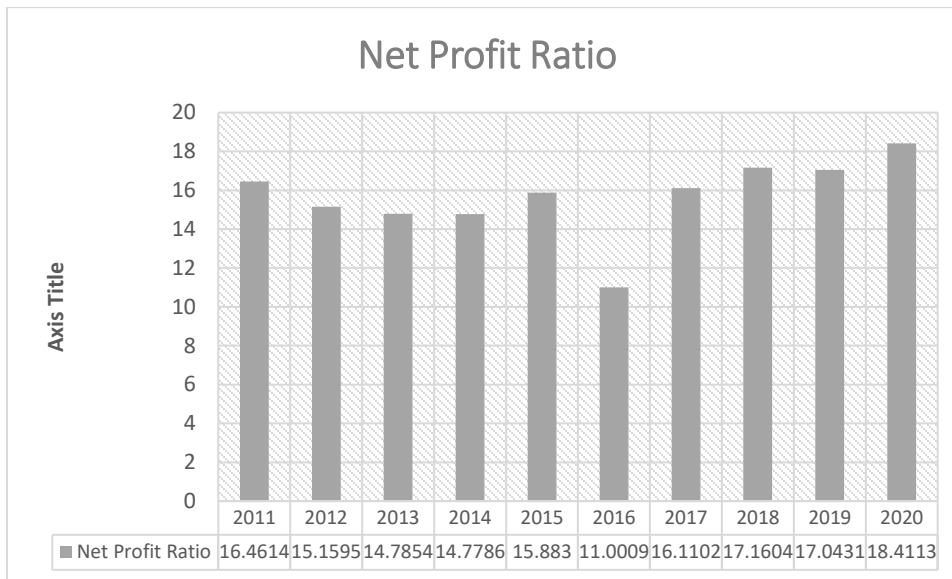
- **Interpretation** – In the above graph the gross profit ratio is decreasing from the year 2011 to 2014 i.e. 18.43% to 16.40% respectively, then there was slight increase in the year 2015 i.e. 17.52% but there was decrease in the year 2016 i.e. 12.51% and then there was an increase in gross profit ratio in the year 2017 i.e. 17.48%, there after there was not much fluctuation in gross profit ratio for the year 2018, 2019 and 2020 i.e. 18.4%. This indicates that the bank is in good position as its gross profit for past four years has maintained stability but further the bank has to increase its sales so that its gross profit ratio increases.

- **Net Profit Ratio** -Net Profit Ratio is also termed as Sales Margin Ratio / Profit Margin Ratio / Net Profit to Sales Ratio. This ratio reveals the firm's overall efficiency in operating the business. Higher Net Profit Ratio indicates the standard performance of the business concern.

$$\text{Net Profit Ratio} = \frac{\text{EAT}}{\text{Net sales}} \times 100$$

Year	Net Profit	Total Income	Net Profit Ratio
2011	818.18	4,970.29	16.46141
2012	1,085.05	7,157.58	15.15945
2013	1,360.72	9,203.15	14.78537
2014	1,502.52	10,166.83	14.77865
2015	1,865.98	11,748.32	15.88295
2016	2,089.78	18,996.42	11.00091
2017	3,411.50	21,176.09	16.11015
2018	4,084.30	23,800.70	17.16042
2019	4,865.33	28,547.23	17.04309
2020	5,947.18	32,301.72	18.41134

Table No 20: Net profit ratio for the year 2011 to 2020.



Graph No 12: Diagrammatic representation of net profit ratio for the year 2011 to 2020.

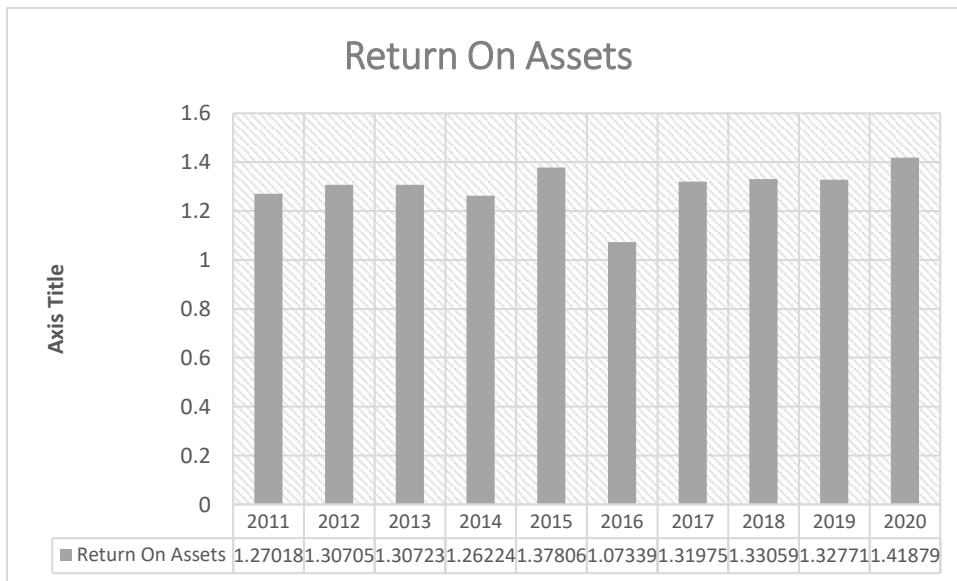
Interpretation –In the above graph the net profit ratio in the year 2011 was 16.46% and thereafter there was no fluctuation in net profit ratio for the years 2012 to 2014 i.e. 14.77% and then it increased in the year 2015 i.e. 15.88% but it decreased in the year 2016 i.e. 11.00% and there after it started to show increasing trend from the year 2017 to 2020 i.e. 16.11% to 18.41% respectively. This indicates a good sign for the bank as it is in better position and ensures adequate return to the owners.

- **Return on assets (ROA)** -This ratio is calculated to measure the profit after tax against the amount invested in total assets to ascertain whether assets are being utilized properly or not. The return on assets shows at how much is the profit earned by the firm per rupee of asset is used.

$$\text{Return On Assets} = \frac{\text{Net profit after taxes}}{\text{Average total assets}} \times 100$$

Year	Net Profit	Average Total Assets	Return On Assets
2011	818.18	64,414.63	1.270177
2012	1,085.05	83,015.26	1.307049
2013	1,360.72	1,04,092.02	1.307228
2014	1,502.52	1,19,035.64	1.262244
2015	1,865.98	1,35,406.19	1.378061
2016	2,089.78	1,94,689.67	1.073391
2017	3,411.50	2,58,495.57	1.319751
2018	4,084.30	3,06,954.01	1.330591
2019	4,865.33	3,66,445.86	1.327711
2020	5,947.18	4,19,171.98	1.418792

Table No 21: Return on asset for the year 2011 to 2020.



Graph No 13: Diagrammatic representation of return on asset for the year 2011 to 2020.

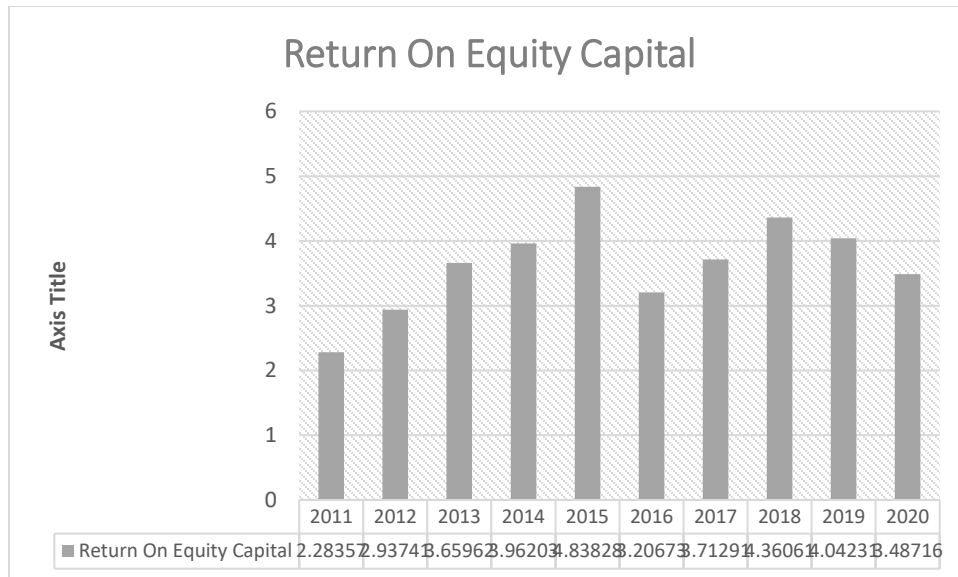
Interpretation – In the above graph the return on asset for the year 2011 the bank realized Rs. 1.27 out of Rs. 100 investment then from the year 2012 and 2013 there was no fluctuations in return on asset ratio i.e. 1.30%, in the year 2014 it slightly decreased i.e. 1.26% and it increased in the year 2015 i.e. 1.37% but in the year 2016 there was decrease up to 1.07% and then from the year 2017 to 2020 there was again not much fluctuation in return on asset i.e. 1.31% to 1.41% respectively, hence it indicates there is no proper utilization of assets in the bank.

- **Return on Equity Capital (ROE)**- The return on equity capital ratio indicates what percentage of profits are enjoyed by equity share holders.

$$\text{Return On Equity Capita} = \frac{\text{Net profit after taxes} - \text{preference dividend}}{\text{Average ordinary shareholders equity}} \times 100$$

Year	Total Net Profit	Average Share Fund	Equity Holders	Return On Equity Capital
2011	818.18	358.29		2.28356918
2012	1,085.05	369.39		2.93741033
2013	1,360.72	371.82		3.65962025
2014	1,502.52	379.23		3.96202832
2015	1,865.98	385.67		4.83828143
2016	2,089.78	651.685		3.20673331
2017	3,411.50	918.82		3.71291439
2018	4,084.30	936.635		4.36061006
2019	4,865.33	1203.6		4.04231472
2020	5,947.18	1705.45		3.48716175

Table No 22: Return on equity capital for the year 2011 to 2020.



Graph No 14: Diagrammatic representation of return on equity capital for the year 2011 to 2020.

Interpretation –In the above graph the return on equity capital ratio shows an increasing trend from the year 2011 to 2015 i.e. 2.2 to 4.8 but during the year 2016 there was a sudden fall in return on equity ratio i.e. 3.2 and then it shown an increasing trend thereafter for the year 2017 and 2018 i.e. 3.7 and 4.3 respectively but it started to fall in 2019 and 2020 i.e. 4.0 and 3.4 respectively. Hence it indicate that there is no effective utilization of equity capital employed which does not provide exclusive return on the owner’s funds.

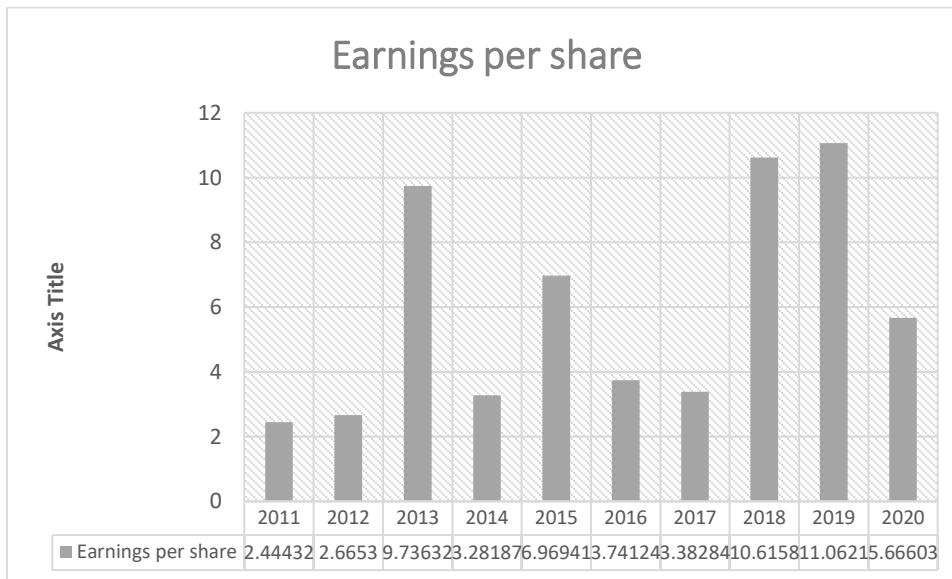
- **Earnings per Share:** Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share acts as indicator of a company's profitability. It helps in determining the market price of equity shares of the company and in estimating the company’s capacity to pay dividend to its equity share holders.

$$\text{EPS} = \frac{\text{Net profit available to equity holders}}{\text{Number of ordinary share outstanding}}$$

Year	Total Profit	Net	No Of Equity Shares	EPS
2011	818.18		334.72767	2.4443154
2012	1,085.05		407.10269	2.6652980
2013	1,360.72		139.75712	9.7363197

2014	1,502.52	457.82410	3.2818717 9
2015	1,865.98	267.73858	6.9694102 4
2016	2,089.78	558.58010	3.7412360 4
2017	3,411.50	1,008.47289	3.3828375 9
2018	4,084.30	384.73865	10.615777 7
2019	4,865.33	439.82033	11.062085 3
2020	5,947.18	1,049.62119	5.6660250 9

Table No 23: Earnings per share for the year 2011 to 2020.



Graph No 15: Diagrammatic representation of earnings per share for the year 2011 to 2020.

Interpretation – In the above graph the earnings per share was low in the year 2011 and 2012 i.e. 2.44 and 2.66 respectively, then there was drastic increase in earnings per share in the year 2013 i.e. 9.73% but also there was sudden decline in the year 2014 i.e. 3.28% and then there was drastic increase in the year 2018 and 2019 i.e. 10.61 and 11.06 respectively but again there was decline in EPS in the year 2020 i.e. 5.66. This indicates that there was lot of fluctuation of EPS.

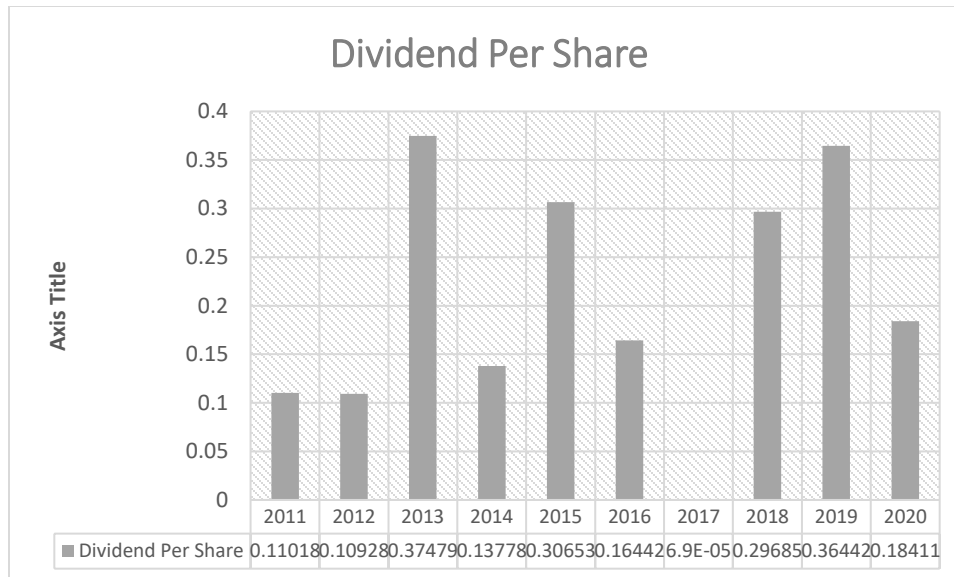
From investor point of view the decrease in EPS is not good sign. Even though there is increase in profits year by year EPS declined because along with increased profits there is an increase in the number of shares of bank, so bank should increase its profits along with the number of shares.

- **Dividend Per Share (DPS)** -It is expressed by dividing dividend paid to equity shareholders by number of equity shares outstanding. It is very helpful for potential investors to know the dividend paying capacity of the company.

$$\text{DPS} = \frac{\text{Dividend paid to ordinary share holders}}{\text{Number of ordinary shares outstanding}}$$

Year	Dividend Paid To Equity Share Holders	Number Of Equity Shares	Dividend Per Share
2011	36.88	334.72767	0.110179
2012	44.49	407.10269	0.109284
2013	52.38	139.75712	0.374793
2014	63.08	457.82410	0.137782
2015	82.07	267.73858	0.30653
2016	91.84	558.58010	0.164417
2017	0.07	1,008.47289	0.000069
2018	114.21	384.73865	0.296851
2019	160.28	439.82033	0.364422
2020	193.25	1,049.62119	0.184114

Table No 24: Dividend per share for the year 2011 to 2020.



Graph No 16: Diagrammatic representation of dividend per share for the year 2011 to 2020.

Interpretation – In the above graph the dividend per share ratio started to decrease from 2011 and 2012 i.e. 0.11% and 0.10% respectively and then started to increase for the year 2013 i.e. 0.37% but suddenly decreased in the year 2014 i.e. 0.13% and then increased in the year 2015 i.e. 0.30% but it started to decrease in the year 2016 i.e. 0.16%, further it drastically reduced to zero in the year 2017 which indicates that company did not distributed profits to shareholders instead it retained for future expansion and then in the year 2018 bank distributed 0.29 per share to shareholders, than it was further increased in the year 2019 i.e. 0.36% but in the year 2020 it was reduced i.e. 0.18%. This indicates that dividend paid to shareholders is reducing.

CONCLUSION:

On the basis of various techniques applied for the financial analysis i.e. comparative statement analysis, common size statement, trend analysis and ratio analysis of Kotak Mahindra Bank it can be concluded that the overall financial position and overall performance of the bank is quiet healthy, as the incomes of the bank have increased over the period, but not in the same pace as that of expenses. The bank has succeeded in maintaining a reasonable profitable position.

Over the last ten years which has been covered in the study i.e. 2011 to 2020. As per liquid ratio and cash ratio it came to know that the bank day to day cash management is good which helps in repayment of current liabilities which in turn helps in current asset management so the liquidity position of Kotak Mahindra Bank is good. As per gross profit ratio and net profit ratio it came to know that sales are increasing but the bank need to ensures adequate return to the owners by increasing return on equity capital ratio. So the banks overall profitability is in better position. As per fixed asset turnover ratio, current asset turnover ratio and proprietary ratio it

came to know that efficiency and solvency position is better. The bank need to improve its current asset management, efficiently utilize capital employed, increase its number of branches in the state, check on unnecessary operating expenses by using automation, use channel optimization and check staff productivity, to review the capital requirements and relative capital costs and sell of ideal assets to improve profitability and financial position of the business which might certainly help the bank to inculcate the same and reap profits and continue the further growth and expansion of Kotak Mahindra Bank.

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