

Comparative Study of Axis Bank & Yes Bank Using Ratio Analysis”..

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Abstract : The present study of the research entitled “Comparative Study of Ration Analysis Yes Bank And Axix Bank”. The study was based on secondary data from records, reports and profile of the organization. The validity of any research is based on the systematic method of data collection analysis. The Ratio analysis is the process of identifying the financial soundness and cost effectiveness of the firm by establishing relationship between the items of balance sheet and profit and loss a/c. The present study has thrown major concentration in ratio analysis, from the 5years balance sheet and profit and loss a/c. An objective of the study includes the profitability, cost of goods sold and other experience company overall financial performance of the company. Short term-long term position of the company. Based on the five years balance sheet and profit and loss a/c suitable suggestion were given by the researcher for a better soundness and cost effectiveness of the company.

Keywords : Yes Bank & Axix Bank, Financial Performance, Ratio, Soundness, Comparision.

I. Introduction

Axis Bank is the third largest of the private-sector banks in India offering a comprehensive suite of financial products. The bank has its head office in Mumbai, Maharashtra. It has 3,703 branches, 13,814 ATMs, and nine international offices. The bank employs over 55,000 people and had a market capitalization of ₹1.31 trillion (US\$18 billion) (as on March 31, 2018). It sells financial services to large and mid-size corporates, SME, and retail businesses.

While Yes Bank, incorporated in 2004 by Rana Kapoor and Late Ashok Kapur, is a new age private sector bank. Since inception Yes Bank has fructified into a “Full Service Commercial Bank” that has steadily built Corporate and Institutional Banking, Financial Markets, Investment Banking, Corporate Finance, Branch Banking, Business and Transaction Banking, and Wealth Management business lines across the country, and is well equipped to offer a range of products and services to corporate and retail customers.

1. Rational Of The Study

The main purpose of study is to find out the “COMPARATIVE STUDY OF AXIS BANK & YES BANK USING RATIO ANALYSIS”. Ratio analysis is a process of computing determining and presenting the relationship of items or group of items of financial statements to provide a meaningful understanding of the performance and financial position of a business concern. Ratio analysis is therefore a tool or a technique to present figures of the financial statements in simple, concise, intelligible and understandable manner.

2. Scope

2.1. The project report covers the analytical study of financial background. Financial statements of the firm help in assessing the financial position of the firm.

2.2. It also help in process of budgeting i.e. estimating the income which in turns helps in planning future expenses of the firm such as investment, expansion plan and other day to day expanses.

2.3. The study helps in understanding the financial position of the company by covering various ratio of the company. I got almost all the information needed from the website of the company.

3. Objective

3.1. To study financial position of the company over the past three years.

3.2. To analyze the profitability ratio of axis bank & yes bank.

3.3. To study the various methods used by firm to assess performance and status of business.

3.4. To analyze the probable causal relation among different items after analyzing and scrutinizing past result.

II. Indentations And Equations

1. Research Methodology

Research methodology is an important tool in any research work. It acts as guideline and road in completion of research. It is scientific search for data and information on as particular topic research is search for knowledge.

1.1 Data collection

The secondary method of data collection are used for the present study. The secondary data for the present data includes the online research papers, websites, journal ,articles etc.

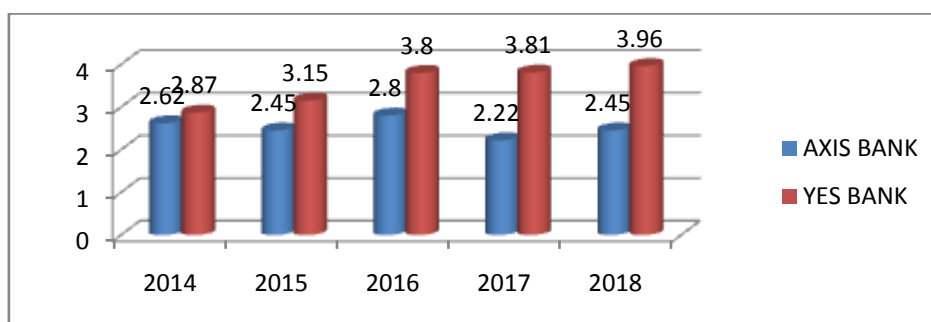
III. Figures And Tables

1.1. Data Analysis and Interpretation

1) Current Ratio

Formula:- $\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liability}}$

YEAR	AXIS BANK	YES BANK
2014	2.62	2.87
2015	2.45	3.15
2016	2.8	3.80
2017	2.22	3.81
2018	2.45	3.96



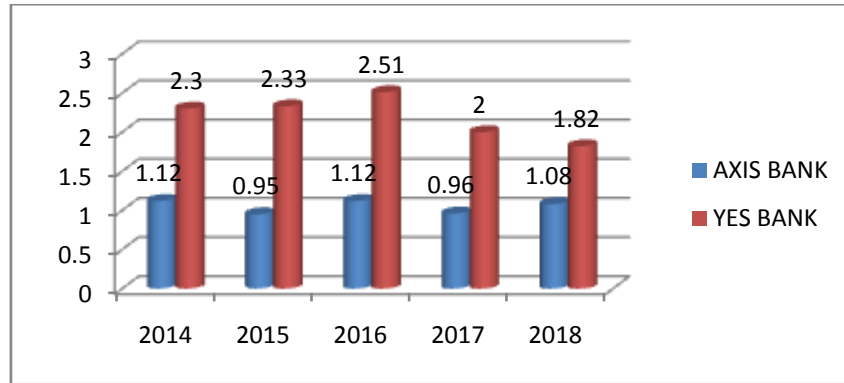
INTERPRETATION:-

For current ratio, here we can see that in 2014 YES BANK has a ratio of 2.87 and on the following years the ratio was 3.15,3.80,3.81 & 3.96. on the other hand AXIS BANK has the ratio 2.62 in 2014, 3.15 in 2015, 2.8 in 2016, 2.22 in 2017 and 2.45 in 2018. So if we compare with this company then we can say that YES BANK is in a good position and they are more efficient than AXIS BANK.

2) Quick Ratio

Formula:- $\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liability}}$

YEAR	AXIS BANK	YES BANK
2014	1.12	2.3
2015	0.95	2.33
2016	1.12	2.51
2017	0.96	2
2018	1.08	1.82



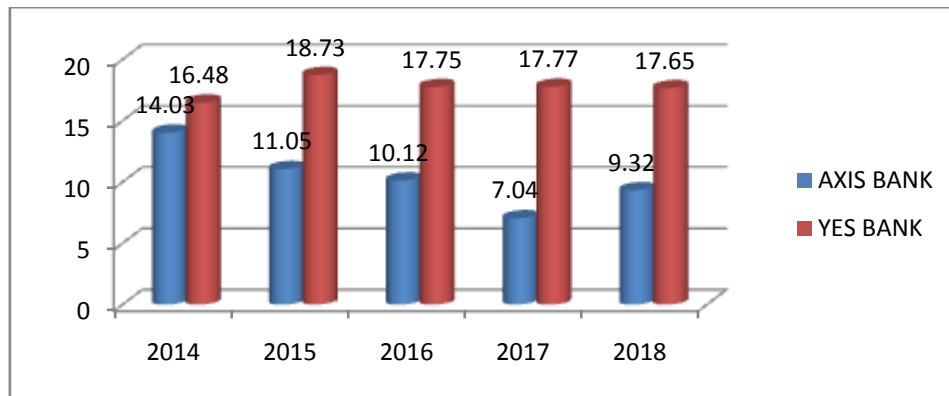
Interpretation:-

Quick ratios measure the relationship between quick assets and liabilities and shows the ability of the company to pay back its current liabilities within its short period of time. The quick ratio of YES BANK in 2014 was 2.3 and it continued to increase in 2015 was 2.33 and 2016 was 2.51. So, the company is in a good position in terms of quick ratio. There is a bit fluctuation of AXIS BANK ratio. In 2014 the ratio is highest which is 1.12. So the company is in a better position than the last 4 years. But YES BANK is far better than AXIS BANK.

3) Gross Profit Ratio

Formula:- $\text{Gross Profit} / \text{Net Sale} * 100$

YEAR	AXIS BANK	YES BANK
2014	14.03	16.48
2015	11.05	18.73
2016	10.12	17.75
2017	7.04	17.77
2018	9.32	17.65



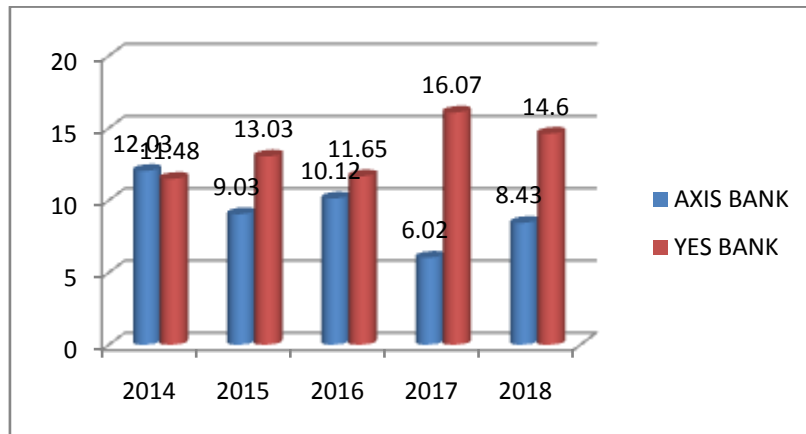
INTERPRETATION

For gross profit margin ratio, here we can see that in 2014 YES BANK has a ratio of 16.48 and in the following years the ratio was 18.73, 17.75, 17.77 & 17.65. On the other hand AXIS BANK has the ratio 14.03 in 2014, 11.05 in 2015, 10.12 in 2016, 7.04 in 2017 and 9.32 in 2018. So if we compare with this company then we can say that YES BANK is in a good position and they are more efficient than AXIS BANK.

4) Net Profit Ratio

Formula: - Net Profit / Net Sale*100

YEAR	AXIS BANK	YES BANK
2014	12.03	11.48
2015	9.03	13.03
2016	10.12	11.65
2017	6.02	16.07
2018	8.43	14.60



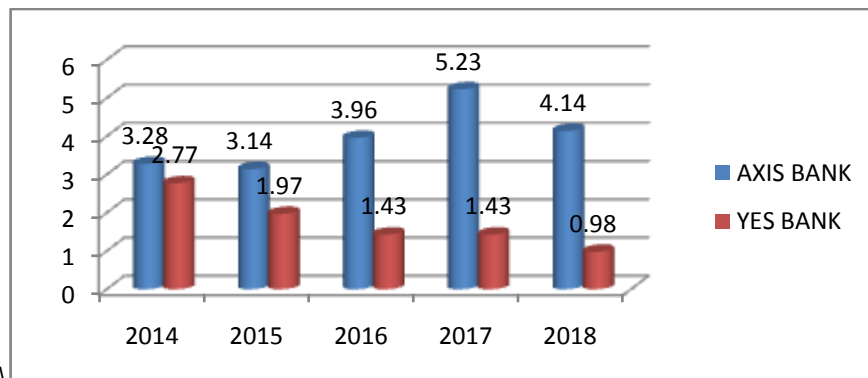
INTERPRETATION:-

Here in YES BANK the ratio is 16.48 in 2014, 18.73 in 2015, 17.75 in 2016, 17.77 in 2017 & 17.65 in 2018 beside AXIS BANK has the ratio of net profit 14.03 in 2014, 11.05 in 2015, 10.12 in 2016, 7.04 in 2017 & 9.33 in 2018. So, if we compare with this two companies then we can say that, YES BANK is generating good profit.

5) Working Capital Turnover Ratio

Formula: - Cogs/Working Capital

YEAR	AXIS BANK	AUROBND
2014	3.28	2.77
2015	3.14	1.97
2016	3.96	1.43
2017	5.23	1.43
2018	4.14	0.98



INTERPRETATION:-

From the graph we can see that 2014 YES BANK has the ratio of working capital turnover of 2.77 and its continuously it decreasing at 1.43 & 0.98. And on the other hand, AXIS BANK has 3.28 in 2014 and continuously increased at 3.96 to 5.23. here it shows that through AXIS BANK has a higher working capital turnover ratio but YES BANK is in the bad position.

IV. Conclusion

4.1. Quick ratios measure the relationship between quick assets and liabilities and shows the ability of the company to pay back its current liabilities within its short period of time. The quick ratio of YES BANK in 2014 was 2.3 and it continued to increase in 2015 was 2.33 and 2016 was 2.15.

4.2. For gross profit margin ratio, here we can see that in 2014 YES BANK has a ratio of 16.48.

4.3. It is clear that the 2014 YES BANK has the ratio of working capital turnover of 2.77 and its continuously it decreasing at 1.43 & 0.98. And on the other hand, AXIS BANK has 3.28 in 2014 and continuously increased at 3.96 to 5.23.

4.4. It is clear that the 2014 YES BANK has the ratio of total asset turnover of 0.56 and its continuously it increased at 0.75 & 0.80.

4.5. AXIS BANK has 0.79 in 2014 and continuously increased at 1.13 to 1.18.

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APPENDICES

Yes Bank & Axis Bank

Balance Sheet as on 31st March 2014 to 2018

A. Balance Sheet of Axis Bank	----- in Rs. Cr. -----				
	Mar '18	Mar '17	Mar '16	Mar '15	Mar '14
	12 mths	12 mths	12 mths	12 mths	12 mths
Capital and Liabilities:					
Total Share Capital	513.31	479.01	476.57	474.10	469.84
Equity Share Capital	513.31	479.01	476.57	474.10	469.84
Reserves	62,931.95	55,283.53	52,688.34	44,202.41	37,750.64
Net Worth	63,445.26	55,762.54	53,164.91	44,676.51	38,220.48

Deposits	453,622.72	414,378.79	357,967.56	322,441.94	280,944.56
Borrowings	148,016.14	105,030.87	99,226.38	79,758.27	50,290.94
Total Debt	601,638.86	519,409.66	457,193.94	402,200.21	331,235.50
Other Liabilities & Provisions	26,245.45	26,295.47	15,108.77	15,055.67	13,788.89
Total Liabilities	691,329.57	601,467.67	525,467.62	461,932.39	383,244.87
	Mar '18	Mar '17	Mar '16	Mar '15	Mar '14
	12 mths	12 mths	12 mths	12 mths	12 mths
Assets					
Cash & Balances with RBI	35,481.06	30,857.94	22,361.15	19,818.84	17,041.32
Balance with Banks, Money at Call	7,973.83	19,398.24	10,964.29	16,280.19	11,197.38
Advances	439,650.30	373,069.35	338,773.72	281,083.03	230,066.76
Investments	153,876.08	128,793.37	122,006.20	132,342.83	113,548.43
Gross Block	3,625.59	3,465.93	3,316.20	2,413.05	2,310.54
Net Block	3,625.59	3,465.93	3,316.20	2,413.05	2,310.54
Capital Work In Progress	346.09	280.96	206.97	101.26	99.67
Other Assets	50,376.62	45,601.87	27,839.08	9,893.19	8,980.79
Total Assets	691,329.57	601,467.66	525,467.61	461,932.39	383,244.89
Contingent Liabilities	776,181.32	745,923.22	668,725.82	640,183.59	611,446.37
Book Value (Rs)	247.20	232.83	223.12	188.47	813.47

Axis Bank		Previous Years »				
Standalone Profit & Loss account		----- in Rs. Cr. -----				
	Mar '18	Mar '17	Mar '16	Mar '15	Mar '14	
	12 mths	12 mths	12 mths	12 mths	12 mths	
Income						
Interest Earned	45,780.31	44,542.16	40,988.04	35,478.60	30,641.16	
Other Income	10,967.09	11,691.31	9,371.46	8,365.05	7,405.22	
Total Income	56,747.40	56,233.47	50,359.50	43,843.65	38,046.38	
Expenditure						
Interest expended	27,162.58	26,449.04	24,155.07	21,254.46	18,689.52	
Employee Cost	4,312.96	3,891.86	3,376.01	3,114.97	2,601.35	
Selling, Admin & Misc Expenses	24,428.09	21,704.49	14,160.85	11,710.72	10,173.91	
Depreciation	568.10	508.80	443.91	405.67	363.93	
Operating Expenses	13,990.35	12,199.91	10,100.82	9,203.74	7,900.77	
Provisions & Contingencies	15,318.80	13,905.24	7,879.95	6,027.62	5,238.42	
Total Expenses	56,471.73	52,554.19	42,135.84	36,485.82	31,828.71	
	Mar '18	Mar '17	Mar '16	Mar '15	Mar '14	
	12 mths	12 mths	12 mths	12 mths	12 mths	
Net Profit for the Year	275.68	3,679.28	8,223.66	7,357.82	6,217.67	
Profit brought forward	24,448.33	23,766.46	17,623.49	13,501.45	10,029.26	
Total	24,724.01	27,445.74	25,847.15	20,859.27	16,246.93	
Equity Dividend	1,405.28	1,407.43	1,191.42	1,087.54	939.69	
Corporate Dividend Tax	0.00	0.00	213.19	221.42	161.44	
Per share data (annualised)						
Earning Per Share (Rs)	1.07	15.36	34.51	31.04	132.33	
Equity Dividend (%)	0.00	250.00	250.00	230.00	200.00	
Book Value (Rs)	247.20	232.83	223.12	188.47	813.47	
Appropriations						
Transfer to Statutory Reserves	275.68	1,589.98	2,077.89	1,926.82	1,644.36	
Transfer to Other Reserves	0.00	0.00	0.00	0.00	-0.01	
Proposed Dividend/Transfer to Govt	1,405.28	1,407.43	1,404.61	1,308.96	1,101.13	
Balance c/f to Balance Sheet	23,043.05	24,448.33	22,364.65	17,623.49	13,501.45	
Total	24,724.01	27,445.74	25,847.15	20,859.27	16,246.93	

B. Balance Sheet of Yes Bank ----- in Rs. Cr. -----

	Mar '18	Mar '17	Mar '16	Mar '15	Mar '14
	12 mths	12 mths	12 mths	12 mths	12 mths

Capital and Liabilities:

Total Share Capital	460.59	456.49	420.53	417.74	360.63
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Equity Share Capital	460.59	456.49	420.53	417.74	360.63
Reserves	25,297.69	21,597.57	13,366.07	11,262.25	6,761.11
Net Worth	25,758.28	22,054.06	13,786.60	11,679.99	7,121.74
Deposits	200,738.15	142,873.86	111,719.53	91,175.85	74,192.02
Borrowings	74,893.58	38,606.67	31,658.98	26,220.40	21,314.29
Total Debt	275,631.73	181,480.53	143,378.51	117,396.25	95,506.31
Other Liabilities & Provisions	11,055.60	11,525.33	8,098.30	7,094.18	6,387.75
Total Liabilities	312,445.61	215,059.92	165,263.41	136,170.42	109,015.80
	Mar '18	Mar '17	Mar '16	Mar '15	Mar '14
	12 mths	12 mths	12 mths	12 mths	12 mths
Assets					
Cash & Balances with RBI	11,425.75	6,952.07	5,776.16	5,240.65	4,541.57
Balance with Banks, Money at Call	13,308.62	12,597.37	2,442.26	2,316.50	1,350.10
Advances	203,533.86	132,262.68	98,209.93	75,549.82	55,632.96
Investments	68,398.94	50,031.80	48,838.47	46,605.24	40,950.36
Gross Block	760.83	608.86	411.95	293.40	273.29
Net Block	760.83	608.86	411.95	293.40	273.29
Capital Work In Progress	71.56	74.67	58.77	25.57	20.18
Other Assets	14,946.04	12,532.46	9,525.88	6,139.24	6,247.33
Total Assets	312,445.60	215,059.91	165,263.42	136,170.42	109,015.79

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Contingent Liabilities	583,765.20	380,954.16	332,798.07	338,673.20	202,013.89
Book Value (Rs)	111.85	483.13	327.84	279.60	197.48

Yes Bank **Previous Years »**

Standalone Profit & Loss account	----- in Rs. Cr. -----				
	Mar '18	Mar '17	Mar '16	Mar '15	Mar '14
	12 mths	12 mths	12 mths	12 mths	12 mths
Income					
Interest Earned	20,267.42	16,424.64	13,533.44	11,572.01	9,981.35
Other Income	5,223.83	4,156.76	2,712.15	2,046.46	1,721.58
Total Income	25,491.25	20,581.40	16,245.59	13,618.47	11,702.93
Expenditure					
Interest expended	12,530.36	10,627.34	8,966.72	8,084.17	7,265.09
Employee Cost	2,188.92	1,805.04	1,296.80	979.66	784.40
Selling, Admin & Misc Expenses	6,316.44	4,647.67	3,332.07	2,464.23	1,972.49
Depreciation	230.97	171.25	110.56	85.04	63.17
Operating Expenses	5,212.78	4,116.53	2,976.38	2,284.71	1,749.87
Provisions & Contingencies	3,523.55	2,507.43	1,763.05	1,244.22	1,070.19
Total Expenses	21,266.69	17,251.30	13,706.15	11,613.10	10,085.15
	Mar '18	Mar '17	Mar '16	Mar '15	Mar '14
	12 mths	12 mths	12 mths	12 mths	12 mths
Net Profit for the Year	4,224.56	3,330.10	2,539.45	2,005.36	1,617.78
Profit brought forward	7,933.39	5,544.68	4,220.05	3,207.46	2,338.37
Total	12,157.95	8,874.78	6,759.50	5,212.82	3,956.15
Equity Dividend	548.81	0.00	420.53	375.96	288.51
Corporate Dividend Tax	111.74	0.00	85.62	76.55	49.03
Per share data (annualised)					
Earning Per Share (Rs)	18.34	72.95	60.39	48.01	44.86
Equity Dividend (%)	135.00	120.00	100.00	90.00	80.00
Book Value (Rs)	111.85	483.13	327.84	279.60	197.48
Appropriations					
Transfer to Statutory Reserves	1,122.11	941.39	708.67	540.26	411.15
Transfer to Other Reserves	-0.01	0.00	0.00	0.00	0.00
Proposed Dividend/Transfer to Govt	660.55	0.00	506.15	452.51	337.54
Balance c/f to Balance Sheet	10,375.30	7,933.39	5,544.68	4,220.05	3,207.46
Total	12,157.95	8,874.78	6,759.50	5,212.82	3,956.15