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## **A Study on Financial Analysis of Axis Bank Private Limited**

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### **ABSTRACT:**

Financial performance analysis is a requirement in today's world of finance, according to various perspectives of Stakeholders, including management, lenders, owners, and investors. The current investigation manages the examination of "A STUDY ON FINANCIAL ANALYSIS OF AXIS BANK". The investigation utilized six years of Axis Bank auxiliary information. The fundamental goal is to discover the monetary presentation of the business that can be useful in discovering the development angles. This examination was carried out under six years 2019-2023 of monetary record and benefit and misfortune accounts. Hence it is important to assess the monetary presentation to know whether the organizations remain on the lookout and how they can work on their future turn of events and the monetary dependability of the organization.

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### **INTRODUCTION:**

The project provides how theoretical knowledge should be applied in the practical work field. So, it helps to earn work experience on the chosen topic. Project is a good platform to understand the practical experience in our life and it is one of the boosts in our CV on work experience and also benefits to understanding the organizational culture. It provides a good scope for understanding the practical work experience. It offers the practical knowledge to gain work experience. The project helps to get knowledge about the company thoroughly and the various processes involved in the company. The project helps to know in-depth information about the different verticals of the company and also to inculcate working-related skills. This project work was undertaken for 6 weeks.

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### **OBJECTIVE OF THE STUDY:**

- To study the overall monetary performance of Axis Bank over five years (2019-20 to 2022-23).
- To evaluate the Bank's financial position in terms of solvency, profitability, liquidity, and efficiency.
- To offer suitable suggestions for improving the performance of the bank.

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### **SCOPE OF THE STUDY:**

- The contemporary survey selects exclusive branch banks to assess budget execution.
- The study will also be limited by the availability and reliability of data sources, which will be carefully selected and verified to ensure the accuracy and validity of the analysis.
- The main scope of the review is part of the investigation of real work engagement.

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### **REVIEW OF LITERATURE:**

- **NM Darshan, C Yogashree (2017):** The Indian banking sector is exposed to various risks prevailing in the market like interest rate risk and liquidity risk, etc. For this reason, the Reserve Bank of India came up with a tool called Asset Liability Management. This study examines the effect of ALM on the financial performance of AXIS Bank. The key objective of this study is to know the risk management strategies and the effect of the asset-liability mix on the financial performance of the bank. The correlation and regression analysis tools were taken on to set up the relationship and outcome of the ALM on the financial performance of AXIS Bank. The study found that the quality of assets affects the financial performance of banks.

- **Umar Amin (2018):** The banking sector occupies a predominant place in the Indian economy as it accounts for more than half the assets of the financial sector. It is said to be the lifeline of any modern economy, is one of the imperative pillars of the Indian financial system, and spurs economic efficiency by mobilizing savings and allocating them to high-return investments. The banking sector, being the backbone of the Indian economy, plays a key role in safeguarding the economy by averting the harmful effects of economic upheaval.
- **Parveen Shahana, Kumar M Senthil (2019):** AXIS Bank is one of the leading banks in India offering services from a mere bank account to home loans and whatnot. Its motto of 'Badhti ka naam Zindagi' strives for the betterment of common people in the world where changes occur in the blink of an eye. AXIS Bank has grown to be the third largest private sector bank in India and is expanding globally as well. This study has been conducted to analyze the financial positions of the company, whether it's growing according to its need and to analyze the impact that the bank has on the profitability and financial position in the banking sector.
- **Bangaru Pushpalatha (2020):** Analyzed the financial statement of AXIS Bank. The objectives of the study are to examine the portfolio of assets and liabilities in AXIS Bank. The study reported that AXIS Bank has healthier management and financial efficiency. It is also reported people refer to AXIS Bank for advance loan schemes.
- **Ravindra Sangvai, Rajan Dham here (2021):** Axis Bank is the third largest private sector bank in India and has undergone change management under successive change leaders in the form of its Chief Executive Officers. Their different approaches have brought the bank to the forefront of Indian banking. The bank is a leader in technology adoption and has been successful against other large private-sector banks. When a large bank transforms itself while staying within the constraints of being a public sector bank vis a vis a private sector bank in India, the story of such change management is indeed unique.

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## STATEMENT OF PROBLEM

The title of the project is "Financial Performance Analysis of Axis Bank". Therefore, a study of liquidity, profitability, leverage, turnover, operational efficiency, market-based and their association with risk, and assessing the financial position is very much necessary to evaluate the financial strength of the banking institution and to know accounting ratios, analysis, and interpretation. It helps to analyze the financial performance of the concerned Bank.

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## RESEARCH METHODOLOGY

The data collected from various sources and presented in the form of materialistic information is known as Research methodology. Research methodology is a systematic way to solve any research problem.

It may be understood as a science of studying how research is done scientifically. The methodology of the study includes:

- Research design
- Data collection
- Sampling design
- Tools used for analysis
- Period of the study

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## BANK PROFILE:

Axis Bank Limited provides a suite of corporate and retail banking products. The Bank operates through four segments: Treasury, Retail Banking, Corporate/Wholesale Banking, and Other Banking Business. Its Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading, and foreign exchange operations on the proprietary account and for customers. Its Retail Banking constitutes lending to individuals/small businesses and activities include liability products, card services, Internet banking, mobile banking, and financial advisory services among others. Its Corporate/Wholesale Banking includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market-related services, and cash management services. Its Other Banking Business includes para-banking activities, such as third-party product distribution and other banking transactions.



<b>Type</b>	Private
<b>Traded as</b>	BSE: 532215 LSE: AXBC NSE: AXIS BANK BSE SENSEX Consistent NSE NIFTY 50 consistent
<b>ISIN</b>	INE238A01034
<b>Industry</b>	Financial Services
<b>Founded</b>	3 <sup>rd</sup> December 1993; 30 years ago as <b>UTI Bank</b>
<b>Headquarters</b>	Axis House, Mumbai, Maharashtra, India
<b>Number of Locations</b>	4903 (March 2023)
<b>Key People</b>	Amitabh Chaudhry (MD & CEO) Shri Rakesh Makhija (Chairperson)
<b>Products</b>	Banking, Commodities, Credit cards, Equities Trading, investment management, Mortgage loans, Mutual funds, Private Equity, Risk management, Wealth Management, Asset Management.
<b>Revenue</b>	▲ 106,155 crore (US\$13 billion) (2023)
<b>Operating income</b>	▲ 33,796 crore (US\$4.2 billion) (2023)
<b>Net income</b>	▼ ₹10,818 crore (US\$1.4 billion) (2023)
<b>Total assets</b>	▲ 1,344,418 crore (US\$170 billion) (2023)
<b>Total equity</b>	▲ 129,356 crore (US\$16 billion) (2023)
<b>Owner</b>	Life Insurance Corporation (9.19%) Specified Undertaking of Unit Trust of India (SUUTI) (4.68%) General Insurance Corporation of India (1.15%) The New India Assurance Company Limited (0.74%)
<b>Number of employees</b>	91,898[3] (as of March 2023)
<b>Subsidiaries</b>	Axis Asset Management Company Ltd. Axis Mutual Fund Trustee Ltd. Axis Capital Ltd. Axis Finance Ltd. Axis Securities Ltd. A. TREDS Ltd.

	Axis Bank UK Ltd. Axis Trustee Services Ltd. Free charge Accelyst Solutions Private Ltd. Axis Private Equity Ltd. [4]
<b>Capital ratio</b>	9.35% (December 2019)
<b>Website</b>	<b>www.axisbank.com</b>

### LIMITATIONS OF STUDY:

- Ratios are based only on the information which has been recorded in the financial statements.
- The inherent limitation of the secondary data may affect the observation analysis and findings made in this study.
- It is not possible to use all types of statistical tools and techniques.
- This study is related to monetary matters only.

### DATA ANALYSIS AND INTERPRETATION

#### CURRENT RATIO

The current liquidity ratio measures a company's ability to pay short-term obligations or those due within one year.

It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables. The thumb rule for a current ratio is:

**Current Ratio = Current Asset/ Current Liabilities**

Cash and cash equivalents, investments, loans and advances, and other current assets make up Axis Bank's current assets. Deposits, loans, and other short-term obligations are included in its current liabilities.

Higher current ratios show that AXIS Bank has enough liquid assets on hand to cover its immediate liabilities.

On the other hand, a lower current ratio suggests that the bank would have trouble paying its short-term debt.

#### TABLE SHOWING CURRENT RATIO

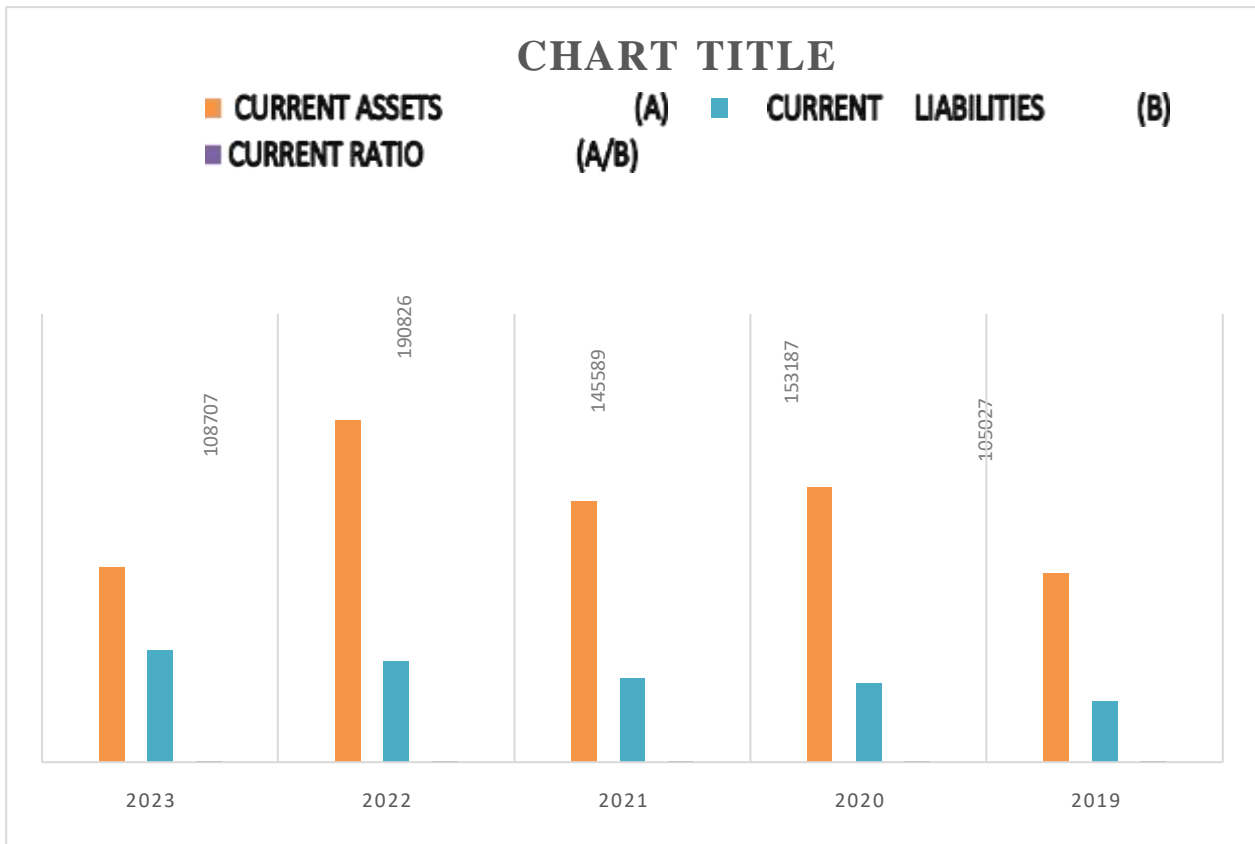
**TABLE NO:4.1.1**

YEAR	CURRENT ASSETS(A)	CURRENT LIABILITIES(B)	CURRENT RATIO(A/B)
2023	108707	62204.57	1.747
2022	190826	56314.18	3.388
2021	145589	46685.74	3.118
2020	153187	44080.45	3.475
2019	105027	34162.97	3.074

**SOURCE: SECONDARY DATA**

#### INTERPRETATION

- As per the analysis in 2023 the current ratio is the lowest indicating that the bank has made poor management of current assets.
- A current ratio of 3 means that a company's current assets are three times the size of its current liabilities. It also means that the company has more than sufficient liquidity to cover the immediate debt obligations to its creditors. As we can see all the other years have performed better with three times more current assets than current liabilities.

**CHART NO: 4.1.1****CHART SHOWING CURRENT RATIO****FINDINGS**

The current ratio of the bank was highest in the year 2020 and the lowest ratio in the year 2019. A current ratio of 3 means that a company's current assets are three times the size of its current liabilities. It also means that the company has more than sufficient liquidity to cover the immediate debt obligations to its creditors.

**SUGGESTIONS**

- The Axis Bank must take necessary measures to improve its current assets and reduce its advances and current liabilities.
  - In comparison with other banks, the performance of AXIS bank is quite good but not as effective as its competitors.
  - The Axis Bank must concentrate on improving its fixed asset value.
  - The Axis Bank must concentrate on improving its net profit value.

**CONCLUSION**

A financial analyst can adopt the following tools for analysis of the financial statement. These are also termed methods of financial analysis. The banking sector is one of the core sectors in the economic development of India. The purpose of the study is to concentrate on the financial performance analysis of Axis Bank. This study attempted to find out whether Axis has performed well or not. The main objective of the study is to evaluate the risk exposure of the bank in the last five years and to predict the future performance of the bank.

The overall financial performance of Axis Bank for the period of 2019-2023 is discussed here. Based on the findings of the study it can be concluded that financial ratios can help institutions to determine their financial strength.

It can also help present shareholders and prospective shareholders or investors to make sound decisions to hold shares, buy additional shares, or sell the shares. In addition to this, it also shows how the management is performing based on the shareholder's or investors' inputs. It also helps to forecast the future performance.

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**WEBSITES**

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