

EDUCATIONAL EQUITY RESEARCH REPORT :

AXIS BANK LTD.

(NSE : AXISBANK , BSE : 532215)

DATE : 20/4/24

WE AT AS RESEARCH TECHNIC ,INITIATE OUR COVERAGE ON AXIS BANK LTD.

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.

ABOUT THE BUSINESS :

Axis Bank Limited, formerly known as UTI Bank (1993–2007), is an Indian multinational banking and financial services company headquartered in Mumbai, Maharashtra. It is India's third largest private sector bank by assets and Fourth largest by Market capitalisation. It sells financial services to large and mid-size companies, SMEs and retail businesses.

PROS :

- Company is expected to give good quarter.
- Company has delivered good profit growth of 91.9% CAGR over last 5 years.
- Company's working capital requirements have reduced from 86.0 days to 22.8 days.

CONS :

- Stock is trading at 2.54 times its book value.
- Company has low interest coverage ratio.
- Promoter holding is low: 8.22%.
- Company has a low return on equity of 9.74% over last 3 years.
- Contingent liabilities of Rs.15,11,843 Cr.
- Company might be capitalizing the interest cost.
- Promoter holding has decreased over last 3 years: -5.36%.

RESEARCH ANALYST :

P.SUNANDINI @ AS RESEARCH TECHNIC



FINANCIAL SNAP SHOT :

MARKET CAP	331336
STOCK P/E	12.8
ROE	8.73 %
CURRENT PRICE	1029.1
BOOK VALUE	₹ 422
ROCE	5.12 %
HIGH	₹ 1,152
LOW	850
DIVIDEND YIELD	0.09 %
FACE VALUE	₹ 2.00

SHARE HOLDING PATTERN:

PROMOTERS	8.22%
FIIS	53.84%
DIIS	30.12%
PUBLIC	0.00%
GOVERNMENT	0
OTHERS :	0
NO.OF SHAREHOLDERS	7,86,166

PEER COMPARISON :

SECTOR: BANKS

INDUSTRY: BANKS - PRIVATE SECTOR

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	HDFC Bank	1518.95	16.96	1153932.75	1.25	78008.17	6.24
2	ICICI Bank	1104.4	18.28	775623.2	0.72	40865.23	6.32
3	Kotak Mah. Bank	1813.05	20.66	360420	0.08	14494.96	6.86
4	Axis Bank	1073.45	12.84	331336.03	0.09	28865.2	5.12
5	IndusInd Bank	1555.65	14.01	121079.34	0.9	11572.25	6.91
6	IDBI Bank	86.8	17.48	93330.85	1.15	6548.98	4.26
7	Yes Bank	24.25	68.12	69762.11	0	6988.73	4.94

KEY POINTS :

- AXIS BANK IS INDIA'S THIRD LARGEST PRIVATE SECTOR BANK IN TERMS OF TOTAL ASSETS, ITS WORLD WIDE NETWORK REACHES OVER A BILLION INDIANS,COVERING EVERY MAJOR REGION IN THE COUNTRY, INCLUDING THE HINTERLANDS.
- WITH ONE AXIS, THE BANK OFFERS THE ENTIRE SPECTRUM OF FINANCIAL SERVICE TO VARIED CUSTOMER SEGMENTS.
- THE BANK IS EMPOWERING PEOPLE AND USING TECHNOLOGY TO DELIVER DELIGHT TO CUSTOMERS ALL OVER INDIA AND REACH A STRONG FINANCIAL POSITION.
- WITH THE ACQUISITION OF THE CITI BANK INDIA CONSUMER BUSINESS, THE BANK HAS GAINED ACCESS TO A LARGE, AFFLUENT, AND PROFITABLE CUSTOMER FRANCHISE, WHICH ALIGNS WELL WITH PREMIUMISATION STRATEGY.
- THE ACQUISITION IS A HEALTHY AND STRATEGIC FIT IN LINE WITH GPS STRATEGY,POWERING THE BANK TO BUILD ONE OF INDIA'S MOST PREMIUM FRANCHISES.
- AXIS BANK AIMS TO BE A WORLD- CLASS DIGITAL BANK AND HAVE INVESTED IN DIGITAL BANKING SERVICES TO PROVIDE AN ENRICHING EXPERIENCE AND ENGAGEMENT THROUGH INNOVATIVE AND SECURE CHANNELS.
- THE AXIS MOBILE APP IS AMONGST THE WORLD'S HIGHEST RATED MOBILE BANKING APP ON GOOGLE PLAY STORE , WITH A RATING OF 4.8 i.e THE HIGHEST ACROSS 59 GLOBAL BANKS, 8 GLOBAL NEO BANKS, AND 50 INDIAN FINTECH APPS.
- THE BANK IS NOW CONSISTENTLY SURPASSING GPS ASPIRATIONAL TARGET OF 18% ROE AND HAVE FUNDAMENTALLY IMPROVED NET INTEREST MARGINS TO DELIVER EARNINGS THAT ARE MORE PREDICTABLE AND CONSISTENT. THE STRENGTH OF FRANCHISE IS FURTHER VISIBLE THROUGH SELF-SUSTAINING CAPITAL STRUCTURE.
- IN THE LAST THREE YEARS THE BANK'S IT TEAM STRENGTH HAS MORE THAN DOUBLED WITH OVER 2.5X INCREASE IN TOTAL TECHNOLOGY SPENDS,AND IS CONTINUING TO FOCUS ON BUILDING CRITICAL CAPABILITIES AND BEST-IN-CLASS RESILIENCE ACROSS BUSINESS OPERATIONS.

- THE BANK HAS BEEN A LEADER IN CLOUD ADOPTION WITH MULTI CLOUD-FIRST STRATEGY AND CLOUD - NATIVE MICRO SERVICES - BASED ARCHITECTURE THAT HAS HELPED TO DEPLOY OVER 75 INITIATIVES ON CLOUD.
- THE FISCAL YEAR 2023 WAS A BREAKOUT YEAR FOR THE BANK'S DIGITAL BANKING PLATFORM AXIS 2.0. THE BANK'S EARLY LEADERSHIP IN BUILDING PROPRIETARY IN-HOUSE DIGITAL NATIVE CAPABILITIES WITH FULL STACK ENGINEERING , PRODUCT AND A DESIGN TEAM OF 400+ PEOPLE HAVE STARTED YIELDING RESULTS.
- BEING A TRULY DIGITAL BANK, AXIS 2.0 TRANSFORMS THE CUSTOMER JOURNEY FROM PHYSICAL TO DIGITAL ACROSS SERVICING, CROSS-SELL AND UPSELL, AND PAYMENTS AND INVESTMENTS, THEY HAVE INCREASED CUSTOMER ENGAGEMENT.
- PARTNERSHIPS ARE ESSENTIAL FOR ATTAINING BUSINESS ADVANTAGES IN OUR INTERCONNECTED AND NETWORKED WORLD.
- SOME OF ITS PARTNERSHIPS ARE; CREDIT CARD BUSINESS; FLIPKART; BHARAT BANKING; CSC VLE NETWORK; LENDING; FREE CHARGE; MSME; ATREDS.
- SERVICES PROVIDED BY AXIS BANK ARE - AXIS MUTUAL FUND, AXIS PENSION FUND, AXIS FINANCE, AXIS SECURITIES, AXIS CAPITAL, ATREDS, MAX LIFE, ETC.
- DURING THE YEAR THE BANK WON MEITY'S DIGIDHAN AWARD FOR ON-BOARDING THE HIGHEST NUMBER OF BILLERS ON BBPS FOR THE THIRD CONSECUTIVE YEAR.

• THE SHARE PRICE CAN GO UP TO 1105.56 IF IT BREAKS 1097.73 ON THE UPPER SIDE.

• THE SHARE PRICE CAN GO UPTO 989.15 IF IT BREAKS 1002 ON THE LOWER SIDE.

PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
18-04-2024	1029.1	989.15	1002	1026.7	1039.05	1064.25	1076.6	1101.8	1051.9
16-04-2024	1029.1	1035.4	1040	1048.92	1053.383	1062.42	1066.9	1075.917	1057.95
15-04-2024	1029.1	1046.4	1051	1062.13	1066.567	1077.88	1082.3	1093.633	1073.45
12-04-2024	1013.85	1048.5	1060	1073.8	1085.1	1099.1	1110.4	1124.4	1087.8
10-04-2024	1013.85	1062.7	1071	1075.67	1084.333	1088.67	1097.3	1101.667	1080
09-04-2024	1013.85	1049.6	1060	1068.27	1079.133	1086.92	1097.8	1105.567	1076.05

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK, PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.