

"PERFORMANCE OF AXIS BANK IN THE BANKING INDUSTRY"

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ABSTRACT

In today's era of modernization many businesses are coming up. The advancements in banking sector is one of the them. Banking is a very important pillar of any economy. Without banking system, the whole economic system may collapse. The research focuses on the one the these pillars of banking that is AXIS BANK. I found this topic to be quite interesting and prevalent these days. Axis bank is the third largest bank in private sector. In this research the information is being provided about the company profile, the research methodology is secondary data, various statements of the bank are used to provide a strong argument. The objectives of the study are to find out that how well the bank is going in today's era. SWOT Analysis are also done to have clear understanding. Customer satisfaction and support services are also told about. Various studies many researches being published by research boards and journals is used. Various pros and cons of the banks are discussed which will be beneficial in order to take various decisions

2. INTRODUCTION

Axis Bank is the third largest private sector bank in India. The Bank operates in four segments, namely treasury, retail banking, corporate/ wholesale banking and other banking

business. The treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the account, and for customers and central funding. The Banks registered office is located at Ahmedabad and their Central Office is located at Mumbai. With 3,485 domestic branches (including extension counters) and 14,332 ATMs across the country as on 30 September 2017, the network of Axis Bank spreads across 2,033 cities and towns, enabling the bank to reach out to a large cross-section of customers with an array of products and services. The bank also has nine overseas offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Shanghai and Colombo; representative offices at Dubai, Abu Dhabi and Dhaka and an overseas subsidiary at London, UK. The Bank has five wholly-owned subsidiaries namely Axis Securities and Sales Ltd, Axis Private Equity Ltd, Axis Trustee Services Ltd, Axis Asset Management Company Ltd and Axis Mutual Fund Trustee Ltd. Axis Bank was incorporated in the year 1993 with the name UTI Bank Ltd. Axis Bank is one of the first new generation private sector banks to have begun operations in 1994. The bank was promoted in 1993, jointly by Specified Undertaking of Unit Trust of India (SUUTI) (then known as Unit Trust of India), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), National Insurance Company Ltd., The New India Assurance Company Ltd., The Oriental Insurance Company Ltd. and United India Insurance Company Ltd. The share holding of Unit Trust of India was subsequently transferred to SUUTI, an entity established in 2003. In the year 2001, the bank along with Global Trust Bank (GTB) had a merger proposal to create the largest private sector bank, but due to media issues both the banks withdrew the merger proposal. In the year 2003, the Bank was given the authorized to handle Government transactions such as collection of Government taxes, to handle the expenditure related

payments of Central Government Ministries and Departments and pension payments on behalf of Civil and Non-civil Ministries such as defence, posts, telecom and railways.

3. OBJECTIVES:-

- to understand the behaviour of consumer in regard to the products and services of axis bank
- how the bank frames its various policies in order to satisfy its customers
- what makes the axis bank different from other banks in the economy
- position of axis bank in economy in last few years and in coming years also
- to study the profitability of the bank
- to know the liquidity position and solvency
- understanding the expectations and requirements of all your consumers
- determining how well axis bank and other banks are fulfilling these requirements
- develop service and product based on your findings
- examining trends over time in order to take a timely action
- establishing priorities and standards to judge how well you have met these goals
- to increase the loyalty of our customers
- to have a proper brand differentiation
- to know about the financial position of the company in the market

4.METHODOLOGY

The secondary data has been used for conducting this research.Secondary data refers to data which is collected by someone who is someone other than the user.

1. It is economical. It saves efforts and expenses.
2. It is time saving.
3. It helps to make primary data collection more specific since with the help of secondary data, we are able to make out what are the gaps and deficiencies and what additional information needs to be collected.
4. It helps to improve the understanding of the problem.
5. It provides a basis for comparison for the data that is collected by the researcher.

Other than this I have used the reviews of various consumers and their ratings on the official site concerned .The comments of consumers on various social networking sites are also used for conducting the research.The financial statements of the company from its own official website are been used.

5.DATA ANALYSIS AND INTERPRETATION

Financial data

	Mar '14	Mar '15	Mar '16	Mar '17	Mar '18
Net Interest Margin (X)	3.1	3.1	3.2	3.0	2.7
Diluted EPS (Rs.)	132.2	30.9	34.4	15.3	1.1

Total Interest Earned (Crs)	30,641.2	35,478.6	40,988.0	44,542.2	45,780.3
Interest Expended (Crs)	18,689.5	21,254.5	24,155.1	26,449.0	27,162.6
Total Provisions and Contingencies (Crs)	5,238.4	6,027.6	7,880.0	13,905.2	15,318.8
Total Profit / Loss available for Appropri	16,246.9	20,859.3	25,847.2	27,445.7	24,724.0
Deposits (Crs)	280,944.6	322,441.9	357,967.6	414,378.8	453,622.7
Borrowings (Crs)	50,290.9	79,758.3	99,226.4	105,030.9	148,016.1
Other Liabilities and Provisions (Crs)	13,788.9	15,055.7	15,108.8	26,295.5	26,245.5
Investments (Crs)	113,548.4	132,342.8	122,006.2	128,793.4	153,876.1
Advances (Crs)	230,066.8	281,083.0	338,773.7	373,069.3	439,650.3
Capital Adequacy Ratios (%)	16.1	15.1	15.3	14.9	16.6
Net NPA (%)	0.4	0.5	0.7	2.3	3.6
Return On Assets (%)	1.6	1.6	1.6	0.6	0.0

Return On Equity (%)	16.3	16.5	15.5	6.6	0.4
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CUSTOMER SATISFACTION

Axis bank follows the customer service credo of PROGRESS

- Proactive in approach
- Right for the customer
- Own the solution
- Go deeper
- Remove the jargon
- Error free
- Simplify
- Serve enthusiastically

COMPARISON OF AXIS BANK WITH OTHER BANKS

Name	CMP()	Mar		Div.		NP Qtr(. Crs)	Sales Qtr(. Crs)	Book Value()
		P/E	Cap.(Cr s)	Yld.(%)				
<u>HDFC Bank Ltd</u>	1	29.	541,182	0.62		4,601	22,549	438
<u>HDFCBANK</u>		, 74						
		9						
		6						
		1						
	NSE							
<u>State Bank of</u>	2	0	244,534	0		-4,876	58,813	213
<u>India</u>		7						
<u>SBIN</u>		2						
	NSE							
<u>Kotak Mahindra</u>	1	55.	231,915	0		1,025	5,480	197
<u>Bank Ltd</u>		, 26						
<u>KOTAKBANK</u>		2						
		2						
		7						
	NSE							

Name	CMP()	Mar		Div.		NP Qtr(. Crs)	Sales Qtr(. Crs)	Book Value()
		P/E	Cap.(Cr s)	Yld.(%)				
<u>ICICI Bank Ltd</u>	3	44.	205,057	0.47	-120	14,722	159	
<u>ICICIBANK</u>	2	51						
	1							
	NSE							
<u>Axis Bank Ltd</u>	6	0	156,313	0	701	12,777	250	
<u>AXISBANK</u>	0							
	9							
	NSE							

6.SWOT ANALYSIS

Strengths in the SWOT analysis of Axis bank

- Axis bank has been given the rating as one of top three positions in terms of fastest growth in private sector banks

- Financial express has given number two position and BT-KPMG has rated AXIS bank as the best bank with some 26 parameters
- The bank has a network of 1,493 domestic branches and 8,324 ATMs
- The bank has its presence in 971 cities and towns
- The banks financial positions grows at a rate of 20% every year which is a major positive sign for any bank
- The company's net profit is Q3FY12 is 1,102.27 which has a increase of 25.19% growth compared to 2011

Weaknesses in the SWOT analysis of Axis bank

- Gaps – Majorly they concentrated in corporate, wholesale banking, treasury services, retail banking
- Foreign branches constitute only 8% of total assets
- Very recently the bank started focusing its attention towards personal banking and rural areas
- The share rates of AXIS bank is constantly fluctuating in higher margins which makes investors in an uncomfortable position most of the time
- There are lot of financial product gaps in terms of performance as well as reaching out to the customer
- There are many fraudulent activities involved in credit cards as the banks process credit card approval even without verification of original documents
- Their financial consultants are not wise enough to guide the customers towards right investments

- Customer service has to improve a lot in order to be in race with other major players

Opportunities in the SWOT analysis of Axis bank

- Acquisitions to fill gap
- In 2009, Alliance with Motilal Oswal for online trading for 10 million customers
- In 2010, acquired Enam Securities Pvt Ltd – broking and investment banking
- In Sep 2009, SEBI approved Axis Asset Management Co. for mutual fund business
- No. of e-transactions increased from 0.7 million to around 2 million
- Geographical expansion to rural market – 80% of them have no access to formal lending
- 46% use informal lending channels
- 24% unregulated money lenders
- Now number of branches increased to 1493 from 339.

Threats in the SWOT analysis of Axis bank

- Since 2009, RBI has increased CRR by 100 basis points
- Increased repo rate reverse repo rate by 50 points – 11 times of late
- Increasing popularity of QIPs due to ease in fund raising
- RBI allowed foreign banks to invest up to 74% in Indian banking
- Government schemes are most often serviced only by govern banks like SBI ,Indian Banks, Punjab National Bank etc
- ICICI and HDFC are imposing strong threats in terms of their expansion in customer base by their aggressive marketing strategies

7.LIMITATIONS OF THE STUDY

- 1.The information or data may not be properly accurate as it is collected from secondary sources.
- 2.The data may be old and out of date.
- 3.The sample size used to collect data in the mentioned journals can be small and thus does not ensure its reliability.
- 4.The information is also extracted from the company's official site,there can be chances that the information is molded according to the needs of the company.
- 5.The time given to prepare the papers was very short thus less information is being supplied

8.SUMMARY AND CONCLUSION

Axis Bank is coming up as a very prominent bank in the industry.It is the third largest growing bank in the the private sector.Profit margins are good and are increasing day by day .The bank is having a proper focus on the needs of the customers.The customers who gets connected with axis bank ends up being the happy ones.Safety of employees is of utmost importance to the bank.The Bank undertakes various CSR activities in accordance with its „Policy on Corporate Social Responsibility“. The CSR activities are undertaken by the Bank or through Axis Bank Foundation (ABF) or through any other Trust or agencies

and entities as deemed suitable. The primary purpose of the Bank's CSR philosophy is to make a meaningful and measurable impact in the lives of economically, physically and socially challenged communities of the country through an integrated approach of development which focuses on creating sustainable livelihood, promoting education and skills development, creating awareness amongst public at large on public interest topics including financial literacy, facilitating and providing access to formal banking channels for excluded sections, promoting environmental sustainability, and supporting health and sanitation initiatives.

Above mentioned were the positive sides of the coin concluded. But on the other side, there are negative sides also. The bank is making up extra charges from its customers which are not really charged by other banks. The services of the incompetent staff often sometimes leads to dissatisfied customers. Interest rate charged on loan facilities is quite high. Many customers are shifting themselves either to government banks or to some other banks of private sector.

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