

An Organization Study Report of
AXIS BANK

Submitted by
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Submitted to
VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI



Inpartialfulfillmentof the requirement for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION

Under Guidance of

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This is to certify that Ms. TEJASHREE N bearing USN 1CR19MBA86 is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on AXIS BANK is prepared by her under the guidance of Mrs. Preksha Yadav, Assistant Professor, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.

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DECLARATION

I, **Ms TEJASHREE N** bearing **USN 1CR19MBA86** hereby declare that the organization study report of **AXIS BANK** prepared by me under the guidance of **Ms PREKSHA YADAV** faculty of M.B.A Department of CMR Institute of Technology, Bengaluru. I also declare that this report is prepared in partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone an organization study for a period of four weeks. I further declare that this report is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University /Institution.

Disclaimer

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Place: BANGALORE

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WEEKLY PROGRESS REPORT

Student Name	TEJASHREE N
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Title of the Study	ORGANISATION STUDY
Organisation	AXIS BANK
WEEK-1	
Duration (start date - End date)	6.8.2020 - 12.8.2020
Chapter s covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organisation, Industry profile and company profile
WEEK-2	
Duration (start date - End date)	13.8.2020 - 18.8.2020
Chapter s covered	Chapter 3
Descriptions of activities performed during the week	McKensy's 7S framework, Porter's Five Force Model.
WEEK-3	
Duration (start date - End date)	19.8.2020 - 26.8.2020
Chapter s covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
WEEK-4	
Duration (start date - End date)	27.8.2020 - 30.8.2020
Chapter s covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography

Signature of the Student

TEJASHREE N

Signature of the Guide

TABLE OF CONTENTS

Chapter No	Title	Page No.
	Executive Summary	
1	Introduction Introduction about Organization Industry Profile	8-10
2	Organization Profile Background Nature of Business Vision, Mission and Quality Policy Workflow Model Product/Service Profile Ownership Pattern Achievements/Awards Future Growth and Prospects	11-18
3	McKensy's 7S Framework and Porter's Five Force Model McKensy's 7S Framework Porter's Five Force Model	19-30
4	SWOT Analysis	31-36
5	Analysis of Financial Statements	37-41
6	Learning Experience	42-45
	Bibliography	45

LIST OF TABLES

Table No.	Title	Page No.
1	INCOME STATEMENT	38
2	BALANCE SHEET	39

CHAPTER – 1

INTRODUCTION TO
ORGANISATIONAL
INDUSTRY

Axis bank



Introduction

Axis Bank is the third largest private sector bank in India. The Bank offers the entire spectrum of financial services to customer segments covering Large and Mid-Corporates, MSME, Agriculture and Retail Businesses.

Axis Bank is an Indian private sector bank which offers a range of financial products. The bank has its head office in Mumbai, Maharashtra. It has 4,800 branches, 17,801 ATMs and 4,917 cash recycling machines across the country as of 31 March 2020, and nine international offices. It has a market capitalisation of ₹2.31 trillion (US\$32 billion) (as on 31 March 2020). It sells financial services to large and mid-size companies, SME's and retail businesses.

As of 30 June 2016, 30.81% shares are owned by the promoters and the promoter group (United India Insurance Company Limited, Oriental Insurance Company Limited, National Insurance Company Limited, New India Assurance Company Ltd, GIC, LIC and UTI). The remaining 69.19% shares are owned by mutual funds, FIIs, banks, insurance companies, corporate bodies and individual investors among others.

Axis Bank is the first private sector bank authorised by the Reserve Bank of India (RBI) and Government of India to collect taxes on behalf of the State Governments. Since 1 October 2003, Axis Bank has been able to handle all Central Government Business and State Government Business.

The logo uses the alphabet 'A' from the word Axis. The logo depicts a strong growth path for the bank supported by a strong base, indicating that the bank is moving on from a position of strength. Earlier, the bank's logo used the letters U, T and I. Jun 14, 2013

Axis Bank offers retail and corporate banking services through more than 3,600 branches and nearly 14,000 ATMs in India, together reaching almost 2,000 cities and towns. The bank also has overseas branches in Asia, the Middle East, and the UK. Its retail banking group offers deposit accounts and auto, home, and other personal loans to individuals and small businesses; its corporate unit targets larger businesses with working capital loans, trade and warehouse financing, and cash management services. Axis Bank also offers credit cards, mobile banking, and online tax payments.

Axis Bank Limited (the Bank) provides a suite of corporate and retail banking products. The Bank's segments include 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.

On 9 March 2016 Axis Bank announced the launch of the world's first Forex prepaid card issued in conjunction with Diners Club International a business unit of Discover Financial Services. On 30 March 2017 Axis Bank announced a strategic partnership with Wells Fargo & Company to offer seamless remittance facility to their NRI customers from The United States of America (USA). On 17 June 2017 Axis Bank in association with Kochi Metro Rail Corporation (KMRL) launched India's first single-wallet contactless open loop metro card to allow cashless commuting for commuters in Kochi. On 5 July 2017 Axis Bank announced its foray into the luxury bikes loans segment for 500cc & above bikes. On 11 July 2017 Axis Bank announced its collaboration with Inter-American Investment Corporation (IIC) to facilitate trade with Latin America and the Caribbean. Axis Bank on 27 July 2017 announced that it

has entered into an agreement with Jasper Infotech Private Limited to acquire 100% stake in its subsidiaries viz.

CHAPTER -2

ORGANISATIONAL PROFILE

HISTORY

The bank was founded in December 1993 as UTI Bank, opening its registered office in Ahmedabad and corporate office in Mumbai. UTI Bank began its operations in 1993, after the Government of India allowed new private banks to be established. The bank was promoted in 1993 jointly by the Administrator of the Unit Trust of India (UTI-I), Life Insurance Corporation of India (LIC), General Insurance Corporation, National Insurance Company, The New India Assurance Company, The Oriental Insurance Corporation and United India Insurance Company. The first branch was inaugurated on 2 April 1994 in Ahmedabad by Dr. Manmohan Singh, the then finance minister of India.

In 2001 UTI Bank agreed to merge with Global Trust Bank, but the Reserve Bank of India (RBI) withheld approval and the merger did not happen. In 2004, the RBI put Global Trust into moratorium and supervised its merger with Oriental Bank of Commerce.

On 30 July 2007, UTI Bank changed its name to Axis Bank.

In 2009, Shikha Sharma was appointed as the MD and CEO of Axis Bank.

Axis Bank opened a branch in Colombo, Sri Lanka in October 2011, as a Licensed Commercial Bank supervised by the Central Bank of Sri Lanka. Also in 2011, Axis Bank opened an office in Abu Dhabi.[20] In 2011, Axis bank inaugurated Axis House, its new corporate office in Worli, Mumbai.

In 2013, Axis Bank's subsidiary, Axis Bank UK commenced banking operations. Axis Bank UK has a branch in London.

Bollywood actress Deepika Padukone is the brand ambassador of Axis Bank.

In 2014, Axis Bank launched its first 'All Women Branch' in Patna.

In 2015, Axis Bank opened an office in Dhaka.

On January 1, 2019, Amitabh Chaudhry took over as MD and CEO.

As of 31 March 2016, the bank has over 50,001 employees.

OPERATIONS

Indian Business

As of 12 Aug 2016, the bank had a network of 4,094 branches and extension counters and 12,922 ATMs.

Axis Bank has the largest ATM network among private banks in India. It even operates an ATM at one of the world's highest sites at Thegu, Sikkim at a height of 4,023 meters (13,200 ft) above sea level.

International business

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. In addition to the above, the bank has a presence in UK with its wholly owned subsidiary Axis Bank UK Limited.

SERVICES

Retail banking

The bank offers lending services to individuals and small businesses, along with liability products, card services, Internet banking, automated teller machines (ATM) services, depository, financial advisory services, and Non-resident Indian (NRI) services. Axis bank is a participant in RBI's NEFT enabled participating banks list.

Corporate banking

Transaction banking: Formed in April 2015, TxB provides integrated products and services to customers in areas of current accounts, cash management services, capital market services, trade, foreign exchange and derivatives, cross-border trade and correspondent banking services and tax collections on behalf of the Government and various State Governments in India.

Investment banking and trustee services:

The bank provides investment banking and trusteeship services through its owned subsidiaries. Axis Capital Limited provides investment banking services relating to equity capital markets, institutional stock brokering besides M&A advisory. Axis Trustee Services Limited is engaged in trusteeship activities, acting as debenture trustee and as trustee to various securitisation trusts.

International banking

The bank offers corporate banking, trade finance, treasury and risk management through the branches at Singapore, Hong Kong, DIFC, Shanghai and Colombo, and also retail liability products from its branches at Hong Kong and Colombo. The representative office at Dhaka was inaugurated during the current financial year.

Initiatives

Axis Thought Factory

An innovation hub located in Bengaluru has an in-house innovation team and an accelerator programme. With this launch, Axis Bank became the first Indian bank to introduce a dedicated innovation lab in the country.

Listing and shareholding

Axis Bank's equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE). The company's global depository receipts (GDRs) are listed on the London Stock Exchange. The Bonds issued by the bank under the MTN programme are listed on the Singapore Stock Exchange. The institute

has 123 institutional owners and shareholders through Securities Exchange Commission (SEC).

VISION

To be the preferred financial services provider excelling in customer service delivery through insight, empowered employees and smart use of technology.

CORE VALUES

The core values that reflect across the policies and decisions of the Bank comprise:

Customer Centricity

Ethics

Transparency

Teamwork

Ownership

MISSION

Axis Bank's mission is to be the preferred financial solutions provider excelling in customer delivery through insight, empowered employees and smart use of technology.

TRANSFORMING BANKING WITH TECHNOLOGY

Technology is redefining banking globally. Being the go-to bank for millions of people in India, we are introducing more technology-driven solutions to partner an aspirational India. From providing people new avenues for digital banking to

unveiling fast and hassle-free solutions, technology is facilitating progressive relationships at Axis Bank.

LOCKER BOOKING

The Bank has launched an online locker booking facility through the Mobile App; the first in the industry to offer such a facility, empowering customers to check availability from their homes and book instantly.

ONE TOUCH AUTHENTICATION

The Bank launched the 'Touch ID' - a one touch authentication for transactions through its mobile app. Bank customers using Apple iPhone 5s and above can complete their financial transactions such as bill payments, mobile recharge and funds transfer using this feature.

The Bank also launched the banking application for Apple Watch.

ONE PAGE INTERNET BANKING

The Bank launched one-page banking in 2015-16, enabling customers to do most of their banking initiatives from the dashboard itself, without having to navigate to other pages.

RURAL LENDING

TATPAR (one of our products from a suite of automations offered to Rural Lending team) was launched in 2015-16. A tablet and desktop based new workflow has been designed as a part of mobility initiative for the team.

NEXT GEN PAYMENTS

Axis Bank is the first bank in India to offer contactless Multi currency Forex Cards to Indian travellers enabling faster and more convenient transactions while abroad. The same technology has also been extended to the Bank's Debit and Credit card platforms. The Bank has setup an in-house Payment Gateway that allows for secure e-commerce transaction processing capability and reduces the cost incurred on using external gateways.

AWARDS

FICCI CSR Award (Women Empowerment Category) - 2016-17

Business Standard- Socially Aware Corporate of the Year – 2016

CII ITC Corporate Social Responsibility- Excellence Award – 2015-16

FICCI Corporate Social Responsibility Awards Recognition – 2015-16

Outstanding Corporate Foundation- Forbes Philanthropy Awards 2014

AXIS BANK PRODUCTS AND SERVICES

Axis Bank offers a range of financial products and services to its clients throughout the country. It also has special strength in retail and corporate banking. Axis Bank offers following services:

Personal Banking

Corporate Banking

NRI

Priority Banking

NET BANKING SERVICES

Following services are offered under 24 x 7 Banking:

Internet Banking

Mobile Banking

Savings Account

NRI Account

Current Account

Phone Banking

Visa Money Transfer

Power Transfer

ATM

SUBSIDIARIES

Axis securities

They are a part of the lineage of Axis Group and a proud subsidiary of Axis Bank – India's 3rd largest private sector bank and the choice of more than 20 million clients. Making innovation and passion our motto, we have grown step-by-step in a short span of time. As the Axis Securities team, we are committed to provide the investment solutions and to offer a wide spectrum of Axis bank's offerings to our customers.

CHAPTER-3

**ANALYSING BUSINESS
MODELS**

Mc KINSEY 7S MODEL

7 elements of the McKinsey 7s model

The basic premise of 7s management is that there are seven internal elements of an organisation that need to be aligned so it can be successful. These seven elements are categorised as “hard” or “soft.”

Hard elements

The hard elements are tangible, easy to identify, and easier for management to immediately influence, such as strategy statements, corporate plans, organisational charts, and other documents.

Strategy: your company’s plan to enhance competitive advantage

Structure: how your company is organised and who reports to whom

Systems: procedures, processes, and routines of staff that characterise how the job is done

Soft elements

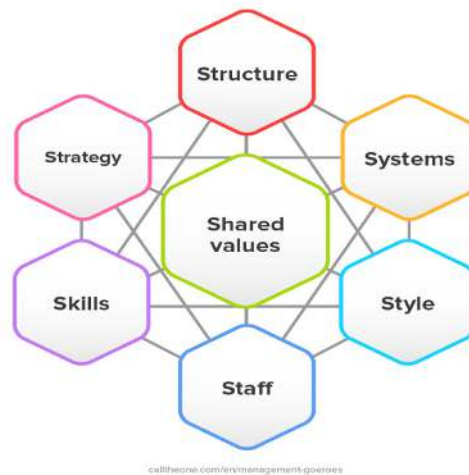
These elements are more difficult to describe because staff capabilities, corporate values, and culture are continuously developing and changing.

Shared values: the core values that are reflected in the corporate culture and individual work ethic

Style: typical behaviour patterns of groups such as managers and other professionals

Staff: your company's employees and their general capabilities

Skills: the organisation's core competencies and distinctive capabilities



MCKENSY'S 7S MODEL OF AXIS BANK

STRATEGY

Distribution in the Marketing strategy of Axis bank – The bank has a large footprint of 2402 domestic branches (including extension counters) and 12,922 ATM's spread across the country as on 31st March 2014. The overseas operations of the bank are

spread over its seven international offices with branches at Singapore, Hong Kong, DIFC (Dubai International Financial Centre), Colombo and Shanghai

Brand equity in the Marketing strategy of Axis bank – The new campaign “Badhti ka naam Zindagi” of AXIS Bank to enrich the brand is designed by Lowe Lintas lies in the space that Progress has many dimensions and talks about the “holistic” nature of progress and highlights Axis Bank journey as a customer centric bank.

Customer analysis in the Marketing strategy of Axis bank – Customers of Axis bank are mainly high income group working professionals who prefer best banking services. Majority of customers are middle and upper class income group.

Market analysis in the Marketing strategy of Axis bank – Banking industry is going through a turnaround phase where PSU’s, Private Banks are fighting neck to neck in order to reestablish itself in the competitive market. Private Banks like AXIS HDFC, ICICI Bank revenue and profitability is riven by 3rd party products whereas PSUs revenue and profitability is driven by retail lending, CASA share.

STRUCTURE

The independent risk management structure to monitor all risks including credit risk.

The goal of credit risk management focuses on maintaining asset quality and concentrations at individual exposures as well as at the portfolio level. Internal rating forms the core of the risk management process for wholesale business with internal ratings determining the acceptability of risk, maximum exposure ceiling, sanctioning authority, pricing decisions, review frequency. For the retail portfolio including small businesses and small agriculture borrowers, the Bank uses different product-specific scorecards. Large, risky or complex exposures require to be independently vetted by the risk department for each incremental transaction whereas small, templated exposures are extended within the approved product policies. Both credit and market risk expertise are combined to manage risks arising out of

traded credit products such as bonds and market related off balance sheet transaction.

Committee of Directors

Shri S. Vishvanathan Chairman
Shri Amitabh Chaudhry Member
Smt. Ketaki Bhagwati Member
Shri B. Baburao. Member
Shri Rajiv Anand Member

Audit Committee of the Board

Shri Girish Paranjpe Chairman
Shri S. Vishvanathan Member
Shri Rakesh Makhija Member
Shri B. Baburao. Member

Customer Service Committee

Shri Amitabh Chaudhry Chairman
Shri B. Babu Rao. Member
Shri Girish Paranjpe Member
Shri TC Suseel Kumar Member
Shri Pralay Mondal Member

IT Strategy Committee

Shri Girish Paranjpe Chairman
Shri Amitabh Chaudhry Member
Smt. Meena Ganesh Member
Shri Pralay Mondal Member

SKILLS

Training intervention to reinforce the status of compliance standards as an important element of business and to further drive the message that the compliance and governance agenda is critical.

Developing leadership skills across various levels is one of the key focus areas for capability building within the organisation. We follow an institutionalised approach for identifying individuals with the potential to become future leaders.

We have partnerships with corporate education arms of various elite institutes to custom design offerings for senior executives. TLDP (Top Leadership Development Program), which was launched last year, continues to serve as a structured programme for building the Bank's leadership capabilities. As a part of this programme, executive coaching was provided to the Senior Leaders of the Bank.

- Executive Leadership Program (ELP) and Business Leadership Program (BLP) focus on senior management development.
- At the middle management level, 'Axis Aspire' programme is created to develop leadership capabilities for future roles. Targeted interventions are planned under this programme based on Talent Needs Analysis. Development plans are then accordingly designed

STAFF

Independent recovery cells at central office and 3 other regional centres.

We believe that nurturing our ‘people capability’ is key to driving business excellence and achieving the short term and long term goals of the organisation. Meritocracy, fairness and ethics are tenets upon which the culture of the Bank has been established. We are constantly making efforts to make the workforce diverse and inclusive, and provide an environment where every individual can contribute, learn and grow. Through programs like ‘We Lead: Axis Bank – ISB Women Leadership Program’, run in partnership with Indian School of Business (ISB), we aim to further build the diversity in the leadership talent pipeline. While we provide a healthy and safe workplace to the employees, they are also motivated to take cognisance of their physical and mental health via various interventions. There is zero tolerance for any kind of discrimination at the workplace. They have regular communication through emails and intranet, team off-sites, performance management discussions, town-hall meetings by senior management, trainings, employee suggestion schemes, rewards and recognition programs, key events and festival celebrations, health awareness sessions and fun-at-workplace activities.

SYSTEMS

Credit models used for risk estimation are assessed for its discriminatory power, calibration accuracy and stability independently by a validation committee. Information Technology at Axis Bank aims to enable sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and to help the financial intermediaries to reach geographically distant and diversified markets. The Business System Analyst is responsible for developing system specifications and testing the system against the specifications / business scenarios provided. The System Analyst is also responsible for coordinating the development effort for small to medium size projects / change requests and for studying the technological and business trends to be able to recommend changes to both the processes to take advantage of advances in both

STYLE

The Bank's Structured Finance Group (SFG) is a specialised group focusing on resolution of non-retail impairments of the Bank. The team is based out of the Central Office in Mumbai, and oversees rectification and restructuring as well as recovery for the Western zone of the country. The central team is supported by three Regional Recovery Cells at Delhi, Kolkata and Chennai. They continuously strive to provide a safe and secure workplace to our employees, customers and other relevant stakeholders while at our premises. This is one of our primary objectives, and constitutes a key element of our Business Continuity Management (BCM) framework. The framework has been designed to enable identification of potential threats to the Bank and provide for building organisational resilience, with the capability for an effective response that safeguards the interests of our key stakeholders, reputation, brand and value creating activities.

SHARED VAULE

- 1) Customer Centric Operations
- 2) Ethics
- 3) Transparency
- 4) Teamwork, and
- 5) Ownership

PORTERS FIVE FORCE MODEL

Understanding Porter's Five Forces

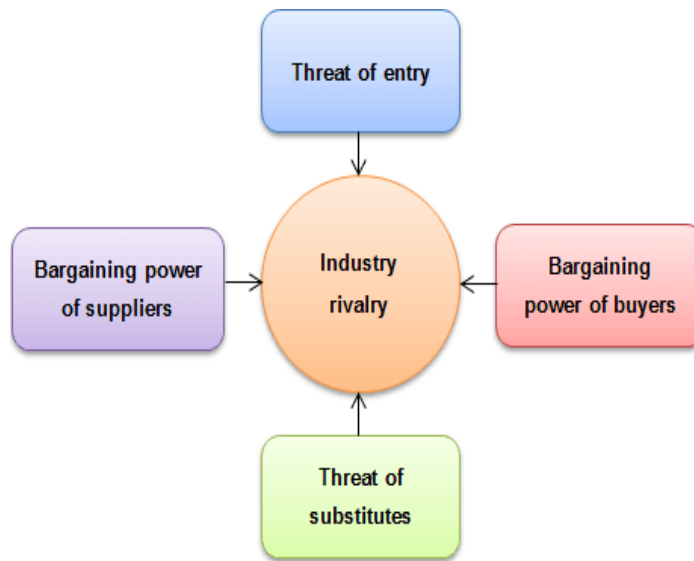
The tool was created by Harvard Business School professor Michael Porter, to analyse an industry's attractiveness and likely profitability. Since its publication in

1979, it has become one of the most popular and highly regarded business strategy tools.

Porter recognised that organisations likely keep a close watch on their rivals, but he encouraged them to look beyond the actions of their competitors and examine what other factors could impact the business environment. He identified five forces that make up the competitive environment, and which can erode your profitability. These are:

1. **Competitive Rivalry.** Where rivalry is intense, companies can attract customers with aggressive price cuts and high-impact marketing campaigns. Also, in markets with lots of rivals, your suppliers and buyers can go elsewhere if they feel that they're not getting a good deal from you.
2. **Supplier Power.** The more you have to choose from, the easier it will be to switch to a cheaper alternative. But the fewer suppliers there are, and the more you need their help, the stronger their position and their ability to charge you more. That can impact your profit.
3. **Buyer Power.** When you deal with only a few savvy customers, they have more power, but your power increases if you have many customers.
4. **Threat of Substitution.** This refers to the likelihood of your customers finding a different way of doing what you do. For example, if you supply a unique software product that automates an important process, people may substitute it by doing the process manually or by outsourcing it. A substitution that is easy and cheap to make can weaken your position and threaten your profitability.
5. **Threat of New Entry.** Your position can be affected by people's ability to enter your market. So, think about how easily this could be done. How easy is it to get a foothold in your industry or market? How much would it cost, and how tightly is your sector regulate

If it takes little money and effort to enter your market and compete effectively, or if you have little protection for your key technologies, then rivals can quickly enter your market and weaken your position. If you have strong and durable barriers to entry, then you can preserve a favourable position and take fair advantage of it.



PORTERS FIVE FORCE MODEL OF AXIS BANK

Porter's 5 Forces is an excellent starting point to assess an organisation but shouldn't be made use of in seclusion. Trying to use Managing Change At Axis Bank B Porter's five forces to a specific company instead of an industry for a whole is the most usual mistake.

1)Competitive rivalry

The competition among the firms help in identifying the lucrativeness of an industry where companies are competing hard in order to maintain their power within the

industry. The competition is moreover on basis of diversity, the development within the sector and the barriers related to entrance in the market. The competitive rivalry is the analysis of the brands and the product, its strengths and weakness along with the strategies, competitors and the share in the market.

2)Threat of new entrants

It is in the favour of the companies that exist in the market to create barriers for the new entrants to prevent them from entering into the industry. The organisations could be the new companies or the companies that are planning to diversify itself in the market. The barriers can be both industrial and legal. Apart from this the size and the reputation of the companies that are already operating in the market also play an important. Furthermore the cost related to the entry, access to raw materials, barriers related to culture and technical standards also play a major role and can affect the decision of the new entrants in the market.

3)Threat of substitute products

The Axis Bank substitute products are an alternatives that are available in the market at comparatively better prices. Such products prevail due to the technological and innovative advancement. Due to which the products being produced by the companies that are already existing in the market and is using the same technology are than replaced by the other company's products that are comparatively better in terms of price and quality and are being produced from sectors with significant profits. The substitute products are dangerous as the companies are under constant threat of being replaced.

High threat of substitute leads to low profitability as it limits the industry profits by placing a price ceiling due to the fear of being substituted by other product. Apart from this it also affect the growth potentials of the industry as a whole but reducing the profitability margins.

4) Bargaining power of suppliers

Powerful suppliers possess more power to capture significant value for themselves by demanding high prices while limiting the quality and the quantity of the product or services or by transferring the cost on the participant of the industry. Many conditions imposed by the suppliers generally include the increase in price while compromising the quality and quantity.

A bargaining power of a supplier in the market is strong if:

It is more concentrated than the industry it is selling to.

It is not heavily relying on the industry for its profits

If the participants in the industry have to incur high cost for switching suppliers or the firms are located adjacent to the suppliers manufacturing facilities.

The product being offered by the suppliers are highly differentiated.

And when there is no close substitute available for the products being supplied by the suppliers.

5) Bargaining power of customers

The buyers having strong bargaining power can highly influence the profitability of the suppliers operating in the market by imposing conditions that are not much favourable for the suppliers in terms of price, quality or service. Therefore, choosing clients often become crucial for the organisations as to avoid the situation of being highly dependent on the buyers. The level of interest and concentration of buyers toward the product gives them more or less power.

Powerful buyers could flip the side of the powerful suppliers by forcing the prices to move downwards and by demanding high quality and services by creating a competition between the participants in the industry on the basis of price and quantity.

Customers are deemed strong if they contain negotiating leverage specifically if the industry is sensitive to price, the buyers can pressure suppliers for further price reductions.

The customers are assumed to have strong buying power in case:

If the number of buyers are limited or each of the buyers purchases large quantity relative to the size of the suppliers.

The products in the industry are standardised or are undifferentiated.

The cost of switching is comparatively low.

CHAPTER - 4

SWOT ANALYSIS

SWOT Analysis of AXIS BANK

The acronym “SWOT” stands for Strength, Weakness, Opportunities and Threats. It is a useful tool that is widely used for strategic planning and management in many organisations. It is effectively used in building strategies for the organisation to maintain its competitiveness in the market. It is simple yet powerful tool that help the organisation in identifying its existing resources, capabilities, deficiencies, the existing opportunities and threats prevailing in the market.

SWOT assumes that strengths and weaknesses are frequently internally-related, while opportunities and threats commonly focus are due to the external environment. The name is an acronym for the four parameters the technique examines:

- **Strengths:** Characteristics of the business or project that give it an advantage over others.
- **Weaknesses:** Characteristics of the business that place the business or project at a disadvantage relative to others.
- **Opportunities:** Elements in the environment that the business or project could exploit to its advantage.
- **Threats:** Elements in the environment that could cause trouble for the business or project.

The degree to which the internal environment of the firm matches with the external environment is expressed by the concept of strategic fit. Identification of SWOTs is important because they can inform later steps in planning to achieve the objective. First, decision-makers should consider whether the objective is attainable, given the SWOTs. If the objective is not attainable, they must select a different objective and repeat the process.

Axis Bank - SWOT analysis of Axis Bank analyses the brand/company with its strengths, weaknesses, opportunities & threats. In Axis Bank SWOT Analysis, the strengths and weaknesses are the internal factors whereas opportunities and threats are the external factors.

SWOT Analysis is a proven management framework which enables a brand like Axis Bank to benchmark its business & performance as compared to the competitors and

industry. As of 2020, Axis Bank is one of the leading brands in the banking & financial services sector.



STRENGTHS

Strength is a characteristic that adds value to something by making it more special, unique and advantageous when compared. In this element of SWOT, the abilities and the key properties of organisation are discussed that gives an organisation an advantage over other organisations by making it more competitive. It defines the characteristics and situations of an organisation which makes it more effective and efficient when compare with its competitors. It defines the areas in which the organisation hold a command or is good at doing it and that provides the organisation and important capability. It can be a skill, a resource, image, market leadership, relation with buyer or supplier or any other advantage relative to its competitors that fulfil the needs of the market by providing the organisation with a comparative advantage.

Strengths of AXIS BANK are:

- 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 grow 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.
- Axis Bank has a good image among urban population.
- Axis Bank is registering a good growth in the Indian banking sector.
- A huge portfolio of product and services offered by the Bank.
- Decent penetration in the rural areas have boosted the business.
- One of the largest private sector financers in India for Agriculture loans wiz Retail Agri & Corporate Agri.
- Excellent online services offered by Axis Bank like net banking, mobile apps etc.
- Good advertising and brand exercise have helped the brand grow well.

WEAKNESS

Axis Banks Weakness refer to the situation in which the existing capabilities and the resources the company holds are weaker or not sufficient compared to others organisations in the market. In other words, it means the aspects in which the organisation is less efficient and needs to improve in order to align with the market trends. As these aspects negatively affect the overall performance of the organisation by making it weaker compared to its competitors.

These are the factors that an organisation lacks and does poorly in comparison to the organisations operating in the same market at the same level. It is a deficiency or limitation of resources, capabilities, skills that majorly affect the organisations effective performance. Management capabilities, Facilities, financial resources, marketing skills and the weak brand image can be the sources of weakness.

Weaknesses of Axis Bank are:

- 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 are 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

Axis Bank Opportunities is an advantage and the driving force for an organisation. It is the convenient time or situation that is present in the environment and will help the organisation in achieving its goals. It is a factor that contribute positively towards the growth of the organisation. It is a condition existing in the external environment that allow the organisation to take an advantage of the organisational strengths, and help in overcoming the weaknesses and to neutralise the threats present in the environment.

Opportunities of Axis Bank are:

- ✓ Brokers upgraded recommendation or target price in the past three months.
- ✓ Turnaround companies – Loss to Profit QoQ.
- ✓ RSI indicating price strength.
- ✓ Positive Breakout Third Resistance ability.
- ✓ Decrease in Provision in recent results.
- ✓ High volume, High gain.

- ✓ 46% use informal lending channels.
- ✓ 24% unregulated money lenders.
- ✓ Now number of branches increased to 1493 from 339.
- ✓ Last quarter there were 48 new branches opened across the Nation.
- ✓ Since it's a new age banking there are lot of opportunities to have the advance technicalities in banking solutions compared to existing major players.
- ✓ The assets in their international operations are growing at a very faster pace with a growth rate of 9%.
- ✓ The concept of ETM (Everywhere teller machine) by AXIS Bank had a good response in terms of attracting new customers in personal banking segment.

THREATS

Threats are the factors that prevent the organisation from the actualisation of an activity. It is an unfavourable situation that exist in the environment making it difficult for the organisation to achieve its defined goals. It is a situation that arises as a result of the changes that took place in the immediate or distant environment, preventing the organisation from maintaining its existence and superiority in the growing competition and are disadvantageous for the organisation.

All the environmental factors are considered as a threat to an organisation that could affect the efficiency and effectiveness of the organisation.

Threats faced by Axis Bank are:

- ❖ 46% use informal lending channels.
- ❖ 24% unregulated money lenders.
- ❖ Now number of branches increased to 1493 from 339.
- ❖ Last quarter there were 48 new branches opened across the Nation.
- ❖ Since it's a new age banking there are lot of opportunities to have the advance technicalities in banking solutions compared to existing major players.
- ❖ The assets in their international operations are growing at a very faster pace with a growth rate of 9%.

- ❖ The concept of ETM (Everywhere teller machine) by AXIS Bank had a good response in terms of attracting new customers in personal banking segment.
- ❖ Recent Broker Downgrades in Reco or Target Price.
- ❖ Company with negative growth and promoters decreasing shareholding.

CHAPTER-5

FINANCIAL ANALYSIS

ANALYSIS OF FINANCIAL STATEMENTS

Financial analysis is the process of evaluating businesses, projects, budgets, and other finance-related transactions to determine their performance and suitability. Typically, financial analysis is used to analyse whether an entity is stable, solvent, liquid, or profitable enough to warrant a monetary investment.

Income statement

Financial Performance	Q4FY20	Q4FY19	% Growth	FY20	FY19	% Growth
Net Interest Income	6,808	5,706	19%	25,206	21,708	16%
Other Income	3,985	3,526	13%	15,537	13,130	18%
- Fee Income	2,931	3,020	-3%	11,019	10,127	9%
- Trading Income	264	354	-25%	2,420	971	149%
- Miscellaneous Income	790	152	416%	2,098	2,032	3%
- Recoveries	654	162	304%	1,553	1,867	(17%)
Operating Revenue	10,793	9,232	17%	40,743	34,839	17%
Operating Expenses	4,942	4,218	17%	17,305	15,833	9%
Operating Profit	5,851	5,014	17%	23,438	19,005	23%
Net Profit/(Loss)	(1,388)	1,505	-	1,627	4,677	(65%)
EPS Diluted () annualized	(19.79)	23.61		5.97	18.09	
Return on Average Assets (annualized)	(0.62%)	0.78%		0.20%	0.63%	
Return on Equity (annualized)	(7.08%)	10.30%		2.34%	8.09%	

Balance Sheet	In Crores	
	As on 31 st March 2020	As on 31 st March 2020
CAPITAL AND LIABILITIES		
Capital	564	514
Reserves & Surplus	84,384	66,162
Deposits	6,40,105	5,48,471
Borrowings	1,47,954	1,52,776
Other Liabilities and Provisions	42,158	33,074
Total	9,15,165	8,00,997
ASSETS		
Cash and Balances with RBI and Banks and Money at Call and Short Notice	97,268	67,205
Investments	1,56,734	1,74,969
Advances	5,71,424	4,94,798
Fixed Assets	4,313	4,037
Other Assets	85,426	59,988
Total	9,15,165	8,00,997

Strong operating performance:

- o Operating profit for Q4FY20 grew by 17% YOY to 5,851 crores
- o Net Interest Income in Q4FY20 grew by 19% YOY to `6,808 crores; NIM was 3.55%
- o Operating profit for FY20 grew by 23% YOY to `23,438 crores
- o Net Interest Income in FY20 grew by 16% YOY to `25,206 crores; NIM for FY20 was 3.51%
- o Net profit for FY20 was `1,627 crores. Adjusted for the one-offs, net profit for FY20 would have been `5,182 crores up 11% YoY

Net Interest Income and Net Interest Margin

The Bank's Net Interest Income (NII) grew 19% YOY to `6,808 crores during Q4FY20 from `5,706 crores in Q4FY19. NII for FY20 rose 16% YOY to `25,206 crores from `21,708 crores in FY19. Net interest margin for Q4FY20 was 3.55%, NIM for FY20 stood at 3.51%.

Other Income

Non-Interest Income (comprising of fee, trading profit and miscellaneous income) for Q4FY20 grew 13% to `3,985 crores. Fee income for Q4FY20 grew 6% QOQ to `2,931 crores. Retail fees constituted 64% of the Bank's total fee income. Transaction Banking fee, part of wholesale fees grew 8% YOY. Miscellaneous Income, for the quarter stood at `790 crores as compared to `153 crores in Q4FY19 driven by higher recoveries during the quarter.

For FY20, Non-Interest Income grew 18% YOY and stood at `15,537 crores, of which fee income grew 9% YOY primarily driven by 15% YOY growth in Retail fee and 6% YOY growth in Transaction banking. For FY20, the recoveries in written-off accounts stood at `1,553 crores.

Provisions and contingencies

Specific Loan Loss Provisions for Q4FY20 were `4,204 crores, compared to `1,714 crores in Q4 last year and `2,962 crores in Q3FY20. The Bank held additional provisions of around `2,558 crores towards various contingencies at the end of Q3FY20. The Bank made other provisions aggregating `3,526 crores in Q4 FY20 of which `3,000 crores At March 31, 2020, the Bank holds in aggregate additional provisions of `5,983 crores. It is pertinent to note that this is over and above the NPA provisioning included in our PCR calculations, and the 0.4% standard asset provisioning requirement on Standard assets.

The overall additional provisions held by the Bank towards various contingencies together with the standard asset provisions, translate to a standard asset coverage of 1.3% at March 31, 2020.

Balance sheet

The Bank's balance sheet grew 14% YOY and stood at `9,15,165 crores as on 31st March 2020.

The total deposits on quarterly average basis (QAB) grew by 19% and 17% YOY on period end basis. Savings account deposits grew 13% YOY and 3% QOQ, Current Account deposits grew 11% YOY and Retail Term Deposits grew 33% YOY. CASA and Retail Term Deposits on a QAB basis put together recorded a growth of 22% YOY. The share of CASA and Retail Term Deposits in the Total Deposits was 80% as of 31st March 2020.

The Bank's advances grew 15% YOY to `5,71,424 crores as on 31st March 2020. The Bank's loan to deposit ratio stood at 89%. Retail loans grew 24% YOY to `3,05,400

crores and accounted for 53% of the net advances of the Bank. The growth in Retail advances was driven by all product segments across home loans, auto loans, personal loans, small business loans etc. The share of secured loans was 80% with home loans comprising 35% of the Retail book. SME loan book stood at ₹61,921 crores. 85% of the SME book is secured with predominantly working capital financing, and is well diversified across geographies and sectors. Corporate loan book grew by 11% to ₹2,04,103 crores. 83% of Corporate book is now rated A- and above with 95% of incremental sanctions in FY20 being to corporates rated A- and above.

The book value of the Bank's Investments portfolio as on 31st March 2020, was ₹1,56,734 crores, of which ₹1,25,982 crores were in government securities, while ₹21,303 crores were invested in corporate bonds and ₹9,449 crores in other securities such as equities, preference shares, mutual funds, etc. Out of these, 73% are in held till maturity (HTM) category, while 23% of investments are available for sale (AFS) and 4% are in held for trading (HFT) category.

Capital Adequacy and Shareholders' Funds

The shareholders' funds of the Bank grew 27% YOY and stood at ₹84,948 crores as on 31st March 2020. Under Basel III, the Capital Adequacy Ratio (CAR) and CET1 ratio as on 31st March 2020 were 17.53% and 13.34% respectively.

Asset Quality

As on 31st March 2020, the Bank's Gross NPA and Net NPA levels were 4.86% and 1.56% respectively, as against 5.00% and 2.09% respectively as on 31st December 2019.

The Bank has recognised slippages of ₹3,920 crores during Q4FY20, compared to ₹6,214 crores in Q3FY20 and ₹3,012 crores in Q4FY19. Slippages from the loan book were at ₹3,418 crores and that from investment exposures stood at ₹502 crores. Corporate slippages stood at ₹1,839 crores. Excluding one account of ₹750 crores which got upgraded during the quarter and downgraded again out of total corporate slippages, 84% of this came from previously disclosed BB and below rated clients (fund based loans, non-fund based loans and investment holdings). Recoveries and upgrades from NPAs

during the quarter were ₹2,489 crores while write-offs were ₹1,270 crores. Consequently, net slippages (before write-offs) for the quarter stood at ₹1,431 crores compared to ₹3,792 crores in Q3FY20 and ₹636 crores in Q4FY19. Net slippages (before write-offs) in Retail and SME stood at ₹305 crores and ₹107 crores respectively.

As on 31st March 2020, the Bank's Gross NPA stood at ₹30,234 crores and Net NPA stood at ₹9,360 crores. As on 31st March 2020, the Bank's provision coverage, as a proportion of Gross NPAs stood at 69%.

CHAPTER -6
**LEARNING
EXPERIENCE**

LEARNING EXPERIENCE

They are now looking to transform the way we work and exploring the option of employees working remotely for two to five days a week from home, depending on the criticality of the business function.

Enriching experiences for CUSTOMERS

- Offering a wide basket of product and services as One Axis, across all group companies
- Enhanced ease of banking by using digital and mobile banking channels
- Branches facilitate customer engagement to drive stronger relations with customers
- Simplified processes, reduced documents on requirements and increased system-based renewals for SMEs
- Created a new sales channel with focused verticals for salary, trust and societies
- Improved turnaround for opening new accounts

Upskilling and motivating their PEOPLE

- Attracting nurturing and developing talent from across the board
- Driving diversity and inclusion
- Enhancing growth and career prospects through expansion across business lines
- Refining the performance-based growth path and reward system

Creating value for SHAREHOLDERS

- Built a formidable franchisee over the last 10 years
- Remain positioned for cautious, conservative and consistent growth

Lending hands for COMMUNITY upliftment

- Axis Bank foundation(ABF) creates opportunities for ‘Sustainable Livelihoods’
- ABF undertakes and supports various initiatives for poverty alleviation education and skill development, financial inclusion and literacy, and sustainability

Contribution to the NATION

- Rural franchise continues to be strong with 2,145 rural and semi-urban branches
- Transit solutions for Kochi and Bangalore Metro; POS solutions at multiple locations
- Managing multiple schemes of Government of India and various state governments
- Involved in Sarva Shiksha Abhiyaan, Mid-Day Meal, National Food Security Mission, Pradhan Mantri Awaas Yojana and Rashtriya Krishi Vikas Yojana, among others

CONCLUSION

The Bank has been agile and responsive to the ever changing situation. They had proactively strengthened the operational and technological infrastructure needed, To ensure continuity of normal operations.

The Bank has been agile and responsive to the ever changing situation. We had proactively strengthened the operational and technological infrastructure needed, to ensure continuity of normal operations.

They have strong market positioning across most digital payments solutions and remain committed to contribute towards the government's Digital India mission. They have one of the best rated mobile apps in the country, and continue to remain among the top three leading players in the UPI ecosystem.

Fiscal 2020 was another good year for the Retail segment with steady growth of 22% in deposits* and 24% in advances as they continue their relentless focus on delivering sustainable and profitable growth.

They as a Bank have over the last one year taken significant strides in not only de-risking and diversifying the Wholesale book but have also strengthened their position as a full service Wholesale Bank; which places them in a better position for the future.

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