



BANKING ACTIVITIES, LOANS, ACCOUNT, DEPOSITS & CUSTOMER SATISFACTION OF KOTAK MAHINDRA BANK

Mentor: Mr. Anand Kr. Mishra
Designation: Assistant Professor
Dept.: School Of Business

Submitted By: Shashank Verma
Admission No.: 22GSOB2010768
School Of Business, Galgotias University

INTRODUCTION OF THE INDUSTRY

Banking in India

Structure of the organized banking sector in India. Number of banks are in brackets.

Banking in India in the modern sense originated in the last decades of the 18th century. The first banks were Bank of Hindustan (1770-1829) and The General Bank of India, established 1786 and since defunct.

The largest bank, and the oldest still in existence, is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India in 1955. For many years the presidency banks acted as quasi-central banks, as did their successors, until the Reserve Bank of India was established in 1935.

In 1969 the Indian government nationalized all the major banks that it did not already own and these have remained under government ownership. They are run under a structure known as 'profit-making public sector undertaking' (PSU) and are allowed to compete and operate as commercial banks. The Indian banking sector is made up of four types of banks, as well as the PSUs and the state banks, they have been joined since the 1990s by new private commercial banks and a number of foreign banks.

Banking in India was generally fairly mature in terms of supply, product range and reach-even though reach in rural India and to the poor still remains a challenge. The government has developed initiatives to address this through the State Bank of India expanding its branch network and through the National Bank for Agriculture and Rural Development with things like microfinance.

Indian Banking Industry currently employs 1,175,149 employees and has a total of 109,811 branches in India and 171 branches abroad and manages an aggregate deposit of 67504.54 billion (US\$1.1 trillion or €820 billion) and bank credit of ₹52604.59 billion (US\$880 billion or €640 billion). The net profit of the banks operating in India was ₹1027.51 billion (US\$17 billion or €12 billion) against a turnover of ₹9148.59 billion (US\$150 billion or €110 billion) for the fiscal year 2012-13.

History

In ancient India there is evidence of loans from the Vedic period (beginning 1750 BC).^{[2][3]} Later during the Maurya dynasty (321 to 185 BC), an instrument called *adesha* was in use, which was an order on a banker desiring him to pay the money of the note to a third person, which corresponds to the definition of a bill of exchange as we understand it today. During the Buddhist period, there was considerable use of these instruments. Merchants in large towns gave letters of credit to one another.^[4]

Nationalization in the 1960s

Despite the provisions, control and regulations of the Reserve Bank of India, banks in India except the State Bank of India (SBI), continued to be owned and operated by private persons. By the 1960s, the Indian banking industry had become an important tool to facilitate the development of the Indian economy. At the same time, it had emerged as a large employer, and a debate had ensued about the nationalization of the banking industry. Indira Gandhi, the then Prime Minister of India, expressed the intention of the Government of India in the annual conference of the All India Congress Meeting in a paper entitled "*Stray thoughts on Bank Nationalization*."^[7] The meeting received the paper with enthusiasm.

Thereafter, her move was swift and sudden. The Government of India issued an ordinance ('Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1969') and nationalised the 14 largest commercial banks with effect from the midnight of 19 July 1969. These banks contained 85 percent of bank deposits in the country.^[7] Jayaprakash Narayan, a national leader of India, described the step as a "*masterstroke of political sagacity*." Within two weeks of the issue of the ordinance, the Parliament passed the Banking Companies (Acquisition and Transfer of Undertaking) Bill, and it received the presidential approval on 9 August 1969.

A second dose of nationalization of 6 more commercial banks followed in 1980. The stated reason for the nationalization was to give the government more control of credit delivery. With the second dose of nationalization, the Government of India controlled around 91% of the banking business of India. Later on, in the year 1993, the government merged New Bank of India with Punjab National Bank. It was the only

merger between nationalized banks and resulted in the reduction of the number of nationalized banks from 20 to 19. After this, until the 1990s, the nationalized banks grew at a pace of around 4%, closer to the average growth rate of the Indian economy

Liberalization in the 1990s

In the early 1990s, the then government embarked on a policy of liberalization, licensing a small number of private banks. These came to be known as *New Generation tech-savvy banks*, and included Global Trust Bank (the first of such new generation banks to be set up), which later amalgamated with Oriental Bank of Commerce, UTI Bank (since renamed Axis Bank), ICICI Bank and HDFC Bank. This move, along with the rapid growth in the economy of India, revitalized the banking sector in India, which has seen rapid growth with strong contribution from all the three sectors of banks, namely, government banks, private banks and foreign banks.

The next stage for the Indian banking has been set up with the proposed relaxation in the norms for foreign direct investment, where all foreign investors in banks may be given voting rights which could exceed the present cap of 10% at present. It has gone up to 74% with some restrictions.

The new policy shook the Banking sector in India completely. Bankers, till this time, were used to the 4–6–4 method (borrow at 4%; lend at 6%; go home at 4) of functioning. The new wave ushered in a modern outlook and tech-savvy methods of working for traditional banks. All this led to the retail boom in India. People demanded more from their banks and received more.

Current period

All banks which are included in the Second Schedule to the Reserve Bank of India Act, 1934 are Scheduled Banks. These banks comprise Scheduled Commercial Banks and Scheduled Co-operative Banks. Scheduled Commercial Banks in India are categorized into five different groups according to their ownership and/or nature of operation. These bank groups are:

- State Bank of India and its Associates
- Nationalized Banks
- Private Sector Banks
- Foreign Banks
- Regional Rural Banks.

In the bank group-wise classification, IDBI Bank Ltd. is included in Nationalized Banks. Scheduled Co-operative Banks consist of Scheduled State Co-operative Banks and Scheduled Urban Cooperative Banks.

By 2010, banking in India was generally fairly mature in terms of supply, product range and reach even though reach in rural India still remains a challenge for the private sector and foreign banks. In terms of quality of assets and capital adequacy, Indian banks are considered to have clean, strong and transparent balance sheets

relative to other banks in comparable economies in its region. The Reserve Bank of India is an autonomous body, with minimal pressure from the government.

With the growth in the Indian economy expected to be strong for quite some time-especially in its services sector-the demand for banking services, especially retail banking, mortgages and investment services are expected to be strong. One may also expect M&As, takeovers, and asset sales.

In March 2006, the Reserve Bank of India allowed Warburg Pincus to increase its stake in Kotak Mahindra Bank (a private sector bank) to 10%. This is the first time an investor has been allowed to hold more than 5% in a private sector bank since the RBI announced norms in 2005 that any stake exceeding 5% in the private sector banks would need to be vetted by them.

In recent years critics have charged that the non-government owned banks are too aggressive in their loan recovery efforts in connexion with housing, vehicle and personal loans. There are press reports that the banks' loan recovery efforts have driven defaulting borrowers to suicide.^{[8][9][10]}

Adoption of banking technology

The IT revolution has had a great impact on the Indian banking system. The use of computers has led to the introduction of online banking in India. The use of computers in the banking sector in India has increased many fold after the economic liberalization of 1991 as the country's banking sector has been exposed to the world's market. Indian banks were finding it difficult to compete with the international banks in terms of customer service, without the use of information technology.

The RBI set up a number of committees to define and co-ordinate banking technology. These have included:

- In 1984 was formed the Committee on Mechanization in the Banking Industry (1984)^[11] whose chairman was Dr. C Rangarajan, Deputy Governor, Reserve Bank of India. The major recommendations of this committee were introducing MICR technology in all the banks in the metropolises in India.^[12] This provided for the use of standardized cheque forms and encoders.
- In 1988, the RBI set up the Committee on Computerization in Banks (1988)^[13] headed by Dr. C Rangarajan. It emphasized that settlement operation must be computerized in the clearing houses of RBI in Bhubaneswar, Guwahati, Jaipur, Patna and Thiruvananthapuram. It further stated that there should be National Clearing of inter-city cheques at Kolkata, Mumbai, Delhi, Chennai and MICR should be made operational. It also focused on computerization of branches and increasing connectivity among branches through computers. It also suggested modalities for implementing on-line banking. The committee submitted its reports in 1989 and computerization began from 1993 with the settlement between IBA and bank employees' associations.^[14]

• In 1994, the Committee on Technology Issues relating to Payment systems, Cheque Clearing and Securities Settlement in the Banking Industry (1994)^[15] was set up under Chairman W S Saraf. It emphasized Electronic Funds Transfer (EFT) system, with the BANKNET communications network as its carrier. It also said that MICR clearing should be set up in all branches of all those banks with more than 100 branches.

• In 1995, the Committee for proposing Legislation on Electronic Funds Transfer and other Electronic Payments (1995)^[16] again emphasized EFT system.^[14]

Total numbers of ATMs installed in India by various banks as on end June 2012 is 99,218.^[17] The New Private Sector Banks in India are having the largest numbers of ATMs, which is followed by off-site ATMs belonging to SBI and its subsidiaries and then by Nationalized banks and Foreign banks. While on site is highest for the Nationalized banks of India.

Banking Overview

The major participants of the Indian financial system are the commercial banks, the financial institutions (FIs), encompassing term-lending institutions, investment institutions, specialized financial institutions and the state-level development banks, Non-Bank Financial Companies (NBFCs) and other market intermediaries such as the stock brokers and money-lenders. The commercial banks and certain variants of NBFCs are among the oldest of the market participants.

The FIs, on the other hand, are relatively new entities in the financial market place.

Historical-Perspective

The amendment of Banking Regulation Act in 1993 saw the entry of new private sector banks.

Banking Segment in India functions under the umbrella of Reserve Bank of India - the regulatory, central bank. This segment broadly consists of:

1.Commercial Banks

2.Co-operative Banks

Commercial Bank

The commercial banking structure in India consists of:

- Scheduled Commercial Banks
- Unscheduled Banks

Scheduled commercial Banks constitute those banks which have been included in the Second Schedule of Reserve Bank of India (RBI) Act, 1934. RBI in turn includes only those banks in this schedule which satisfy the criteria laid down vide section 42 (60) of the Act. Some cooperative banks are scheduled commercial banks albeit not all co-operative banks are. Being a part of the second schedule confers some benefits to the bank in

terms of access to accommodation by RBI during the times of liquidity constraints. At the same time, however, this status also subjects the bank certain conditions and obligation towards the reserve regulations of RBI.

This sub sector can broadly be classified into:

- 1.Public sector
- 2.Private sector
- 3.Foreign banks.

Co-operative bank

There are two main categories of the co-operative banks.

(a)**Short term lending oriented co-operative Banks** - within this category there are three sub categories of banks viz state co-operative banks, District co-operative banks and Primary agricultural co-operative societies.

(b) **Long term lending oriented co-operative Banks** - within the second category there are land development banks at three levels state level, district level and village level.

The co-operative banking structure in India is divided into following main 5 categories :

- 1.Primary Urban Co-op Banks:**
- 2.Primary Agricultural Credit Societies:**
- 3.District Central Co-op Banks:**
- 4, State Co-operative Banks:**
- 5. Land Development Banks:**

Today the commercial banking system in India may be distinguished into:

PUBLIC SECTOR BANKS:

State Bank of India & its associate bank called the State Bank Group, 20 nationalized banks, Regional Rural Banks mainly sponsored by public sector banks Old generation private bank, New generation private bank, foreign banks in India, Scheduled co-operative bank, non-scheduled banks

CO-OPERATIVE SECTOR BANKS:

The co-operative sector has been developed in the country to the supplement the Village moneylender. The co-operative banking sector in India is divided into four components State Co- operative Banks, Central Co-operative Banks, Primary Agriculture Credit Societies, Land Development Banks, Urban Co-operative banks, Primary Agriculture Development Banks, Primary Land Development Banks, and State Land Development Banks.

The Global Indian Financial Services Brand

- Our customers will enjoy the benefits of dealing with a global Indian brand that best understands their needs and delivers customized pragmatic solutions across multiple platforms.

- We will be a world class Indian financial services group. Our technology and best practices will be benchmarked along international lines while our understanding of customers will be uniquely Indian.
- We will be more than a repository of our customers' savings. We, the group, will be single window to every financial service in a customer's universe.

DEVELOPMENT BANKS:

Industrial Finance Corporation of India (IFCI), Industrial Development Bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI), Industrial Investment Bank of India (IIBI), Small Industrial Development Bank of India (SIDBI), SCICI Ltd., National Bank for Agriculture and Rural Development (NABARD), Export Import Bank of India.

OUR CORPORATE IDENTITY

An idea in the highest sense of a word cannot be conveyed, but, a symbol can be:



The symbol of the Infinite Ka reflects our global Indian personality. The Ka is uniquely while its curve forms the infinity sign, which is universal. One of the basic tenets of economics is that man's needs are unlimited. The Infinite Ka symbolizes that we have an infinite number of ways to meet those needs.

VISION STATEMENT

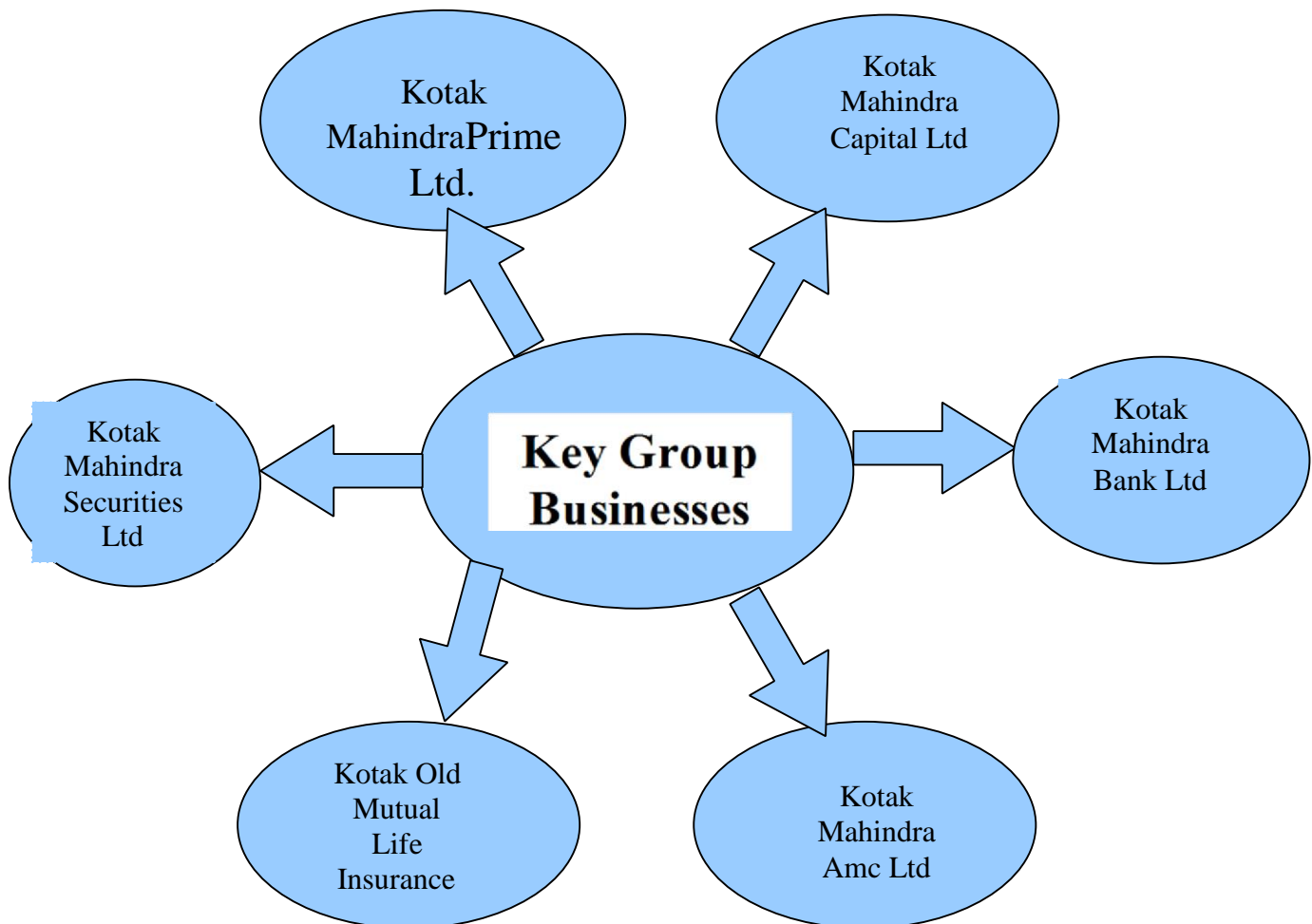
➤ **The global Indian financial services brand:** our customers will enjoy the benefits of dealing with a global Indian brand that best understand their needs and delivers customized pragmatic solutions across multiple platforms. We will be a world-class Indian financial services group. Our technology and best practices will be benchmarked along international lines while our understanding of customers will be uniquely Indian. We will be more than a repository of our customers' savings. We, the group, will be a single window to every financial service in customer's universe.

➤ **The most preferred employer in financial services:** A culture of empowerment and a spirit of enterprise attracts bright mind with an entrepreneurial streak to join us and stay with us. Working with a home grown, professionally-managed company, which has partnerships with international leader, gives our people a perspective that is universal as well as unique.

➤ **The most trusted financial services company;** - We will create an ethos of trust across all our constituents. Adhering to high standards of compliance and cooperated governance will be an integral part of building trust.

➤ **Value creation;** Value creation rather than size alone will be our business driver

KEY GROUP COMPANIES AND THEIR BUSINESS



Kotak Mahindra Bank Ltd. Is the Kotak Mahindra Group's flagship company. Kotak Mahindra Finance Ltd that was established in 1985, was converted into a bank – Kotak Mahindra Bank Ltd in March 2003 thus becoming the first Indian finance company to be converted into a Bank. It's banking operations offers a central platform for customer relationships across the group's various businesses. The bank has presence in the Commercial Vehicles, Retail Finance, Corporate Banking and Treasury and has recently entered the Housing Finance segment **Kotak Mahindra Capital**

Company Kotak Mahindra Capital Company Limited (KMCC), India's premier Investment Bank and a Primary Dealer (PD) approved by the RBI, is a strategic joint venture between Kotak Mahindra Bank Limited and the Goldman Sachs Group, LLP. kMCC's core business areas include Equity Issuances, mergers & Acquisitions, Structured Finance and Advisory Services, Fixed income Securities and Principal Business.

Activity is generally known as "remittance business" in banking parlance. The so called forex (foreign exchange) business is largely a part of remittance albeit it involves buying and selling of foreign currencies.

The law governing Banking Activities in India is called "Negotiable Instruments Act 1881". The banking activities can be classified as Accepting Deposits from public/others (Deposits) Lending money to public (Loans)/Transferring money from one place to another (Remittances)Acting as trustees Acting as intermediaries Keeping valuables in safe custody Collection Business Government business.

Bank Account

A Bank Account is the record of financial relationship a customer has with the Bank. It contains details of all the moneys deposited with the Bank and withdrawn from it. There are many Bank accounts, but basically there are two types:

DEPOSITS LOANS

Banks are among the main participants of the financial system in India. Banking offers several facilities & Opportunities. This section of the provides comprehensive and updated information, guidance and assistance on all areas of banking in India. Bank of Hindustan, set up in 1870, was the earliest Indian Bank . Banking in India on modern lines started with the establishment of three presidency banks under Presidency Bank's act 1876 i.e. Bank of Calcutta, Bank of Bombay and Bank of Madras. In 1921, all presidency banks were amalgamated to form the Imperial Bank of India.

The commercial banking structure in India consists of: Scheduled Commercial Banks & Unscheduled Banks. Banking Regulation Act of India, 1949 defines Banking as "accepting, for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheques, draft, order or otherwise."

The Software Packages for Banking Applications in India had their beginnings in the middle of 80s, when the Banks. spurred on by RBI and the Rangarajan Committee Report, started computerising the branches in a limited manner.

The arrival of foreign and private banks with their superior state-of-the-art technology-based services pushed Indian Banks also to follow suit by going in for the latest technologies so as to meet the threat of competition and retain customer base.

Functioning of a Bank

Functioning of a Bank is among the more complicated of corporate operations. Since Banking involves dealing directly with money, governments in most countries regulate this sector rather stringently. In India, the regulation traditionally has been very strict and in the opinion of certain quarters, responsible for the present condition of banks, where NPAs are of a very high order. The process of financial reforms, which started in 1991 has cleared the cobwebs somewhat but a lot remains to be done. The multiplicity of policy and regulations that a Bank has to work with, makes its operations even more complicated, sometimes bordering on illogical. This section, which is also intended for banking professional, attempts to give an overview of the functions in as simple manner as possible.

Banking Regulation Act of India, 1949 defines Banking as "accepting, for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheques, draft, order or otherwise."

Deriving from this definition and viewed solely from the point of view of the customers, Banks essentially perform the following functions :

- ✓ Accepting Deposits from public/others (Deposits)
- ✓ Lending money to public (Loans)
- ✓ Transferring money from one place to another (Remittances)
- ✓ Acting as trustees
- ✓ Keeping valuables in safe custody
- ✓ Government business

But do these functions constitute banking? The answer must be a no. There are so many intricacies involved in the activities that a bank performs today, that the above list must sound very simple to a seasoned banker. Please click on the activity to see what a Bank has to do to give the above services to its customers. These activities can also be described as back office banking.

Banks are organized in a linear structure to performed these activities at the base of which lies a Branch. The corporate office of a bank is normally called Head Office.

Industry profile

For more than three decades the banking sector in India has exceptional achievements. The most striking is its extensive reach. It is not only metropolitan and cosmopolitan cities; it has reached every remote corner of the country. This has led to tremendous growth in the banking sector.

Earlier one to had wait for hours to get simple things done like withdrawing cash, making a draft etc. But now such activities are just a click away from you. The Reserve Bank of India's (RBI) role in achieving such milestones has been remarkable. The are three main phases in the Indian Banking sector-

1.The early stage that is from the year 1786 to 1969, the banks were very conservative. The first bank to be set up was the General Bank of India. Then the Hindustan bank and the Bengal Bank. The East India Company started three banks- Bank of Bengal, Bank of Bombay and Bank of Madras. This later combined to form the Imperial Bank.

The Allahabad bank was the first bank which started and controlled by Indians. A lot of banks emerged during the 90's. Most of them were private.

The period between 1913 and 1969 saw slow growth and many failures in the banking industry. To streamline the functioning and activities of commercial banks, the Government of India came up with The Banking Companies Act, 1949 which was later changed to Banking Regulation Act 1949 as per amending Act of 1965 (Act No. 23 of 1965). Reserve Bank of India was vested with extensive powers for the supervision of banking in India as the Central Banking Authority.

2. After independence the Government took to many steps to improve banking. It brought awareness among people and inculcated a sense of savings in the minds of the Indians. It mainly concentrated on the semi urban and rural areas of the country. The second phase of nationalization of Indian banks took place in the year 1980. Seven more banks were nationalized with deposits over 200 crores. Till this year, approximately 80% of the banking segment in India was under Government ownership.

After the nationalization of banks in India, the branches of the public sector banks rose to approximately 800% in deposits and advances took a huge jump by 11,000%. Banking in the sunshine of Government ownership gave the public implicit faith and immense confidence about the sustainability of these institutions.

3. In this phase the banks introduced many products. The foreign banks entered the country and opened new ways for the sector. They introduced the ATM machines. Also a committee led by M. Narasimhan helped in the liberalization of banking practices. Efforts are being put to give a satisfactory service to customers. Phone banking and net banking is introduced. The entire system became more convenient and swift. Time is given more importance than money.

The Indian banking industry is passing through a phase of customers market. A competition has been established within the banks operating in India. With stiff competition and advancement of technology, the services provided by banks have become more easy and convenient.

Banks in India

The banks in India are segregated to many groups. Each group has its unique features and limitations. Each has its own target market and is dedicated to it. Few of them only work in rural sector while others in both rural as well as urban. Many are catering in cities only. Some are of Indian origin and some are foreign players. There are mainly 6 groups-

- ✓ Public sector Banks
- ✓ Private sector Banks
- ✓ Co-operative sector Banks
- ✓ Regional Rural sector Banks
- ✓ Foreign Banks
- ✓ Upcoming Foreign Banks

Public Sector Banks

These banks are owned the government and the RBI is central bank controlling these banks. Most of the public sector banks are nationalized like SBI, Canara Bank, Vijaya Bank, Allahabad Bank, Central Bank of India, Andhra Bank, etc.

Private Sector Banks

Private banking in India was practiced since the beginning of banking system in India. The first private bank in India to be set up in Private Sector Banks in India was IndusInd Bank. It is one of the fastest growing private sector banks in India. IDBI ranks the tenth largest development bank in the world as Private Banks in India and has promoted world class institutions in India.

The first Private Bank in India to receive an in principle approval from the Reserve Bank of India was Housing Development Finance Corporation Limited, to set up a bank in the private sector banks in India as part of the RBI's liberalization of the Indian Banking Industry. It was incorporated in August 1994 as HDFC Bank Limited with registered office in Mumbai and commenced operations as Scheduled Commercial Bank in January 1995.

Co-operative Sector Banks

The Co-operative banks in India started functioning almost 100 years ago. The Cooperative bank is an important constituent of the Indian Financial System, judging by the role assigned to co operative, the expectations the co operative is supposed to fulfill, their number, and the number of offices the cooperative bank operate. Though the co- operative movement originated in the West, but the importance of such banks have assumed in India is rarely paralleled anywhere else in the world. The cooperative banks in India play an important role even today in rural financing. The businesses of cooperative bank in the urban areas also have increased phenomenally in recent years due to the sharp increase in the number of primary co-operative banks.

Regional Rural Sector Banks

Rural banking in India started since the establishment of banking sector in India. Rural Banks in those days mainly focused upon the agro sector. Regional rural banks in India penetrated every corner of the country and extended a helping hand in the growth process of the country.

Foreign Banks

Foreign Banks in India always brought an explanation about the prompt services to customers. After the set up foreign banks in India, the banking sector in India also become competitive.

New rules announced by the Reserve Bank of India for the foreign banks in India in this budget have put up great hopes among foreign banks which allow them to grow unfettered. Now foreign banks in India are permitted to set up local subsidiaries. The policy conveys that foreign banks in India may not acquire Indian ones (except for weak banks identified by the RBI, on its terms) and their Indian subsidiaries will not be able to open branches freely.

Upcoming Foreign Banks

By 2009 few more names is going to be added in the list of foreign banks in India. This is as an aftermath of the sudden interest shown by Reserve Bank of India paving roadmap for foreign banks in India greater freedom in India. Among them is the world's best private bank by Euro Money magazine, Switzerland's UBS.

“Think Investment Think Kotak”

Banks like **Kotak Mahindra**, standard chartered, ICICI, HDFC, and Citibank now bring your Bank Account and Debit card to your fingertips. With Mobile commerce, you can perform a wide range of query-based transactions from your Mobile Phone, without even making a call.

Kotak Mahindra is one of India's leading financial institutions, offering complete financial solutions that encompass every sphere of life. From commercial banking, to stock broking, to mutual funds, to life insurance, to investment banking, the group caters to the financial needs of individuals and corporate.

The group has a net worth of over Rs.1, 800 crore and employs over 4,400 employees in its various businesses. With a presence in 82 cities in India and offices in New York, London, Dubai and Mauritius, it services a customer base of over 5, 00,000.

Kotak Mahindra has international partnerships with Goldman Sachs (one of the world's largest investment banks and brokerage firms) and Old Mutual (a large insurance, banking and asset management conglomerate).

The Kotak Mahindra Group was born in 1985 as Kotak Capital Management Finance Limited. This company was promoted by **Uday Kotak**, Sidney A. Pinto and Kotak & Company. Industrialists Harish Mahindra and Anand Mahindra took a stake in 1986, and that's when the company changed its name to Kotak Mahindra

Finance Limited. Since then it's been a steady and confident journey to growth and success.

INTRODUCTION OF THE ORGANISATION

Established in 1984, The Kotak Mahindra Group has long been one of India's most reputed financial organizations. In Feb 2003, Kotak Mahindra Finance Ltd., the group's flagship company was given the license to carry on banking business by the Reserve Bank of India (RBI). This approval creates banking history since Kotak Mahindra Finance Ltd is the first company in India to convert to a bank. The license authorizing the bank to carry on banking business has been obtained from the RBI in tune with Section 22 of the Banking Regulation Act 1949.

KMBL was promoted by Mr. Uday S. Kotak, Kotak and Company Ltd and Mr. Sidney & A. A. Pinto under the name of Kotak Capital Management Finance Ltd on 21st Nov 1985 and obtained a Certificate of Commencement of Business on 11th Feb 1986.

The bank customers have access to entire VISA network of 4500 ATM'S in India and 800000ATM'S worldwide accepted in more than 56000 establishments across India and 10 million worldwide. The customer also has access to over 800 ATM's with sharing arrangements with UTI BANK, of these 125 are in the NCR.

Key group companies and their businessesKotak Mahindra Bank

The Kotak Mahindra Group's flagship company, Kotak Mahindra Finance Ltd which was established in 1985, was converted into a bank- Kotak Mahindra Bank Ltd in March 2003 becoming the first Indian company to convert into a Bank. Its banking operations offer a central platform for customer relationships across the group's various businesses. The bank has presence in Commercial Vehicles, Retail Finance, Corporate Banking, Treasury and Housing Finance.

Kotak Mahindra Capital Company

Kotak Mahindra Capital Company Limited (KMCC) is India's premier Investment Bank. KMCC's core business areas include Equity Issuances, Mergers & Acquisitions, Structured Finance and Advisory Services.

Kotak Securities

Kotak Securities Ltd. is one of India's largest brokerage and securities distribution houses. Over the years, Kotak Securities has been one of the leading investment broking houses catering to the needs of both institutional and non-institutional investor categories with presence all over the country through franchisees and coordinators. Kotak Securities Ltd. offers online and offline services based on well-researched expertise and financial products to non-institutional investors.

Kotak Mahindra Prime

Kotak Mahindra Prime Limited (KMP) (formerly known as Kotak Mahindra Primus Limited) has been formed with the objective of financing the retail and wholesale trade of

passenger and multi utility vehicles in India. KMP offers customers retail finance for both new as well as used cars and wholesale finance to dealers in the automobile trade. KMP continues to be among the leading car finance companies in India.

Kotak Mahindra Asset Management Company

Kotak Mahindra Asset Management Company Kotak Mahindra Asset Management Company (KMAMC), a subsidiary of Kotak Mahindra Bank, is the asset manager for Kotak Mahindra Mutual Fund (KMMF). KMMF manages funds in excess of Rs 20,800 crore and offers schemes catering to investors with varying risk-return profiles. It was the first fund house in the country to launch a dedicated gilt scheme investing only in government securities.

Kotak Mahindra Old Mutual Life Insurance Limited

Kotak Mahindra Old Mutual Life Insurance Limited is a joint venture between Kotak Mahindra Bank Ltd. and Old Mutual plc. Kotak Life Insurance helps customers to take important financial decisions at every stage

in life by offering them a wide range of innovative life insurance products, to make them financially independent.

BOARD OF DIRECTORS

Uday Kotak - Executive Vice Chairman & Managing Director

Prakash Apte - Non-Executive Chairman

Dipak Gupta - Joint Managing Director

Jaimin Bhatt - Group Chief Financial Officer

Gaurang Shah - President

KVS Manian - President - Corporate, Institutional & Investment Banking and Ceo - India Operations

Venkattu Srinivasan - Chief Information Officer

Devang K. Shah - President & Group Head - Strategy, M&A, Finance & Investor Relations

Nilesh Shah - Managing Director

Jayarama Bhat - Independent Director

Falguni Nayar - Independent Director

Pradeep Kumar - Independent Director

Dipak Gupta - Non-Executive Director

C Jayaram - Non-Executive Director

Farida Khambata - Non-Executive Director

Shankar Acharya - Non-Executive Director

Shivaji Dam - Non-Executive Director

PRODUCT DETAIL

Kotak Mahindra Bank is one of the prominent subsidiaries of Kotak Mahindra group. The activities of the company being parallel to its objective are very wide and cover all the components of a Bank. The Basic area of Operations is the Banking business, other products are meant for the regular revenue generation. Being a Banking house, the company is in regular touch with **Banking Accounts, Investment Services, Convenience Banking and Other Services.**

They offer complete solutions that address all your financial requirements, whether you're an individual or a firm. From everyday banking to long term investments — their offering covers it all. This wide range of products is delivered to you with a genuine understanding of your specific need and warm, personalised service.

Kotak Mahindra Bank, it's not about selling you many different products — it's about working out a holistic, pragmatic solution that addresses your financial needs. Through their varied products, they commit themselves to becoming “banker” to the customer rather than being “asset financier” to our customers.

Our Story

Milestones that have shaped the Kotak Mahindra Group, since 1986

Since the inception of the erstwhile Kotak Mahindra Finance Limited in 1985, it has been a steady and confident journey leading to growth and success. The milestones of the group growth story are listed below year wise.

Kotak Mahindra Bank

Kotak Mahindra Bank



Type	Public
Traded as	BSE: 500247 NSE: KOTAKBANK
Industry	Financial service
Founded	1985 (as Kotak Mahindra Finance

Ltd)

Headquarters Mumbai, Republic of India

□ Uday Kotak (Founder & Executive Vice Chairman)

Key people □

- Dipak Gupta (Joint MD)
- Shankar Acharya (Chairman)

C.

Jayaram (Joint MD)

Deposit accounts, Loans, Investment services, Business banking solutions, Treasury and Fixed income products etc.

Products

Revenue ▲ ₹INR67,981 crore
(US\$8.5 billion)}(2023)^[1]

Net income ▲ ₹INR14,925 crore
(US\$1.9 billion)}(2023)

Website www.kotak.com

Kotak Mahindra Bank is an Indian bank and financial service firm established in 1985. It was previously known as Kotak Mahindra Finance Limited, a non-banking financial company.

In February 2003, Kotak Mahindra Finance Ltd, the group's flagship company was given the licence to carry on banking business by the Reserve Bank of India (RBI). Kotak Mahindra Finance Ltd. is the first company in the Indian banking history to convert to a bank. As of 2011 to October 2013, it has more than 500 branches, over 1,000 ATMs and a consolidated balance sheet of approx. US\$ 2.9 billion.

The Bank has its registered office at Nariman Bhavan, Nariman Point, Mumbai.

History

The company was founded in 1985 by Uday Kotak. In 2003, the company converted to a commercial bank when it received a license from the Reserve Bank of India, becoming the first Indian finance company to do so.

In 2005, it made a significant investment when it bought stressed assets from a number of banks, at full loan value of ₹1,000 crores.^[2]

In January 2011, the bank reported a 32% rise in net profit to ₹188 crores for the quarter ended December 2010 against ₹142 crores the corresponding quarter last year.^[3] Kotak Mahindra bank also reached the top 100 most trusted brands of India in The Brand Trust Report published by Trust Research Advisory in 2011.

Key milestones in the company history included;

Year Milestone

- 1986 Kotak Mahindra Finance Limited starts the activity of Bill Discounting
- 1987 Kotak Mahindra Finance Limited enters the Lease and Hire Purchase market
- 1990 The Auto Finance division is started
- 1991 The Investment Banking Division is started. Takes over FICOM, one of India's largest financial retail marketing networks
- 1992 Enters the Funds Syndication sector Brokerage and Distribution businesses incorporated into a separate company - Kotak
- 1995 Securities. Investment Banking division incorporated into a separate company - Kotak Mahindra Capital Company The Auto Finance Business is hived off into a separate company -Kotak Mahindra Prime
- 1996 Limited (formerly known as Kotak Mahindra Primus Limited). Kotak Mahindra takes a significant stake in Ford Credit Kotak Mahindra Limited, for financing Ford vehicles. The launch of Matrix Information Services Limited marks the Group's entry into information distribution.
- Enters the mutual fund market with the launch of Kotak Mahindra Asset Management Company. 1998
- 2000 Kotak Mahindra ties up with Old Mutual plc. for the Life Insurance business.
- Kotak Securities launches its on-line broking site (now www.kotaksecurities.com).
- 2000 Commencement of private equity activity through setting up of Kotak Mahindra Venture Capital Fund.
- 2001 Matrix sold to Friday Corporation
- 2001 Launches Insurance Services
- Kotak Mahindra Finance Ltd. converts to a commercial bank - the first Indian company to do so. 2003
- 2004 Launches India Growth Fund, a private equity fund.
- Kotak Group realigns joint venture in Ford Credit; Buys Kotak Mahindra Prime (formerly known as Kotak Mahindra Primus Limited) and sells Ford credit Mahindra. 2005
- 2005 Launches a real estate fund
- Bought the 25% stake held by Goldman Sachs in Kotak Mahindra Capital Company and 2006 Securities
- 2008 Launched a Pension Fund under the New Pension System
- Kotak Mahindra Bank Ltd. Opened a representative office in Dubai
- 2009 Entered Ahmedabad Commodity Exchange as anchor investor
- Ahmedabad Derivatives and Commodities Exchange, a Kotak anchored enterprise, became operational as a national commodity exchange. 2010

Kotak Mahindra Bank Ltd entered into a Business Cooperation arrangement with CIMB

2011

GroupSdnBhd, Malaysia.

2012 - 2007

○ Ahmedabad Derivatives and Commodities Exchange, a Kotak anchored enterprise, **2012** became operational as a national commodity exchange.

○ Kotak Mahindra Bank Ltd. opened a representative office in Dubai

2010 ○ Entered Ahmedabad Commodity Exchange as anchor investor.

○ Launched a Pension Fund under the New Pension System.

2009

○ Bought the 25% stake held by Goldman Sachs in Kotak Mahindra Capital Company **2008** and Kotak Securities.

○ Kotak Group realigned joint venture in Ford Credit; their stake in Kotak Mahindra

2007

Prime was bought out (formerly known as Kotak Mahindra Primus Ltd) and Kotak group's stake in Ford credit Kotak Mahindra was sold.

○ Launched a real estate fund.

2004 - 2000 ○ Launched India Growth Fund, a private equity fund.

2004

○ Kotak Mahindra Finance Ltd. converted into a commercial bank - the first Indian **2003** company to do so.

○ Matrix sold to Friday Corporation.

2001 ○ Launched Insurance Services. ○

Securities Ltd. was incorporated

Kotak

○ Kotak Mahindra tied up with Old Mutual plc. for the Life Insurance business.

2000

○ Kotak Securities launched its on-line broking site. ○ Commencement of private equity activity through setting up of Kotak Mahindra Venture Capital Fund.

Banking Accounts

There are three types of banking account:

- Savings Account
- Current Account
- Term Deposit

SAVINGS ACCOUNT

“Choose from our range of Savings Accounts”

KOTAK MAHINDRA has got a variety of options of savings accounts to choose from for its customers according to their convenience and requirements. These savings accounts offer attractive returns along with personalized banking services at three convenient average quarterly balances(AQB)levels of Rs. 10000 (KOTAK EDGE SAVINGS ACCOUNT),Rs. 20000 (KOTAK PRO SAVINGS ACCOUNT) and at Rs75000(KOTAK ACE SAVINGS ACCOUNT).The average quarterly balance levels as well the corresponding services and benefits try to ensure the various customer needs and requirements.

Thus the three account opening options in savings account are as mentioned above:

❖ **EDGE SAVINGS ACCOUNT:** Kotak Mahindra Bank’s Edge Savings Account is a complete financial package customized to suit individual banking needs. Its constant Endeavour is to enable regular financial transactions through online platform so that most of payments can be made directly through your account or card.

Features & Benefits

➤ **Wide ATM access through the Kotak Mahindra Bank Debit Card**

One can walk into any KOTAK or HDFC Bank ATMs to withdraw cash or enquire balance at no extra charge!

➤ **Multiple Access Channels Access**

An account through phone, mobile phone or internet to get information about account balance or track transactions. One can even transfer funds through Phone Banking or Net Banking.

➤ **Financial payments facilitated through the savings account**

Use the free Payment Gateway to make online payments for utility bills, credit cards, online trading of shares or even online shopping.

➤ **Quick and easy funds transfer**

Quick funds transfer to a third party account with another Bank is available across 15 locations through Net Banking. Also get a multi-city cheque book so that money from account is received by the beneficiary in the fastest possible time.

➤ **Free investment account**

One can open an investment account, and use the Net Banking facility to purchase/redeem mutual funds online while directly debiting / crediting your Bank Account. Besides this you get a consolidated view of all your

mutual fund investments across schemes with updated returns status, latest NAV information and research reports.

➤ **Attractive returns**

Earn better returns in your savings account, with our 2-Way Sweep facility that automatically sweeps out idle funds, above a threshold, from your account into Term Deposits. These Term Deposits sweep back into your account to meet fund requirements when your withdrawals exceed the balance available in your account, thereby providing you maximum liquidity.

❖ **PRO SAVINGS ACCOUNT:**

Kotak Mahindra Bank's Pro Savings Account is an account packed with powerful features to provide a superior banking experience at a very comfortable balance requirement. They provide a relationship manager who will specifically take care of banking and investment needs. **Features & Benefits**

➤ **Free ATM access all domestic VISA ATM network**

Walk into any VISA ATM in India to check balance or withdraw cash absolutely free. no longer have to worry about locating your Bank or Partner Bank ATM – Use the first VISA ATM that you spot, for cash withdrawal or balance enquiry transactions.

➤ **Multiple access channels**

Access your account through phone, mobile phone or internet to get information on your account balance or track your transactions. You can even transfer funds through Phone Banking or Net Banking.

➤ **Free investment account**

One can open an investment account, and use the Net Banking facility to purchase/redeem mutual funds online while directly debiting / crediting bank account. Besides this get a consolidated view of all the mutual fund investments across schemes with updated returns status, latest NAV information and research reports.

➤ **Financial payments facilitated through the savings account**

Use our free Payment Gateway to make online payments for utility bills, credit cards, online trading of shares or even online shopping.

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Quick funds transfer to a third party account with another Bank is available across 15 locations through Net Banking. Also get a multi-city cheque book so that money from account is received by the beneficiary in the fastest possible time

➤ Attractive returns

Earn better returns in your savings account, with our 2-Way Sweep facility that automatically sweeps out idle funds, above a threshold, from your account into Term Deposits. These Term Deposits sweep back into your account to meet fund requirements when your withdrawals exceed the balance available in your account, thereby providing you maximum liquidity.

➤ Dedicated relationship manager

You get a one point contact for all your banking related queries and transactions. Your relationship manager will also help you with financial planning and sound investment decisions.

➤ Free banking transactions

You can issue demand drafts or send cheques for collection on branch locations without any charge to your account.

❖ ACE SAVINGS ACCOUNT:

Kotak Mahindra Bank's Ace Savings Account has been designed as a gateway to a world of financial benefits and privileged banking transactions. The account carries benefits ranging from personal investment advisory services to concierge services to free banking transactions. One will find that this package of services and privileges is unmatched by any other savings account in the market.

Features & Benefits**➤ Free access at all domestic and international VISA ATMs**

No longer have to worry about locating your Bank or Partner Bank ATM - Use the first VISA ATM that you spot, for free cash withdrawal or balance enquiry transactions. So walk into any VISA ATM in India or abroad to withdraw cash or for balance enquiry.

➤ Multiple access channels

Access the account anytime through land line, mobile phone or internet to get information on account balance or track transactions. One can even transfer funds through Phone Banking or Net Banking.

➤ Financial payments facilitated through the savings account

Use the free Kotak Payment Gateway to make online payments for utility bills, credit cards, online trading of shares or even online shopping. All this at the click of a mouse!

➤ Quick and easy funds transfer Transfer funds easily and with speed, to a beneficiary account at another bank. One can avail of this facility by walking into any of branches or by simple logging on to Net Banking.

Also get a free multi-city cheque book so that money from your account is transferred to the beneficiary's account at any of branch locations, in the faste.

➤ **Free banking transactions**

One can issue demand drafts or send cheques for collection at all branches for no extra charge.

➤ **Attractive returns**

Earn better returns in your savings account, with our 2-Way Sweep facility that automatically sweeps out idle funds, above a threshold, from your account into Term Deposits. These Term Deposits sweep back into account to meet fund requirements when withdrawals exceed the balance available in the account, thereby providing maximum liquidity.

CURRENT ACCOUNT

Kotak Mahindra Bank offers unparalleled advantages with its three Current Account offerings. Whether small/ mid size business or an enterprise spread across multiple locations in the country, would find a Current Account that's just designed for you. These Current accounts offer attractive returns along with personalized banking services at three convenient average quarterly balances(AQB)levels of Rs. 25000 (KOTAK EDGE SAVINGS ACCOUNT),Rs. 50000 (KOTAK PRO SAVINGS ACCOUNT) and at Rs250000(KOTAK ACE SAVINGS ACCOUNT).The average

quarterly balance levels as well the corresponding services and benefits try to ensure the various customer needs and requirements. With features ranging from Free DDs, Free Cheque Collection, Free At -Par Cheque facility to Free

Trading account and free Demat account and moral Thus the three account opening options in savings account are as mentioned above:

❖ **Edge Current Account**

In need of a well equipped bank account to keep pace in all the business endeavors. They offer the Kotak Edge Current Account, armed with Kotak 2-Way Sweep and the entire gamut of Banking Privileges, providing that extra edge to get ahead. The feature rich Kotak Edge Current Account is the ideal way to make money work harder.

Features & Benefits

➤ **MultiCity Banking**

Current account/s with Kotak Mahindra Bank will be recognized in every other branch. One can just walk into a Kotak Mahindra Bank branch in any of our branches across country to satisfy all the banking needs.

2 - Way Sweep* : Term Deposit linked Current Account

Kotak 2-Way Sweep ensures that money never stops working for you. Daily balances, above a threshold level, in Current Account are automatically swept out into Term Deposits (TD). This 'swept out amount' is

brought back into account to meet fund requirements when withdrawals exceed the balance available in the account (or when the account balance goes below the specified threshold level.) With Kotak 2-Way Sweep you enjoy the twin advantages of attractive returns & maximum liquidity.

➤ **Free Demand Drafts and Pay Orders**

Enjoy the benefit of our free Demand Drafts, payable at Kotak Mahindra Bank Branch location in India.

➤ **At-par Cheques**

Get free At-par Cheques that are treated as 'local clearing' cheques across all branch locations. All these at nominal costs.

➤ **Cheque Collection**

All Outstation cheques, drawn on any of branch locations, are collected 'at nominal charge' for you. The strong network of correspondent banks enables us to collect cheques from 1600 locations across India at faster speed and minimal cost

➤ **PRO Current Account**

You need a well-equipped bank account to keep pace with you in the ever changing business scenario. We offer you the Kotak Pro Current Account, armed with Kotak 2-Way Sweep, as well as an entire gamut of Banking Privileges and 'user-friendly' Convenience Banking facilities. The feature rich Kotak Pro Current Account is the ideal way to make your money work harder.

Key Features

- Dedicated Relationship Manager
- Free Demand Drafts & Pay Orders
- Free At Home Services
- Better Forex rates and Efficient Trade Services

❖ **ACE Current Account**

In the need of a well equipped bank account to keep pace with you in the ever changing business scenario. They offer you the Kotak Ace Current Account, armed with Business benefits and exclusive Ace Privileges and an entire gamut of banking conveniences especially designed for you. The feature rich Kotak Ace Account is the ideal way to make money work harder

Term Deposits



Key Features

- Ease and convenience of operation
- Liquidity through overdraft or sweep-in facility
- No penalty on pre-mature encashment
- Nomination facility available

Give your portfolio stability of returns and safety and liquidity. Invest in Kotak Bank Term Deposit. It offer attractive returns on term deposits and investing in them is really simple and convenient.

Features & Benefits

➤ **Ease and convenience of operation**

For the first time in India, New to Bank customer can also apply online for term deposit. An existing customer, can place a term deposit through Phone Banking or Net Banking. What's more, one can even renew this deposit by placing an instruction over phone. Needless to mention, he can do all this and more by walking across into any of branches.

➤ **Liquidity through overdraft or sweep-in facility**

Deposit will be available to you should you need them in case of an emergency. One can avail upto 85% overdraft against term by paying 2% above deposit rate. This facility is available for deposits above Rs.50,000 for a tenure of 181 days or more. One can also choose to link term deposit to savings / current account, whereby if need be, term deposit will automatically be encashed to meet withdrawal requirement.

➤ **No penalty on pre-mature encashment**

In case term deposit is pre-maturely encashed, one will earn interest at the rate prevailing on the date of deposit for the withdrawn amount.

➤ Nomination facility available

One can avail this facility for each & every account that open with us i.e. nominate different persons for different term deposit accounts can choose to change the nominee through a declaration in the appropriate form to revise the nomination during the term of the deposit.

INVESTMENT SERVICES**“Making your money grow”**

At Kotak Mahindra Bank, can recognize that financial needs vary, not just amongst individuals, but across the different stages of your life. They have years of experience in helping people put together an investment portfolio that works best for them.

DEMAT

Key Features

Efficient depository services that allow you to hold your shares in convenient, "demat" formats Leverage opportunities in the stock-market when you spot them

It offers streamlined, efficient depository services that allow to hold shares in the convenient "demat" formats and leverage opportunities in the stock-market when you spot them Being a brokerage house, the company is in regular touch with the share market and its relative indexes like

NSE &BSE, NCDEX. NSDL, CSDL. Let's understand the relative terms

SEBI (Stock Exchange board of India)

It check out on NSE and BSE and all type of share trading (Both primary and secondary market)

NSE &BSE: - Kotak Mahindra Bank allows to costumer to trade in share with NSE and BSE both (in primary and secondary market both). In BSE costumer can trade in 2452 stocks and in NSE costumer can trade in 933 companies. The index of NSE is Nifty and for BSE Sensex

NSDL AND CSDL

Kotak Mahindra Bank allow to costumer to invest in mutual fund and bonds. NSDL (National security depository limited) and CSDL (Central security depository limited check out on this type of investment

MCX AND NCDEX

Kotak Mahindra Bank also allow to costumer to trade in commodity by MCX (Multi Commodity exchange) and NCDEX (National Commodity daily exchange. In NCDEX 55 commodity are to trade

PRODUCTS OFFERED BY KOTAK MAHINRA BANK

The following are the various products of Kotak Mahindra Bank:

➤ **DEMAT & ON LINE TRADING ACCOUNT:**

The 3-in-1 account integrates your banking, broking and demat accounts. This enables you to trade in shares without going through the hassles of tracking settlement cycles, writing cheques and Transfer Instructions, chasing your broker for cheques or Transfer Instructions etc.

➤ **INITIAL PUBLIC OFFERS(IPO'S)**

In the above products we have discussed investment in equity through secondary markets .another way of investing in equity markets is through the primary market route .whenever a company comes out with an initial public offering you may choose to apply for the share. Based on number of valid application received, the company would then allot the share to applicants. The offline way of investing in an IPO is by filling physical application forms, cheques. And submitting the forms through your broker. With KOTAK MAHINDRA BANK all you have to do is filling number of share on the site and submit.

➤ DERIVATIVES

Customers with different types of risk profile can use derivatives.

- Hedging the cash market position – ideal for low risk profile.
- Taking advantage of arbitrage opportunity in equity and derivatives markets –ideal for low risk profile
- Taking a view on stock/index for as long as 3 month period – medium risk profile
- Speculative trading-high risk profile

KOTAK MAHINDRA BANK offers online investment in future and option, with benefit of automated settlements and online risk monitoring system

Mutual Funds

Key Features

- Assistance at every step of the investment process
- An experienced research team to analyze and research the Mutual Funds available in the market
- Portfolio assistance

The team analyses and researches the Mutual Funds available in the market, helping you make more informed decisions. The recommendations take into account all relevant factors including the investment philosophy of the Asset Management Company, portfolio quality, riskadjusted returns and market trends.

The Mutual funds on advisory list range form Debt to Equity funds and are drawn from top performing schemes of renowned Mutual Fund houses like Franklin Templeton, Kotak, Reliance, Prudential ICICI etc. Relationship Manager will recommend the funds that suit the investment objectives.

Instead of buying shares of different companies tracking the price movement's performance of the company, growth prospects of the industries etc. and then taking your own buy/sell decision, you may consider making investment in equity/debt market through the mutual fund route. Mutual fund is a SEBI registered entity that pools the money of many individuals' investors to purchase the stocks, bond or other financial instruments .professional

Management and diversification are the two primary benefits of mutual fund investing. For beginners, or for customer who are unable to spend time on researching stocks themselves,

mutual fund is an ideal route for a investment in equity. Investing in mutual funds offline involves, tracking down the agents appointed by the mutual funds AMCs, filling lengthy **Bancassurance** They offer a range of carefully selected insurance policies across the entire spectrum of life insurance products Relationship managers will analyze your insurance needs and develop the solution that works best for you.

KOTAK INSURANCE has a wide array of insurance plans that have been designed with the philosophy that different individuals are bound to have differing insurance needs.

The ideal insurance plan is one that addresses the exact insurance needs of the individual that will depend on the age and life stage of the individual apart from a host of other factors.

The various plans offered by KOTAK INSURANCE are as follows:

- Kotak Smart Advantage Plan
- Kotak Eternal Life Plans
- Kotak Head start Child Plans
- Kotak Safe Investment Plan II
- Kotak Flexi Plan
- Kotak Easy Growth Plan
- Kotak Capital Multiplier Plan
- Kotak Term Plan
- Kotak Preferred Term Plan

CONVENIENCE BANKING



“Anywhere, Anytime Banking”

In today's day and age time is money. You work hard and have a busy schedule. Doing banking should be easy and convenient and not add to worries.

Kotak Mahindra Bank realize this and have specially tailored a wide range of value added products and services to make money work for you. These, coupled with the highest standard of customer care will make life simpler and easier.

➤ **Multiple Banking Channels**

Today the technology driven banks are finding various means to reduce costs and reach out to as many customers as possible spread over a diverse area. This has led to using multiple channels of delivery of their products.

➤ **ATM (Automatic Teller Machine):**

An ATM is basically a machine that can deliver cash to the customers on demand after authentication. However, nowadays we have ATMs that are used to vend different FMCG products also. An ATM does the basic function of a bank's branch, i.e., delivering money on demand. Hence setting of newer branches is not required thereby significantly lowering infrastructure costs.

Cost reduction is however possible only when these machines are used. In India, the average cash withdrawal per ATM per day has fallen from 100 last years to 70 this year. Though the number of ATMs has increased since last year, it is not in sync with the number of cards issued. Also, there are many dormant cardholders who do not use the ATMs and prefer the teller counters. In spite of these odds, Indian banks are increasing the number of ATMs at a feverish pace. These machines also hold the keys to future operational efficiency Account holders of Kotak Mahindra Bank Saving Account having Visa Electron Debit Card can access other Banks ATM machines unlimited times per month for free, after that the Account holder has to pay nothing for the transaction. But also holders of ATM cards cannot access machines belonging to other Banks.

The number of ATM machines installed by Kotak Mahindra Bank is , in Delhi its around 157 and in All-India tally is 2,573 (2021) machines. When this figure is compared to ICICI Bank which has thrice the number of machines in Delhi or HDFC Bank which has nearly twice the number of machines in Delhi, this is worrying for Kotak Mahindra Bank.

The Table below shows the number of ATM machines belonging to various banks in India:-

From the above table we can clearly see that HDFC Bank is the Bank which has highest number of ATM machines on All India basis, this is followed by ICICI Bank, then UTI.

When we look at the concentration of machines in the Delhi Region we see that out of ICICI Bank's 560 Machines 112 are located in Delhi representing 20%.

The corresponding figure for Kotak Mahindra Bank is 14.2%. HDFC Bank is 11.8%, IDBI Bank is 12.3%, and CITIBANK is 13.75%.

➤ **Net Banking:**

Net banking means carrying out banking transactions via the Internet. Thus the need for a branch is completely eliminated by technology. Also this helps in serving the customer better and tailoring products better suited for the customer.

A customer can view his account details, transaction history, order drafts, electronically make payments, transfer funds, check his account position and electronically communicate with the bank through the Internet for which he may have wanted to visit the bank branch.

Net banking helps a bank spread its reach to the entire world at a fraction of the cost ➤ **Phone Banking:**



This means carrying out of banking transaction through the telephone. A customer can call up the banks help line or phone banking number to conduct transactions like transfer of funds, making payments, checking of account balance, ordering cheques, etc. This also eliminates the customer of the need to visit the bank's branch.

➤ **PIN Security**

Automated identification process when you use our 24 by 7 Phone Banking service will help save your call time as well as give you more security, as you will be validated by using a 6 digit Phone Banking Personal Identification Number (PIN) that should be known to no one but yourself.

Accessing Phone Banking is easy. All you are required to do when you call us, is to enter you Customer Relationship Number followed by the '#' key, and validate it by entering your Phone Banking PIN. Once done successfully, you will be able to speak with our Customer Care Officer who will be glad to assist you in your queries or transactions.

➤ **PIN Change**

If you are a first time caller, you will prompted by the system to change your Phone Banking PIN to one of your choice, after you've been successfully identified by the system. We request you to change your PIN accordingly to help ensure that your account information is not available to anyone but you.

Additionally, you have the option of changing your Phone Banking PIN directly, at your convenience, by dialing "5" on our Main Menu when you call us.

➤ **PIN Generation / Regeneration**

For all our customers who haven't had the opportunity to register themselves for Phone Banking, or those who've have forgotten the Phone Banking PIN allocated to them, our Customer Care Officers will gladly enable you for your access immediately with your consent. All you will be required to do is ask for your access or we ourselves will offer to do so.

➤ **Customer Care Officers**

Our Customer Care Officers are available 24 by 7 to assist you in your queries or transactions that you may wish to conduct on your account. You may reach a Customer Care Officer anytime during your call by dialing "0".

In addition to the existing services available over Phone Banking such as:

In order to provide you the convenience of carrying out most of your Banking transactions in just one call, we have added host of new services* and we are excited to bring them to you. These include:

- Enquire on your account details - your balance, account activity, uncleared.
- Fund details and cheque status.
- Enquire on the latest interest and exchange rates.
- Request for fund transfer* between your accounts at Kotak Mahindra Bank.
- Open a term deposit or get details of all your term deposits
- Initiate standing instructions or place stop cheque payment instructions.

- Request a cheque book and account statements.

* Conditions apply You can give us financial instructions through our Phone Banking service based on your account operating mandate, i.e. if you have a single or unconditional signing authority on your account, you can transact on your accounts through the phone. **Demat accountholders can avail of the following Services through Phone Banking**

- Request for a Demat transaction or holding statement
- Enquire about your transaction or holding details
- Request for a Demat Instruction Slip booklet to be sent to you

Investment accountholders can avail of the following Services through Phone Banking

- Enquire on your account and transaction details
- Current NAV details of your investments
- Request a statement of account
- Purchase and redeem investments online
- Check the status of your purchase and redemption requests
- Purchase / Redemption of Mutual Fund units
- Third Party Funds Transfer to other accounts within our Bank**
- Registration for Mobile Banking / Net Banking ➤ **Mobile Banking:**



Key Features:

- Anytime, anywhere banking
- Experience online banking - without a pc or internet connection
- View details across Accounts, Term Deposits and Investments
- Pay utility bills
- Invest/Redeem in Mutual Funds - anytime, anywhere
- Secured platform - encrypted communication

Banks can now help a customer conduct certain transactions through the Mobile Phone with the help of technologies like WAP, SMS, etc. This helps a bank to combine the Internet and telephone and leverage it to cut costs and at the same time provide its customer the convenience. Thus it can be seen that tech savvy banks are tapping the entire above alternative channels to cut costs improve customer satisfaction.

Mobile Banking Features:

- Menu driven service – no need to remember complex codes □ Security through 128 bit encryption.
- Check your account balances for Current, Savings & Term Deposit accounts
- View your account activity
- Transfer funds between your accounts or other accounts in Kotak Bank
- Purchase & redeem Mutual Fund units
- Report loss/theft of Debit Card and request for replacement
- Check status of your Cheque instruments
- Request issue of new Cheque book

Security Features

Kotak Mobile banking platform uses secured Https protocol for communication between the mobile client and the mobile server. Protected by the most stringent security systems, Kotak Mobile Banking allows you to transact over a completely secure medium. All your transactions travel via 128-bit SSL encrypted medium, the highest level of security on the network. The servers are protected with firewalls that make unauthorized access impossible.

➤ SMS Banking:**Key Features**

- Access your bank account on your Mobile Phone
- Get latest update on your account balance, salary credits, and more!
- FREE service

Kotak Mahindra Bank's SMS Banking service enables you to access your bank account, investment account and demat account on your Mobile Phone. Now get latest update on your account balance, salary credits, large debits, large credits, holding value and much more, on your mobile anytime.

ATM Network



Key Features

- Access your account anytime anywhere
- State of the art Touch Screen ATMs
- Affiliated to the VISA network
- Access any ATM in the country absolutely free.

The ATM service is available to you absolutely FREE

Our strategically located and constantly growing ATM network brings the bank within your easy reach.

The state of the art touch screen Kotak Mahindra Bank ATMs are part of the Visa/Plus and Cashnet ATM network. That means you can withdraw cash from our ATM Network with any International and Domestic Visa/Visa Electron/Plus Credit Cards/Debit Cards.

Services available

- 24-hour access to cash
- Transfer funds between accounts
- View Account Balances and Mini Statement
- Pin Change option

INTERNET BANKING INTRODUCTION

The Internet banking is changing the banking industry and is having the major effects on banking relationships. Internet banking involves use of Internet for delivery of banking products & services. It falls into four main categories, from Level 1 - minimum functionality sites that offer only access to deposit account data - to Level 4 sites - highly sophisticated offerings enabling integrated sales of additional products and access to other financial services- such as investment and insurance.

DRIVERS OF CHANGE

Advantages previously held by large financial institutions have shrunk considerably. The Internet has leveled the playing field and afforded open access to customers in the global marketplace. Internet banking is a cost-effective delivery channel for financial institutions. Consumers are embracing the many benefits of Internet banking. Access to one's accounts at any time and from any location via the World Wide Web is a convenience unknown a short time ago.

The primary drivers of Internet banking are:

- Improve customer access
- Facilitate the offering of more services
- Increase customer loyalty
- Attract new customers

Core Banking Solutions

Core Banking Solutions is new jargon frequently used in banking circles. The advancement in technology especially internet and information technology has led to new way of doing business in banking. The technologies have cut down time, working simultaneously on different issues and increased efficiency. The platform where communication technology and information technology are merged to suit core needs of banking is known as Core Banking Solutions. Here computer software is developed to perform core operations of banking like recording of transactions, passbook maintenance, interest calculations on loans and deposits, customer records, balance of payments and withdrawal are done. This software is installed at different branches of bank and then interconnected by means of communication lines like telephones, satellite, internet etc. It allows the user (customers) to operate accounts from any branch if it has installed core banking solutions. This new platform has changed the way banks are working. Now many advanced features like regulatory requirements and other specialized services like share (stock) trading are being provided.

Real Time Gross Settlement (RTGS)

RTGS is an electronic settlement system of Reserve Bank of India without involvement of papers. To facilitate an Efficient, Secure, Economical, Reliable and Expeditious System of Fund transfer and clearing in the Banking sector throughout India. Real time gross settlement systems (RTGS) are a funds transfer mechanism where transfer of money takes place from one bank to another on a "real time" and on "gross" basis. Settlement in "real time" means payment transaction is not subjected to any waiting period. The transactions are settled as soon as they are processed. "Gross settlement" means the transaction is settled on one to one basis without bunching with any other transaction. Once processed, payments are final and irrevocable.

Electronic Clearing Service (ECS)

Electronic Clearing Service is another technology enhancement happened in the banking industry. The customer willing to use this facility are required to fill in the mandate form from the corporate/any utility service institution for ECS mode of credit and debit. The customer needs to prepare the payment date and submit it to the "sponsor Bank" and after that every thing happened electronically. so customer can there by make payments as well as receive all incomes electronically.

➤ **Information Only System:** General purpose information like interest rates, branch location, bank products and their features, loan and deposit calculations are provided in the banks website. There exist facilities for downloading various types of application forms. The communication is normally done through e-mail. There is no interaction between the customer and bank's application system. No identification of the customer is done. In this system, there is no possibility of any unauthorized person getting into production systems of the bank through internet.

➤ **Electronic Information Transfer System:** The system provides customer- specific information in the form of account balances, transaction details, and statement of accounts. The information is still largely of the 'read only' format. Identification and authentication of the customer is through password. The information is fetched from the bank's application system either in batch mode or off-line. The application systems cannot directly access through the internet.

➤ **Fully Electronic Transactional System:** This system allows bi-directional capabilities. Transactions can be submitted by the customer for online update. This system requires high degree of security and control. In this environment, web server and application systems are linked over secure infrastructure. It comprises technology covering computerization, networking and security, inter-bank payment gateway and legal infrastructure.

Internet Banking is the most technological advanced means to do Banking. Through this medium the Account holder can do various types of transactions without having to leave his Office/Residence.

The Account holder has the convenience to do transaction no matter where he is in the world at any time of the day. Internet is the most cost effective medium of Banking from the point of view of the Banks; it costs a fraction to the Bank as compared to other mediums like Branch Banking or ATM.

But this medium is not as favored a medium as it in the west , the reasons for this is that firstly , this is a relatively new concept in India , secondly , general perception that this is not safe , thirdly , computers and internet are not widely spread all over the country.

MAIN CONCERNS IN INTERNET BANKING

In a survey conducted by the Online Banking Association, member institutions rated security as the most important issue of online banking. There is a dual requirement to protect customers' privacy and protect against fraud.

1. A multi-layered security architecture comprising firewalls, filtering routers, encryption and digital certification ensures that account information is protected from unauthorized access:

Firewalls and filtering routers ensure that only the legitimate Internet users are allowed to access the system.

2· Encryption techniques used by the bank (including the sophisticated public key encryption) would ensure that privacy of data flowing between the browser and the Infinity system is protected.

3· Digital certification procedures provide the assurance that the data you receive is from the Infinity system.

STRATEGIC ALLIANCES ENTERED BY KOTAK MAHINDRA BANK NATIONAL ATM ALLIANCES

The Institute for Development and Research in Banking Technology (IDRBT), a group established by the Reserve Bank of India (RBI) in 1996, has planned to set up a national switch to hook up all of the country's 10,000-odd ATMs.

The idea of establishing ATM interconnectivity through a national switch has been approved by the information chiefs of various Banks.

The expected cost of transactions routed through the switch is to be under 10 rupees (21 cents U.S.) each, due to the high volumes of transactions -- almost 100,000 per day.

CASH NET

It is an Alliance between Citibank, Industrial Development Bank of India, Kotak Mahindra Bank and UTI Bank. This is the country's first independent shared ATM network.

IDBI Bank received permission from the Reserve Bank (RBI) to serve as the network's settlement bank.

Cash net will give access to more than 1,300 ATMs for more than 6 million debit cardholders of the member banks. The Alliance would constitute about a third of the total card base and 15 percent of the ATM base in the country.

Kotak Mahindra Bank and REDIFF.com

REDIFF.com India and Kotak Mahindra Bank have entered into an alliance to provide online and offline banking and related services to the Indian consumer.

The alliance will enable information on the entire range of the banks consumer banking products to be made available to the 6.4 million online customers of Rediff.com.

The services offered include detailed information on various deposits, loans and mortgages, credit cards, mutual funds and insurance products of the bank. Users will be able to directly interact with the bank and request for products online

OTHER SERVICES

BANKING HOURS

Kotak Mahindra Bank Account holders have been able to infer that Branch Banking is the second most Frequent Point of Interaction with the Bank. The Average Banking Hours is a very important aspect associated with any Bank. In today's fast paced life where people who hold Accounts with the Bank are busy working it is important that they can find a way to visit the Bank without having to miss out on work.

The Average Banking Hours of Kotak Mahindra Bank is from 9am to 7pm, the Bank is open to the public for ten hours. These timings are convenient for especially those Account holders who are working, these people can visit the Bank after their Office finishes. Apart from the Average Banking Hours Kotak Mahindra Bank offers to its Account holders 24 Hour Branch, 365 Days Branch and the facility of Sunday Banking.

Kotak Mahindra Bank is the only Bank which offers a 24 Hour Branch in India, this is a big boon for people who cannot take the time out to visit the Bank during the normal working hours and is also very handy during emergencies.

The 365 Day Branch of Kotak Mahindra Bank is also unique and the only other Bank offering this service is ABN Amro, this Branch is open regardless of the fact that it is a Sunday or a public holiday.

Sunday Banking is very useful for people who are busy throughout the week and the only day when they find the time is Sunday. Other Banks offering this service apart from Kotak Mahindra Bank are ABN Amro and CITIBANK.

Best Compliments Card – the perfect gift

Introducing Best Compliments Card - the prepaid card from Kotak Mahindra Bank. It lets your loved ones choose their own gift or shop or enjoy at any place that accepts Visa cards, be it a shopping mall, a restaurant or a multiplex. So go ahead and give someone the perfect gift!

- No Kotak Mahindra Bank account required
- Not restricted to a single brand or outlet - accepted at over 3 lakhs merchant establishments in India that accept Visa cards
- Can be used at your convenience - no need to spend the entire value in a single purchase
- Attractively packaged and ready-to-gift
- Available at all Kotak Mahindra Bank branches
- Valid for two years from date of issue of card

Banking Activities, Loans, Accounts & Deposits**3.1 Objective of the study**

- Complete understanding of the bank and its employee. All the departments' manager who is working in the Kotak Mahindra bank & their work, organization environment & service knowledge etc.
- To find out the marketing related work with the bank with the help of manager of the Kotak Mahindra bank.

3.2 Type of Research: -

Descriptive research is also called Statistical Research. The main goal of this type of research is to describe the data and characteristics about what is being studied. The idea behind this type of research is to study frequencies, averages, and other statistical calculations. Although this research is highly accurate, it does not gather the causes behind a situation.

The regular interaction with the Customers and the Line Managers revealed about the various strategies involved in performing business activities and gathering data using various techniques and software applications

Descriptive research includes Surveys and fact-finding enquiries of different kinds. The main characteristic of this method is that the researcher has no control over the variables; he can only report what has happened or what is happening.

DATA SOURCES

There are two types of data:

PRIMARY DATA

The data that is collected first hand by someone specifically for the purpose of facilitating the study is known as primary data. So in this research the data is collected from respondents through questionnaire.

SECONDARY DATA.

For the company information I had used secondary data like brochures, web site of the company etc.

The Method used by me is Survey Method as the research done is Descriptive Research.

3.3 SAMPLE SIZE:

The survey is conducted among 155 respondents.

Simple statistical tools have been used in the present study to analyze and interpret the data collected from the field. The study has used percentile method and the data are presented in the form of diagrams.

3.4SCOPE OF THE STUDY

This study helps in finding out the satisfaction of most important resource that is customers of Kotak Mahindra Bank.

The study provides knowledge of various products& investment services of Kotak Mahindra Bank.

The study helps to learn of work culture of organization.

The study of also helps to learn what as the various benefits available to the customers.

3.5LIMITATIONS OF STUDY

The study could not be made that comprehensive due to time constraints. Some customers feel uncomfortable to reveal some personal information relating to income etc. it might have happened that some more essential information could have been collected.

- Time constraint.
- Biases and non-cooperation of the respondents.
- Financial constraint.
- Geographical selectivity in study limiting to Jaipur city only.
- People are not interested in giving personal opinion.

FACTS AND FINDINGS

1.ATM Facility is more widely used by customers belonging to Private/Foreign Banks as compared to Government Banks.

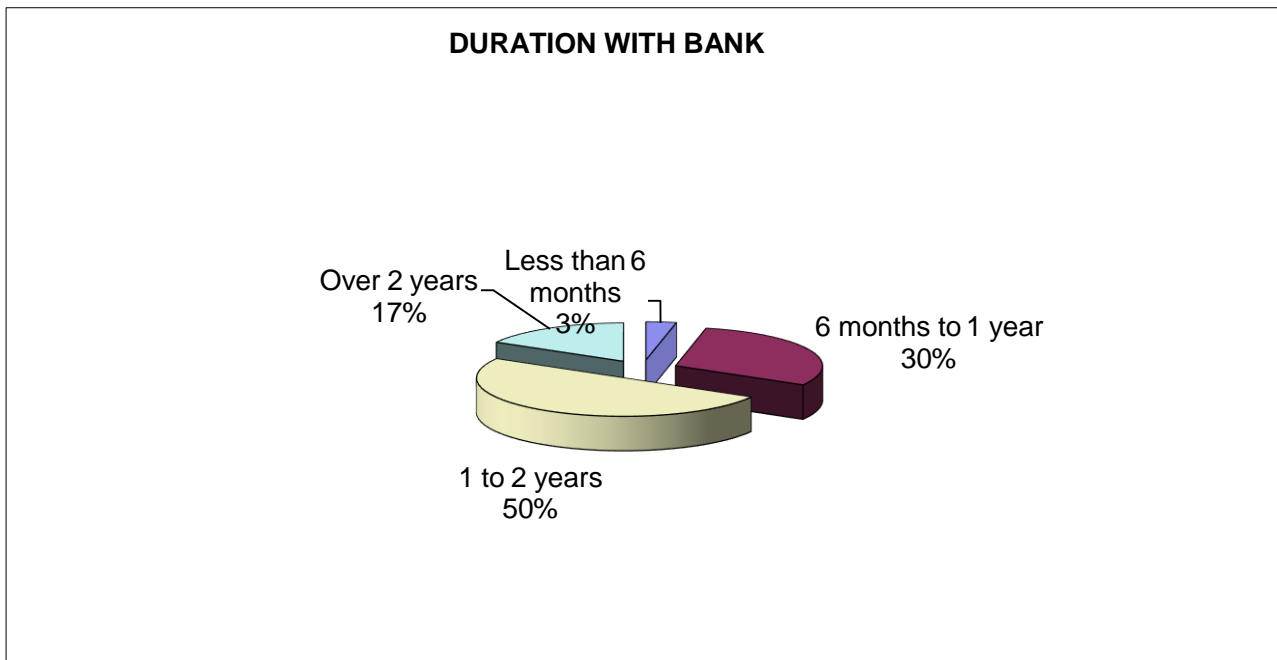
2.Customers value Efficient Service over every other aspect, this is far more important than the number of ATM machines, Staff, Décor of Bank.

3.Reputation of Bank is most important when it comes to choosing especially a Private Bank.

4.The general perception is that Private Banks provides better services as compared to a Government Bank.

5.People realize that Private Banks are as safe as compared to Government Banks.

6.Advertisements and Freebies can be used to attract more customers.

DATA ANALYSIS AND INTERPRETATION**Survey Conducted on 155 Respondents****DURATION WITH BANK**

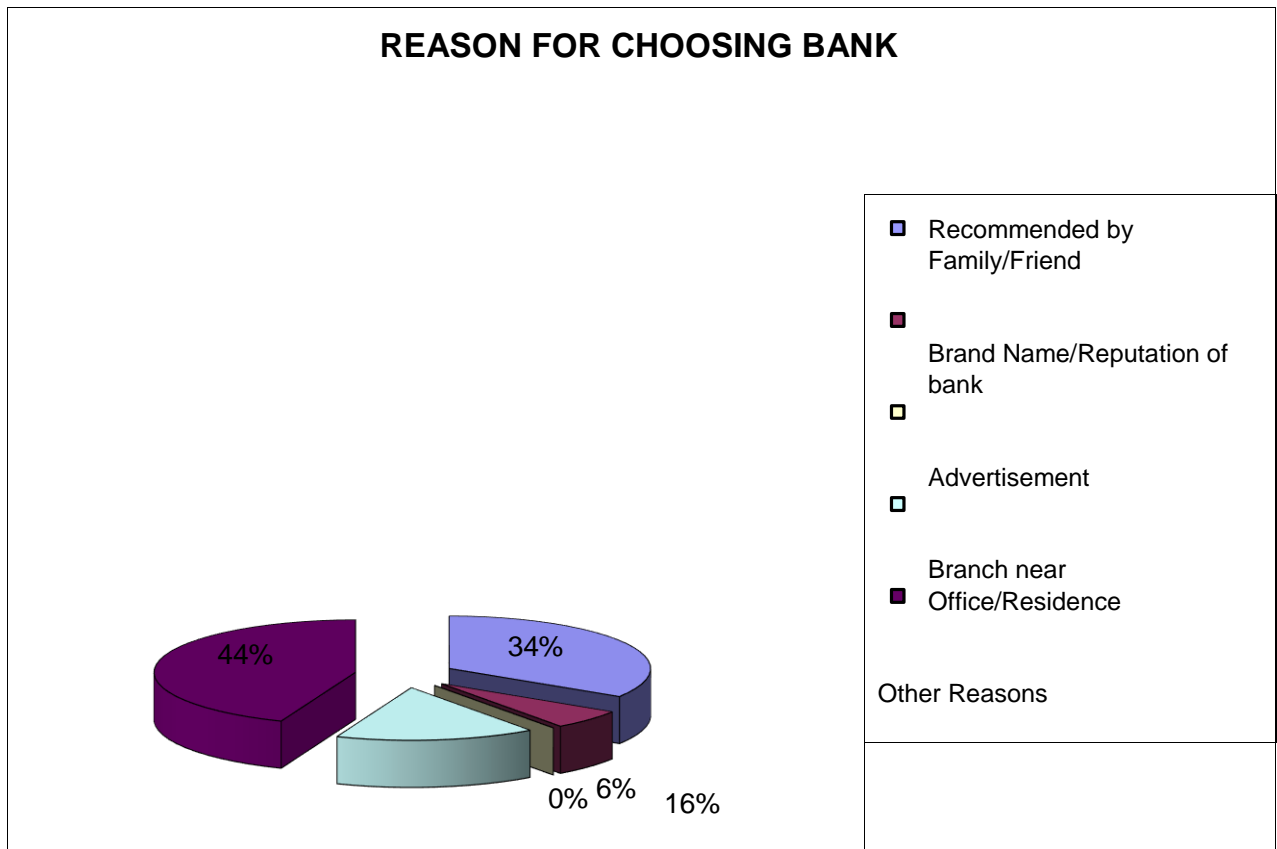
The study of 155 Kotak Mahindra Bank respondents consisted of a majority of customers who had been with the Bank for a reasonable amount of time. This is good as these customers have had the opportunity to properly access the service level of the Bank, and can compare their experiences of Kotak Mahindra Bank with banks they have previously and are currently dealing with.

Out of the total respondents only 3% have been with the Bank for less than 6 months, the rest 97% have had the opportunity to know about the strengths and weaknesses of the Bank.

Another inference that we can draw from this study is that couple of years the Bank has been actively acquiring new customers as from the survey we can see that about 80% of the customers have opened their accounts during the past two years. The reason for this could be that during the past two years the Bank has been able to convince many prospective customers about the superior service it is able to offer in comparison to competing Banks.

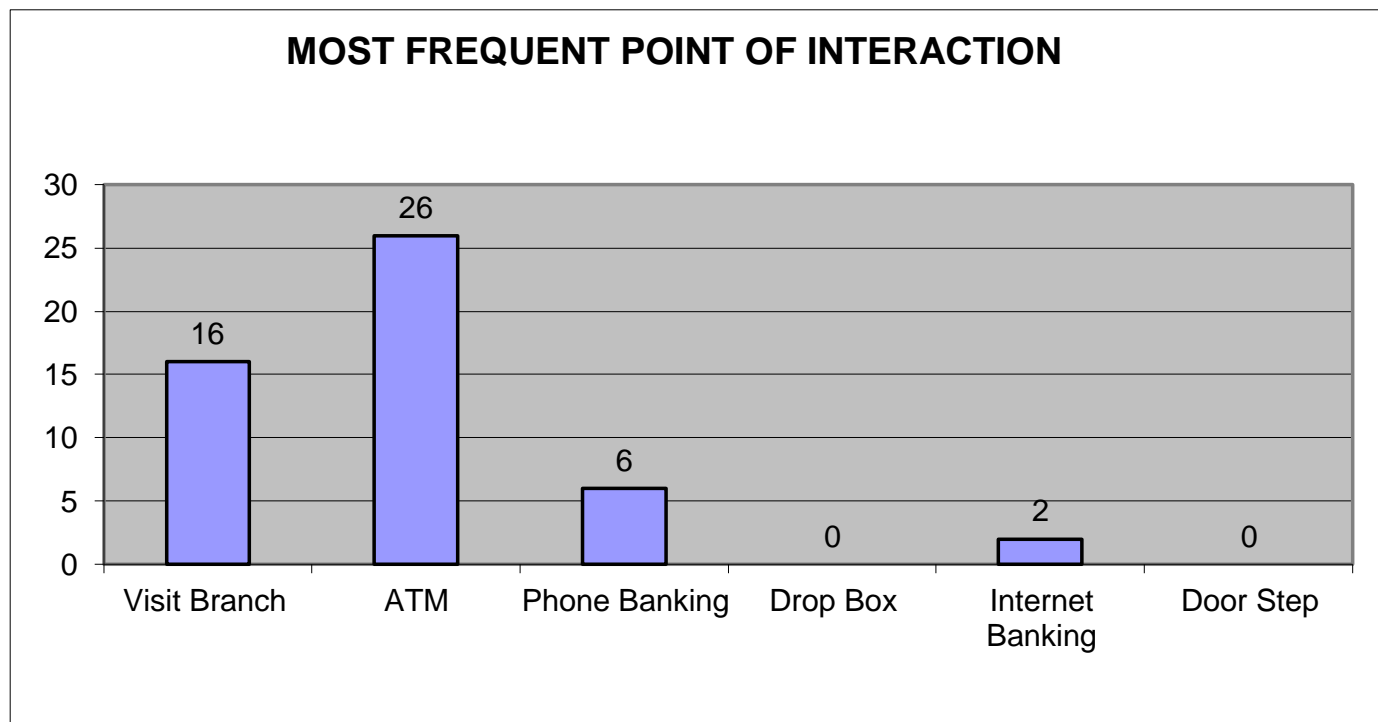
Another reason could be that the customer base of the Bank has increased due to sheer word of mouth of the Banks millions of satisfied customers.

1. REASON FOR CHOOSING BANK



If the Bank could get to know of that very compelling factor that convinced the customer to open the account then the Bank could use this in its favor to attract more customers.

From the study conducted the factor which has come out strongest in this regard is the “**Other Reasons**” getting 44% of the responses, going deeper into this response by asking the respondent what is the factor they include in this Other Reasons is that most people are not the deciding factor when they open a saving account, this is done so by their employers. The customer’s salary accounts are created by the companies in which they work.

3. MOST FREQUENT POINT OF INTERACTION WITH THE BANK

The Banks are very interested to know the most popular **Point of Interaction** with the Bank as if the Bank is lacking in one of these steps can be taken to make the situation better.

From the study we can see more than half (**more than 50%**) of the total respondents feel that they interact most with the Bank with the help of ATM. Hence the importance of ATM cannot be overstated.

The Second most popular point of interaction that arises from the study is the **Branch** with 32% of the respondents favoring this option. Kotak Mahindra Bank is unique in an aspect that it follows the “**Any Branch Banking**” wherein the Account holder can use any of the Banks 156 Branches all over the country.

An aspect that customers really appreciate is the **24 hour Branches and the 365 Days Branches of Kotak Mahindra Bank**. The 24 Hour Branch of Kotak Mahindra Bank is located at sector 18 Jaipur apart from these Branches in Mumbai and other cities in India.

Kotak Mahindra Bank is the only Bank which has the facility of a 24 Hour Branch. As for a 365 Day Branch the only Bank having this facility apart from Kotak Mahindra is UTIBank.

The third most Frequent Point of Interaction is **Phone Banking** with 11.5% of the respondents favoring this medium. Phone Banking is one of the new age Banking techniques. It is in it’s infancy in India and people have not taken to it as is the case in other Developed Countries in the World.

In the study it was seen that customers have mixed feeling when it comes to Phone Banking as sometimes they do not find it as an effective alternate to traditional forms of Banking.

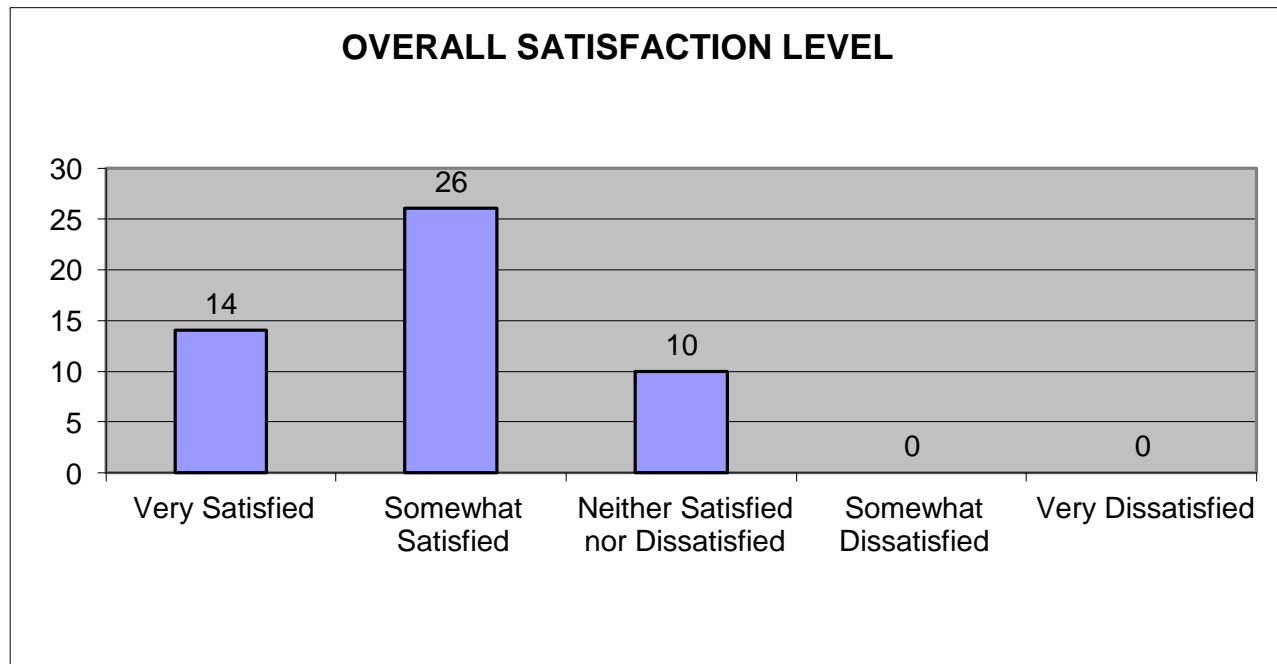
The forth most Frequent Point of Interaction with the Bank is **Internet Banking** with 4% of the respondents favoring this medium. Internet Banking is the most modern means of

Banking available to the customers but due to the general perception that this medium is not safe it is not used by many people.

In our study only 60% of the total respondents have at least once used Internet Banking.

The two options which were not favored by any respondents as the most Frequent Point of Interaction are **Drop Box Facility** and **Door Step Banking**.

4. OVERALL SATISFACTION LEVEL



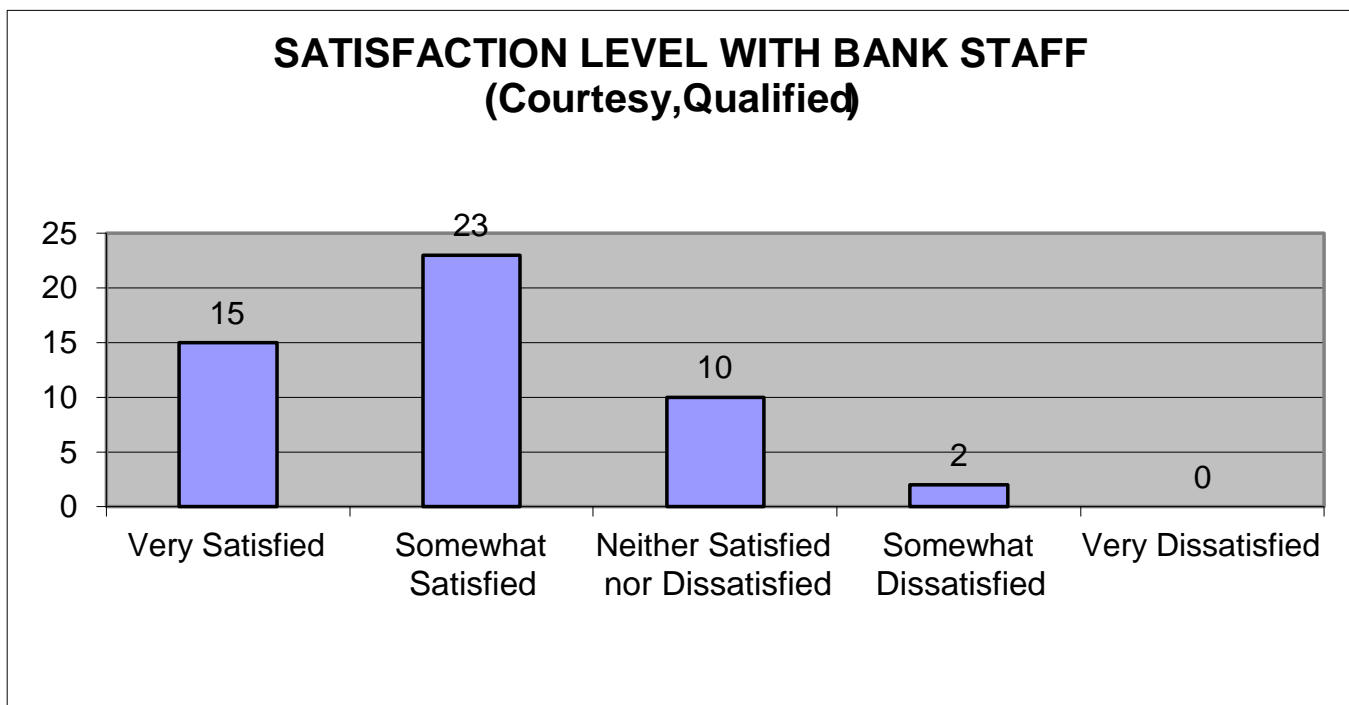
Any service provider would want their customers to have a high Overall Satisfaction level. Kotak Mahindra Bank has scored very well in this regard.

The most important thing is that **no respondent has complained that they are overall dissatisfied with the bank**. This is a very important finding because this shows the effort Kotak Bank puts in providing their customers a superior service has not gone waste.

More than half of the total respondents (52%) say that they are somewhat satisfied with the overall service of the Bank. About 30% of the total respondents say that they are Very Satisfied with their Overall Experience with the Bank. Hence about 82% of the Respondents are Satisfied with their Overall Experience with the Bank.

The study is showing a very good Overall Satisfaction Level by the Account holders

5. SATISFACTION LEVEL WITH BANK STAFF

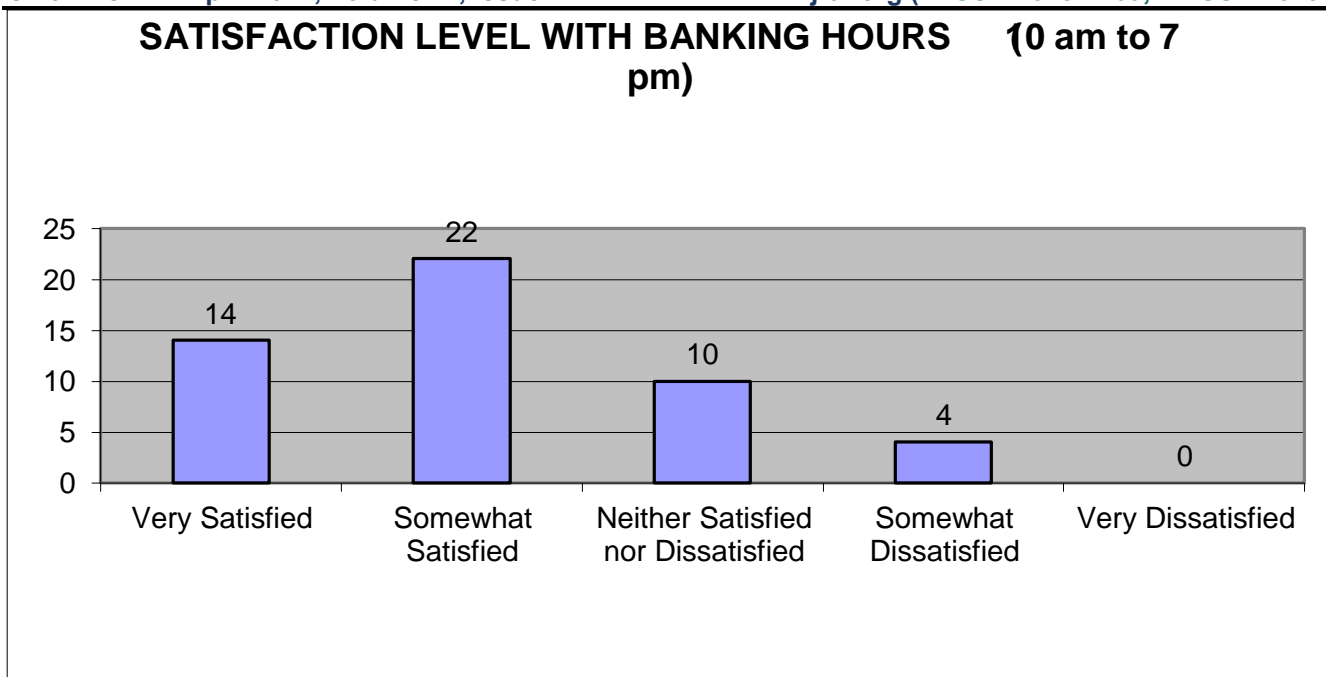


Banks are institutions which are backed up by a large amount of capital; today's Banks are spending a huge amount of money on technology, improvement in infrastructure, etc. But even today the most lasting impact about any Bank comes from the customers experience with the Bank Staff.

Any painful experience can have a lasting impact on the mind of the customer, this can force him to change Banks or even discourage others from joining the Bank. Hence Banks should train their employees to maintain good relations and be cooperative with the customers.

From the results of the findings we can see that Kotak Mahindra Bank has been successful in maintaining a high level of customer satisfaction with the employees. Only **4%** of the total respondents included in the study were **dissatisfied**.

The number of respondents who were **Very Satisfied** represented **30%** of the total respondents while those who were Somewhat Satisfied were **46%** of the total. The respondents who were **Neither Satisfied nor Dissatisfied** are **20%** of the total.



6. SATISFACTION LEVEL WITH BANKING HOURS (10 am to 7 pm)

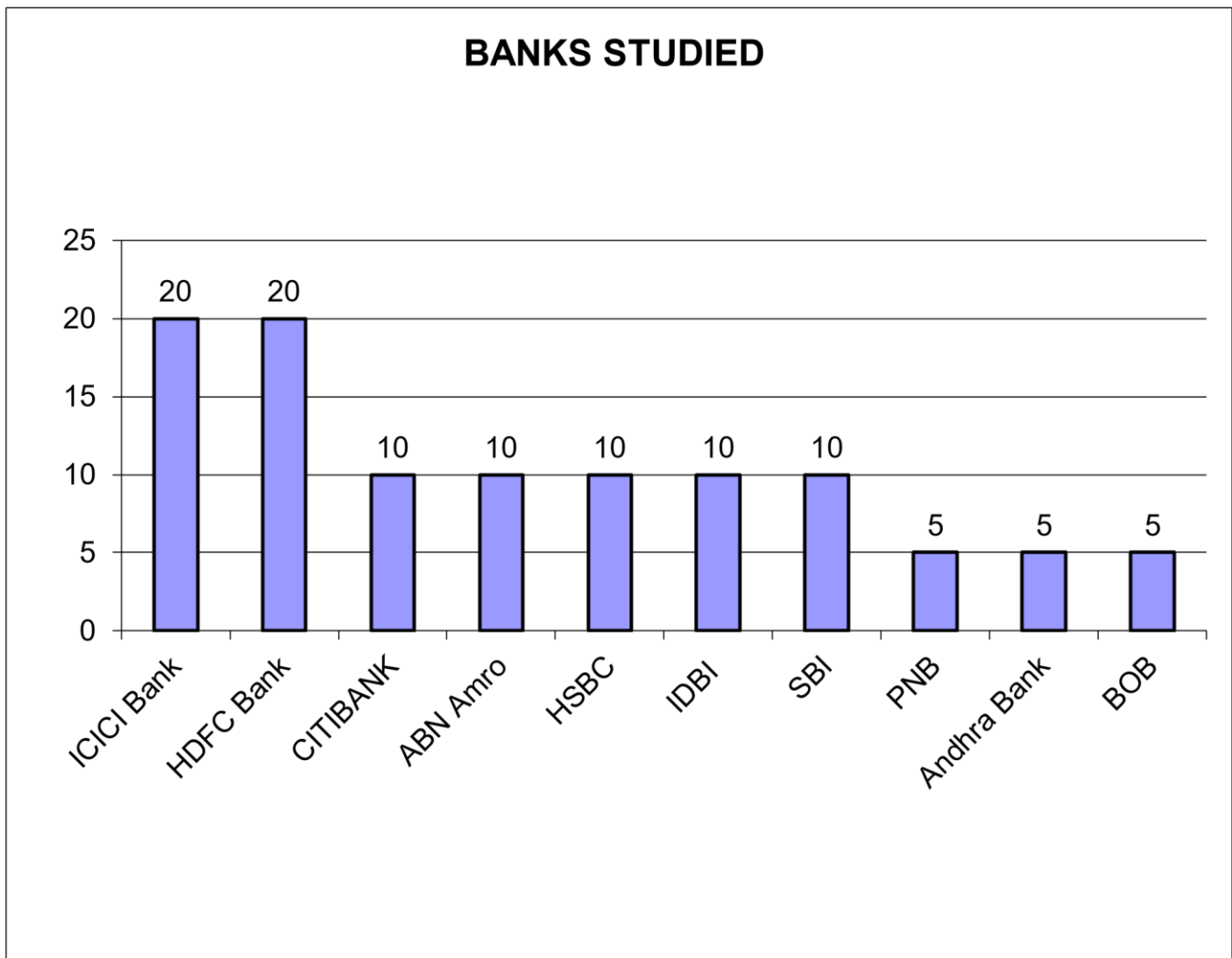
From the analysis of the data that has been collected from Kotak Mahindra Bank Account holders we can see that majority of the respondents are satisfied with the Average Banking Hours.

The respondents who are Somewhat Satisfied with the Banking Hours consist of 44% of the total, while 28% of the total respondents studied say that they are Very Satisfied. In all 72% of the total respondents are satisfied with the Banking Hours of Kotak Mahindra Bank.

The respondents who are neither Satisfied nor Dissatisfied consist of 20% of total number studied, while 8% of the respondents are somewhat dissatisfied.

7. THE RESULTS OF A GENERAL SURVEY WHICH WAS CONDUCTED ON 10 DIFFERENT BANKS IS AS FOLLOWS

BANKS STUDIED

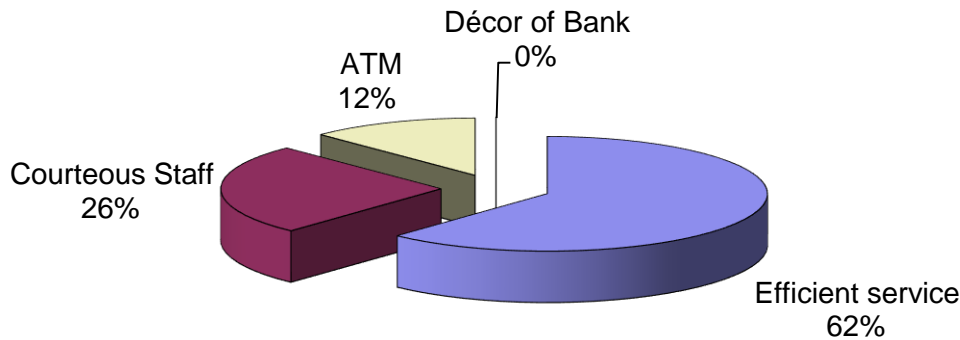


This study involved mainly Banks operating in the Private Sector, there are some Banks from the Public Sector but these are at a relatively lower proportion.

The Private Bank include both Indian and Foreign Banks, the Indian Banks included ICICI Bank, HDFC Bank While the Foreign Banks apart from Kotak Mahindra Bank studied included CITIBANK, HSBC, ABN Amro.

From the survey of more than hundred respondents belonging to different Banks we can to the conclusion that **Efficient Service offered by Banks is considered most important** by account holders , **62%** of the respondents felt that the Bank should concentrate more on this service aspect.

MOST IMPORTANTANT QUALITY IN A BANK



The next aspect which is considered highly important by the Account holders of various Banks is the **Staff of the Bank**. It is true that today's Banking far less of Branch Banking as it was the case a few years ago , today Account holders have a constant interaction with non-human interface like ATM machines , Internet Banking , Drop Box , Even phone Banking when customers do not interact in a face to face manner with the Bank employees.

But in the minds of the respondents it is very important that the Staff the Bank employs should be cooperative, courteous and qualified to solve the various problems of the Account holders

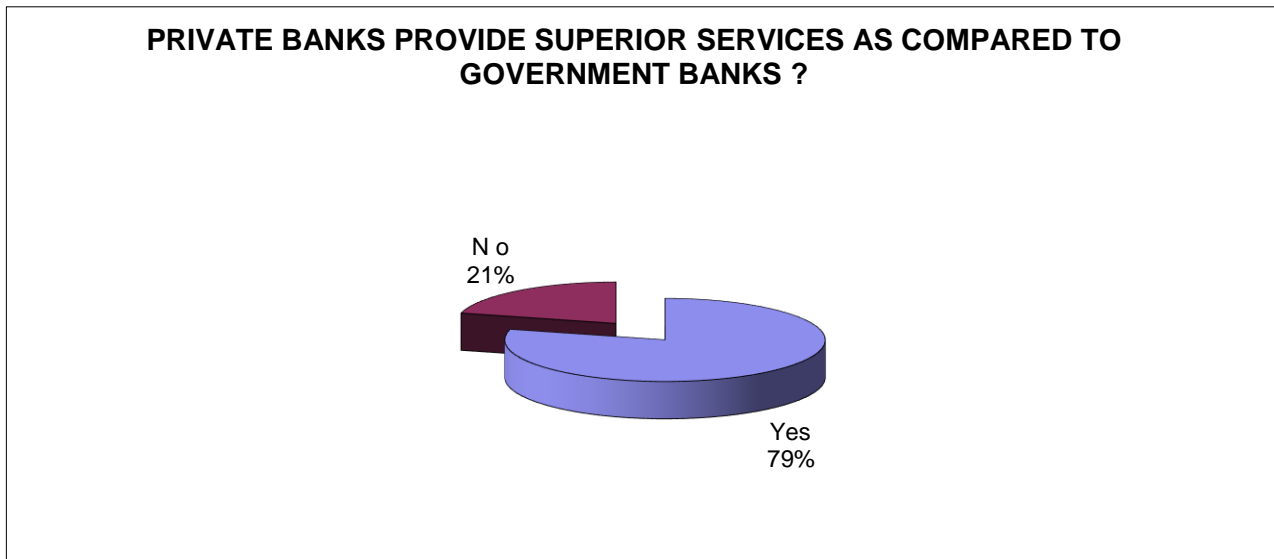
. The percentage of respondents favoring Staff quality as most important was 26% of the entire sample size.

The most frequent point of interaction with the Bank is ATM facility, the Account holders whether in Private/Foreign sector or the Government sector have been provided with ATM facility by their respective Banks. To judge the performance level of any Bank today it is crucial that the ATM service of the Bank be studied, this includes not only the number of ATM machines installed by the Bank , but also how technologically advanced the machines are (number of transaction that can be done with the ATM Facility), the effort Bank undertakes to maintain the machines and also the overall experience of the Account holder with the service.

The percentage of respondent considering the **ATM service as most important were 12% of the total sample size.**

But from the respondents who were questioned **none of them said that the Décor/Ambience of the Bank Branch was most important.** On further Questioning it was revealed that they did want well-maintained Branches/Other Bank Interaction points but this was not the most important aspect.

8. PRIVATE BANKS PROVIDE SUPERIOR SERVICES COMPARED TO GOVERNMENT BANKS?



The general perception is that the service quality of Private Banks is superior to that offered by Government sector Banks; we wanted to study whether this is a true phenomenon or whether this was just hearsay.

The most important findings would come from the group of respondents who hold Saving Accounts with both Private and Government run Banks, as these people would be in the best position to judge the service offered by the Banks.

According to this group of respondents the Range of Products that are offered by Private sector Banks are much more diverse than those offered by Government Banks.

Also these respondents felt that the Banks in the Private sector were much more flexible than their Government counterparts when dealing with customers were concerned.

Private sector Banks are much more proactive when it comes to offering it's customers new-age methods of Banking like ATM Facility , Internet Banking , Phone Banking, These services make the life of Account holders much easier.

Another major difference that comes to most of the respondents minds when comparing the Private and Government sector Banks is the Staff Attitude towards the customers. Sure Private sector Bank Account holders have had problems dealing with Bank Staff, but they still feel it is much better than how Government employees behave. These Government employees show as if they are doing a favoring on the customer when they do their job.

Private sector Bank customers are offered many freebies and incentives to remain with the Bank, or try new products of the Bank. This is never the case with Government Banks.

Overall the result of this question very clearly states that people consider the service level of Private Banks much higher than Government Banks as 79% of the respondents agree and only 21% of the respondents disagree.

SWOT ANALYSIS

Strength

1. Aggression towards development the existing standards by banks.
2. Strong regulatory impact by central Bank to all the banks.
3. Presence of intellectual capital to face the change in implementation with good quality.
4. Entire range of products for corporate and retail customers.
5. Market segmentation and products for niche segment.
6. Significant presence in Credit cards, Insurance, Mutual funds, Investment banking, Personal loans and SME sector.
7. Good Banking infrastructure
8. International Presence
9. Huge amount of deposits
10. IT enrichment
11. customer satisfaction
12. continuous profit and growth chart
13. Innovation in most of products

Weakness

1. Poor Technology infrastructure
2. Ineffective risk measures
3. Presence of more number of smaller banks that would likely to be Impacted adversely
4. Data, sometimes not supplemented with details on the company's history, key executives, business description, locations and subsidiaries as well as a list of products and services and the latest available company statement.

Opportunities

1. Increasing Risk management Expertise.
2. Need significant Connection among, business Credit & risk management and Information Technology.
3. Advancement of technologies. Strong Asset Base would help in bigger growth.

4. When I visited to the market then I saw there is most of the customers current account in the bank and some are using EDC machine also but there is large number of shopkeeper have not this facility, so it have to make aware in these shopkeeper about EDC machine.
5. Improvement in the economic conditions.
6. Increasing purchasing power of large number of middle class.
7. India's stature as leading IT power.
8. Retail finance and insurance sector.
9. Low penetration of credit cards.

Threats

1. Inability to meet the additional Capital Requirements
2. loss of Capital to the entire banking system due to merger and acquisitions
3. Huge investments in Technologies.
4. As we know that "ICICI Bank" is leading company in the market and "MAHINDRA KOTAK Bank" is competitor of it, so there is very aggressive completion between these two company so there both company's always watching their strategy, company share and this both company wanted to cover more and more market so according to me is a burden for the company.
5. Competition from other banks

CONCLUSION

1. Kotak Mahindra Bank is Leading Bank in the country, it provides a variety of products and services to different segments of customers.
2. The Bank aims to serve customers from teenagers to senior citizens, hence different products designed to suit specific requirements of the above.
3. Aims to serve all classes of the society from the salaried middle class to the high income business class. Customers are categorized and segmented according to their requirements and needs.

For Example, the EDGE Saving Account aims to serve middle class customers so minimum balance required to be maintained is Rs. 10000. While the PRO and ACE Saving Accounts are targeted at high income customers, the minimum balance requirement is Rs. 20000 and Rs. 75000.

4. Customers who are more profitable to the Bank (High Value Customers) are provided special facilities. Priority Banking is meant to serve these high value customers.

5.The Bank prides itself with the ability to provide differentiate products in the crowed market of saving accounts. Bank offers the free home baking, special co-branded debit cards (Smart fill Debit Card) which makes its product unique.

6.The Bank is also involved in marketing activities which serves as a medium of advertisement for the Bank. These are as follows:

- Extended happy hours at certain pubs in Delhi for the Bank's account holders.
- Gift Vouchers on making utility payments, such as cell phones, electricity and MTNL bills.
- Free Gifts like caps, pens/wollets to its customers.
- Free add-on cards for relatives.

7.The Bank wants it's customers to transact more through Internet Banking and ATM, Rather than the customers using the branch.

8.The Debit Cards provided by the Bank are Internationally Accepted around the world, hence giving the customers the convenience to transact anytime, anywhere.

9.The Bank has tied up with other Banks so that it's customers can use other Bank's ATM facility for free transactions

10. The Bank also provides DEMAT account and also sells Mutual Funds, this provides the Bank and Government additional revenue.

11. The Bank has been very successful in enlarging its customer base during the last couple of years.

12. The Number One Reason of people choosing Kotak Mahindra Bank is the Brand Name/Reputation of the Bank. Hence it should be careful that the Brand name and Goodwill the Bank has earned is not diluted.

13. The Biggest competitors of the Bank are ICICI Bank and HDFC Bank and STANDRAD CHARTERED.

14. ATM Facility is most popular way to transact with the Bank.

15. Overall the customers appreciate the service and products offered by the Bank and are willing to recommend the Bank to their acquaintances , But more attention has to paid towards:

- Increasing the number of ATM machines.
- Improving Internet Banking Facility.

RECOMMENDATION & SUGGESTIONS

1.Increasing the number of ATM machines.

2.Improving Internet Banking Facility.

3.Transaction carried out under the service in good faith relying on customer instruction.

4.Remove any copyright trademark or other proprietary right notice contained in netcard verified by visa.

5.Bank should be open Sunday and holidays for some hours.

6. Demand draft facility should be available on internet banking.
7. The customer should change his mailing address by internet banking.
8. Cheque book should be issued by the bank for all type of account at without charges.
9. Interest payable on the saving and term deposit account should be increase at the end of the financial year.
10. Daily minimum/maximum transaction limit should be based on customer account balance.

BIBLIOGRAPHY

There was immense need and flow of the information while conducting the analysis as well as while writing the thesis report, which was gathered through various sources mentioned below:

6. Various Magazines and Newspapers such as

Outlook

Financial Times

The Economic Times

The Times of India

The Hindustan Times

7. Other References

Questionnaires, Journals, Broachers and various other documents gathered and collected from bank and various other sources such as ATM centers and associates.

8. Internet [www. Kotak Mahindra Bank. com](http://www.KotakMahindraBank.com) [www. Kotak Mahindra Bank.co.in](http://www.KotakMahindraBank.co.in) www.google.com
www.economictimes.com