

TO STUDY DATA OF E-BANKING OPERATIONS AT KOTAK MAHINDRA BANK

A Project Submitted to

University of Mumbai for partial completion of the degree of

Bachelor's in commerce (BANKING & INSURANCE)

Under the Faculty of Commerce

By

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Under the Guidance of

Mr. NIRAV GODA

THAKUR COLLEGE OF SCIENCE AND COMMERCE

Thakur Village, Kandivali (E), Mumbai 400101

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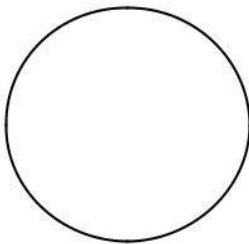


Certificate

This is to certify that Mr HARIT BHATIA has worked and duly completed his Project Work for the degree of bachelor's in commerce (Banking & Insurance) under the Faculty of Commerce and his project is entitled, "To STUDY DATA Of E-Banking Operations At Kotak Mahindra Bank" under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is his own work and facts reported by his personal findings and investigations.



NAME &
SIGNATURE OF GUIDE

NAME &
SIGNATURE OF EXTERNAL

Date of submission: 03/04/2021

Declaration by Learner

I the undersigned Mr HARIT BHATIA hereby, declare that the work embodied in this project work titled “ TO STUDY DATA Of E-Banking Operations At Kotak Mahindra Bank forms my own contribution to the research work carried out under the guidance of Mr. NIRAV GODA, result of my own research work and has not been previously submitted to any other University for any other Degree/ Diploma to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, hereby further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

Name and Signature of the learner

Certified by

Name and signature of the Guiding Teacher

Acknowledgment

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

I take this opportunity to thank the University of Mumbai for giving me the chance to do this project.

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INTRODUCTION

Banks have traditionally been in the forefront of harnessing technology to improve their products, services and efficiency. They have, over a long time, been using electronic and telecommunication networks for delivering a wide range of value-added products and services. The delivery channels include direct dial – up connections, private networks, public networks etc and the devices include telephone, Personal Computers including the Automated Teller Machines, etc. With the popularity of PCs, easy access to Internet and World Wide Web (WWW), Internet is increasingly used by banks as a channel for receiving instructions and delivering their products and services to their customers.

This form of banking is generally referred to as Internet Banking, although the range of products and services offered by different banks vary widely both in their Content and sophistication. Broadly, the levels of banking services offered through INTERNET can be categorized in to three types:

- (i) The Basic Level Service is the banks websites which disseminate information on different products and services offered to customers and members of public in general. It may receive and reply to customers' queries through e-mail.
- (ii) In the next level are Simple Transactional Websites which allow customers to submit their instructions, applications for different services, queries on their account balances, etc, but do not permit any fund-based transactions on their accounts
- (iii) The third level of Internet banking services are offered by Fully Transactional Websites which allow the customers to operate on their accounts for transfer of funds, payment of different bills, subscribing to other products of the bank and to transact purchase and sale of securities, etc.

The above forms of Internet banking services are offered by traditional banks, as an additional method of serving the customer or by new banks, who deliver

banking services primarily through Internet or other electronic delivery channels as the value-added services. Some of these banks are known as “virtual” banks and may not have any physical presence in a country despite offering different banking services. From the perspective of banking products and services being offered through Internet. Internet banking is nothing more than traditional banking services delivered through an electronic communication backbone, viz, Internet.

But, in the process it has thrown open issues which have ramifications beyond what a new delivery channel would normally envisage and hence, has compelled regulators, world over to take note of this emerging channel.

Features Of E-Banking

1. It removes the traditional geographical barriers as it could reach out to customers of different countries / legal jurisdiction. This has raised the question of jurisdiction of law / supervisory system, to which such transactions should be subjected.
2. It has added a new dimension to different kinds of risks traditionally associated with banking, heightening some of them and throwing new risk control challenges.
3. Security of banking transactions, validity of electronic contract, customers privacy, etc., which have all along been concerns of both bankers and supervisors have assumed different dimensions given that Internet is a public domain, not subject to control by any single authority or group of users.
4. It poses a strategic risk of loss of business to those banks who do not respond in time, to this new technology, being the efficient and cost-effective delivery mechanism of banking services.
5. A new form of competition has emerged both from the existing players and new players of the market who are not strictly banks. The Regulatory and Supervisory concerns in e-banking arise mainly out of the distinctive features outlined above.

These concerns can be broadly addressed under three broad categories, viz

- (i) Legal and regulatory issues,
- (ii) Security and technology issues and
- (iii) Supervisory and operational issues. Legal issues cover those relating to the jurisdiction of law, validity of electronic contract including the question of repudiation, gaps in the legal / regulatory environment for electronic commerce.

On the question of jurisdiction, the issue is whether to apply the law of the area where access to Internet has been made or where the transaction has finally taken place.

Security of e-banking transactions is one of the most important areas of concerns to the regulators. Security issues include questions of adopting internationally accepted state of the art minimum technology standards for access control, encryption / decryption (minimum key length etc), firewalls, verification of digital signature, Public Key Infrastructure (PKI) etc. The regulator is equally concerned about the security policy for the banking industry, security awareness and education. The supervisory and operational issues include risk control measures, advance warning system, Information technology audit and re-engineering of operational procedures. The regulator would also be concerned with whether the nature of products and services offered are within the regulatory framework and whether the transactions do not camouflage money-laundering operations.

The Central Bank may have its concern about the impact of Internet banking on its monetary and credit policies. As long as Internet is used only as a medium for delivery of banking services and facilitator of normal payment transactions, perhaps, it may not impact monetary policy. However, when it assumes a stage where private sector initiative produces electronic substitution of money like e-cheque, account-based cards and digital coins, its likely impact on monetary system cannot be overlooked. Even countries where e-banking has been quite developed, its impact on monetary policy has not been significant. In India, such concern, for the present is not addressed as the e-banking is still in its formative stage.

HISTORY OF BANKING SECTOR

Banking in India originated in the last decades of the 18th century. The first banks were The General Bank of India, which started in 1786, and Bank of Hindustan, which started in 1790; both are now defunct. The oldest bank in existence in India 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. For many years, the Presidency banks acted as quasi-central banks, as did their successors. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India.

NATIONALISATION

Despite the provisions, control and regulations of Reserve Bank of India, banks in India except the State Bank of India or 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, 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." The meeting received the paper with enthusiasm. Thereafter, her move was swift and sudden. The Government of India issued an ordinance and nationalized the 14 largest commercial banks with effect from the midnight of July 19, 1969. 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, 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.

POST- INDEPENDENCE

The partition of India in 1947 adversely impacted the economies of Punjab and West Bengal, paralyzing banking activities for months. India's independence marked the end of a regime of the Laissez-faire for the Indian banking. The Government of India initiated measures to play an active role in the economic life of the nation, and the Industrial Policy Resolution adopted by the government in 1948 envisaged a mixed economy. This resulted into greater involvement of the state in different segments of the economy including banking and finance. The major steps to regulate banking included: The Reserve Bank of India, India's central banking authority, was nationalized on January 1, 1949 under the terms of the Reserve Bank of India (Transfer to Public Ownership) Act, 1948 (RBI, 2005b) In 1949, the Banking Regulation Act was enacted which empowered the Reserve Bank of India (RBI) "to regulate, control, and inspect the banks in India.

LIBERALISATION

In the early 1990s, the then Narasimha Rao 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, Axis Bank (earlier as UTI 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 not just demanded more from their banks but also received more. Currently, banking in India is generally 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. The stated policy of the Bank on the Indian Rupee is to manage volatility but without any fixed exchange rate-and this has mostly been true. 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 sale.

GROWTH OF BANKING AND DEVELOPMENT IN INDIA

The world's second largest populated country, India, is the apple of the eye for the world now. The world economies are seeing it as their potential market. This has been going on since quite some time now, ever since 1991 reforms of liberalization, globalization and privatization. Indian markets in urban areas have grown appreciably and are on the verge of saturation, so corporates have started tapping rural markets, since more than 60 per cent of India's population lives in rural areas. India has been considerably shielded from the global recession. Firstly, we are not very dependent on the exports for our GDP and have a good consumer base in India. Secondly, we are a saving prone economy, unlike western economies which are consumption prone. Thirdly, when banks across the world are falling like a pyramid of playing cards; we are safe, steady and strong, with our banks which have acted like a strong backbone of our economy during present turmoil. And just like the FMCG sector, there is tremendous growth potential in the banking sector, because firstly, the rural masses have the habit of saving and spending only when needed. Secondly, their small credit requirements for agriculture, cottage industry and marriages etc. According to research carried out by the Reserve Bank of India (RBI), on an all India basis, 59 per cent of the adult population in the country has bank accounts and 41 per cent don't. In rural areas, the coverage of banks is 39 per cent, against 60 per cent in urban areas. There is only one bank for a population of 13000. Within the retail segment, housing loans grew by 20% CAGR during the same period and consisted ~10% of the total bank credit.

Thus, the banks, which had a big challenge on the unsecured loan front, had at the same time a bigger opportunity in the mortgage-backed security portfolio. Abundant liquidity in the banking system during FY10 has been ensured through secular growth in deposits, low credit demand and prudent borrowing schedule issued by the government to maintain a balanced growth. According to a research report, despite the huge borrowings of Rs 4,510 bn by the government in FY10, the money held in reverse repo by banks remained

considerably high. This will provide an opportunity to the banks to utilize the money in the most efficient and effective way to the benefit of both the customers and the economy, comprising various stakeholders. Having talked about comfortable liquidity and the much-wanted stability in the banking system, one can expect that bond yields will remain in a higher range and would not fall significantly.

Other reasons which are likely to support this fact include:

- Lower than expected government borrowings
- Reduced global risk premium
- Higher credit growth. This brings another opportunity for the banks to earn higher income. Besides the favourable condition for liquidity and high bond yield, it is expected that the Net Interest Margin (NIM) will not expand much.

The banks need to have higher incremental CD ratio, improvement in spreads and stable yield on investments to improve NIMs. Banks are expected to have a low cost of deposits owing to a stable interest rate scenario and ample liquidity in the system. In the past few years, fee income has been the major contributor of revenue for private sector banks. Private sector banks have leveraged those areas to achieve the above, which public sector banks have not been able to, viz., transaction- related services and third-party products sales, among others, to increase this non-fund-based income. Thus, we can very well say that the current situation has provided a lot of opportunities and challenges to the existing banks.

PORTER'S FIVE FORCES ANALYSIS

1. **Threat of New Entrants.** The average person cannot come along and start up a bank, but there are services, such as internet bill payment, on which entrepreneurs can capitalize. Banks are fearful of being squeezed out of the payments business because it is a good source of fee-based revenue. Another trend that poses a threat is companies offering other financial services. What would it take for an insurance company to start offering mortgage and loan services? Not much. Also, when analysing a regional bank, remember that the possibility of a mega bank entering into the market poses a real threat.

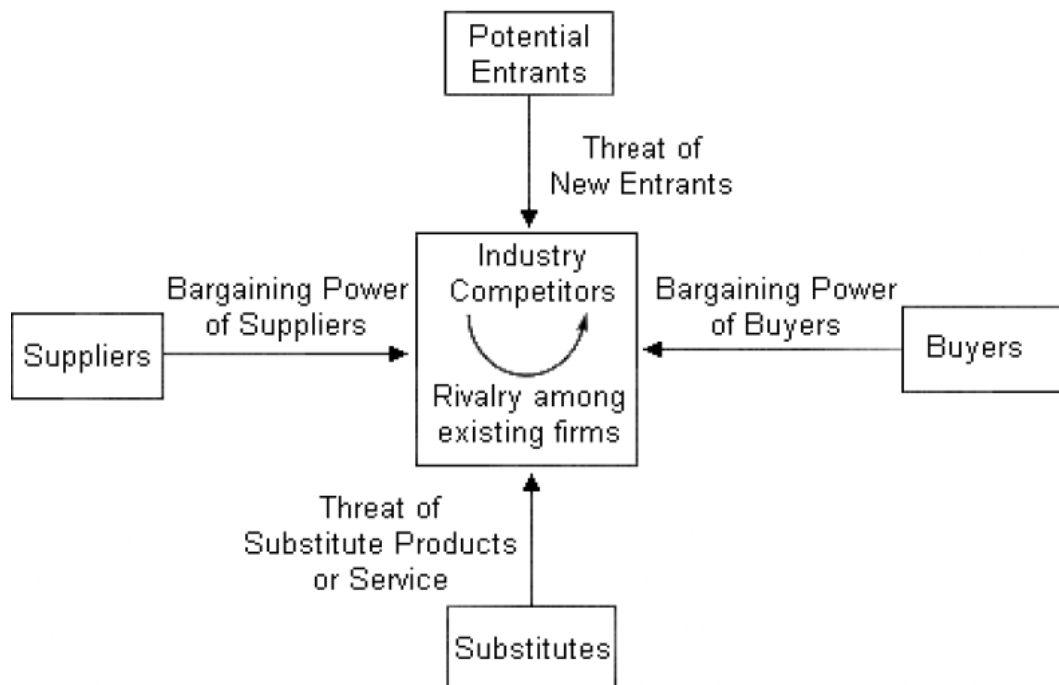
2. **Power of Suppliers.** The suppliers of capital might not pose a big threat, but the threat of suppliers luring away human capital does. If a talented individual is working in a smaller regional bank, there is the chance that person will be enticed away by bigger banks, investment firms, etc.

3. **Power of Buyers.** The individual does not pose much of a threat to the banking industry, but one major factor affecting the power of buyers is relatively high switching costs. If a person has a mortgage, car loan, credit card, checking account and mutual funds with one particular bank, it can be extremely tough for that person to switch to another bank. In an attempt to lure in customers, banks try to lower the price of switching, but many people would still rather stick with their current bank. On the other hand, large corporate clients have banks wrapped around their little fingers. Financial institutions - by offering better exchange rates, more services, and exposure to foreign capital markets - work extremely hard to get high-margin corporate clients.

4. **Availability of Substitutes.** As you can probably imagine, there are plenty of substitutes in the banking industry. Banks offer a suite of services over and above taking deposits and lending money, but whether it is insurance, mutual funds or fixed income securities, chances are there is a non-banking financial services company that can offer similar services. On the lending side of the business, banks are seeing competition rise from unconventional companies.

Sony, General Motors and Microsoft all offer preferred financing to customers who buy big ticket items. If car companies are offering 0% financing, why would anyone want to get a car loan from the bank and pay 5-10% interest?

5. **Competitive Rivalry**. The banking industry is highly competitive. The financial services industry has been around for hundreds of years, and just about everyone who needs banking services already has them. Because of this, banks must attempt to lure clients away from competitor banks. They do this by offering lower financing, preferred rates and investment services. The banking sector is in a race to see who can offer both the best and fastest services, but this also causes banks to experience a lower ROA. They then have an incentive to take on high-risk projects. In the long run, we are likely to see more consolidation in the banking industry. Larger banks would prefer to take over or merge with another bank rather than spend the money to market and advertise to people.



INTRODUCTION OF KOTAK MAHINDRA BANK



Kotak Mahindra Bank is an Indian 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. Today it has more than 363 branches, 20,000 employees and 10,000 crore in revenue. Mr. Uday Kotak is Executive Vice Chairman & Managing Director of Kotak Mahindra Bank Ltd. In July 2011 Mr. C. Jayaram and Mr. Dipak Gupta, whole time directors of the Bank, were appointed Joint Managing Directors of Kotak Mahindra Bank. Dr. Shankar Acharya is the chairman of board of Directors in the company. The Bank has its registered office at Nariman Bhavan, Nariman Point, Mumbai

Kotak Mahindra bank reached the top 100 most trusted brands of India in The Brand Trust Report published by Trust Research Advisory in 2011.

Kotak Mahindra Bank Ltd Kotak Mahindra Bank Ltd is a one stop shop for all banking needs. The bank offers personal finance solutions of every kind from savings accounts to credit cards, distribution of mutual funds to life insurance products. Kotak Mahindra Bank offers transaction banking, operates lending verticals, manages IPOs and provides working capital loans. Kotak has one of the largest and most respected Wealth Management teams in India, providing the widest range of solutions to high net worth individuals, entrepreneurs, business families and employed professionals.

Kotak Mahindra Old Mutual Life Insurance Ltd Kotak Mahindra Old Mutual Life Insurance Ltd is a Company that combines its international strengths and local advantages to offer its customers a wide range of innovative life insurance products, helping them take important financial decisions at every stage in life and stay financially independent. The company covers over 3 million lives and is one of the fastest growing insurance companies in India Kotak Securities Ltd Kotak Securities is one of the largest broking houses in India with a wide geographical reach. Kotak Securities operations include stock broking and distribution of various financial products including private and secondary placement of debt, equity and mutual funds. Kotak Securities operate in five main areas of business: Stock Broking (retail and institutional) Depository Services Portfolio Management Services Distribution of Mutual Funds Distribution of Kotak Mahindra Old Mutual Life Insurance Ltd product Kotak Mahindra Capital Company (KMCC) Kotak Investment Banking (KMCC) is a full-service investment bank in India offering a wide suite of capital market and advisory solutions to leading domestic and multinational corporations, banks, financial institutions and government companies. Our services encompass Equity & Debt Capital Markets, M&A Advisory, Private Equity Advisory, Restructuring and Recapitalization services, Structured Finance services and Infrastructure Advisory & Fund Mobilization Kotak Mahindra Prime Ltd (KMPL) Kotak Mahindra Prime Ltd is among India's largest dedicated passenger vehicle finance companies.

KMPL offers loans for the entire range of passenger cars, multi-utility vehicles and pre-owned cars. Also on offer are inventory funding and infrastructure funding to car dealers with strategic arrangements via various car manufacturers in India as their preferred financier. Kotak International Business Kotak International Business specialises in providing a range of services to overseas customers seeking to invest in India. For institutions and high net worth individuals outside India, Kotak International Business offers asset management through a range of offshore funds with specific advisory and discretionary investment management services. Kotak Mahindra Asset Management Company Ltd (KMAMC) Kotak Mahindra Asset Management Company offers a complete bouquet of asset management products and services that are designed to suit the diverse risk return profiles of each and every type of investor. KMAMC and Kotak Mahindra Bank are the sponsors of Kotak Mahindra Pension Fund Ltd, which has been appointed as one of six fund managers to manage pension funds under the New Pension Scheme (NPS). Kotak Private Equity Group (KPEG) Kotak Private Equity Group helps nurture emerging businesses and mid-size enterprises to evolve into tomorrow's industry leaders. With a proven track record of helping build companies, KPEG also offers expertise with a combination of equity capital, strategic support and value added services.

What differentiates KPEG is not merely funding companies, but also having a close involvement in their growth as board members, advisors, strategists and fund-raisers. Kotak Realty Fund Kotak Realty Fund deals with equity investments covering sectors such as hotels, IT parks, residential townships, shopping centres, industrial real estate, health care, retail, education and property management. The investment focus here is on development projects and enterprise level investments, both in real estate intensive businesses.

VISION STATEMENT

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 bench-marked 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.

The Most Preferred Employer in Financial Services

A culture of empowerment and a spirit of enterprise attract bright minds with an entrepreneurial streak to join us and stay with us. Working with a home grown professionally managed company, which has partnerships with international leaders, 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 corporate governance will be an integral part of building trust.

Value Creation

Value creation rather than size alone will be our business driver.

THEIR BUSINESSES

Kotak Mahindra Bank Ltd

Kotak Mahindra Bank Ltd is a one stop shop for all banking needs. The bank offers personal finance solutions of every kind from savings accounts to credit cards, distribution of mutual funds to life insurance products. Kotak Mahindra Bank offers transaction banking, operates lending verticals, manages IPOs and provides working capital loans. Kotak has one of the largest and most respected Wealth Management teams in India, providing the widest range of solutions to high net worth individuals, entrepreneurs, business families and employed professionals.

Kotak Mahindra Old Mutual Life Insurance Ltd

Kotak Mahindra Old Mutual Life Insurance Ltd is a Company that combines its international strengths and local advantages to offer its customers a wide range of innovative life insurance products, helping them take important financial decisions at every stage in life and stay financially independent. The company covers over 3 million lives and is one of the fastest growing insurance companies in India

Kotak Securities Ltd

Kotak Securities is one of the largest broking houses in India with a wide geographical reach. Kotak Securities operations include stock broking and distribution of various financial products including private and secondary placement of debt, equity and mutual funds.

Kotak Securities operate in five main areas of business:

Stock Broking (retail and institutional)

Depository Services

Portfolio Management Services

Distribution of Mutual Funds

Distribution of Kotak Mahindra Old Mutual Life Insurance Ltd products

Kotak Mahindra Capital Company (KMCC)

Kotak Investment Banking (KMCC) is a full-service investment bank in India offering a wide suite of capital market and advisory solutions to leading domestic and multinational corporations, banks, financial institutions and government companies. Our services encompass Equity & Debt Capital Markets, M&A Advisory, Private Equity Advisory, Restructuring and Recapitalization services, Structured Finance services and Infrastructure Advisory & Fund Mobilization

Kotak Mahindra Prime Ltd (KMPL)

Kotak Mahindra Prime Ltd is among India's largest dedicated passenger vehicle finance companies. KMPL offers loans for the entire range of passenger cars, multi-utility vehicles and pre-owned cars. Also on offer are inventory funding and infrastructure funding to car dealers with strategic arrangements via various car manufacturers in India as their preferred financier.

Kotak International Business

Kotak International Business specialises in providing a range of services to overseas customers seeking to invest in India. For institutions and high net worth individuals outside India, Kotak International Business offers asset management through a range of offshore funds with specific advisory and discretionary investment management services.

Kotak Mahindra Asset Management Company Ltd (KMAMC)

Kotak Mahindra Asset Management Company offers a complete bouquet of asset management products and services that are designed to suit the diverse risk return profiles of each and every type of investor. KMAMC and Kotak Mahindra Bank are the sponsors of Kotak Mahindra Pension Fund Ltd, which has been appointed as one of six fund managers to manage pension funds under the New Pension Scheme (NPS).

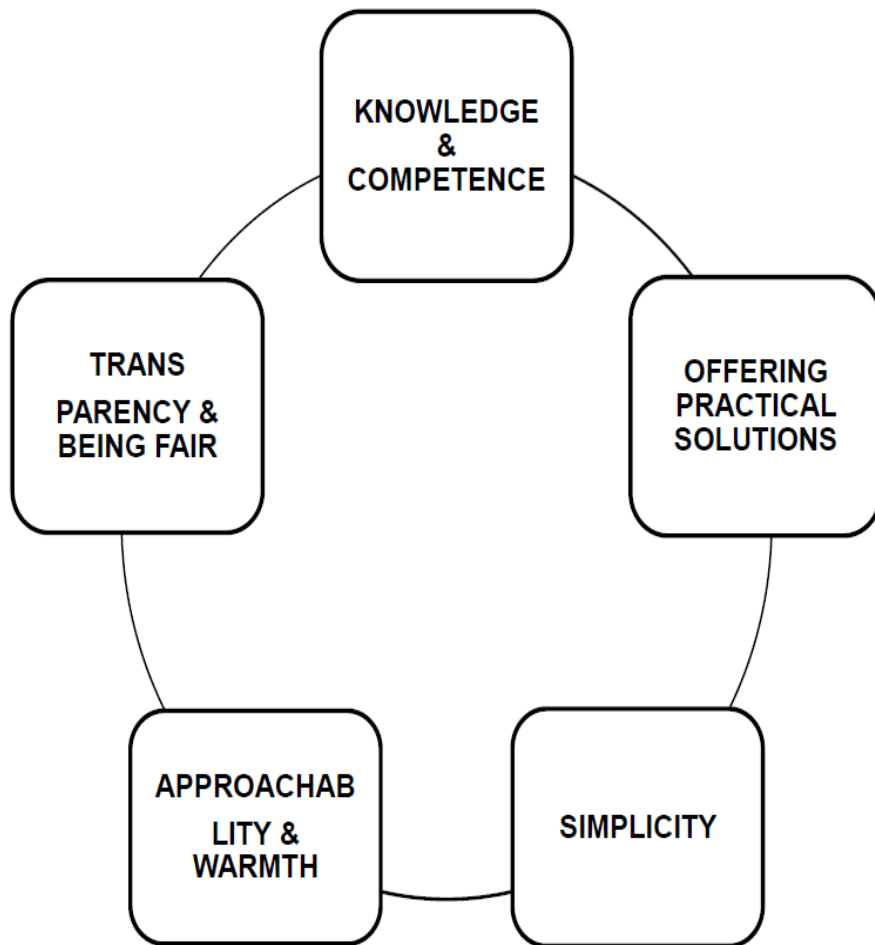
Kotak Private Equity Group (KPEG)

Kotak Private Equity Group helps nurture emerging businesses and mid-size enterprises to evolve into tomorrow's industry leaders. With a proven track record of helping build companies, KPEG also offers expertise with a combination of equity capital, strategic support and value added services. What differentiates KPEG is not merely funding companies, but also having a close involvement in their growth as board members, advisors, strategists and fund-raisers.

Kotak Realty Fund

Kotak Realty Fund deals with equity investments covering sectors such as hotels, IT parks, residential townships, shopping centres, industrial real estate, health care, retail, education and property management. The investment focus here is on development projects and enterprise level investments, both in real estate intensive businesses.

KOTAK'S SPIRIT OF SERVICE



The launch of SPIRIT OF SERVICE QUALITY INITIATIVE has ignited a renewed sense of service at Kotak bank. It is a new mantra that takes spirit to great heights. The above 5 pillars help to incorporate it.

SWOT ANALYSIS OF KOTAK MAHINDRA BANK

External Environment	Threats	Confront	Avoid
	Opportunities	Exploit	Search
		Strengths	Weaknesses

Internal Environment

STRENGTHS:

- 1) Innovative financial product of diverse categories
- 2) Kotak Mahindra Finance Ltd. is the first company in the Indian banking history to convert into a bank
- 3) Of, For, By the customers
- 4) Has over 20,000 employees
- 5) Customer account base of over 2.7 million

WEAKNESS:

- 1) Low publicity and marketing as compared to other premium banks in the urban area

OPPORTUNITIES:

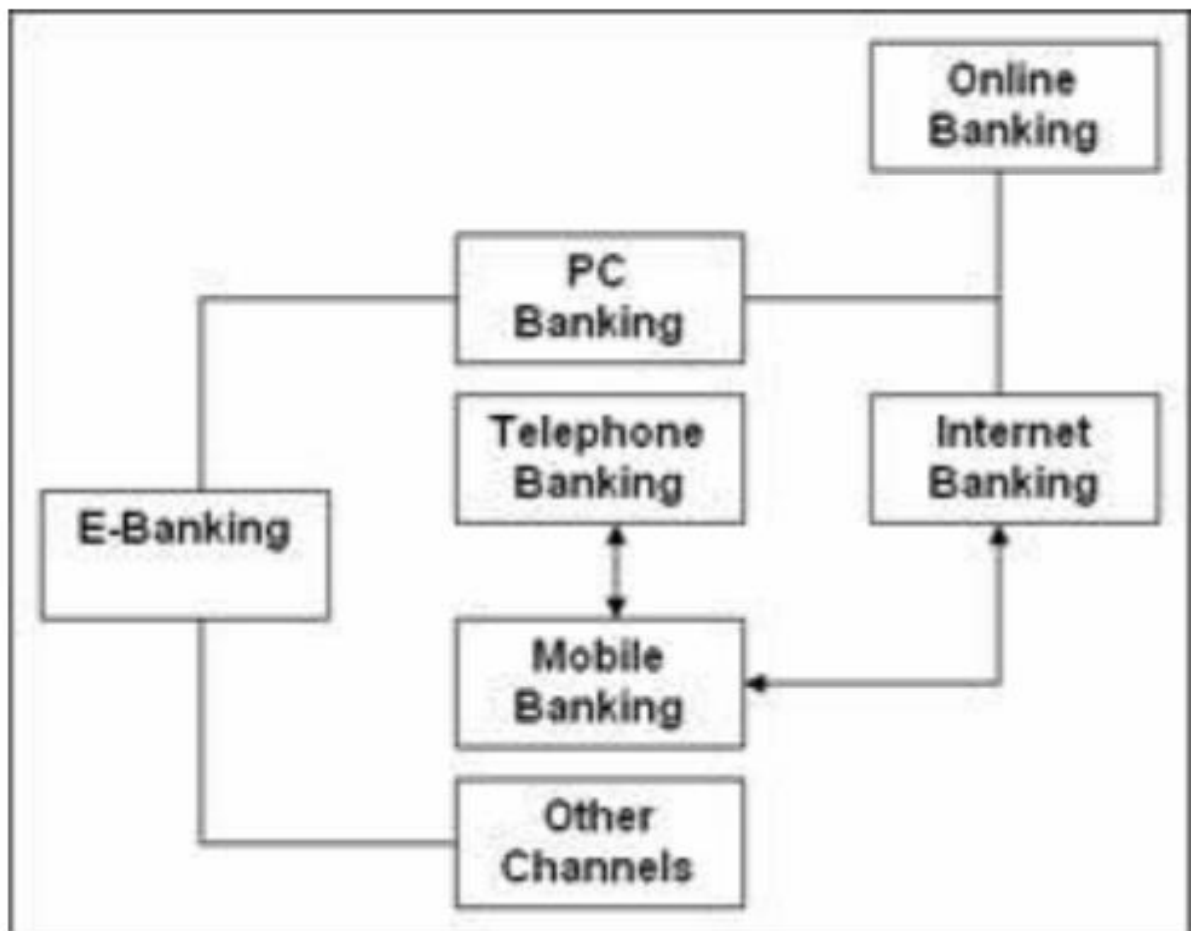
- 1) Explore opportunities abroad by International banking
- 2) Kotak has launched SPIRIT OF SERVICE campaign. Through this campaign it can secure higher and higher levels of CUSTOMER SATISFACTION, LOYALTY ETC.

THREATS:

- 1) Heavy weight corporate like TATA & SONS, RELIANCE CAPITAL, L&T, ADITYA BIRLA, BAJAJ FINSERV, and MUTHOOT FINANCE are trying very hard and leaving no stone unturned to acquire banking license
- 2) Competitors: ICICI, SBI, AXIS, BOB, HSBC etc.

E-BANKING IS ELECTRONIC BANKING

Electronic Banking



“Internet banking (or E-banking) means any user with a personal computer and a browser can get connected to his banks website to perform any of the virtual banking functions. In internet banking system the bank has a centralized database that is web enabled”.

E-BANKING SERVICES & PRODUCTS

Internet banks offer a variety of features and perks, rushing to lure online customers. The race is on to increase market share and create customer loyalty with features that make online banking friendlier, more useful, and less expensive. E-Banking lures customers with convenience.

THE THREE BROAD FACILITIES THAT E-BANKING OFFERS ARE:

- Convenience- Complete your banking at your convenience, in the comfort of your home or at any place you can access the Net
- No more Qs - There are no queues at an online bank
- 24/7 service- Bank online 24 hours a day, 7 days a week and 52 weeks a year

Below is a detailed review of features found in Internet banking around the world.

ONLINE APPLICATIONS:

Consumers can begin their banking relationship with an online application. No need to waste time driving to a local branch to begin a banking relationship. Consumers can fill out and submit electronically all necessary information needed to open a checking, savings account or even a fixed deposit. When the application is submitted, the bank will mail you a signature card for its records and request you to mail or wire your initial funds. Firms like American Express enable customers applying for an account to fund their new account electronically via a credit card or cheque from another banking institution. There are some firms such as Wingspan and USA BancShares.com that enable customers to digitally sign their applications.

ACCOUNT ACCESS:

Internet banking customers now have the ability to view their accounts online, including checking, savings, loans and credit cards. No need to wait for your monthly statements or wait in queue for the next available customer service representative. Account access enables customers to view most recent activity on accounts, including cleared checks, deposits, ATM transactions and balances as of previous day's activities. Customers no longer have to hold on to the cleared checks, since their bank will store them for them online.

ACCOUNT TRANSFERS:

Internet banking customers have the ability to transfer funds to and from their accounts online. With a simple online form, customers can move money from a checking account to a savings account and vice versa within the safety and convenience of their home without having to visit the ATM. Funds transferred online are updated in less than three hours. In addition, customers can set up

recurring transfers to accounts. A recurring transfer will take place on the customer specified date, with a specified amount.

BILL PAYMENT:

Online bill payment enables customers to pay anyone, friends or family, as well as a pay their bills electronically. As an add on feature to Internet banking, bill payment enables customers to send paper checks to anyone or an electronic check to any institution that accepts electronic bill payments. To use bill payment, customers are required to set up their payees online. Customers then have the ability to set up recurring, automatic payments to a specific biller on a specified day or just a one-time payment. Arrange payments three to five days, before the due date, to ensure timely delivery. It is important to note that not all banks provide bill payment as a free feature

AUTOMATED TELLER MACHINE:

ATM is designed to perform the most important function of bank. It is operated by plastic card with its special features. The plastic card is replacing cheque, personal attendance of the customer, banking hour's restrictions and paper based verification. There are debit cards. ATMs used as spring board for Electronic Fund Transfer. ATM itself can provide information about customers account and also receive instructions from customers - ATM cardholders. An ATM is an Electronic Fund Transfer terminal capable of handling cash deposits, transfer between accounts, balance enquiries, cash withdrawals and pay bills. It may be on-line or off-line. The on-line ATN enables the customer to avail banking facilities from anywhere. In off-line the facilities are confined to that particular ATM assigned. Any customer possessing ATM card issued by the Shared Payment Network System can go to any ATM linked to Shared Payment Networks and perform his transactions.

CREDIT-DEBIT CARD:

The Credit Card holder is empowered to spend wherever and whenever he wants with his Credit Card within the limits fixed by his bank. Credit Card is a post-paid card. Debit Card, on the other hand, is a prepaid card with some stored value. Every time a person uses this card, the Internet Banking house gets money transferred to its account from the bank of the buyer. The buyers account is debited with the exact amount of purchases. An individual has to open an account with the issuing bank which gives debit card with a Personal Identification Number (PIN). When he makes a purchase, he enters his PIN on shops PIN pad. When the card is slurped through the electronic terminal, it dials the acquiring bank system - either Master Card or VISA that validates the PIN and finds out from the issuing bank whether to accept or decline the transactions. The customer can never overspend because the system rejects any transaction which exceeds the balance in his account. The bank never faces a default because the amount spent is debited immediately from the customer's account.

SMART CARDS:

Banks are adding chips to their current magnetic stripe cards to enhance security and offer new service, called Smart Cards. Smart Cards allow thousands of times of information storable on magnetic stripe cards. In addition, these cards are highly secure, more reliable and perform multiple functions. They hold a large amount of personal information, from medical and health history to personal banking and personal preferences. Apart from this ALERTS, SMS BANKING, MOBILE BANKING, PHONE BANKING, are also part of E-banking.

BENEFITS OF E-BANKING

24/7 CUSTOMER SERVICE:

Although it is easy to yield to the temptation of allowing the Internet to replace expensive branch personnel and overhead, many banks have found that an customer service staff ready at any hour is well worth the expense. This can be especially true as customer's transition to online banking and need help learning the features. Offering telephone and email contacts are a basic level of service. Offering live chat assistance is the exceptional level.

ACCESS TO OLD TRANSACTIONS:

Choices made in designing the Internet interface may include how much history will be available online. Some banks have chosen to show only 30-45 days, while others offer a history of six months or a year.

CATEGORIZE TRANSACTIONS AND PRODUCE REPORTS:

Functionality is king as online banking customers using these features enjoy a Web interface that delivers the utility of a money management software application.

EXPORT YOUR BANKING DATA:

Most banks offering the management interface also allow easy downloading of financial information into files that can be imported into Microsoft Money and Intuit's Quicken.

INTERACTIVE GUIDES & TOOLS TO HELP SELECTION OF PROPER PRODUCT:

Although online, interactive guides through a bank's products, adds complexity to the programming it also serves the bank by assisting potential customers in choosing new products or services. Interactive Tools to design a savings plan, choose a mortgage, obtain online insurance quotes all tied to applications These tools help remove some of the mystery involved in so many account options and costs.

LOAN STATUS AND CREDIT CARD ACCOUNT INFORMATION:

Bank customers are familiar with reviewing their checking account information, but many banks are adding the ability to look at one's loan status and credit card information as well. Access to as many accounts held at the bank seems to be the goal.

VIEW DIGITAL COPIES OF CHECKS:

This, again, is removing a down side to online banking. It makes images of checks available as replacement for sending out cancelled checks or sheets of printed check images.

ONLINE FORMS FOR ORDERING CHECKS, STOP PAYMENT, ETC.

Convenience is popular and if a customer visits his or her online account frequently it only makes sense to allow the ability to reorder checks or perform

certain other commands through the same interface. These features and many others help customers save time, simplify their lives and provide greater value than conventional banking.

E- BANKING THREATS FACED BY INDIVIDUALS

- 1) **HACKING:** Hacking means finding out weaknesses in an established system and exploiting them. A computer hacker is a person who finds out weaknesses in the computer and exploits it. Hackers may be motivated by a multitude of reasons, such as profit, protest, or challenge. The subculture that has evolved around hackers is often referred to as the computer underground, but it is now an open community.
- 2) **VIRUSES:** Computer Virus is a malicious software program written intentionally to enter a computer without the user's permission or knowledge. It has the ability to replicate itself, thus continues to spread. Some viruses do little but replicate, while others can cause severe harm or adversely affect program and performance of the system. A virus should never be assumed harmless and left on a system.
- 3) **DENIAL-OF-SERVICE ATTACK (DOS):** A denial-of-service attack (DOS attack) or distributed denial-of-service attack (DOS attack) is an attempt to make a computer or network resource unavailable to its intended users. Although the means to carry out, motives for, and targets of a DOS attack may vary, it generally consists of the concerted efforts of a person, or multiple people to prevent an Internet site or service from functioning efficiently or at all, temporarily or indefinitely. Perpetrators of DOS attacks typically target sites or services hosted on high-profile web servers such as banks, credit card payment gateways, and even root name servers. One common method of attack involves saturating the target machine with external communications requests, such that it cannot respond to legitimate traffic, or responds so slowly as to be rendered effectively unavailable. Such attacks usually lead to a server overload. In general terms, DOS attacks are implemented by either forcing the targeted computer(s) to reset, or consuming its resources so that it can no longer provide its intended service or obstructing the communication media between the intended users and the victim so that they can no longer communicate adequately. When the DOS Attacker sends many packets of information and requests to a single network adapter, each computer in the network would experience effects from the DOS attack.
- 4) **IDENTITY THEFT:** It is a form of stealing another person's identity in which someone pretends to be someone else by assuming that person's identity, typically in order to access resources or obtain credit and other benefits in that person's name. The victim of identity theft (here meaning the person whose identity has been assumed by the identity thief) can suffer adverse consequences if they are held accountable for the perpetrator's actions. Organizations and individuals who are duped or defrauded by the identity thief can also suffer adverse consequences and losses, and to that extent are also victims.
- 5) **PHISHING:** It is a way of attempting to acquire information such as usernames, passwords, and credit card details by masquerading as a trustworthy entity in an

electronic communication. Communications purporting to be from popular social web sites, auction sites, online payment processors or IT administrators are commonly used to lure the unsuspecting public. Phishing is typically carried out by e-mail spoofing or instant messaging and it often directs users to enter details at a fake website whose look and feel are almost identical to the legitimate one. Phishing is an example of social engineering techniques used to deceive users, and exploits the poor usability of current web security technologies.

- 6) **SPAM:** Spam is the use of electronic messaging systems (including most broadcast media, digital delivery systems) to send unsolicited bulk messages indiscriminately. While the most widely recognized form of spam is e-mail spam, the term is applied to similar abuses in other media: instant messaging spam, Usenet newsgroup spam, Web search engine spam, spam in blogs, wiki spam, online classified ads spam, mobile phone messaging spam, Internet forum spam, junk fax transmissions, social networking spam, television advertising and file sharing network spam. The spam messages in India are about 3.6 trillion per year.
- 7) **KEY LOGGING:** Software implanted in the customer's computer that records all the keystrokes of the customer, providing a complete record of user IDs, passwords, pin codes, account numbers and transactions. Sometimes this is integrated with additional rogue software, and usually it sends the information it has collected to the hacker.
- 8) **PHARMING:** It is a hacker's attack aiming to redirect a website's traffic to another, bogus website. Pharming can be conducted either by changing the hosts file on a victim's computer or by exploitation of a vulnerability in DNS server software. In January 2008, Symantec reported a drive-by pharming incident directed against a Mexican bank in which the DNS settings on a customer's home router were changed after receipt of an e-mail that appeared to be from a legitimate Spanish-language greeting card company.
- 9) **CROSS-SITE SCRIPTING (XSS):** It is a type of computer security vulnerability typically found in Web applications that enables attackers to inject client-side script into Web pages viewed by other users. A cross-site scripting vulnerability may be used by attackers to bypass access controls such as the same origin policy.
- 10) **COOKIE POISONING:** Cookie Poisoning attacks involve the modification of the contents of a cookie (personal information stored in a Web user's computer) in order to bypass security mechanisms. Using cookie poisoning attacks, attackers can gain unauthorized information about another user and steal their identity.

E-BANKING FRAUD CASES IN INDIA

1] YOUTH ARRESTED FOR NET-BANKING FRAUD

MUMBAI: A 23-year-old, who had opened a fictitious account and siphoned off Rs 4 lakh through net-banking, was arrested by the cyber police station on Monday. Pradeep Kanere was picked up after the Bank of Baroda tipped off the cyber police officials that a person who had an account that was under surveillance had come to the bank.

Kanere has been charged with cheating and forgery and cops are looking for his associates who have withdrawn a huge amount from a private company using a similar modus operandi. The complaint was filed by Kayesh Shah of Energy Park Boilers Private Limited. Shah told police that the company had an account with the Bank of Baroda and the bank had given him net-banking facility. His brothers, Uday and Kartik, were also directors of the company but only he had access to the net-banking password, he added

Recently, while he was going through the account statement, he was shocked to see some transactions that he never done. "Between August 10 and August 18, around Rs 3.92 lakh was withdrawn through net-banking," a police officer said. Shah immediately brought it to notice of bank officials who started probing the accounts where the amount was credited.

Shah also approached the cyber police station at Bandra-Kurla Complex and lodged a complaint. Kanere walked into the bank's Vile Parle branch on Monday, saying he had lost an ATM card and needed to close the accounts. "The bank officials kept him engaged in documentation and informed the police. Officials are trying to trace his associates and find out how he decoded the password," an official said.

2] POLICE PROBE INTERNET BANKING FRAUD

KHAR: Police is probing an internet banking fraud to the tune of Rs 68,000, allegedly by a Delhi-based hacker, police said. "Anil Bansal, in his complain to the police, said that his wife's account in a private bank was hacked within a span of two days on June 21 and 22 of Rs 68,000," police said.

"Bansal, also carried out his own investigations and found that one Ganesh Agrawal staying in Kirti Nagar, Delhi had allegedly made these transactions," police said, and added that the detective crime branch was gathering all details about the accused.

3] NIGERIAN 'KINGPIN' ARRESTED IN MULTI-CRORE ONLINE BANKING FRAUD

KOLKATA: Beware before clicking a mail sent by any unknown person. You could be a victim of 'sphygmograph' - a hi-tech e-fraud - and within days fraudsters may empty your bank account. On Thursday the anti-bank fraud squad of Kolkata Police, led by Soumya Banerjee, unearthed a racket operated by group of Nigerians. One of the kingpins, Felix Nudubisieigs, has been arrested from Puduchhery, say police. Investigators say that Felix, who has been in

India since 2006, is one of the masterminds of the racket which has swindled crores of rupees from people in the last year alone.

In the past few months Kolkata Police has been receiving peculiar complaints from people that their money has been withdrawn or transferred to some unknown account. Alind Jain was one among the victims. A resident of Moradabad, he said that Rs 40,000 was withdrawn from his account and transferred to an account of private bank at Shakespeare Sarani. He suspected his e-banking password had been compromised but could not say how.

Investigators were stunned when they finally unravelled the modus operandi. The scamsters used to send lucrative mails randomly across the country. The mails could be in different forms. You could get a job offer from a multinational company. Or a lottery or even a greetings. When a recipient clicked on the mail, a Trojan virus would penetrate their system.

It remains dormant when the victim logs out of the mail account. When he logs back in, the virus starts copying every stroke on the keyboard and the details of the mail and sends to the mother server operated by the fraudsters.

Investigators said that soon after getting the copied details, the fraudsters start monitoring the victim's mail. If he logs into his bank account online to check his balance, the racketeers get every detail, including the password. If the victim's account balance is lucrative then transfer the money to another account opened in a fictitious name. The racket was so smart that businessmen were conned into paying directly into the fraud account. For instance, if someone got a mail from his business partner for a payment, the fraudsters would spy on it and use the stolen details to send a fake mail asking that the money be deposited in such and such account. Police said that the clever fraudsters recruited scores of Indians to open account in fictitious names to conceal the direct involvement of the Nigerians. They asked the recruited youths to open as many accounts in different banks as they could. "The foot soldiers got a cut of the amount transferred to the account. Soon after a few fraudulent transactions, the gang used to ask the account holder to shut it and open another one," said an officer. The racket generally used routed each fraud transaction through five to six accounts before withdrawing the money.

Investigators have spotted more than 20 such accounts in Tripur, Chennai and other cities in south India. Police have sealed several accounts containing crores of rupees swindled from different people across the country India and are now looking for the victims. Felix landed in India on a student visa and later joined the fraud racket, said police. "He was produced before a Tripur court on Thursday and will be bring to Kolkata on transit remand," said joint commissioner of police, crime, Damayanti Sen

4] CHARTERED ACCOUNTANT LOSES RS 1.41 LAKH IN NET BANKING FRAUD

A chartered accountant employed with a Gurgaon-based MNC and resident of VasantKunj in New Delhi alleged that he was fleeced of Rs.1.31 lakh through internet banking fraud. According to victim Harsh Mehta, 27, the money was siphoned off from his salary account in the Gurgaon branch of Standard Chartered Bank. He also claimed to have lost Rs 10,654 on his credit card.

Shuttling between Delhi and Gurgaon to get a police complaint registered since Friday, the

KPMG employee said his phone was first hacked and a onetime password (OTP) obtained from the bank. A case is yet to be registered and Mehta claimed that neither the mobile company nor the bank is helping him. I do use internet banking but such a thing has never happened before. The hacker also got the bank SMS alert service deactivated, so I could not get messages notifying me of transactions,” Mehta claimed. On January 19 around 5 pm, I received an SMS from Airtel giving an ID for changing my SIM number.

After that, there was no signal on my mobile. I was surprised as I had never made such a request. I contacted the Airtel customer care officer and he assured me that nothing would happen and they will keep a check,” he said. The next morning, I received an email from the bank showing unknown transactions to the tune of Rs.1.31 lakh. The accused must have hacked my phone first, requested the bank for OTP, activated my SIM on his phone and then transferred funds to his account. As the bank limit was of Rs.1 lakh per day, the accused transferred the amount till midnight.

After that, he shifted the remaining balance of Rs 31,000. My credit card was also used for Rs.10,650, the victim added.

5] ENGINEERING STUDENT LOSES RS 5 LAKH: SMS FRAUD

An engineering student here lost Rs 5 lakh to SMS fraudsters who lured him by promising Rs 5.5 crore lottery money. According to police, the student received the message on his mobile stating that he had won 7 lakh Sterling Pounds (around Rs 5.5 Crore) and he had to pay Rs 5,10,399 to receive price money.

He paid the entire amount in three instalments. After the payment, the sender of the SMS went incommunicado. Based on a complaint filed by the student, the Madurai City Central Crime Branch registered a case. Police has advised the people not to get fooled by such SMS. They also warned people against disclosing bank account numbers to strangers.

6] VODAFONE TO RETURN RS 59,000 TO NET BANKING FRAUD VICTIM

Though Vodafone has returned about Rs 59,000 in net banking fraud case after three months, but the real culprit who made the transactions one after the other using different Internet Protocol (IP) addresses is yet to be identified and arrested.

On May 13, Pawan Kumar Singhal, a resident of Sector 11, complained to the police that a sum of Rs 98,000 had been fraudulently withdrawn on the intervening night from his IDBI account through net banking. The account contained around Rs 3 lakh.

On learning about the fraud, he immediately informed the bank’s office at Mumbai to close net banking facility. Singhal retired as General Manager of Haryana Dairy in 2005 and now has been working as a chartered accountant.

The police registered the FIR on May 20 under Section 406 (for criminal breach of trust), 420 and relevant sections of Cyber Act. As per information provided by IDBI bank to the police, the money was withdrawn through 28 transactions, each of Rs 3,500, and deposited in 28 Vodafone customers’ accounts. The bank had also informed that the transactions were made through 90 IP addresses, which failed in some cases too.

The Panchkula police further wrote to Vodafone about closing the accounts, but it was too late by then. The company was able to save about Rs 59,000, which was returned to the police through a cheque. The cheque has come in the name of investigating officer instead of the complainant. So the police is planning to send it back with a request to reissue it in Singhal's name.

E-BANKING: PRECAUTIONS

- 1) **CHANGE YOUR PASSWORD REGULARLY:** Users must change their password after the first log-in for online banking. Besides, keep changing your password at regular intervals. Needless to say, don't disclose your password to anyone, not even the banking staff.
- 2) **AVOID USING CYBER CAFES FOR BANKING PURPOSES:** Avoid using the Internet banking facility from cyber cafes, libraries or from systems installed in public places. But in case it is an absolute necessity, you must clear the browser cache and delete the temporary files on the PC you've accessed the Internet from.
- 3) **DON'T USE PERSONAL DETAILS IN THE PASSWORD:** Avoid using your date of birth, telephone number, address or name in your password. This practice makes your account more vulnerable to being hacked as your password can be easily guessed by just about anyone. Besides, do not leave your computer unattended while you are logged in to the bank site.
- 4) **DON'T LET YOUR BROWSER MEMORIZE YOUR DETAILS:** Never let your computer remember your passwords, names, etc. Always disable the browser's option of storing usernames and passwords.
- 5) **DON'T E-MAIL CREDIT CARD AND ACCOUNT DETAILS:** Make it a thumb rule not to send credit card or account details via e-mail to anybody, or in response to an e-mail.
- 6) **SHOP AT REPUTED SITES ONLY:** While shopping online, please wait for a second and check if the website is an established one and a reputed name in the online shopping domain. Always check if the shopping site has a well established permanent address.
- 7) **LOG OFF WHEN FINISHED:** Always log off after Internet banking once you are done with it. You need to log out from the website and do not shut off the window in order to log off from the session.
- 8) **CHECK THE ACCOUNT:** Whenever you make a transaction, immediately check your account and see if the right amount has been deducted or added to it. In case there is any misappropriation, inform the concerned bank immediately.
- 9) **DON'T FOLLOW THE LINKS:** Always reject any e-mail that asks you to follow a link to the website of your bank. You may end up revealing your personal details on a fake bank website, from which hackers steal information.
- 10) **DESTROY THE RECEIPTS:** Do not keep documents and receipts related to your online transactions. They usually carry confidential personal financial information. You had better destroy or shred such documents or receipts to stop them from falling into the wrong hands.

11) DON'T SHARE YOUR PERSONAL INFORMATION ON WEBSITES:

You shouldn't give your e-mail address at websites without knowing how it will be used. Besides, do not share your personal information like date of birth, etc, on the Internet unnecessarily because it can be used by others to unlock or generate your account password.

SWOT ANALYSIS OF E-BANKING

STRENGTHS:

- Customer access to information 24 hours a day
- Timely access to information
- Ability to offer a customer more than one method of retrieving information
- Sophisticated technology systems
- Diversity helps to capture different types of market.
- The ability to cut internal cost due to advanced technology
- Increased efficiency due to automation
- Increased accuracy of banking transaction
- Convenience

WEAKNESS:

- High cost of service
- Continual wants of customers wants and needs
- Initial investment in technology will be expensive.

OPPORTUNITIES:

- The ability to have a larger customer base
- Global expansion -This is an enormous market which will be a great opportunity in the future
- The ability to take advantage of the growing opportunity of internet banking.
- Can achieve customer loyalty and satisfaction

THREATS:

- Continuously changing technology.
- Uncertainty of the banking industry.
- Competition from the lower price operation.
- Possible failure of product due to non-acceptance of customers.

KOTAK MAHINDRA BANK E-BANKING IS CONVINIENCE-BANKING



In today's day and age time is money. All of us work hard and have a busy schedule. Doing our banking should be easy, quick and convenient and should not add to your worries. At Kotak Mahindra Bank, they realize this and have specially tailored a wide range of value added products and services to make our money work for us. These, coupled with the highest standards of customer values, make customers life easier & simpler. Following are various E-BANKING OPERATIONS carried out by KOTAK BANK. 1) Net Banking Helps to View details across Accounts, Term Deposits and Demat Accounts - 24x7 Kotak Mahindra Bank's

Net Banking service brings us the timeless world of instant banking. It is quick and easy, available to us 24X7 and it's absolutely free! Key Features Bank 24X7 - anywhere, anytime Move Money - Within our own Kotak Accounts, to someone else's Kotak Account, to another bank via NEFT (National Electronic Funds Transfer/ RTGS (Real Time Gross Settlement) and Demand Draft. We have the option to 'Pay Now', 'Pay at a later date' or 'Schedule Regular Payments'. We even have the option to 'Save' the Transaction and pay when desired. We can even view all your 'Completed Transactions' along with the status.

We can book a Term Deposit and can do a premature withdrawal online. We can add a Beneficiary and Multiple accounts can be mapped for a beneficiary for Transfer Type. (E.g. - NEFT / RTGS etc). Beneficiaries added at other channels like branch too, will be available for the customer on Net Banking to make a transfer to. View details across Accounts, Term Deposits and Demat Accounts. We can Pay our utility bills , VISA Credit Card bills, Recharge Prepaid Mobile phones and DTH accounts and even pay your Direct tax through Kotak BillPay Net Banking Features

What all can you do online?

1) Net Banking gives us a host of services, giving us a complete control of our accounts: View account balance, account activity, place standing instructions and cheque status Open a Term Deposit Transfer funds online between your/third party accounts with Kotak Mahindra Bank or any other bank account via RBI's NEFT or RTGS system Place request for a cheque book, Debit Card PIN , payment gateway registration and lots more Pay your Utility Bills on Kotak BillPay Safe online shopping with Kotak Netc@rd View securities available for Demat View current Mutual Fund holdings, Buy and redeem Mutual Funds online

2) Kotak Payment Gateway Instant, convenient and secure way of shopping and making payments online. Kotak Payment Gateway enables us to shop online at over 5000 websites, make utility bill payments across more than 60 companies and 42 cities, Following are some of the websites through which you can shop online. www.bigcinemas.com www.airtel.in www.yatra.com www.vodafone.in www.makemytrip.com shopping.indiatimes.com Kotak Payment Gateway is an internet-based facility using which we can pay online merchants by debiting your selected Bank account. We can pay insurance premium, pay for magazine subscriptions, make donations to charitable and religious institutions, transfer money to Kotak Securities for margin money, settlement transfer or IPO funding. Online Shopping This service enables us to make purchases across various online shopping sites offering gifts, flowers, airline tickets, exclusive designer wear, jewellery, latest electronic gadgets / household items,

subscription to books / periodicals, registration to matrimonial, educational sites or astrology services and much more. Online Trading This service enables us to transfer money instantly to your account with Kotak Securities, for funding your margin money or funding our IPO account. An account with Kotak Securities enables us to buy / sell securities online. This gives us the power of anywhere, anytime trading.

3) Mobile Banking Experience New-Age Banking. Its all about convenience banking on our mobile phone. Now, we can experience the benefits of online banking anywhere and anytime, without the need for a computer. All this convenience comes to us in a secure and user-friendly application for phones and tabs on the iOS and Android platforms.

4) Unstructured Supplementary Service Data (USSD) It helps to take command of our bank account from our GSM mobile phone even without a GPRS connection. Experience the benefits of banking on the move using USSD.

5) SMS Banking Carry your bank on your phone! Kotak Mahindra Bank's SMS Banking service enables us to access our bank account, investment account and demat account on our Mobile Phone. We get latest updates on our account balance, salary credits, large debits, large credits, holding value and much more, on our mobile anytime, anywhere. It is quick and easy, available to you 24X7 and it's absolutely free! Key Features We can access our bank account on our Mobile Phone We can get latest updates of our account balance, salary credits, and more

6) Alerts We can get Alerts on our mobile or by email for events that we would like to keep track of. We can subscribe for automatic updates for our account either on our mobile phone or email address. These alerts are sent on occurrence of a particular transaction. For example, if the balance in your account falls below the required Average Quarterly Balance, we get are informed through ALERTS. Key Features Get automatic updates of our account on either our mobile or email Get immediate update on a large debit or large credit in to our account List of Alerts Given below are the Alerts that KOTAK offers: Large

Debit Alert Large Credit Alert Balance below Average Quarterly Balance Alert
Periodic Bank Account Balance - Daily/Weekly (Sent every Monday) Standing
Instruction (SI) Failure Alert

7) Phone Banking Kotak bank's 24 hr customer service centre is at our service!
Our nearest Kotak Mahindra Bank branch is on your phone. They have a 24-
hour Customer Contact Center to offer us personalized service round the clock.
Just pick up the phone and please call their Center. Whether it is something as
urgent as a stop payment, cash or cheque pickup or we simply want to know our
balance, just give them a call. Their toll free number gives you access to our
account, from anywhere...anytime. And what's more, this facility comes to us
absolutely free of cost! The aim is to save time of customers as they do not have
to visit the branch every now & then for such tasks and facilitates great ease &
convenience. Key Features Quick and easy access from anywhere PIN based
security Customer Care Officers available 24 x 7

8) CARDS Simple. Transparent. Powerful. Secure. Credit Cards NRI Royale
Card, Delight Platinum Card, Fortune Gold Card, Corporate Card etc Debit
Cards Business Class - Gold Debit Card Classic Debit Card Gold Debit Card
Platinum Debit Card Best Compliments Card It lets our 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. Kotak netc@rd Kotak netc@rd is a single use
limited validity online card created by us, from our bank account, at the time of
online shopping and cannot be used after your first payment. It combines the
benefit of using your bank account and the universal acceptance of a VISA Card
in a highly secure environment. It is a one-time credit card. It is a VIRTUAL
CREDIT CARD. It is offered only by Kotak Mahindra bank Kotak World
Travel Card Kotak Mahindra Bank brings us the Kotak World Travel Card, a
prepaid travel card that allows us to forget the hassles of carrying foreign
currency and traveller's cheques. Now we can be free of the inconvenience of
encashment, potential of misplacement / theft and issues of universal
acceptability

9) ATM Network Their strategically located and constantly growing ATM network brings the bank within our easy reach. The state of the art touch screen Kotak Mahindra Bank ATMs are part of the Visa/Plus and Cash net ATM network. That means you can withdraw cash from their ATM Network with any International and Domestic Visa/Visa Electron/Plus Credit Cards/Debit Cards. 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 Services available 24-hour access to cash Transfer funds between accounts View Account Balances and Mini Statement Pin Change option

10) Cash Deposit Machine Cash Deposit Machine (CDM) is self-service terminal that enables us to deposit cash without any manual intervention of the branch officer. Now no need to fill deposit slips and stand in long queues at the cash counter. Deposit cash through the simple and fast CDM installed in the branch and we can get instant credit in our account. To use the CDM, we need to have Kotak Bank Debit Card or know the Kotak Bank's account number in which we wish to deposit the money. Key Features Instant credit in CASA account. Immediate receipt. No need to fill cash deposit slips. No need to stand in long queues. No need to sort and arrange cash denomination wise

11) Cheque Deposit Kiosk Cheque Deposit Kiosk (CDK) is a self-service terminal that enables us to deposit cheque without any manual intervention of the branch officer. Now there is no need for us to fill deposit slips and stand in long queues at the counter. We can deposit our cheque through the simple and fast CDK installed in the branch. To use the CDK, we need to have 'Kotak Bank's account' number in which you wish to deposit the cheque. Key Features Immediate receipt. No need to fill cheque deposit slips. No need to stand in long queues

12) ASBA: (APPLICATION SUPPORTED BY BLOCK ACCOUNT) Investing in IPO/FPO/Rights Issue is now simple and convenient through the new this facility. Key Features Easy to apply in IPO/FPO/Rights Issue over Phone / Net Banking Enjoy continued Returns on Blocked Amount Place

multiple bids Option to revise/withdraw the bid ASBA facility can also be availed by High Net-worth Individuals, Corporate, Institutional Investors, Promoters etc*, along with Retail Investors

13) E-tax: VAT, TDS, CST can be paid online, on monthly basis.

14) OTHERS: Demat services, Funds transfer between own accounts, Third party transfers to accounts maintained at any branch of KOTAK, Group Transfers to accounts in KOTAK BANKS, Inter Bank Transfers to accounts with other Banks, Online standing instructions for periodical transfer for the above, Request for Issue of Demand Draft, Request for opening of new accounts, Request for closure of Loan Accounts, Home insurance, Health insurance, Travel insurance, Motor insurance Card protection plan

MOBILE BANKING FEATURES

a) Banking Services Check balances of your savings & current accounts View past transactions View / open term deposits Request for account statement, cheque book or Debit Card PIN Transfer funds (own accounts, Kotak third party, NEFT, RTGS or IMPS) Make payments without the need to register a beneficiary through One Time Payment

b) Credit Card View summary of our Credit Cards Pay our Credit Card bills View statements and unbilled transactions Request for ATM PIN, report loss or damage of card Balance Transfer Convert transactions to EMIs Request add-on cards Setup auto debit for our credit card bill payments

c) Bill Pay your bills Make instant payments to our registered billers

d) My Kotak My Kotak is a unique feature, where we can personalize our Home Page to get all the information of our choice in one place. We can also choose to view certain information without logging in with MPIN (Mobile Banking PIN)

e) Service Requests Request for bank account statement Request for cheque book Status enquiry of your cheque Stop cheque request for Debit Card PIN Report loss of card Switch primary account of your Debit Card Stop cheque payment.

f) General We can Change our MPIN. View our profile. List of frequent asked questions. Kotak Customer Contact Centre numbers under Contact Us and a call can be made with a simple selection/touch. Links to follow Kotak Mahindra bank on social media sites (Facebook, You Tube, twitter, etc.).

kotak
Kotak Mahindra Bank

my kotak 


Last Login : 28-07-2014
17:06:49 (IST)

<p>9.00%</p> <p>1 year</p> <p>Term Deposit Rates</p>	<p>ANITA KUMAR (Savings) 9411171651</p> <p>Effective Available Balance 1,00,000.00</p> <p>Account Overview</p>
 <p>Branch / ATM Locator</p>	<p>Loading...</p> <p>Account Activity</p>

kotak
Kotak Mahindra Bank

banking credit card

 Account Overview	 Account Activity	 Transfer Money
 IMPS	 Term Deposits	 Statement Request

BANKING 

transfer money

Transfer From → Transfer To

<p>9411171651 ANITA KUMAR</p> <p>Available Balance ₹ 1,00,000.00</p>	<p>One Time</p>
--	-----------------

Transfer Type

NEFT

Account Number

Repeat Account Number

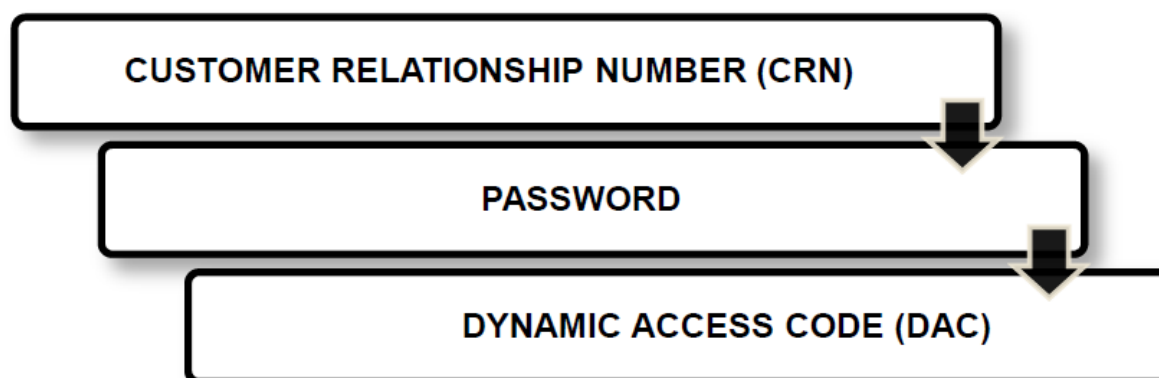
Beneficiary Name

SECURITY CONCERNS AT KOTAK

How secure is Net Banking?

- Protected by the most stringent security systems, Net Banking allows us to
- transact over a completely secure medium.
- All the transactions travel via 256-bit SSL encrypted medium, the highest
- level of security on the internet.
- The servers are protected with firewalls that make unauthorized access
- impossible.

Kotak Mahindra bank provides 3 main types of securities, they are:



- Each customer is, provided with a User ID(CRN) and Password.
- Our password is generated in such a way that it is only known to us.
- To provide enhanced security and safety they have introduced Dynamic Access Code.

DYNAMIC ACCESS CODE

To log in to Net Banking / Payment Gateway/Mobile Banking we would need to enter an additional password i.e. your 'Dynamic Access Code'. This Dynamic Access Code is to be generated online and will be sent instantly to our preferred Email ID and Mobile Number registered with the Bank.

Dynamic Access Code is valid for an hour from the time it is generated by us. Dynamic Access Code can be generated by entering our User ID / Nick Name and our Net Banking Password and clicking on 'Generate Dynamic Access Code' tab on the Dynamic Access Code login page.

For Payment gateway transactions, customers will be required to enter Dynamic Access Code irrespective of the customer being deregistered for Dynamic Access Code. Similarly, for creating NetC@rd, registration of Dynamic Access Code is compulsory.

In addition they guard against unauthorized entry or viewing in the following ways:

To prevent somebody from guessing our password and getting unauthorized access to our account our User ID is locked in case of three consecutive wrong password entries in 24 hours.

Similarly, to prevent somebody from guessing our Dynamic Access Code and getting unauthorized access to our account generation of Dynamic Access Code is locked in case of five consecutive wrong entries of Dynamic Access Code of in 24 Hours.

To prevent an unauthorized person from viewing our Net Banking account in case we leave our computer idle, they close our Internet session in case of inactivity for an extended period of time.

We can block our account anytime for any duration we wish by contacting our Customer Care Officer at our 24-hour Customer Contact Center. It is unblocked upon our request.

To prevent somebody from accessing our Net Banking User ID and Password through capturing of keystrokes from a keyboard, they have now enabled the 'Virtual Keypad' on the Net Banking / Payment Gateway Login screen.

Access Code and transaction alerts are sent to our preferred Email ID and Mobile Number registered with the Bank.

For security reasons, we will not be able to change our preferred Email ID or Mobile Number through Net Banking and would need to submit a signed request along with an acceptable proof of identity at your nearest Kotak Mahindra Bank's Branch.

Here are some additional steps that KOTAK MAHINDRA RECOMMENDS to ensure the security of our transactions:

Password Protection

Changing our password when we receive it the first time, and thereon regularly. Use passwords that are hard to guess.

Avoid real words or those that can be easily identified, such as, name, family name, date of birth, telephone number, pet's name, parents' names, etc

Avoid using the same password on different websites.

Always use unique passwords for each website

We should not give our password to or share our password with anybody, including the employees of Kotak Mahindra Bank.

Notify the Bank immediately by writing to them at security.bank@kotak.com or calling our Customer Contact Centre at 1800 102 6022 if we suspect that our password has become

known to or used by someone else.

Login/Browser Security

Always log on to Net Banking by entering the Banks website address www.kotak.com into the address bar. Do not access the bank website from a link provided in an email from any source.

Look for the padlock symbol on the bottom bar of the browser to ensure that the site is running in secure mode before we enter sensitive information. Double clicking on the lock will verify that the digital certificate is issued to <https://www.kotak.com/>. Proceed only if such verification is available

Log off from Kotak Mahindra Bank's Net Banking after we complete our transactions every time. Do not just close your browser Avoid accessing Kotak Net Banking from a public/shared computer. In case we need to do so then we should use 'Virtual Key Pad' to input login credentials

We should regularly log into your Net Banking accounts and check our bank statements to ensure that all transactions are legitimate

We should clear our browsers cache and history after each session so that our account information is removed, especially if you are using a shared computer

Configure the browser not to remember passwords (disable Auto Complete function)
Beware of pop-up windows that ask for our account number and PIN (Personal Identification Number). Kotak Mahindra Bank Login pages are always on a web page and never in a popup window.

Email Security

Kotak Mahindra Bank will never send e-mails that ask for confidential information. If we receive an e-mail requesting our Internet Banking details like your PIN, password, account number etc, please do not respond

"Phishers" typically include upsetting or exciting (but false) statements to get people to react immediately. Avoid filling out forms in e-mail messages that ask for personal financial information. Communicate such information only via a secure website

Check the sender E-mail address to verify that it is from a valid E-mail account. Never open E-mail attachments from sources that you cannot trust

Always scan E-mail attachments for viruses before opening them. If you are unsure about the source of an attachment, delete it

Be alert for scam E-mails. These are designed to trick us into downloading a virus or jumping to a fraudulent website and disclosing sensitive information

Computer Security

- Make sure your computer has the most recent anti-virus software
- Configure the anti-virus software to automatically update the virus definitions regularly and to notify us when new updates are available
- Perform a complete scan of your computer at least once a week
- Configure anti-virus software to scan all in-coming and out-going E-mails
- Make sure your computers Operating System and browser software are updated with the latest security patches
- Use Anti-Spyware software to do a full system scan to detect any ad/spyware on a regular basis. Ensure that you update your software regularly

Protect your Information

Our information is the most valuable asset to protect ourself from online fraud such as Identity Theft. Identity thieves try to obtain key pieces of our confidential information in order to gain access to our bank account. To protect our confidential information follow below mentioned steps

- Safeguard our account information, just as you would do with any other sensitive personal information
- Do not write our user ID and password anywhere
- Always get our latest contact information updated with the bank
- Dont carry our Cheque book around with you unnecessarily
- Dont leave bill payments or other Cheques in your mailbox
- Tear or shred any old Cheques or account statements before throwing them away

Debit/Credit Cards Security

- As soon as we receive the consignment carrying your card, ensure that it is in a sealed condition and not tampered with. If there is any tampering found, inform the bank immediately
- Sign on the reverse of the card immediately on receipt
- We should always keep our Debit/Credit card in a safe and secure place. Please inform the bank immediately if your Debit/Credit card is lost or stolen, or if you suspect unauthorized use
- Please cut the card diagonally in case it is to be disposed off at the time of renewal/upgradation/cancellation
- We should guard our Kotak Debit/Credit Card's Personal Identification Number (PIN) like you guard our cash
- Please change Debit/Credit card PIN immediately after overseas trip
- Prevent others from seeing you enter your PIN at the ATM by using your body to shield their view
- Memorize your PIN. Don't write it down anywhere, especially on your card, and never share it with anyone
- Kotak Mahindra Bank recommends that you change your Personal Identification Number (PIN) every six months

- Please destroy and dispose of copies of receipts, airline tickets, travel itineraries and anything
- else that displays your card numbers
- When selecting a Personal Identification Number (PIN) don't use any number that appears in
- your wallet (such as name, birth date, or phone number)
- NEVER give a photocopy of the front and back of your card to anyone for any reason, even
- if it is an application for a new credit card
- Do not hand-over your card to anyone, even if he/she claims to represent the Bank
- Never sign a blank application form, to be filled in by an agent or bank representative later.

RESEARCH METHODOLOGY

1) PROBLEM STATEMENT

The main problem associated with e-banking services are the security concerns faced by both the banks and their customers. The security concerns like TROJAN, MALWARE, and PHISING, HACKING, etc, lead to hindrances in development of e-banking services. The problem also concerns about checking the satisfaction level of E-BANKING CUSTOMERS AT KOTAK BANK.

2) HYPOTHESIS

- Ho: Gender & Reason to choose E-banking services are not related
- H1: Gender & Reason to choose E-banking services are related.
- Ho: Reason & Purpose to choose E-banking are not related
- H1: Reason & Purpose to choose E-banking are related.
- Ho: Awareness of E-banking risks & precautions of E-banking are not related
H1: Awareness of E-banking risks & precautions of E-banking are related.
- H0: Usage & Precautions of E-banking are not related
- H1: Usage & Precautions of E-banking are related.
- H0: Reason to choose e-banking services & Reason to visit bank are not related
H1: Reason to choose e-banking services & Reason to visit bank are related.
- H0: Type of account& No. Of visits per month are not related
- H1: Type of account& No. Of visits per month are related.

3) OBJECTIVE OF THE STUDY

To study and to make e-banking users aware various e- banking risks like Phishing, identity theft, frauds of plastic money, Trojan, malware etc. To study the reasons for the limited use of e-banking services. To create Awareness among customers towards e-banking services

4) RESEARCH TYPE: DESCRIPTIVE

Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questions who, what, where, when, "why" and how.

5) POPULATION

Population is a set from which samples are drawn. A population can be defined as including all people or items with the characteristics one wishes to understand. I have selected the E-banking users of Kotak Bank of Mumbai city.

6) SAMPLE FRAME

Sampling frame is the source material or device from which a sample is drawn. It is a list of all those within a population who can be sampled, and may include individuals, households or institutions. For my research purpose I have selected respondents who are e-banking users of KOTAK BANK.

7) RESEARCH TOOL

Questionnaire consisting of closed ended questions. Google form containing a set of questions will be submitted to the respondents to gain statistical information. Unstructured question in which (unlike in a multiple choice question) possible answers are not suggested, and the respondent chooses from the given options. The questionnaire also contains a section which has certain factors which are related to the Likert scale.

8) SAMPLE SIZE

The sample size is 100.

9) SAMPLING TECHNIQUE

Simple Random technique

10) SAMPLING UNITS:

The customers of KOTAK BANK.

11) DATA SOURCE

The Data collected is of the PRIMARY & SECONDARY type.

The PRIMARY data was collected through the QUESTIONNAIRE study. An GOOGLE FORM was conducted for data collection of E-BANKING.

The SECONDARY data was collected through the website, brochures of the Kotak Bank, and through research papers on E-banking.

12) EXPECTED CONTRIBUTION OF STUDY

It will contribute significantly, in a positive manner to E-banking users, non e-banking users & society as they will be aware of the benefits as well as various risks & threats of e-banking.

13) BENEFICIARIES

E-banking users, non e-banking users & society at large are the beneficiaries as will be aware of the PROS & CONS of E-banking.

14) SCOPE:

The scope would be wide as we can come across the benefits as well as various risks & threats of e-banking. To gain accurate results for the study, 100 people were given questionnaire to know **HOW MUCH THEY ARE SATISFIED WITH THE E-BANKING SEVICES OF KOTAK BANK.** The scope of the study was limited to the customers of KOTAK bank & the city of Mumbai.

LITERATURE REVIEW

1] Dr. Abha Chandra, (July 2010), has carried out a research on “analytical research on Indian online banking and user’s “privacy”, global journal of enterprise information system.

An empirical study is conducted to evaluate the existence and format of privacy policies of different banks of India in conducting online banking through their websites. The objective of this paper is to throw some light on the study, methodology, and its results. The websites disclose personal information of the users to Third Parties, which may or may not have their own privacy policies, is to be counted as one of the reasons for the same. This study also finds that no Universal Standard format for a Privacy Policy has been designed and declared for banks in India yet. It will be extremely helpful for net banking consumers, if there is an authority to monitor and control the proper format and Points included in the privacy policy for banks.

2] Connel Fullenkamp and Saleh m. Nsouli, (February 2004), have carried out a research on “six puzzles in electronic money and banking, credit and banking”, IMF institute.

This paper presents a set of questions or puzzles whose answers will give a complete picture of electronic money and its impact on the economy. It focuses on six basic puzzles; these puzzles tend to build on each other. And will help us in understanding the concept of e-banking.

SIX PUZZLES IN E-MONEY AND E-BANKING:

- A. Do We Know What We Are Talking About?
- B. What Is Really Different About Electronic Money and Banking?
- C. Will Changing Bricks into Clicks Affect the Economy?
- D. Gresham's Law Puzzle
- E. Monetary Policy without Reserves? Without Money? Without a Clue?
- F. Do We Need a Protective Firewall? Can We Build One?

The adoption of Internet e-banking has an important implication for monetary policy. Monetary policy will become less effective as money holdings become increasingly interest sensitive, because of Internet e-banking. The impact of this change has been incremental since the widespread adoption of Internet e-banking is likely to take place over many years. The paper also states that the private e-banking activities need to be regulated by the central banks in order to avoid inflation. This paper provides several important insights into e-money and e-banking that will be useful to policymakers. It is said that the innovation in e-banking is the adoption of Internet e-banking, and that the innovation in e-money is the creation of private e-money. These innovations are the sources of the most significant effects, including potential problems, from e-banking and e-money

3] Francisco Javier Miranda, Rosa Cortés and Cristina Barriuso, (2006), have carried out a research on “quantitative evaluation of e-banking web sites: an empirical-study of Spanish banks”, the electronic journal information systems evaluation.

In this there is a discussion regarding the necessary parameters that are needed in an e banking website. Quality of web home pages was determined using an original Web Assessment Index, which focuses on four categories: accessibility, speed, navigability and content. A detailed report of the results arising from this investigation is presented and systematically analyzed. These findings are useful for both researchers and practitioners who seek to understand the issues relevant to electronic banking. In this paper we can say that besides good IT infrastructure the e banking websites also play an important role in facilitating the online transactions the language, speed, content etc. play a major role for the customers to get motivated for using such facilities by the various banks.

4] Hans H. Bauer, Maik Hammerschmidt and Tomas Falk, (2005), have carried out a research on “International Journal of bank, marketing

Given the fact that banks invest billions in the internet infrastructure (Deutsche Bank invests approximately half a billion US\$ per year), customer satisfaction and customer retention are increasingly developing into key success factors in e-banking. Most importantly, profitable e-banking requires a strong focus not

only on the acquisition of new customers but also on the retention of existing customers. From the study it can be said that the banks should not only focus on the development of the infrastructure, but also put a large amount of focus on the convenience provided to their clients, they should be more oriented towards the satisfaction of their clients and make sure that the clients are more attracted towards these modern facilities.

5] “Al. I. cuza” Iasi, (2004), has carried out a research on “some issues about risk management for E banking”, electronic journal of information systems evaluation

This Study Reveals that In E banking could become the Major Form for Payment Systems in Organizations as Technologies Will Improve to Create a Fully Secure Environment. It is believed that e-banking is only a supplement of traditional methods. This paper suggests that not only is it probable to use e-banking but that networks especially Internet will promote the quick development of such a services. The paper also suggests the risk associated with such transactions and the preventions for the same. E-banking presents new administrative control requirements and potentially increases the importance of existing controls. Management must evaluate its administrative controls to maximize the availability and integrity of e-banking systems. E-banking information can support identity theft for either fraud at the subject institution or for creating fraudulent accounts at other institutions. It can also be concluded that both the banks and the customers need to be cautious about what and how they are dealing with. They must take all necessary precautions while using such technology.

6] Dospinescu Octavian, Rusu Daniela, “AlexandruIoan Cuza”,(2006), have carried out a research on “ the adoption of electronic banking services in developing countries – the Romanian case” information systems

The developments taking place in information and communication technology are affecting the financial institutions worldwide. This evolution had transformed the way banks deliver their services, using technologies such as automated teller machines, phones, the Internet, credit cards, and electronic cash. In this scenario, banking in Romania had undergone some changes. Many

banks have been investing in Internet technology in order to maintain a competitive edge and satisfy their customers. The Internet, phone, mobile or electronic banking offered in the Romanian banking market is in full development process, and the banks have to win the confidence of the individual and corporate body customers, taking into account the fact that the transactions that are made on the online system are perceived as highly risky, But the level of accessibility regarding the performing of banking operations straight from the company office or from home without depending on the opening hours of pay-offices determines a growing number of customers to resort to this kind of services.

7] Dr. Asma Mobarek, (2004), has carried out a research on “e-banking practices and customer satisfaction- a case study in Botswana”, international journal of bank marketing

This research involves the study of four commercial banks in Botswana, these being – Standard Chartered Bank, First National Bank, Barclays Bank and Bank of Baroda. All these banks are providing e-banking services to their customers. The usual E-banking services provided by banks are account management; bill payment and presentment; new account opening; consumer wire transfers; investment/brokerage services; loan application and approval; account aggregation; cash management ; small business loan applications, approvals, or advances; commercial wire transfers; business-to-business payments; employee benefits/pension administration etc. The paper includes an analysis of customers’ perception towards e-banking services, the quality of ebanking services provided by the banks and the constraints in achieving customer satisfaction. The focus of the paper particularly on four delivery channels namely: Automated Teller Machine (ATM), internet banking, tele-banking and manual banking. The main focus is done on internet banking as it is the delivery channel that seems to be slowly growing in Botswana after the ATM delivery channel. Consumer behavior is changing partly because of less spare time. The way of use of financial services is classified by individuality, mobility, independence of place and time and flexibility. Financial transactions caused by purchases will more and more be carried out by non- and near- banks. These facts represent big challenges for banks. Banks are using the Internet as a new

distribution channel. The hypotheses are tested and show that there is a relationship between age group, occupation type and some aspects of e-banking. At last that Banks must adapt to the electronics age. Consumers demand it. Economics drives it. Banks must exploit it.

8] Dr.S. Arumugaperumal, (July 2006), has carried out a research on “impact of cyber crime on virtual banking”. Journal Computer Science-S.T.Hindu college, Nagercoil

This paper basically deals with the online risks that the banks and their clients face during the online transactions they undertake. As more organizations provide greater online access for their customers, professional criminals are successfully using phishing techniques to steal personal finances and conduct identity theft at a global level. The popularity which virtual banking services have won among customers, owing to the speed, convenience and continuous access they offer, is likely to increase in the future. However, several issues of concern would need to be pro-actively attended. While most of electronic banking has built-in security features such as encryption, prescription of maximum monetary limits and authorizations, the system operators have to be extremely vigilant and provide clear-cut guidelines for operations. On the larger issue of electronically initiated funds transfer, issues like authentication of payments instructions, the responsibility of the customer for secrecy of the security procedure would also need to be addressed. So for the better security multifactor authentication is best to make the virtual banking much safer with higher security in the coming years.

9] Gautam Ivatury & Ignacio Mas, (April 2008), have carried out a research on “the early experience with branchless banking.” focus note 46. Washington, D.C. CGAP

Branchless banking has great potential to extend the distribution of financial services to poor people who are not reached by traditional bank branch networks; it lowers the cost of delivery, including costs both to banks of building and maintaining a delivery channel and to customers of accessing services (e.g., travel or queuing times)

10] Basel committee on banking supervision, (may2001), has carried out a research on “risk management principles for electronic banking, “electronic banking group initiatives and white papers”.

Banking organizations have been delivering electronic services to consumer's and Business for years. Electronic funds transfer, including small payments and corporate cash management systems, as well as publicly accessible automated machines for currency withdrawal and retail account management, are global fixtures. This study explains a clear need for more work in the area of e-banking risk management and that mission was entrusted to a working group comprised of bank supervisors and central banks, the Electronic Banking Group (EBG), which was formed in November 1999

OBSERVATIONS:

1. Branchless banking can dramatically reduce the cost of delivering financial services to poor people.
2. Branchless banking channels are used mainly for payments, not for savings credit.
3. Few poor and unbanked people have begun using branchless banking for financial services.
4. Financial services providers view agent networks as key to achieving their business strategy.
5. Most mobile banking projects to extend market reach have been led by mobile operators.

PREDICTIONS:

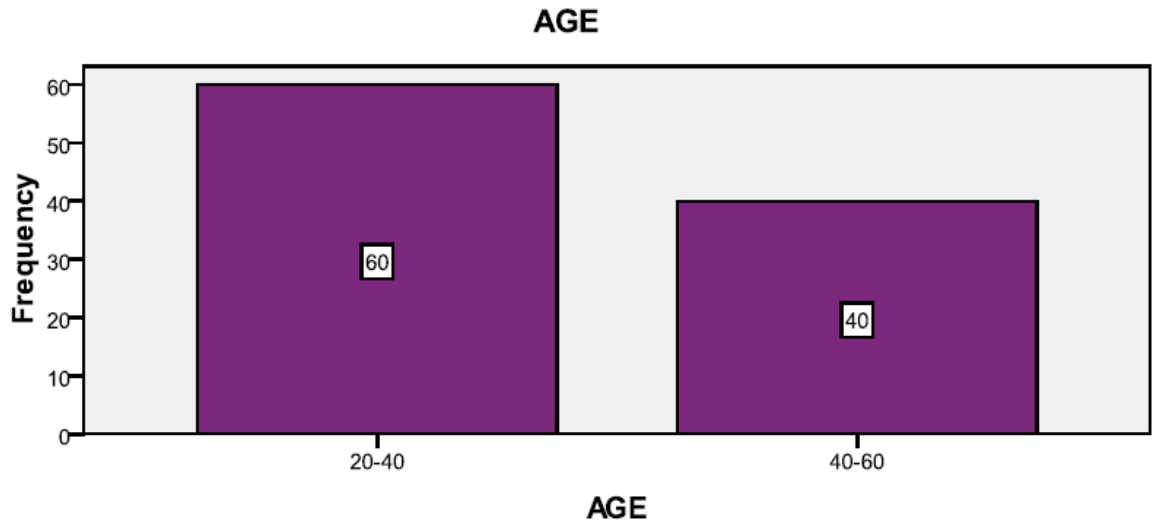
1. Poor people will use mobile banking more than rich people.
2. Providers will manage the operational risks of using Agents, and customers will tolerate liquidity shortfalls.
3. Shared agent networks will be the key to massively expanding access to finance through branchless banking.
4. Mobile banking will be used by large numbers of poor, currently unnerved people in about three years, as a result of competitive market entry

Principles of e banking:

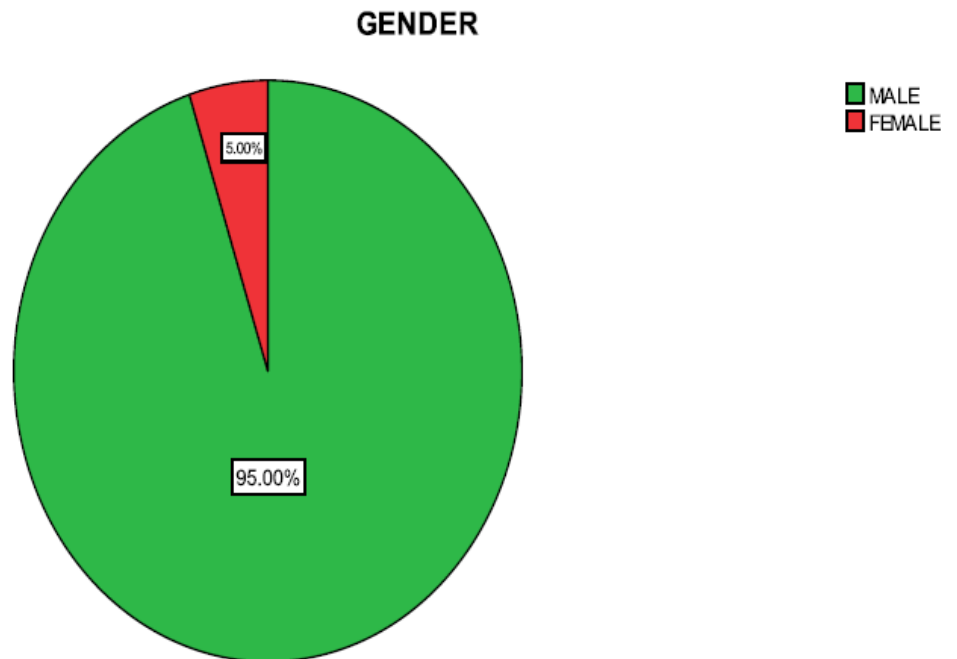
1. Effective management oversight of e-banking activities.
2. Establishment of a comprehensive security control process.
3. Comprehensive due diligence and management oversight process for outsourcing relationships and other third-party dependencies.
4. Authentication of e-banking customers.
5. Non-repudiation and accountability for e-banking transactions
6. Appropriate measures to ensure segregation of duties.
7. Proper authorization controls within e-banking systems, databases and applications.
8. Data integrity of e-banking transactions, records, and information.
9. Establishment of clear audit trails for e-banking transactions.
10. Confidentiality of key bank information.
11. Appropriate disclosures for e-banking services.
12. Privacy of customer information.
13. Capacity, business continuity and contingency planning to ensure availability of e banking systems and services.
14. Incident response planning

DATA ANALYSIS

1) AGE GROUPS USING E-BANKING SERVICES

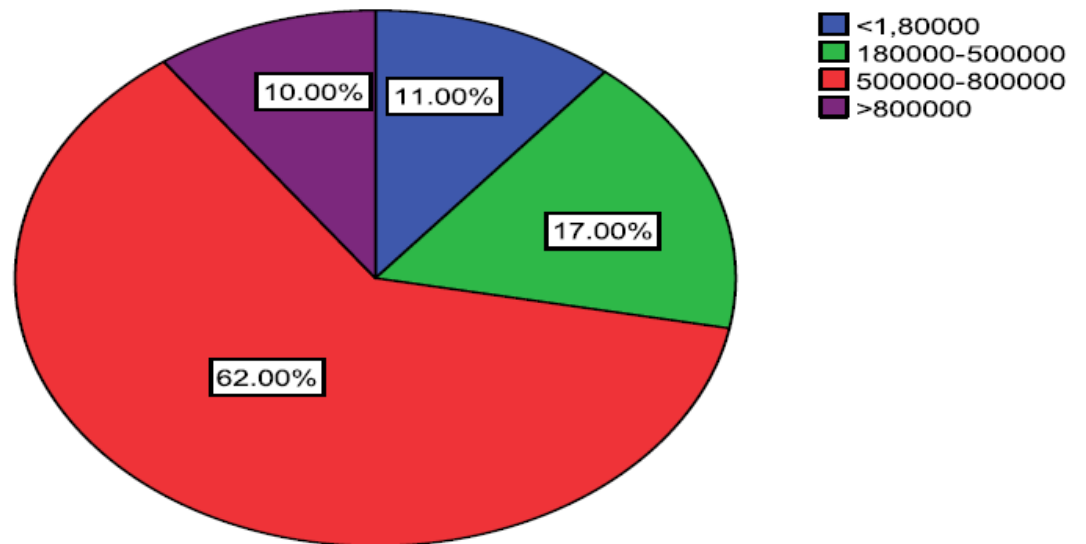


2) THE USE OF E-BANKING SERVICES BASED ON THE GENDER



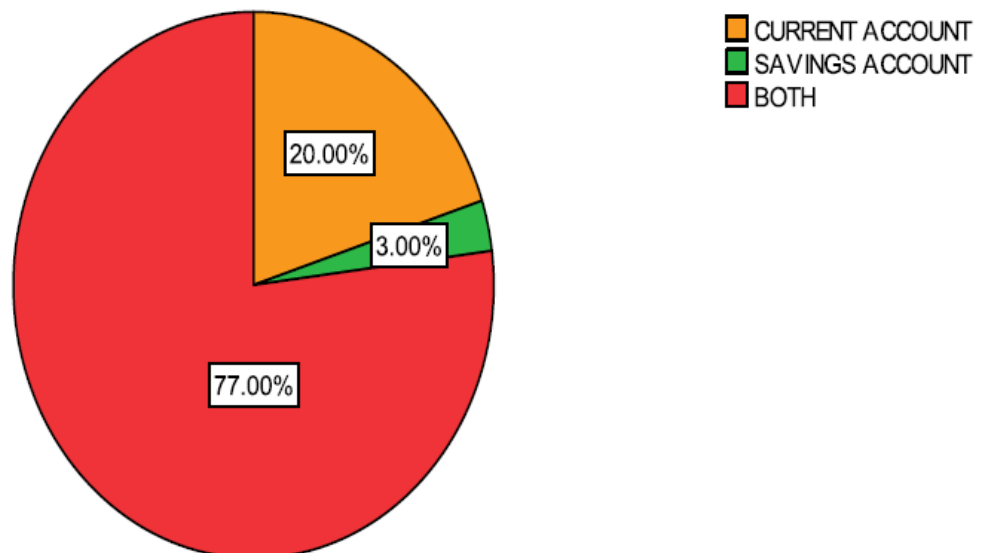
3) ANNUAL INCOME OF E-BANKING USERS

WHAT IS YOUR ANNUAL INCOME?

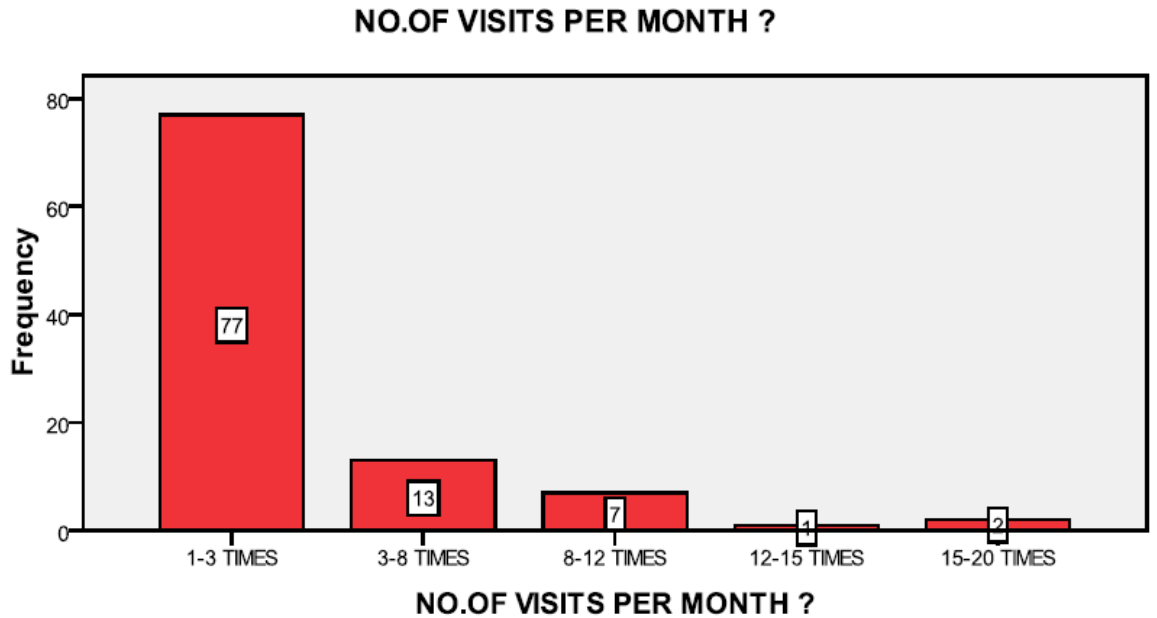


4) WHICH OF THE FOLLOWING ACCOUNTS DO YOU HAVE WITH YOUR BANK?

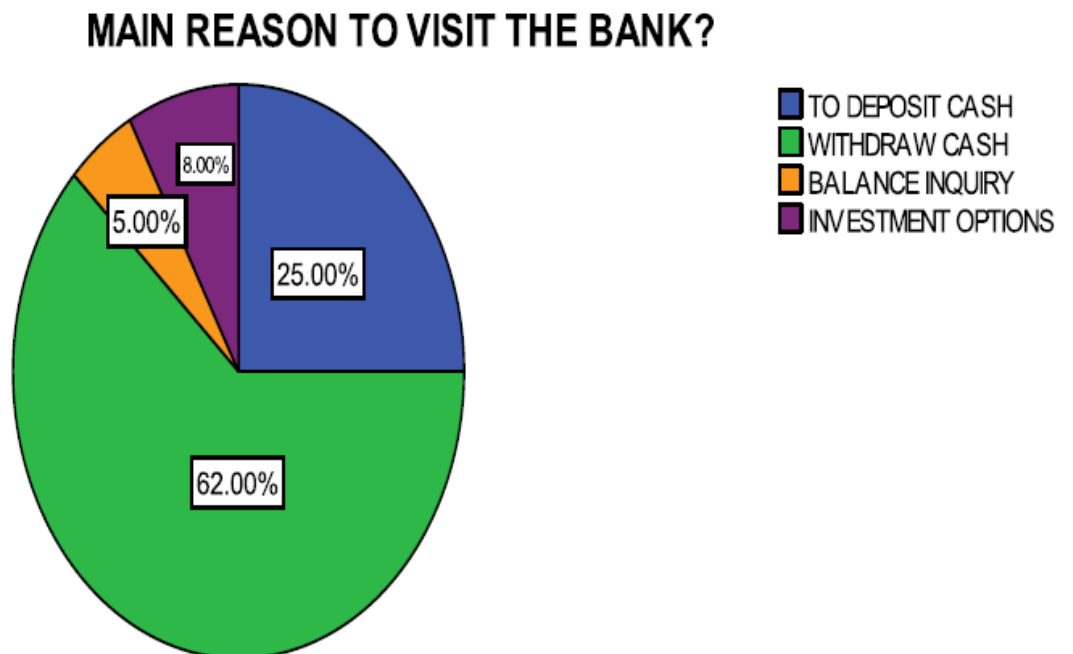
WHICH ACCOUNT DO YOU HAVE?



5) HOW FREQUENTLY DO YOU VISIT YOUR BANK BRANCH PER MONTH?

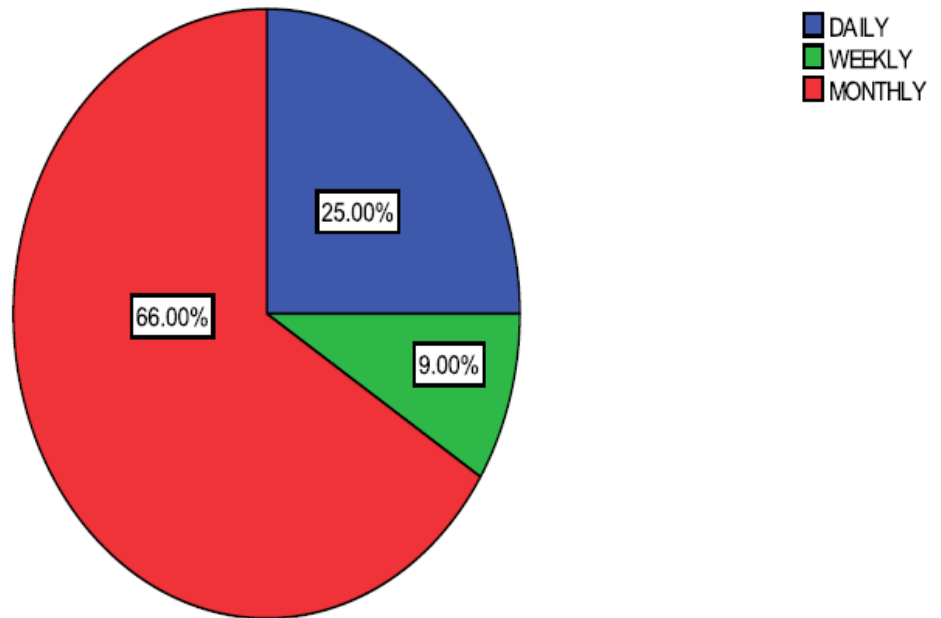


6) WHAT IS THE MAIN REASON THAT YOU TYPICALLY VISIT YOUR BANK BRANCH



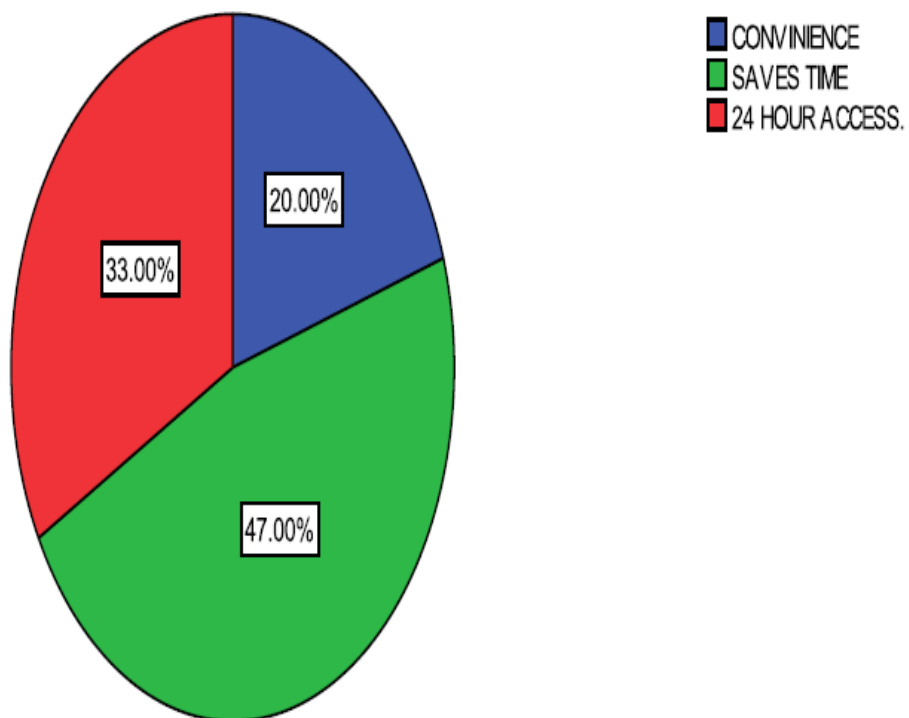
7) **HOW OFTEN DO YOU USE E-BANKING SERVICES?**

HOW OFTEN DO YOU USE E-BANKING SERVICES?



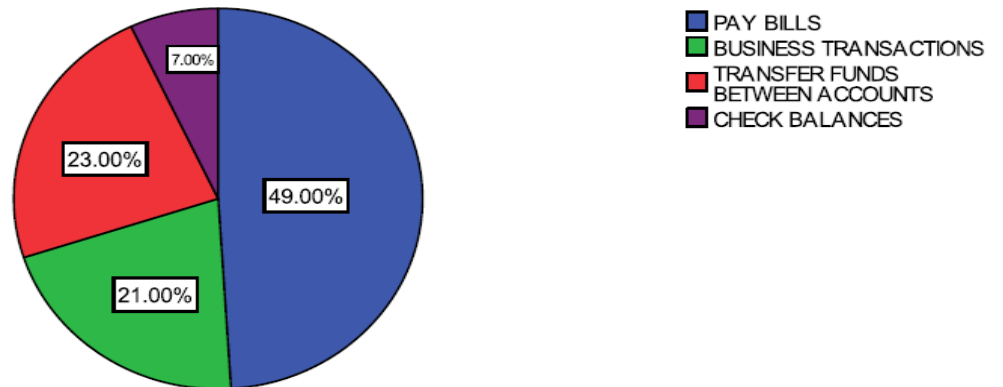
8) **WHAT ARE THE REASONS FOR CHOOSING E-BANKING SERVICES?**

REASON TO CHOOSE E-BANKING SERVICES?



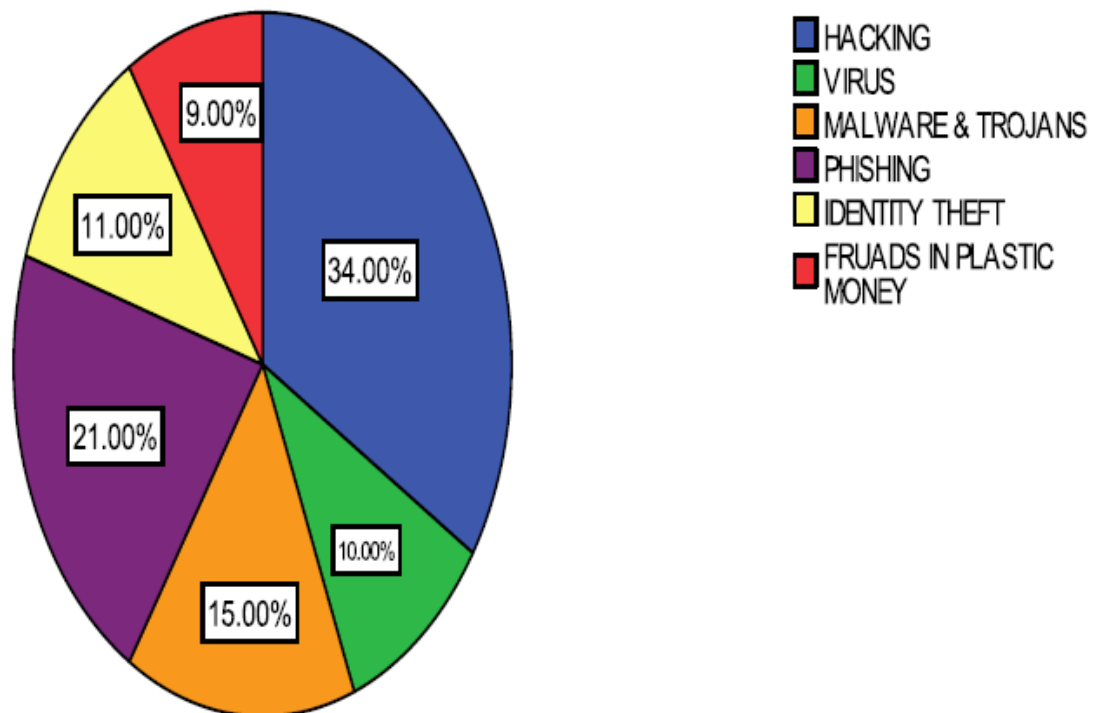
9) **FOR WHICH PURPOSE DO YOU USE E-BANKING SERVICES REGULARLY?**

FOR WHICH PURPOSE DO YOU USE E-BANKING?



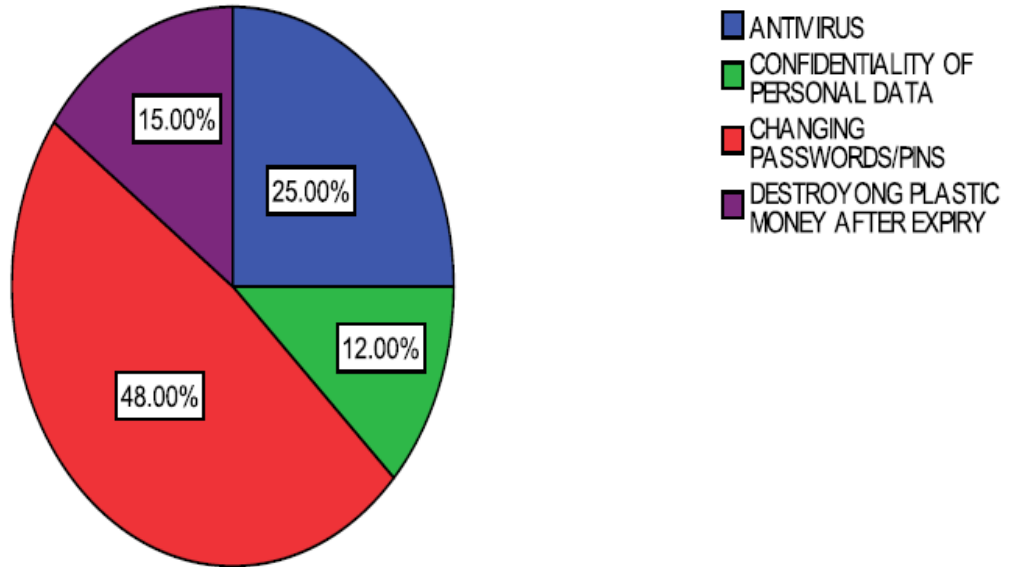
10) **ARE YOU AWARE OF THE FOLLOWING E-BANKING RISKS?**

ARE YOU AWARE OF E-BANKING RISKS?

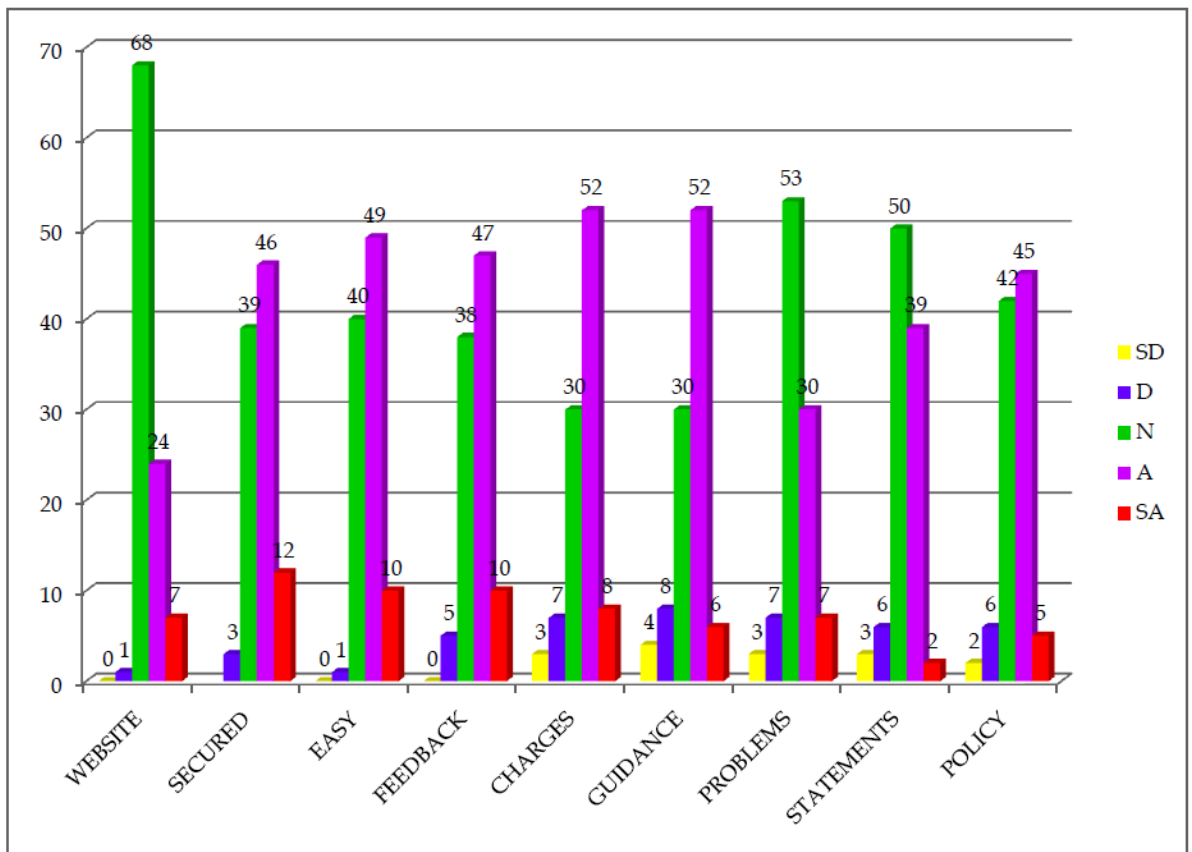


11) **WHAT PRECAUTIONS DO YOU TAKE WHILE USING E-BANKING SERVICES?**

WHICH PRECAUTIONS DO YOU TAKE WHILE USING E-BANKING?



12) **HOW SATISFIED ARE YOU WITH E-BANKING SERVICES PROVIDED BY KOTAK?**



	WEB SITE	SEC URED	EA SY	FEED BACK	CH AR GE S	GUI DA NC E	PR OB LE MS	ST AT EM EN T	PO LI CY
STRONGLY DISAGREE	0	0	0	0	3	4	3	3	2
DISAGREE	1	3	1	5	7	8	7	6	6
NEUTRAL	68	39	40	38	30	30	53	50	42
AGREE	24	46	49	47	52	52	30	39	45
STRONGLY AGREE	7	12	10	10	8	6	7	2	5

INTERPETATION:

- Website: e-banking websites are quick to access has a neutral view from customers.
- Secured-banking users agree that e-banking transactions are secured.
- Easy: majority of customers agree that using e-banking services is easy.
- Feed back: majority of e-banking users feel that they are given the required feedback immediately.
- Charges-banking charges are reasonable, majority of them agree to it
- Guidance: all users agree that bank provides necessary guidance as & when needed.
- Problems: problems are solved quickly & immediately has a neutral view from users
- Statements: banks provide the users needed statements has a neutral view.
- Policy: policy framed by banks protects the e-banking users is agreed by majority of users.

Overall, the e-banking users have either agreed or have a neutral view towards above stated Criteria's; degree of disagreement is comparatively very low & only in few categories, & the degree of strongly disagree negligent & found in criteria' s like-banking charges are too high, problems are not solved promptly, guidance to use E-banking services is not provided by bank, bank does not provide statements, the policy framed does not protect customer interest etc.

ONE-VARIABLE ANALYSIS OF QUESTIONNAIRE

1) AGE GROUPS USING E-BANKING SERVICES

It is observed that only two age groups ranging, from 20 to 40 and 40-60 years out of four are users of E-banking services. From this we can conclude that even the preceding generation is becoming more & more aware of benefits & convenience of E-banking.

2) THE USE OF E-BANKING SERVICES BASED ON THE GENDER

From the response of the individuals, it was observed that the number of male users is more than female users with respect to the use of e-banking services. One of the reasons could be that men are more into commercial use of the e-banking products than the females. It could also be possible that there may be a limited use of the e-banking services in case of females.

3) WHICH OF THE FOLLOWING ACCOUNTS DO YOU HAVE WITH YOUR BANK?

From the data collected majority of customers had both current & savings a/c at Kotak bank. So customers are concerned with savings as well as carrying out business transactions smoothly from one branch only

4) HOW FREQUENTLY DO YOU VISIT YOUR BANK BRANCH PER MONTH?

Majority of e-banking users visit the bank at the most 1-3 times a month. Majority of e-banking users visit the bank at the most 1-3 times a month. This basically shows the potential of high degree of development E-banking services & also, awareness regarding its ease, time saving and convenience is now wide spread.

5) WHAT IS THE MAIN REASON THAT YOU TYPICALLY VISIT YOUR BANK BRANCH?

From the data collected most of the customers mainly visit the bank for withdrawal of cash.

6) HOW OFTEN DO YOU USE E-BANKING SERVICES?

Majority of e-banking users use e-banking services monthly. The reason may be for paying their monthly bills like telephone bill, electricity bill mobile bill, online tax payment VAT, TDS, CST on monthly basis. Etc.

7) WHAT ARE THE REASONS FOR CHOOSING E-BANKING SERVICES?

From the e-banking users questioned majority of them choose e-banking services as it saves their time. Time is what majority of us don't have in our

busy schedule. Second main reason is that it has a 24 hour access so at any point of time we can update ourselves with whatever information we want

8) FOR WHICH PURPOSE DO YOU USE E-BANKING SERVICES REGULARLY?

Majority of e-banking users use this service regularly for payment of their monthly bills, Kotak offers monthly payment of mobile, telephone, electricity bill & online tax payment -VAT, TDS, CST

9) ARE YOU AWARE OF THE FOLLOWING E-BANKING RISKS?

Majority of e-banking users are aware of Hacking, and least is known to them of frauds of plastic money i.e ATM, CREDIT/DEBIT CARD. Other risks are well known to them.

10) WHAT PRECAUTIONS DO YOU TAKE WHILE USING E-BANKING SERVICES?

As a precaution against e-banking risks majority of e-banking users periodically keep on changing their PIN/PASSWORDS. And that is what the Kotak bank recommends & suggests every now & then to its E-banking users.

11) HAVE YOU BEEN VICTIM OF E-BANKING FRAUDS THROUGH KOTAK BANK?

Out of e-banking users surveyed no one had been a victim of e-banking frauds through Kotak Mahindra bank. The reason is - All the transactions travel via 256-bit SSL encrypted medium, the highest level of security on the internet

12) HOW SATISFIED ARE YOU WITH E-BANKING SERVICES PROVIDED BY KOTAK BANK?

Overall, the e-banking users have either agreed or have a neutral view towards above stated criteria's; degree of disagreement is comparatively very low & only in few categories, & the degree of strongly disagree negligent & found in criteria's like, E-banking charges are too high, problems are not solved promptly, guidance to use E-banking services is not provided by bank, bank does not provide statements, the policy framed does not protect customer interest etc.

CONCLUSION

From the research conducted by us we derive several conclusions:

- 1) It is observed that AGE plays an important role with respect to the use of e-banking services. It is found that the senior citizens are less comfortable with use of these services. It is observed that only two age groups ranging, from 20 to 40 and 40-60 years out of four are users of E-banking services. From this we can conclude that even the preceding generation is becoming more & more aware of benefits & convenience of E-banking
- 2) With respect to the literacy level it is observed that majority of customers have knowledge of limited aspects of information technology.
- 3) None of customers were affected with e banking threats, which shows a positive sign towards the development of these services.
- 4) From the study it is observed that customers are willing to use modern banking facilities having given them adequate guidance and security measures by bank.
- 5) With respect to the frequency of visits it is observed that customers make frequent visit to banks which can be minimized with optimum provision of e banking services.

LIMITATIONS OF STUDY

- 1) The sample size was 100 which was not covering the entire geographical area of Mumbai & entire population of E-banking users of Kotak Mahindra Bank so there is a possibility that there may be variations in the results obtained.
- 2) During the data collection the respondents did not fill the questionnaire genuinely, for instance the respondents who were not using the e-banking services have attempted the segments that were framed for the users of the e-banking services. Due to this there may be variations in the results obtained.
- 3) The respondents restricted themselves from answering the questions mentioned for the fear of letting their views disclosed to others

RECOMMENDATIONS

From the response of the individuals it was observed that the number of male users is more than female users with respect to the use of e-banking services. It could be possible that there may be a limited use of the e-banking services in case of females. So the female gender should be made more & more aware of E-banking benefits, ease, convenience, precautions, risks, threats etc E-banking users should be made more & more aware of E-banking risks & threats and also how to safeguard themselves against the same by taking precautions & following SECURITY GUIDELINES issued by their banks. E-banking users should NEVER TAKE THEIR BANKS FOR GRANTED for their security, because YOUR SECURITY IS (Y)OUR RESPONSIBILITY-KOTAK MAHINDRA BANK.

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