

**A
SUMMER INTERNSHIP PROJECT
ON
“STUDY OF HOME LOAN”
AT
“ KOTAK MAHINDRA BANK LTD”**



**SUBMITTED TO
SAVITRIBAI PHULE PUNE UNIVERSITY
IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE
MASTER OF BUSINESS ADMINISTRATION
SUBMITTED BY
CHAVAN SHREYA SHIRISH
UNDER THE GUIDENCE OF
PROF. RAJENDRA SATHE.**



**THROUGH
PDEA'S
MAHATMA PHULE INSTITUTE OF MANAGEMENT AND COMPUTER
STUDIES
HADAPSAR, PUNE-28
(2021-2023)**



Pune District Education Association's
**MAHATMA PHULE INSTITUTE OF
MANAGEMENT & COMPUTER STUDIES**
(Affiliated to Savitribai Phule Pune University, Recognised by D.T.E. Govt. of Maharashtra, Approved by A.I.C.T.E. New Delhi)



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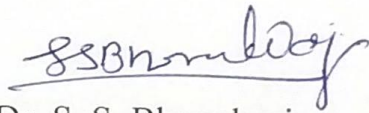
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This is to certify that this Project work titled “**STUDY OF HOME LOAN**” at “**KOTAK MAHINDRA BANK LTD**” is completed by **Miss. CHAVAN SHREYA SHIRISH** student of this institute, for partial fulfillment of the requirement for **MASTERS IN BUSINESS ADMINISTRATION (MBA) IN FINANCIAL MANAGEMENT** affiliated to Savitribai Phule Pune University during academic year 2022-2023.


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Kotak Mahindra Bank

Date: 31 October 2022

TO WHOM SO EVER IT MAY CONCERN

This is to certify that **Ms. SHREYA SHIRISH CHAVAN** Student of MBA (Finance). **Mahatma Phule Institute of Management & Computer Studies, Hadapsar, Pune.** Has Completed Her Summer Project on **"STUDY OF HOME LOAN"** In our Finance Department from **2nd September, 2022 to 29th October, 2022.**

During training period we found her sincere, honest and regular. She has shown keen interest in all aspects.

We wish her all the best for her future.



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ACKNOWLEDGEMENT

I am thankful to Dr.Sachin Bharatwaj, Director of MPIM & CS, and Head of department Prof. R.G.Sathe , who had given me an opportunity to do this project.

I wish to express my deep sense of gratitude to Prof. R. G. Sathe sir for his excellence guidance's during his period of this project work were invaluable.

I am extremely grateful to Archana Gautam (Branch Manager) of Kotak Mahindra Bank. He has given the inspiration and valuable guidance last but not least, I am thankful to library department of our college for making available books and also to those who have directly and indirectly help in preparation of this project report.

SHREYA SHIRISH CHAVAN

DECLARATION

The Understand here by declared that the project report presented in this dissertation titled '**STUDY OF HOME LOAN IN KOTAK MAHINDRA BANK**' is an outcome of my effort, under the guidance of **Prof. RAJENDRA SATHE** and submitted the same requirement for the award of the degree of Master of Business Administration.

All the collected for this project is the relevant to this topic. I hereby declare that all information in this report is the best on my own fact.

Place:

Date: 04/02/2023

Chavan Shreya

SHREYA SHIRISH CHAVAN

EXECUTIVE SUMMERY

Place your finger randomly on any Map of the world is it developed, understanding or undeveloping [place.it](#) is to find out one has to just study economic standing, if you find it to be a growing you can be sure that there in that place existence of excellent network of banks to offer very good banking services. Bank is never centers of economy and vital infrastructure facility they mobilize for accelerating economic growth.

This report is about A study on home loan at kotak mahindra bank in the branch of manjri.

The report begins with introduction it includes theoretical background of the home loan, ie. introduction, meaning, features, advantages of the home.

The second chapter is company profile it includes company overview, company,history, company mission and vision.

The third chapter is research methodology it includes methods of data collection.objective, limitations and scope of the study.

The fourth chapter is data analysis and interpretation in includes data in table, graph and diagram form and its interpretation.

The fifth chapter is about finding and suggestion in this topic we have to write finding will come from the data analysis and suggestion for the bank according to the finding.

I have made a sincere efforts to find out the financial efficiency of the bank based on ratio analysis and elicit the financial deficiency of the bank and forwarded a possible suggestion the working of the bank.

In each of the five chapters as described above, every chapter has been scheduled in a manner so as to enable the reader to appreciate the contents easily. The report is supported by figures and data wherever necessary with a view to assist the reader in developing a clear cut understanding of the topic.

I hope this report will be extremely useful for those it is meant. Constructive and healthy suggestions for improvement of the report will be great fully appreciated.

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CHAPTER NO :1

INTRODUCTION

INTRODUCTION

1.1 LOAN

The word “loan” comes from the word “Lehn”. This word is German word and is translated in 1933. The common meaning of loan is to borrow. When somebody receive money from a friend, bank, or financial institution in exchange for future repayment of the principle amount and plus interest. In finance, a loan is lending of money from individual organization or entity. A loan is a debt provided by an organization or individual to another entity at an interest rate and evidenced by a promissory note. Which specifies among another thing that It initiates the reallocation of the subject assets for a period of time between the lender and the borrower. In a loan the borrower initially receives or borrows on amount to as interest of money. The loan is determine on the portfolio of the bank, that means the bank condition and the quality of its management are weighted heavily by examiner is finding with to lending practices. When portfolio and the administration by bank management, during examination recognize that loan is the major portion of the bank and is the assets for it and other financial institutions. The loan is recognizing is the greatest credit risk and potential loss to bank.

The loan classified weaknesses and jeopardized liquidation of the debt. The lending has characterize by the distinct possibility that sustain that bank and other financial institution. If there deficiency are not cleared. Loan has make collection and liquidation in full on the basis of currently known facts conditions and values are highly questionable and also doubtful. A special mention asset has potential weakness is that deserve management close attention ,if left uncorrected those result as wear and tear of the repayment. To know the position of asset or credit position of future date it is very important thing in the lending process. General field of lending in which the bank will engage and the kind or types of loans with each and every field .the loan has improbable thing but also useful to.

The loan is non fund based finance which refer as a asset of bank. Loan has know also loan asset, unlike investment assets, loan assets which redable and transferable. The loan is not like liquide asset it is just make transferable loans into marketable

securities. It is conversion of existing or future cash flows into marketable securities that can be sold by investors. In the appraisal of individual loan the examiner should evaluate carefully the information obtained and arrive at a judgment as to the credit quality of the loan under review. Each loan is appraised on the basis of its own characteristics, consideration is given to the risk involved in the project being financed. The nature and degree of collateral security. The character, capacity, financial responsibility and record of borrower and feasibility and probability of orderly liquidation accordance with specific term. The loan has the concept of borrowing money but it is classified in basic thing. That loan is substandard, doubtful and loss.

Substandard- substandard loans are inadequately protected by the current sound worth and paying capacity of obligor or of the collateral pledged. If any loans so classified must have a well-known weakness or weaknesses that jeopardized the liquidation of the debt. That kind of loan mostly useful for real estate loan. To secure of lending decision and guarantor of loan amount is considerable in that loan system.

Doubtful- loan classified Doubtful have all the weakness inherent in those classified substandard with the added characteristics that weakness make collection or liquidation in full on the basis of currently known facts. Conditions and values are highly questionable and improbable.

Loss – loan classified loss are considered uncollectible and of such little values that their continuance as bankable assets is not warranted. This classification does not mean that the loan has absolutely no recovery or solvage value but rather it is not practical or desirable to defer writing off this basically worthless assets may be effected in the future.

1.1 Bank

The largest, longest and the oldest bank which is still in existence is the State Bank of India (S.B.I). It originated and started working as the Bank of Calcutta in mid-June 1806. In 1809, it was renamed as the Bank of Bengal. This was one of the three banks founded by a presidency government, the other two were the Bank of Bombay in 1840 and the Bank of Madras in 1843. The three banks were merged in 1921 to form the Imperial Bank of India, which upon India's independence, became the State Bank of India in 1955. For many years the presidency banks had acted as quasi-central banks, as did their successors, until the Reserve Bank of India was established in 1935, under the Reserve Bank of India Act, 1934.

In 1960, the State Banks of India was given control of eight state-associated banks under the State Bank of India (Subsidiary Banks) Act, 1959. These are now called its associate banks.^[6] In 1969 the Indian government nationalised 14 major private banks; one of the big banks was Bank of India. In 1980, 6 more private banks were nationalised.^[8] These nationalised banks are the majority of lenders in the Indian economy. They dominate the banking sector because of their large size and widespread networks.^[9]

The Indian banking sector is broadly classified into scheduled and non-scheduled banks. The scheduled banks are those included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further classified into: nationalised banks; State Bank of India and its associates; Regional Rural Banks (RRBs); foreign banks; and other Indian private sector banks.^[7] The term commercial banks refers to both scheduled and non-scheduled commercial banks regulated under the Banking Regulation Act, 1949.^[10]

Generally the supply, product range and reach of banking in India is fairly mature- even though reach in rural India and to the poor still remains a challenge. The government has developed initiatives to address this through the State Bank of India expanding its branch network and through the National Bank for Agriculture and Rural Development (NABARD) with facilities like microfinance.

a)Function Of Bank-

Accepting Deposits

The bank collects deposits from the public. These deposits can be of different types, such as :-

1 Saving Deposits

2 Fixed Deposits

3 Current Deposits

4.Recurring Deposits.

b)Loans

It is normally for short term say a period of one year or medium term say a period of five years. Now-a-days, banks do lend money for long term. Repayment of money can be in the form of installments spread over a period of time or in a lumpsum amount. Interest is charged on the actual amount sanctioned, whether withdrawn or not. The rate of interest may be slightly lower than what is charged on overdrafts and cash credits. Loans are normally secured against tangible assets of the company.

HOME LOAN

Home is an integral part of an individual, who since his / her birth and childhood, dreams to have living space of his / her own. Once in a lifetime investment requires loan to accomplish it and that is how the home loan comes into scheme of things. Buying a home is dream for everyone. Owing to the rising price of properties, it has almost become impossible for an average earning person to buy a home on a lump sum payment. Therefore, the concept of home loan has come in existence. There are plethora of housing finance companies and equal number of banks that offer homeloans. The task of selecting one company and one offer for home loan amidst the thousands available options have become a very complex task owing to the burgeoning housing finance market in the country. Apart from this, there are intricate business jargons and technicalities that make this task more difficult. In this study, I propose to give the basic information of home loan technicalities, so that when a person applies for the home loan, he / she can understand the basics and help themselves remain away from the duping elements in the market.

The home loan finance simply refers to providing finance for house building .it is the fund based finance in India it establishment of National Housing Bank (NHB) in 1985. It peak housing finance institutions in the country.

Importance of Home Loan:-

1. The need for home loans arises not because property prices are heading upwards all the time but because home loans make great sense from a long-

term savings perspective. Not only are home loans a handy tool for the common man to own a roof over his head but they also help save money in the long run.

2. With skyrocketing real estate prices, people are increasingly opting for housing loans to acquire their dream home. Interest rates are coming down all the time and the banks and the housing finance companies are literally falling over each other to lure the prospective home-seekers. Notwithstanding the taxbreaks and generous lending rates, a lot of people.
3. Still cannot arrange resources for the down-payment, which comes out to be at least 15 per cent of the property value. Taking cognizance of the situation, Banks are coming up with home loan products called 'zero down payment loans' wherein 100 per cent funding is provided for select properties. These lucrative offers are other major reasons for why people are opting for loans.
4. Even if one can afford to buy a home with one's own money, home loans should be availed because they act as good savings instrument. According to industry estimates, the long term average return in investing in a home is about 20% p.a. while the average cost of borrowing funds in the market today is about 8.36% p.a. (considering all tax breaks). For salaried employees, housing loans are the best way to avail of tax benefits.
5. Many people simply go for the home loans in order to avail these benefits. Interest payments up to Rs. 1.5 L. on housing loans are deductible from the taxable income and there is a further deduction of taxable income maximum up to ` 1 L. against repayment of principal portion per annum. In cases a person stays in a rented house, the cost of the loan will be nearly zero per cent since he will be saving a decent amount on rent. All the banks offer many types of loan and advances to the customers like retail loan, term loan, working capital finance, overdraft, export import finance and project finance.
6. Types of Retail Loans Bank offers a wide range of retail loans to meet customer diverse needs. Whether the need is for a new house, child's education, purchase of a new car or home appliances, banks' unique and need specific loans enable customer to convert customer dreams to realities.

Feature of Home loan

- To begin with, you can buy a home loan on two rates of interest — floating and fixed. In the former, the interest rates change according to market conditions while in the latter you pay a fixed rate for the entire tenure.
- It is not just for the purchase of a new home that you can avail of a home loan. You can also take a loan for the purchase of a secondary house or a plot. You can also take a loan for repairs and refurbishing of your old home
- Bank do just enable you to buy your dream home. They also help you avail of tax deductions. Under various Sections of the Income Tax Act, a borrower can avail of deductions on the principal as well as the interest component of the home loan. In India, a borrower can claim deductions under Section 80C of the I-T Act for the repayment of the principal component. The limits in this regard are set at Rs 1.5 lakh. Section 24 of the Act, on the other hand, allows borrowers to claim deductions on repayment of the interest component. The deduction limit here is set at Rs 2 lakh.
- You can always prepay your home loan to shed the financial burden before time. More importantly, you do not have to pay a penalty on pre-payment after the Reserve Bank of India in 2013 directed banks to waive charges for loans taken on floating rate of interest. However, banks still charge a penalty on transfer if you have taken a home loan at a fixed rate of interest.
- You can also transfer your home loan from one bank to another, if need be. This is often done to bring down the cost of the loan. For instance, you took a loan from bank A, which charges you an interest of 11 per cent.
- Generally, home loans do not cover the money you have to pay as stamp duty and registration charges. These two components raise the total cost of the purchase to a great extent — you have to pay about six per cent as stamp duty and one per cent as registration charges — and a buyer has to often arrange the amount from his own pocket.
- Your age and professional eligibility will be the defining factors based on which a bank may nor may not sanction you a home loan. For instance, it's easier to avail of a home loan when you are younger and earn a handsome package. With age, your loan eligibility may come down even if you earn a good monthly income.

Advantages of Home loan:-

i. Buying capacity -

The cost of property has increased like anything in the last couple of years. The property rate India mostly in Maharashtra increasing last 10 years and it increased per year in 50,000 rs. so, it will be high for salaried and common man. With lesser hike in people's salaries, it is impossible to think of buying land or house. That is where mortgage comes to help. A Home loan definitely helps increase the buying capacity of people.

ii. Cost effective -

The Home loan is granted with applicant property as security reason. So, the lender need not worry about the loan for not being repaid. If some applicant never paid amount of loan and interest that time lender take action on the applicant property. the lender still has a valuable property to rely upon. It can be sold to cover the debts. Due to this option, the interest rate on Home loans is lower.

iii. Easy to repay -

When some person takes a loan, they do not have to repay the amount in one go. It can be paid as monthly installments. For example, you can avail loan over a 25 year term which means that you have 25 years to repay the loan as installments. So, one installment is not as big an amount when compared to your salary which makes repayment easy.

iv. Better credit score -

A good credit score is guaranteed in the credit report if the current status of the mortgage loan is good. That means if you have correctly paid the installments, it helps you get other loans with lower interest rates. On-time payment of loans would improve your credibility in the eyes of the creditors.

v. Tax benefits -

Availing mortgage loans qualify a person for income tax benefits. They reduce the amount of tax to be paid to the government. The money you pay as interest may

be excluded from the tax. This is the reason why people take a second loan for a new property or a house when the first one is paid off.

Disadvantages of Home Loan:-

Let us discuss some disadvantages which are lesser in number than the advantages.

i. Paying more than borrowed -

Mortgage loans are always accompanied with interests. Ultimately when you pay back, you pay the principal amount plus the interest. Some lenders charge a high interest rate compared to others. In situations where you urgently require a loan, you are forced to overlook this and will have to pay a lot of money as interest.

ii. Extra charges -

In addition to the principal amount and the interest to be paid back, there are other fees which seem unimportant in the beginning. These charges like legal fees, insurance fees etc will come upon you as extra burden when you actually start repaying.

iii. Higher interests for variable rate mortgage -

Unlike the fixed rate mortgage, the interest rate in variable rate mortgage changes sometimes. Initially the rate may be lesser than that of the fixed rate mortgage. This largely attracts people to it. But at the end of the introductory period, the rate either goes up or down depending on the market interest rates. This means that the rates would be unpredictable and you may end up paying more interest

iv. Affected by loss of property value -

Any property will not retain the same value forever. It keeps on changing according to the market fluctuations. As a result, the rates in variable rate mortgages tend to increase. This may make people unable to pay the installments due to lack of funds and eventually lead to foreclosure.

Buying a home is dream for many people. Owing to the rising price of properties, it has almost become impossible for an average earning person to buy a home on a lump sum payment. Therefore the concept of home loan has come in trend. There are plethora of housing finance companies and equal number of banks that offer home loans these days. The task of selecting one company and one offer for home loan amidst the thousands available options have become a very complex task owing to the burgeoning housing finance market in the country. Apart from this, there are intricate business jargons and technicalities that make this task more difficult. Explore here the basics of home loan technicalities, so that when you apply for the home loan next time, you can understand the basics and help yourself remain away from the duping elements in the market.

Effective part of Home loan:-

MCRL:-

Marginal cost fund based rate of lending is the part of loan process. This is the fund position or borrowing rate of the bank. In case of floating rate loans, the Banks can specify dates of interest reset which will be linked to either the date of first disbursement or date of review of MCRL. The periodicity of reset will be one year or lower. The exact periodicity of reset will form part of the terms of the loan contract. For loans disbursed in a particular month, the reset date will be the 1st day of the month of the subsequent year(s). eg .Base Rate of kotak Mahindra bank Ltd with effect from Nov16, 2022 : 7.40%. The 'Benchmark PLR of kotak Mahindra Bank Ltd with effect from Nov 16, 2022 : 16.15%

Credit score or credit rating

A report which includes a person's credit history with the complete information of his/her credit accounts and loans, bankruptcies and late payments (if any) apart from their personal information is called a credit report. It is issued by approved Credit Information Companies. Credit score can be defined as the creditworthiness of a person coded into a 3-digit number. Credit score is one of the determining factors for the approval of a loan or credit card application. This score is exaggerated by a range of factors such as payment and borrowing patterns, the

number of credit card or loan applications, credit utilization and so Credit reports usually have poles apart sections for better categorization and easy comprehension of information. This section speaks about your credit worthiness. The CRR rate is same for all banks 4.50% is the current rate.

Ready reckonor rate

Annual Statement Rate (ASR) are normally recognized as Ready Reckoner are the fare rates of steady property, on the basis of which market value is calculated and while stamp duty is charged as per Schedule - I of Maharashtra Stamp Act, on the type of instrument and amount mentioned in it whichever is higher under the article and accordingly the stamp duty is collected on the manuscript by the Collector of Stamps and Registration Department.

The Annual Statement Rate are determined on an annual source by the State Government change from region to region in a exacting state such as Urban (Influence Area) and Rural. ASR rates are determined District, Taluka and Village which are govern under local bodies jurisdiction such as Municipal Corporation, Municipal Council and Gram Panchayat.

GST (Goods And Service Tax)

“The impact of the GST on property prices, will be difficult to gauge at this stage because of the lack of clarity on abatement for land value. In a product, where the major raw material is not covered by the GST and the completed unit is also not covered by the GST, the tax input benefit will be hard to calculate or justify. Only the market forces, the ready reckoner rates and time, will decide whether and how much benefit will be passed on by the developers to the purchasers.”

rates for real estate – Input materials

Description of goods	Rate
Steel	18 per cent
Cement	28 per cent
Marble and granite	28 per cent

Blocks of marble and granite	12 per cent
Sand lime bricks and fly ash bricks	12 per cent
Natural sand, pebbles, gravel	5 per cent
Lifts and elevators	28 per cent

Under the tax regime, many of the construction materials are under the 18 and 28 per cent slab. For example, steel and steel products, are mostly in the 18 per cent segment and cement and prefabricated structural components for building or civil engineering, are in the 28 per cent slab. However, as the input tax credit is available on products utilised for construction, the overall tax incidence should be neutralised. Before evaluating the likely impact of the GST on home loan.

Housing Loan Information:-

When To Apply For Home Loans –

for one can apply anytime after deciding to acquire or construct a property, even if the property has not been selected or the construction has not commenced. The loan amounts are sanctioned in principle to let buyers know what amounts they are eligible of. Actual disbursements start after satisfactory validation of all necessary documents and completion of specific procedures.

Eligibility Conditions for a Home Loan -

while determining the loan eligibility of a customer, lending institutions primarily focus on the repayment capacity. The repayment capacity is determined by taking into consideration factors such as income, age, qualifications, number of dependants, spouse's income, assets, liabilities, stability and continuity of occupation and savings history.

Maximum Loan Amount -

Housing finance institutions generally finance up to 75%-85% of the asset value. Depending on the institution, the maximum loan amount may vary from Rs.1L to Rs.1 core.

Repayment Period Options -

Repayment period options generally range from 5 to 15 years. A few HFC's offer a 20-year repayment period, albeit at a higher interest rate.

Payable Fees & Charges -

Home loans are usually accompanied by the following additional costs:

- a) **Processing fee:** It's a fee payable to the lender on applying for a loan. It is either a fixed amount not linked to the loan or may also be a percentage of the loan amount.
- b) **Prepayment Penalties:** When a loan is paid back before the end of the agreed duration a penalty is charged by some banks/companies, which is usually between 0.5% to 3% of the amount being pre paid.
- c) **Commitment Fees:** Some institutions levy a commitment fee in case the loan is not availed of within a stipulated period of time after it is processed and sanctioned.
- d) **Miscellaneous costs:** It is quite possible that some lenders may levy a documentation or consultant charges.

Security for the Loan:-

In most cases, the property to be purchased it becomes the security and is mortgaged to the lending institution till the entire loan is repaid. Some companies may also require additional security like the assignment of life insurance policies, pledge of shares, NSCs, units of mutual funds, bank deposits or other investments.

Tax Benefits

One can avail of tax sops both on the principal as well as interest paid on home loans.

Under section 80C of the Income Tax Act . Principal amount of repayment of loan along with other savings such as PF, PPF, Life Insurance premium etc up to a maximum of Rs 1,50,000/- will be eligible for deduction from gross income.

Insurance of Property

Many HFCs insist on insurance of the purchased property against fire and other allied perils. Even in the absence of a mandatory clause, it is advisable to insure the property against potential contingencies.

Time Required For Loan Disbursement

The average time required for loan disbursement is 7 days to up to 4 weeks, subject to satisfactory and complete documentation and completion of all relevant procedures.

Process of bank for home loan

The process of home loan is controlled by the Real Estate Regulating Act (RERA)

- a) The starting home loan bank verifies the layout has been sanctioned by the authorized architecture, and that process make from builder or owner of the house.
- b) The bank officers verify income sources of applicant.
- c) In the salaried persons income how many people survive, that persons needs and capability of the EMI.
- d) When bank sanction the loan they sure about the applicant make basic payment, which is at list 10% of the principle amount of loan.
- e) Then that person applicable for the home loan. And banks verify the information about home loan and all basic documents information giving for the applicant.
- f) The applicant has been paid processing fees in the cheque that of sum % of principle amount.

- g) The bank has make the confirmation about home loan, it make the compensation on the builder name.
 - h) The all disbursement including the cost of infrastructure, MSCB charges, service tax, parking charges and also GST.
 - i) Service cost are not considering in that payment.
1. The rate of interest is the 8.35% for the salaried and self employee
 2. The salaried person gets the loan for 30years and self employees are gets the loan for the 15years.
 3. The person who salaried those people has the minimum salary is 18000 per annum to getting loan.
 4. The bank makes the loan in the making 90% of the housing property, and for the shops are they making 70% funding.
 5. The women's got subsidy under PMAY, but she occupied applicant for 1st house and that home mentioned on her name .the original documents and agreement of that house are mentioned on that women's name. Then she liable to that subsidy which is 2.50lakes on the total amount of the loan.
 6. The new law of the PMAY is also applying on salaried person. The applicant is getting this subsidy, but the condition of its, that persons annual income is not more than 10, 00,000Laks.

For example – if any person makes the housing loan under PMAY and the amount of loan is Rs.7, 50,000 Lake then he got the subsidy Rs. 2, 50,000laks.

ABOUT PM AVAS YOJANA

The NDA government has taken a few steps towards making 'Housing for all' a reality by 2022. The Pradhan Mantri Awas Yojana (PMAY) has recently expanded its scope to cater to the housing needs of the mid-income group, besides the economically weaker sections (EWS) and low-income group (LIG). Early this month, the Prime Minister doubled the quantum of loan eligible for interest benefits under the PMAY in urban areas to ₹12 lakh.

PMAY was launched in June 2015. The Government envisages building affordable Pucca houses with water facility, sanitation and electricity supply round-the-clock. The scheme originally was meant to cover people in the EWS (annual income not exceeding ₹3 lakh) and LIG (annual income not exceeding ₹6 lakh) sections, but now covers the mid-income group (MIG) as well.

PMAY scheme comprises of four key aspects. One, it aims to transform slum areas by building homes for slum dwellers in collaboration with private developers. Two, it plans to give a credit-linked subsidy to weaker and mid income sections on loans taken for new construction or renovation of existing homes.

An interest subsidy of 3 per cent to 6.5 per cent has been announced for loans ranging between ₹6 lakh and ₹12 lakh. For those in the EWS and LIG category who wish to take a loan of up to ₹6 lakh, there is an interest subsidy (concession) of 6.5 per cent for tenure of 20 years. So far around 20,000 people have availed of loans under this scheme. This month, the Government increased the loan amount to ₹12 lakh, targeting the mid-income category. The interest subsidy on loans upto ₹12 lakh will be 3 per cent. In rural areas, interest subvention of 3 per cent is offered on loans up to ₹2 lakh for constructing new homes or extension of old homes. Three the government will chip in the with financial assistance for affordable housing project done in partnership with states / union territories for EWS. Four it will stand direct financial assistance of Rs. 1.5lakh to EWS.

PMAY segments	Annual income	Dwelling unit size (carpet area)	Subsidy available
PMAY-Gramin	--	Minimum 25 sq metres	Rs 1.2 lakhs for units in plains and Rs 1.3 lakhs for homes in hilly areas or difficult terrain
PMAY-Urban			
EWS	Up to Rs 3 lakhs	Maximum 30 sq metres	6.5%
LIG	Above Rs 3 lakhs and up to Rs 6 lakhs	Maximum 60 sq metres	6.5%
MIG-I	Above Rs 6 lakhs and up to Rs 12 lakhs	Maximum 160 sq metres	4%
MIG-II	Above Rs 12 lakhs and up to Rs 18 lakhs	Maximum 200 sq metres	3%

List of home loan document for salaried person

1. Photo identity proof (any one)
 - a. Passport
 - b. PAN card
 - c. Voters ID card
 - d. Driving license
2. Residence address proof (Any one)
 - a. Passport
 - b. Ration card
 - c. Utility bill
3. Residence owner proof (Any one)
 - a. Property documents
 - b. Maintenance bill
 - c. Electricity bill
4. Income proof-
 - a. Latest 3years old Payment slip and form no16.
5. Job continuity proof-(Any one)
 - a. Current employment certificate
 - b. Current job appointment letter
 - c. (if its more than 2 years)
 - d. Experience certificate (if)
6. Bank statement- latest 1year statement where the applicant salary getting credit

7. Property documents-

- a. Copy of agreement executed / sales deed
- b. Share certificate
- c. Latest maintenance bill
- d. List of document and sanction letter giving by existing banker.
- e. If applicable

8. Advance processing cheque (required to process loan documents for sanction.

9. Investment proof (If any)

- a. One passport size color photograph.
- b. Company registration license

Income proof-

- a. Latest 3years income tax return including computation of income, profit and loss Account, balance sheet, audit report ect.

- b. Bank statements latest 1 years bank statement both current and saving .

Document for self employed (Business person)

1. Photo identity proof (Any one)

- c. Passport
- d. PAN card
- e. Voters ID card Driving License.

2. Residence address proof (Any one)

- f. Passport
- g. Ration card
- h. Utility bill

3. Residence ownership proof (Any one)

- i. Property documents (if any)
- j. Maintenance bill (If any)
- k. Electricity bill

4. Office address proof (Any one)
 - l. Property document
 - m. Maintenance bill
 - n. Electricity bill
5. Business Existence proof- (if any)
 - o. 3years old payment slip
 - p. Shop establishment Act
 - q. Any tax registration copy of agreement executed /sales deed
 - i. Share certificate
 - ii. Latest maintenance bill
 - iii. List of documents giving by existing banker
8. Advanced processing cheque
9. Investment proof
10. One passport color photo

Deliverable processing turn

		Around time	
	Deliverable Type	Physical	E –mail
1.	Welcome letter post disbursement of loan	15days	2days
2.	List of documents	15days	-
3.	Copy of property documents	15days	-
4.	Foreclosure statement	7days	-
	Amortization schedule	7days	1days
	Statement of account	7days	1day
	No objection certificate	8days (or more)	-
	Income tax certificate	5days	1day
	Reschedulment letter –conversion (part of payment through cheque)	11days	8days
	Reschedulment letter-part payment through call center	6days	3days
	Handover of original property documents	15days	

The process of home loan in the Kotak Mahindra

Based on the below-mentioned points, Kotak Mahindra Bank will determine the amount that an individual can receive to buy a home.

Income- The bank will first glance at your income that you earn each month while deciding upon the loan amount for you. It adds each month's income and arrives at the annual figure. More the income higher will be the loan amount and vice-versa. For example- a guy earning ₹50,000 per month is expected to receive a higher amount of loan compared to an individual with a monthly salary of ₹30,000.

Source of Income- Kotak Mahindra Bank also checks the source of income while examining the profile of a customer for home loan eligibility. The source means whether you earn the income via salary or by the business.

Savings- Savings is also an important aspect that Kotak Mahindra Bank looks upon to provide home finance. Savings actually is the difference between the income earned and expenditure incurred each month. Needless to say, if you save more, you get more loan.

Credit History– The existing or past loan can also have a bearing on your home loan eligibility at Kotak Mahindra Bank. If you are paying the loan EMI regularly without any default, then your credit score will be more and make the bank approve your home loan application. However, continuous payment default can worsen your credit score and make you ineligible for a home loan. Therefore, it is of paramount importance to show zero tolerance on payment default and boost your credit score for seamless home loan approval by Kotak Mahindra Bank.

Work Experience– Although the bank has not put forward anything specific about the work experience, you must have worked for at least 2-3 years to make your case stronger.

Age– You are eligible for a home loan if you apply between the age of 21-65 years at Kotak Mahindra Bank. However, the key lies in the maximum loan amount, which can be given to a younger individual with a reasonably higher number of years left before the retirement. So, when you apply at 30, chances for more loan amount will be greater compared to when you reach the 40s. So, start your professional life early if you are earnest in your purpose to buy a dream home.

Process of home loan in Kotak Mahindra bank

- I. The starting home loan bank verifies the layout has been sanctioned by the authorized architecture, and that process make from builder or owner of the house.
- II. The bank officers verify income sources of applicant.
- III. In the salaried persons income how many people survive, that persons needs and capability of the EMI.
- IV. When bank sanction the loan they sure about the applicant make basic payment, which is at list 10% of the principle amount of loan.
- V. Then that person applicable for the home loan. And banks verify the information about home loan and all basic documents information giving for the applicant.
- VI. The applicant has been paid processing fees in the cheque that is upto 1.25% of the principle amount.

- VII. The bank has make the confirmation about home loan, it make the compensation on the builder name. the all disbursement including the cost of infrastructure, MSCB charges, service tax, parking charges and also GST.
- VIII. Service cost are not considering in that payment.
- IX. The kotak Mahindra bank not allow full payment for period of 6 months from the period of the applicant 1st EMI

In the kotak Mahindra acquired the document and commitment charges .

The bank make payment step by step

- 1st payment slab 10%
- 2nd payment slab 10%
- 3rd payment slab 10%
- 4th payment slab 10%
- 5th payment slab is 5%

Break over payment (construction period) 10%

Electricity and painting of building 10%

Last payment (at time of the possession) 5% the mostly this payments made the name of builder.

- 11. The rate of interest is the 8.05% for the salaried and self employee
- 12. The salaried person gets the loan for 30years and self employees are gets the loan for the 15years.
- 13. The person who salaried those people has the minimum salary is 25000 per annum to getting loan.
- 14. The bank makes the loan in the making 90% of the housing property, and for the shops are they making 75% funding.
- 15. The documentation required to apply for the loan is as follows:

Proofs	Salaried Professional	Self-employed
Age Proof	Passport Copy/PAN Card/ Voter ID card, Photo Driving License with Birth Date (Laminated, Recent, legible)/Photo ration Card with DOB/Employer Certificate/ID/School/College Leaving Certificate	Passport Copy/PAN Card/ Voter ID card, Photo Driving License with Birth Date (Laminated, Recent, legible)/Photo ration Card with DOB/Employer Certificate/ID/School/College Leaving Certificate
Identity Proof	PAN Card/Voter ID/Passport/Driving License, Passport Size Photographs	PAN Card/Voter ID/Passport/Driving License, Passport Size Photographs
Income Proof	Form 16 for last 2 years, Latest Salary Slip, 6-month Bank Statement	IT Returns for the Last 2 Years along with Audited Balance Sheet, P&L Account Statement for 2 Years, Shop & Establishment Act Certificate/ Sales Tax Certificate/SSI Registered Certificate/Copy of Partnership
Address Proof	Latest Telephone Bill/ Electricity Bill/Property Tax Receipt/Passport/ Voter ID	Latest Telephone Bill/ Electricity Bill/Property Tax Receipt/Passport/ Voter ID
Signature Verification Proof	Driving License/Passport copy/PAN Card	Driving License/Passport copy/PAN Card
Educational Qualification Proof	Mark Sheets or Certificates of the Degree Held by the Home Loan Candidate	Mark Sheets or Certificates of the Degree Held by the Home Loan Candidate
Property Documents	Applicable	Applicable

Kotak Mahindra Bank Home Loan Rejection Criteria

Eligibility Criteria

Kotak Mahindra Bank has its own domestic eligibility criteria for its home loan schemes. They are based on your salary, the job you do, the company you work for, experience etc. that any applicant needs to satisfy before moving ahead. If any person does not satisfy this criterion then the Home loan application will be rejected.

Low Credit Score

One of the first and primary motive is if the home loan candidate has low credit score. Any bank, when it gets a loan or credit card application will pull out the individuals

credit score. which is accessible with the number of credit bureau operating in the country.

The credit score is the accumulated score based on how regular you were in paying back your loan or credit card bill. This is the very first step taken by Kotak Mahindra Bank when screening your application. If your credit score is too low, then your home loan will be rejected.

It is best to check your credit score before you apply for a home loan. You can apply for a free credit score on CreditMantri.com. This way if your score is low you can improve your score before applying.

Late payment or discrepancies on your credit report

A credit report contains the complete history of your loans or credit cards utilized by you, how regular you were in paying back your credit, late payments if any etc. If any applicant has the terms “settled” or “written off” against any credit account, your loan application will be rejected as these terms indicate that you have defaulted on your loan and that the lender has settled the account realizing that the individual will not pay back the balance.

Similarly, if there are any discrepancies like your date of birth is different from what is on your application then it is grounds for rejection of Home loan. It is best to rectify any such discrepancies well in advance to avoid your Kotak Mahindra Bank home loan being rejected.

Frequent job changes

Changing jobs when the right opportunity with good pay comes along is normal. If a person changes jobs frequently say within 6 months or a year, then it creates an impression that the applicant is not dependable. In such cases the bank might reject your application.

Not in lender list of approved employers

You might be working in a company which is not in the list of approved employers by banks. In such cases the banks feel that your job is not secure and not reliable to pay back the loan amount.

Insufficient salary

Salary is a very important criterion for a home loan. If you do not match the salary criteria stipulated by Kotak Mahindra Bank your application will be rejected.

There is also the other scenario where though you have higher income your application might have been rejected. This is because you might have lower disposable income which might not satisfy the loan EMI to salary balance ratio. That is, you do not have enough salary balance after paying your monthly EMI.

High level of debt or is already a loan guarantor

Home loans being a high value investment, also means that the EMI each month will be high. If an applicant already has debts that need to be repaid, then the loan application might be rejected.

Similarly, if the applicant is already acting as a guarantor for another loan then there is a risk that the other person might not pay their loan and will fall on the applicant who will have to pay the dues as a guarantor. This is also a reason for KotakMahindra Bank home loan rejection.

Co-applicant has poor credit score

In today's scenario most home loan applicant goes for joint applications to reduce the burden of EMI. Even though taking a joint home loan has its own advantage it can also be a cause for the application to be rejected if your co-borrower's credit score is low. This is because the loan amount and EMI will be decided based on the combined profile of all the applicants. So, if one applicant has low credit score it will bring down the overall score of the group.

The property has legal problem

When applying for a home loan all the original documents pertaining to the property must be submitted to Kotak Mahindra Bank. This is because your property acts as the collateral for the home loan. If there is not proper documentation or if the property is under some legal action, then the loan will be rejected.

As a precaution it is best to verify all the documents and property details before purchasing. You can also visit the sub-registrar's office or the CMDA to make sure there is no problem with the property legally or if it falls under any Government plan.

Frequent credit enquiry

If a person applies for credit multiple times in a very short period, you will look like you do not manage finances properly and is always looking for credit as you over spend. This shows, the bank that you are unreliable, and the home loan application might be rejected.

How will Kotak Mahindra Bank Home loan rejection affect credit rating?

There are two scenarios to explain how Kotak Mahindra Bank Home loan rejection will affect credit rating based on the application processing stage you are in

If you go to Kotak Mahindra Bank or visit their website to just enquire about Kotak Mahindra Bank Home Loan processing fees, rate of interest, tenure etc. hence your credit score will be pulled by the bank through different sources as an initial check. This is called soft enquiry and will not affect your credit score. On the other hand, when Kotak Mahindra Bank directly pulls your credit score and credit history from any of the credit bureaus in India and find out that your credit score is low, your homeloan application will be rejected. This type of enquiry is called hard enquiry. And it is this hard enquiry that will affect your credit score.

Kotak Mahindra Bank Home Loan Processing Procedure

The Kotak Mahindra Bank home loan approval process & verification process is simple and much quicker for existing Kotak Mahindra Bank customers. They can apply online and get pre-approved offers on home loans with attractive interest rates. The loan amount is directly credited to their account instantly.

The application process is different for other customers. The borrower needs to either apply online or directly download the application form from the official website or visit the nearest Kotak Mahindra Bank branch. They can also call the Kotak Mahindra Bank home loan customer care to proceed with the application process.

Kotak Mahindra Bank representative will collect the filled in application form and all the necessary documents required for verification. The bank will do a background check on the customer's home and professional information. If there are any discrepancies with the information provided, the Kotak Mahindra Bank home loan application is likely to be denied. After passing through document verification and eligibility criteria, the approval process moves to the final level. At the final stage, the Kotak Mahindra Bank home loan rates and tenure are fixed and sent for your acknowledgement.

In case your home loan application was rejected you will receive Kotak Mahindra Bank loan rejection letter which will have details on why your application was rejected. You can also find sample letters online by searching for Kotak Mahindra Bank loan rejection letter sample.

2. To understand charges applying on home loan schemes

	CHARGES OF HOME LOAN	KOTAK MAHINDRA
1.	Interest rate	7.99%
2.	Loan processing charges on principal loan amount	Upto 1.25%
	Commitment charges	1.00%
3.	Renewal charges (non refundable)	Depend on the applicable taxes
a)	Home improvement loan	Nil
b)	Fixed rate outstanding	
	Principle outstanding	
4.	Repayment charges	rs5000 to its instance or 0.5% of loan amount

5.	Charges for late payment	
	Home loan	
	Outstanding amount	
	(Minimum Rs 500 Maximum Rs 5000)	
6	Dual fixed rate to floating	
7	Conversion charges	0.5% of loan amount or Rs 10000 prevent
8	Floating dual fixed rate	
9	Life time fixed rate	
10	Payment mode swap	Upto 500 Rs
11	Document retrieval	0.5% of loan amount
12	Cheque /AD ESC bounce	Rs 750
13	Amortization schedule	Rs 250 per
14	Statement of account	Nil
15	Final payment statement	Nil
16	Duplicate no objection certificate	Rs 500
17.	Revalidation of NOC	
18	Provisional income tax certificate	Nil
19	Final income tax certificate	
20	Agreement copy	
21	Change of address	

22	Administrative charges	
23	CIBIL report charges	Rs50
24	APAC reschedulment	1% of loan amount
25	Solvency certificate	Rs10000
26	Asset verification charges	Nil
27	Pre- issuance of pay order	Rs1000

THE REPAYMENT SCHEDULE OF HOME LOAN

The repayment schedule or amortization specifies the time schedule for paying interest and principle. Payment of home loan is legal obligation. Interest charges are tax deductible, in the hands of the borrowing firm. The general rate of interest on home loan in India is minimum rate of interest is that starting 8.36%.the common practice in India to amortize loan is to require repayment of principal, in equal installments and pay on interest on unpaid loan. Thus, interest payment will decline over the years, and total loan payment will not be equal in each period. But the banker

has been settled, interest and principal amount of loan in equation of months, years and numbers of EMI. So, it will be easy to make repayment of loan amount.

CHAPTER NO. 2

BANK PROFILE



KOTAK MAHINDRA BANK LTD.

FOUNDE IN 1985

C.E.O . Mr. UDAY S. KOTAK

The company was incorporated on 21st November 1985 under the name kotak capital finance ltd. The company has been promoted by Mr. Uday s. kotak, Mr. S.AA pinto and Kotak & company. The company inclement of business on 11th February 1986 and existing promoters were joined by Mr. Harish Mahindra and Mr. Anand Mahindra. The companies name Kotak Mahindra Finance Ltd. The company deals in bill discounting. Leasing and Hire purchase, corporative finance, management of fixed deposits, mobilization financing against securities money market operations, consumer finance, investment banking and clients money management.

Since the 308770 no. of shares subscribed for by the promoters directors 341230 no. of equity shares allotted as rights as on March 28th 1989.1950000 shares issued as bonus. In 1991 an application was made to SEBI for approval for setting up Mutual fund trust and an asset management company. The newly set up corporate advisory group received several mandates for advice on mergers and acquisitions and re-structuring. The bank established foreign exchange risk management. The bank has a source of finance for purchasers of automobile.

In the 1994 bank entered in to a memorandum of understanding with KB currency Advisors in a USA to market their foreign exchange fund management programmed as that same year they started joint venture agreement with ford credit international FCI a subsidiary of ford motors credit company USA. It was proposed to finance all non ford passenger cars.

RBI has granted license to Kotak Mahindra Finance Ltd. to remark on its banking business. It has been entered into an ATM sharing agreement with UTI Bank which would be allowed KMB customers free access to around 800 ATMs.

OBJECTIVES OF THE KOTAK MAHINDRA BANK

1. To promoting the educations.
2. Enhancing vocational skill livelihood project.
3. Promoting prevention healthcare and sanitation.
4. Reducing in qualities faced by socially and economically backward group.
5. Environmental sustainability.
6. Contribution to prime ministers National relief fund.

PERAMBLE OF THE KOTAK MAHINDRA'S

Kotak Mahindra Bank and its subsidiaries believe in the positively contributing to the economic environmental and social well being of community's through corporate social responsibility agenda. This policy statement sets out KMB and subsidiaries vision mission, Governance, commitment and initiatives towards implementing CSR through inclusive growth. This policy statement is extended to the following group companies.

1. Kotak Mahindra Bank Ltd.
2. Kotak Mahindra Asset Management Co. Ltd.
3. Kotak Mahindra Trustee Co. Ltd.
4. Kotak Mahindra Prime Ltd.
5. Kotak Mahindra Investment Advisors Ltd.
6. Kotak Mahindra Old Mutual Life Insurance Ltd.
7. Kotak Mahindra Capital Co. Ltd.
8. Kotak Mahindra Investment Ltd.

MISSION

Create a lasting value for communities.

1. Promoting and supporting and other interventions for the under privileged.
2. Encouraging employee volunteering.
3. Support non-governmental organization and other institutions with financial and other institutions to collectively deliver community initiative

VISSION

To positively contribute to words economic, environmental and social well-being of communities through corporate social responsibility agenda.

BAORD OF DIRECTORS

1. Mr. C. JAYRAM.
2. MR. DIPAK GUPTA
3. Dr. SHANKER ACHARYA[additional board of director]
4. Mr. Ajay SINDHI [Additional director]
5. Mr. UDAY KOTAK (Executive vice chairman and managing director

ABOUT CEO AND M.D OF KOTAK MAHINDRA

The managing director Mr. Uday Kotak says there won't be any fresh capital infusion the bank in the near future. This sentence is the dream project of the Mr. Uday kotak.

STATEMENT OF COMMITMENT

Kotak Mahindra banks and its subsidiaries at all times are committed to.

1. Engage with communities to understand their material expectations and concerns and will consider these material expectations and concerns to design its CSR agenda.
2. Implement, monitor review and evaluate CSR indicatives to achieve the desired outcomes in a transparent manner.

3. Promote education interventions to serve the less privilege and empower them to transform their lives.
4. Partner with governmental agencies .non- governmental organizations and other institution to collectively deliver the community development initiatives and support such organizations and institutions with appropriate and necessary resources.
5. Encourage its employee to contribute and volunteer for various community development initiatives.
6. Ensure that surplus arising out of CST initiatives is utilized to further augment CSR agenda and does not form part of the bank profits.
7. Comply with all legal provisions applicable for CSR and adopt industry best practices where feasible.

Other products of the kotak Mahindra bank

1. Home loan
2. Personal loan
3. Credit card
4. Gold loan
5. Car loan

PURPOSE OF KOTAK MAHINDRA BANK

Home is an integral aspect of emotional fulfilment and shelter. It is imperative for individuals to have a place they can call their own. And Home Loan plays a major role in today's age when one steps into buying their home. Even though everyone has different options for a [home loan](#), understanding the reason to choose the right one will comprehensively assist you in owning your dream home. Purchasing a home is one of the major investments people make and a lot needs to be taken into consideration. Because it's the assortment of features that will be assisting you finalise your decision. At Kotak Mahindra Bank, we've always been committed to making your home-buying experience a seamless one and provide you with the best of services, such as:

- Attractive Interest Rates
- Doorstep Service
- Convenient loan disbursement process
- Simplified documentation
- Insurance options to cover your home loan at attractive premium
- Quicker turnaround time

The main purpose of a housing finance is to empower you to own your dream home. A home provides a long-term security and moreover a real estate property, usually, appreciates often than the other way around. A real estate is an investment that will give you good returns in the coming future. If you buy a house today, chances are within a few years, the market value of your property will substantially increase.

At [Kotak Mahindra Bank](#), we understand the importance of your dreams and that is why we strive to provide efficient solutions through our range of services. We provide you home loans accompanied by highly customised facilities and services for a seamless home-buying experience.

KOTAK MAHINDRA BRANCHES

KOTAK MAHINDRA BANK has branches in 35 States

- ANDHRA PRADESH |
- ASSAM |
- BIHAR |
- CHANDIGARH |
- CHHATTISGARH |
- DADRA & NAGAR HAVELI |
- DAMAN & DIU |
- DELHI |
- GOA |
- GUJARAT |
- HARYANA |
- HIMACHAL PRADESH |
- JAMMU & KASHMIR |
- JAMMU & KASHMIR |
- JAMMU AND KASHMIR |
- JHARKHAND |
- KARNATAKA |
- KERALA |
- MADHYA PRADESH |
- MAHARASHTRA
- | MEGHALAYA |
- NEW DELHI |
- ODISHA |
- ORISSA |
- PONDICHERRY |
- PUDUCHERRY |
- PUNJAB |
- RAJASTHAN |

- SIKKIM
- TAMIL NADU |
- TELANGANA |
- TRIPURA |
- UTTAR PRADESH |
- UTTARAKHAND |
- WEST BENGAL |

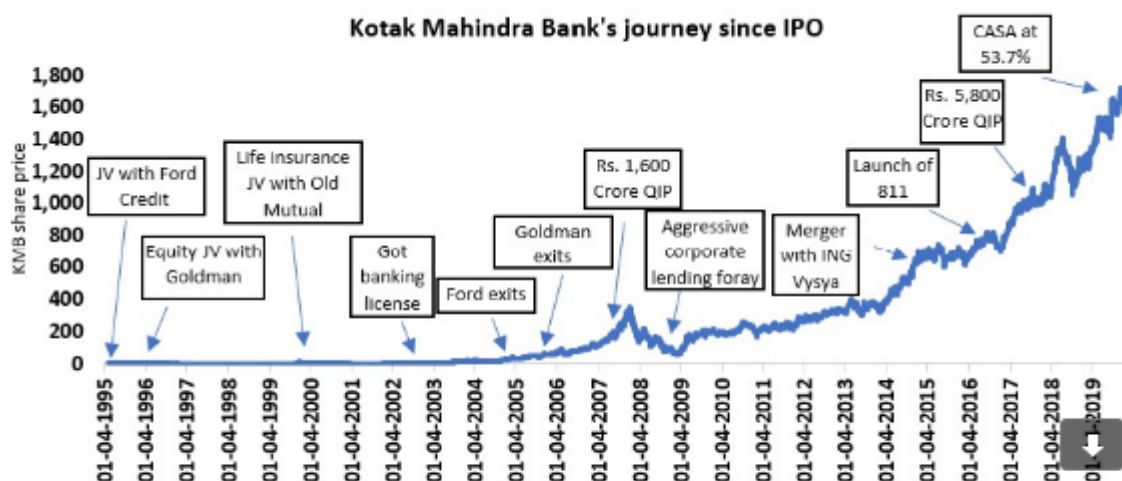
AWARDS OF KOTAK MAHINDRA BANK

Kotak Mahindra Bank

- Uday Kotak: Lifetime Achievement Award at Magna Awards 2019 by Businessworld
- Uday Kotak named the 'Best CEO in Banking Sector' at the Business Today Best CEO Awards 2019
- The Asset Country Awards 2019 .Best bank -Domestic award

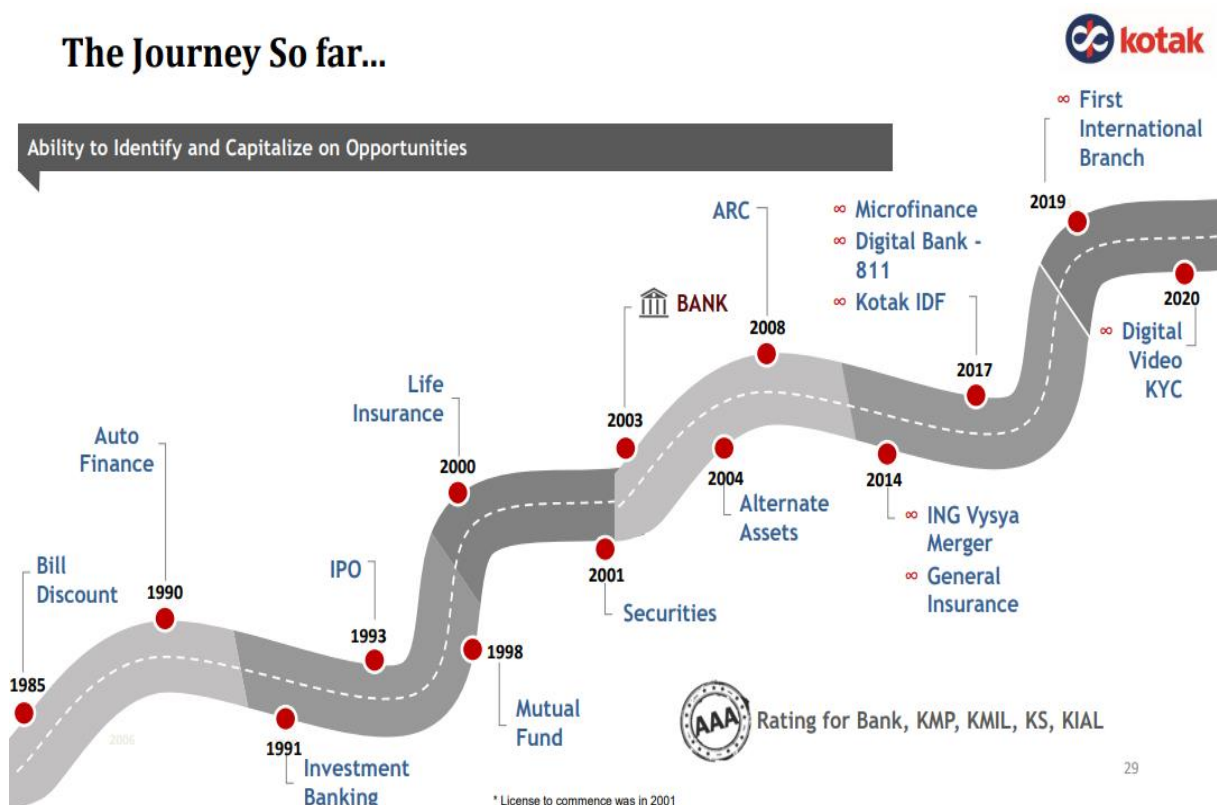


JOURNEY OF KOTAK MAHINDRA BANK



Uday Kotak's entrepreneurial spirit and smart capital allocation

The Journey So far...

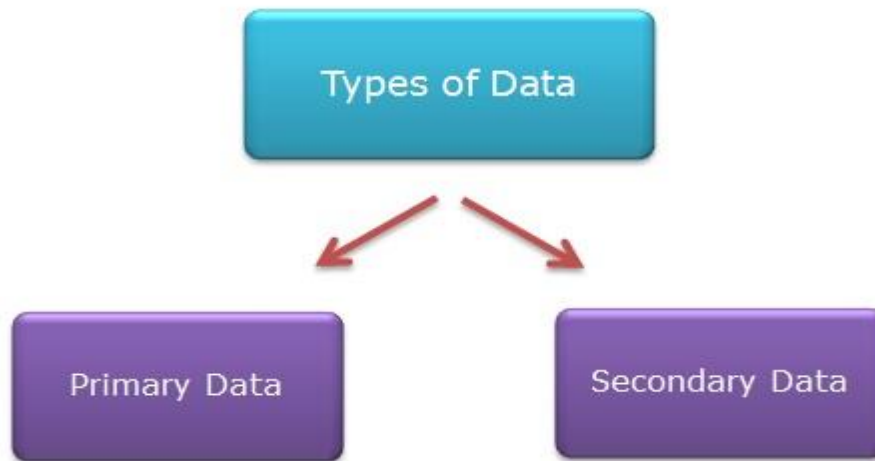


CHAPTER NO:- 3

RESEARCH METHODOLOGY

Reasarch Methodology

METHODS OF RESEARCH



➤ PRIMERY DATA

In the primary data collection I use the type of questionnaire to finding the information about the bank and its total policy. In that research I found the more important information related to the home loan loan. In that kind of questionnaire I get all answers by the respondent. banks are franquelly giving information to my related subject questions

a) INTERVEIW

In primary data collection I take interview of the agent of home loan provider and bank officer who passed the home loan. In that interview I got information about the real criteria of home loan and what is eligibility of applicant. How they decide the giving loan for the applicant, and which document sufficient for the home loan, and what is they verify for giving home loan.

➤ **SECONDARY DATA COLLECTION**

In the secondary data I collected the data under external data collection method which totally refers to information. The external data is outdoor source to collecting the information about the firm. The collected information about the Canara and KMB is in their brushers and using the website of that bank. In the external data collection source mostly using public and published-unpublished but for the study they make available.

a) **AUTOBIOGRAPHY-**

In autobiography study the book about loan and banking books, for their deciding interest rate policy.

b) **PUBLIC SOURCES -**

In the public source I using brusher of the bank which specially published by the employee and the investors and some important person. In the that book explain about the history of bank ,features of the bank ,branches of the bank, in all over the how many ATMs of the bank, their investment, credit score , and fund providing capacity that all back years history available to study.

c) **PUBLISHED SOURCES-**

In the publish source we study for the banks all information which is published by the banks. Their articles and also saw the some videos of the MD. In that study we got the actual nature of the bank. The regular changeable information collected through the newspaper, and some information getting on internet which published by the government also.

OBJECTIVE OF THE STUDY

- To understand the process of home loan in Kotak Mahindra.
- To study the charges to applying on Home loans.
- To study of interest method of applying in the bank.
- To study of interest rate on particular principal amount.
- To study of EMI and repayment amortization schedule.
- To learn about various aspects of kotak Mahindra bank.
- To get information about eligibility criteria and documents required of kotak Mahindra bank .

LIMITATIONS OF THE RESEARCH

If somebody wants to their home contract to their own income and last movement he needs the money that time the home loan is made the project loan through builder.

- 1) This study limited the home loan loans management of the Kotak Mahindra bank.
- 2) In this research number of respondent is only six persons.
- 3) This study is dependent on provided further information by the respondent.

CHAPTER N0.4

DATA ANALYSIS AND INTERPRETETIO N

DATA ANALYSIS AND INTERPRETATION

To study of interest rate on particular principal amount

Range of Interest rate for Home Loan

Quarter ended on December 2021	Minimum	Maximum	Mean
Home loan	8.35%	11.35%	8.44%
Non Home loan	8.40%	12.35%	9.12%

1.	Floating interest rate for Women	8.35%-8.80%
2.	Fixed interest rate for Women upto 30 years	9.70% To 10.5%
3.	Floating interest rate for other (salaried and self employee)	8.40% to 8.85%
	Interest rate for others (for above amount of 5 crore)	9.75% to 10.10%

KOTAK MAHINDRA BANK

HOME LOAN INTEREST RATE FOR DIFFERENT AMOUNT

PRODUCT	APPLICANT	RATE OF INTEREST
HOME LOAN	SALARIED	8.65% - 9.00% P.A
	SELF EMPLOYED	8.75% - 9.45% P.A
HOME LOAN BALANCE TRANSFER	SALARIED	8.65% ONWARDS
	SELF EMPLOYED	8.75% ONWARDS

INTEREST CALCULATION FORMULA

$$I = PRN/100 * N/12$$

I= INTEREST

P=PRINCIPLE AMOUNT

R= RATE OF INTEREST

N=NUMBER OF YEARS

EMI CALCULATION FORMULA

$$EMI = [P * R * (1 + R)^N] / (1 + R)^N - 1$$

EMI =Equated monthly installment.
P = principle loan amount.
R = monthly interest rate.
N = Number of monthly Installment.

EMI PAYMENT METHODs

Standing Instruction (SI)

Standing Instruction is the best mode of repayment. Your EMI amount will be debited automatically at the end of the monthly cycle from the Bank account where you specify.

Electronic Clearing Service (ECS):

This mode can be used if you have an account in any other bank that time they would like your EMIs to be debited automatically at the end of the monthly cycle from this account.

Post-Dated Cheques (PDCs):

You can submit post-dated EMI cheques from a non-Kotak Mahindra Bank account at your nearest Kotak Mahindra Bank Loan Centre. A fresh set of PDCs will have to be submitted in a timely manner. Please note Post Dated Cheques will be collected non-ECS locations only. It is recommended that you opt for either the SI or ECS mode of payment for faster and less prone to error than the use of PDCs.

3.To study of EMI and repayment amortization schedule.

Loan from Kotak Mahindra

Loan amount –1000000Rs

Number of installments-84

Annual interest rate-8.40%

Monthly interest rate- 0.7

Total interest amount-336005Rs.

Total loan amount payable-1336005Rs.

NO OF PAY. IN YR.	BEGINNING BALANCE	PRINCIPAL AMOUNT	INTEREST	ENDING BALANCE
1	1000000	109590	89845	890410
2	890410	119458	70276	771251
3	771251	129563	59870	641680
4	641680	140875	48560	500813
5	500813	153175	36260	347628
6	347628	166549	22847	181090
7	181090	181090	8345	Nil
	Total	1000000	336000	

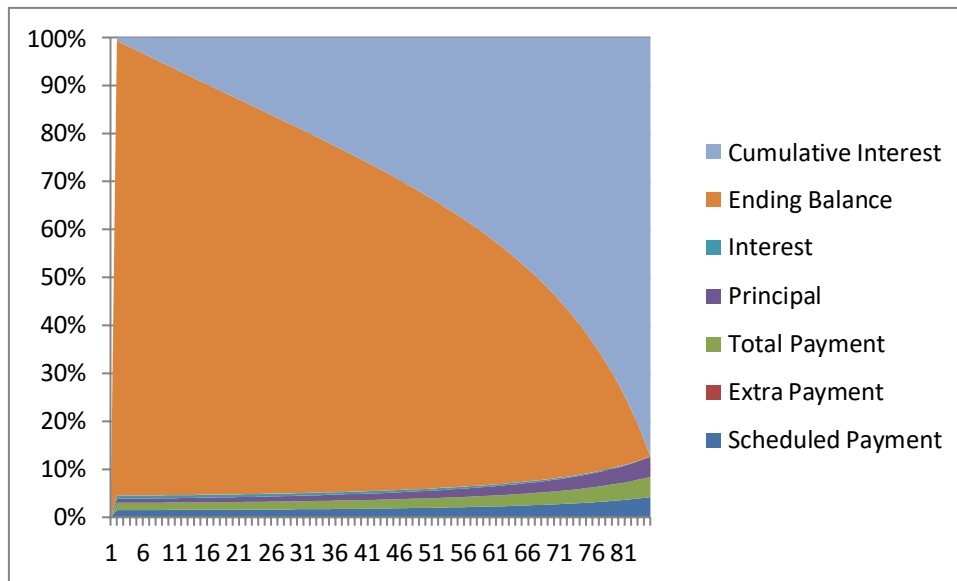


Figure-2

In the home loan in Kotak Mahindra bank has been providing the minimum loan amount is upto 10000000Rs. They cannot sanction the less amount of this amount. The Home loan in the Kotak Mahindra bank is the good for the highest requirement person who need the big budget loan amount. The Kotak Mahindra bank acquired the tenure period of the loan amount is the not more but the amount is high to the interest rate, they are also using the floating rate of interest to calculating in the interest of the home loan and its decrease form. loan amount of 10000000Rs. the paid interest with reducing balance methods of Rs 336000.for the 7 years.

No.of pay.	Beginningbalance	Kotak principal	Kotak Interest 8.65%
1	2500000	20450	214560
2	2480562	22879	208950
3	2459436	25230	205684
4	2436474	27458	200537
5	2411574	28653	200337
6	2384392	30103	200759
7	2354911	33659	198457
8	2322868	35152	195468
9	2288041	39245	193256
10	2250189	43562	190458
11	2209548	45241	186200
12	2164333	50742	182564
13	2115732	53715	178945
14	2062910	59203	175489
15	2005498	64524	170800
16	1943099	70500	165784
17	1875278	74587	160478
18	1801566	82451	155784
19	1721449	89700	148000
20	1626782	93547	139450
21	1521481	150645	133452
22	1427899	115246	128500
23	1315318	124798	122645
24	1192357	135742	980000
	TOTAL	2500000	5340000

Kotak Mahindra banks provide the tenure year

Loan amount –2500000Rs

Number of installments- 240

Annual interest rate-8.90%

Monthly interest rate- 0.741

Total interest amount- 5340000Rs.

Total loan amount payable- 7840000Rs.

No. of yr.	Beginning balance	Principal	Interest	Ending balance
1	2500000	50361	208090	2449639
2	2449639	54776	203693	2394881
3	2394881	59538	198912	2335342
4	2335342	64737	193714	2270605
5	2270605	70390	188062	2200215
6	2200215	799110	181916	2130305
7	2130305	83218	175264	2040462
8	2040462	90484	167968	1949979
9	1949979	98384	160068	1851595
10	1851595	106974	151477	1753882
11	1753882	116314	142138	1628308
12	1628308	126469	131982	1501839
13	1501839	137511	120940	1364328
14	1364328	159825	98626	1294502
15	1294502	163472	94980	1041031
16	1041031	177744	80708	863287
17	863287	163263	65188	670023
18	670023	210137	48314	459886
19	459889	228485	29967	267399
20	267399	245290	1361	22108
21	22108	22102	160	Nil

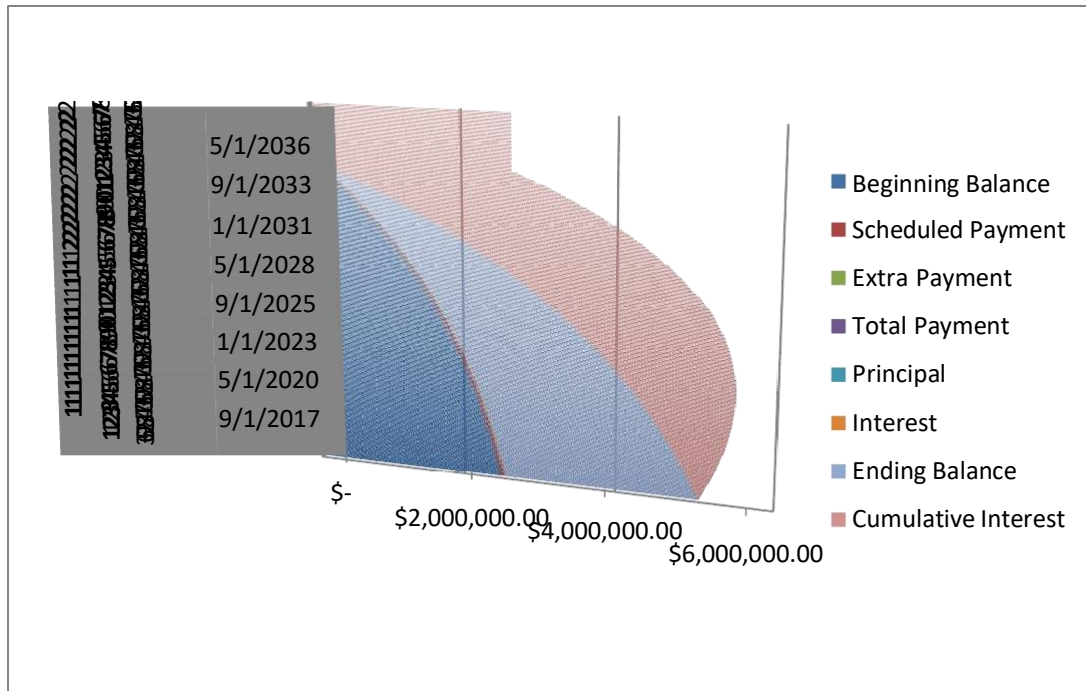


FIGURE -4

In that study we got the tenure period of the kotak Mahindra bank is not longer. and This is the interest rate of return not change .in that period to making repayment is not easy due to the monthly EMI is get in high amount. But the another way is good for the interest of principal amount. When the interest calculated for the principal balance is the automatically in reducing balance method. The loan from KotakMahindra is the good for small amount loan as like 1500000Rs. Or more of them. Thekotak Mahindra is the good for the short term loan loans.

**KOTAK MAHINDRA BANK CHARGE THE HIGHEST
INTEREST RATE ON MAXIMUM LOAN AMOUNT IN
FLOATING INTEREST**

Loan amount –3200000Rs.

Number of installments- 300

Annual interest rate-14.5%

Monthly interest rate- 0.1208

Total interest amount- 872480

Amount payable-4072480

No.of pay in years	Beginnig balance (rs.)	Principal (rs.)	Interest(rs)	Ending balance (rs.)
1	3200000	13890	463101	3186110
2	3186110	16043	460948	3170067
3	3170067	18530	458460	3151537
4	3151537	21403	455587	3130134
5	3130134	24721	452269	3105413
6	3105413	28554	448483	3076599
7	3076599	32981	444010	3043878
8	3043878	39791	438696	3005784
9	3005784	44000	432991	2961784
10	2961784	50822	426169	2910962
11	2910962	58701	418290	2852261
12	2852261	67801	409189	2784460
13	2784460	78313	398678	2706147
14	2706147	90454	386536	2615693
15	2615693	104478	372513	2511215
16	2511215	120676	356315	2390539
17	2390539	139385	337606	2251154
18	2251154	160994	315996	2090160
19	2090160	185954	291036	1904206
20	1904206	214783	262207	1689423
21	1689423	248083	228908	1441340
22	1441340	286544	190447	1154796
23	1154796	330969	146022	823828
24	823828	382280	94710	441547
25	441547	441073	35443	Nil

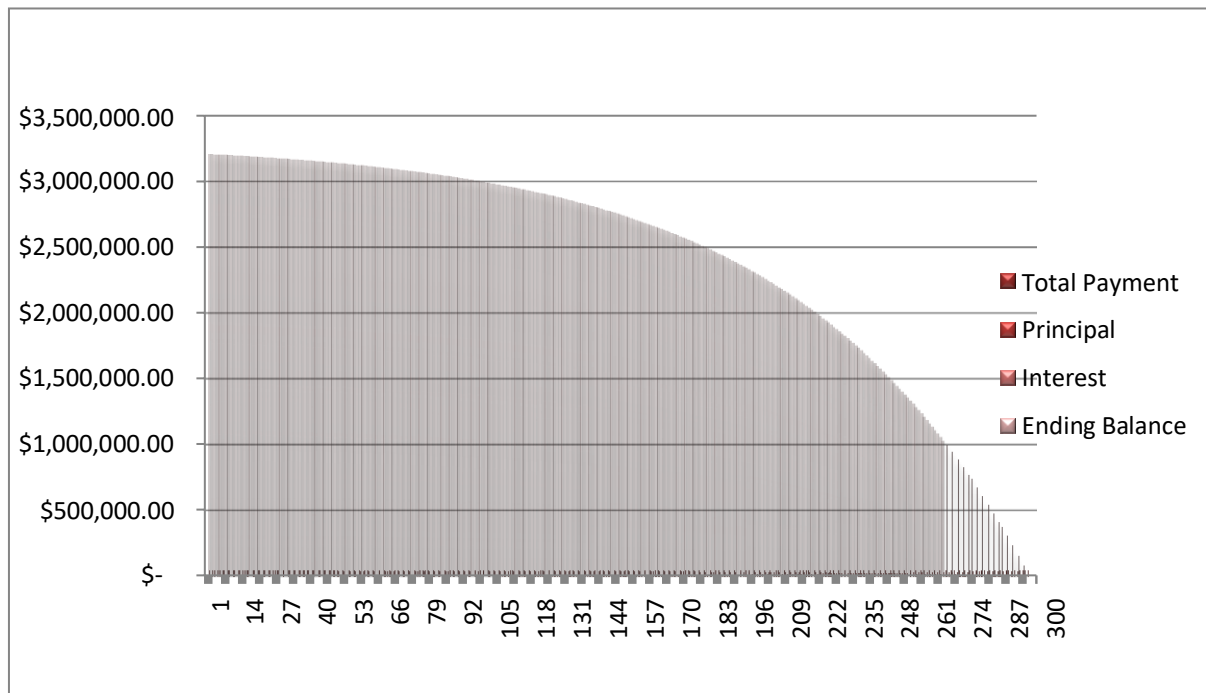


FIGURE NO-6

In this research we study for the Kotak Mahindra banks provide the home loan in the highest price for highest interest rate. This bank has been structured the home loan as the principal amount or interest amount is 4072840Rs. That amount is so high to repayment of the loan. The Kotak Mahindra Bank applied the rate of interest is floating and for amount reducing balance method the interest rate is 14.5% . due to that reason the principal amount decrease per installment. We see that the 1st to 10th years is the interest rate more than the principal amount . 11th to 20th years the principal amount is slowly slowly increased in installments. The tenure period of that amount is 25 years so last 5th yr. mostly principal amount decreased from the beginning balance. This is very important part of the EMI of Home Loan.

CHAPTER N0.5

FINDING & SUGGESTION

Chapter No-5

5.1 FINDINGS

- The process of home loan is complicated in Kotak Mahindra bank ltd
- The bank set their home loan interest rate on the basis of the base rate which is declared by the RBI, so banks are decide their rules and regulation to real estate regulation act. 1st may 2015
- The bank is nationalizing bank but there charges are different. In the Kotak Mahindra bank takes lower charges of home loan application.
- The kotak Mahindra bank has different policy. Have different policy to calculating rate of interest calculate the rate of interest through the floating rate of method butthey includes also fixed interest method.
- Kotak Mahindra bank has good service provider in the market.as compare to other banks.
- Kotak Mahindra bank provide service like net banking mobile Banking,,e-banking,,RTGS,NEFT. Etc.
- In less period the growth of the bank has increase.
- They provide lots of schemes to their customers.

5.2 SUGGESTION

- Customer awareness programme is required so that more people should attract towards advance product .
- If there are any kind of hidden charges than that must be disclosed to customers before giving loan to them
- Kotak Mahindra Bank must take some steps so that customer can get their loan in time.
- Likes, photo verification by customer care that one customer is got their loan on time or not. It must be before a certain date so necessary steps can be taken.
- Kotak Mahindra Bank should more concern about physical verification rather. Then phone verification. So it will avoid fraud or cheating
- From the better service new offer would be required .
- Bank should increase the period for repayment of loan.
- Kotak Mahindra Bank customer care should more concern about the fastest settlement of customer problem.

CHAPTER N0.6

CONCLUSION

Conclusion

- To buying the home is very important thing to any person, but in this time the price of the home and real estate sector is the very high rate. So buying the home for in their regular income is like impossible thing.
- In that way the home loan provided by financial institutes or banking sector which is very useful to that person. But the need of person and eligibility of that person to taking home is verified by the bank and private finance sector.
- Kotak Mahindra bank is the private sector bank .
- The other banks providing the both interest method for charging the interest ,but .The Kotak Mahindra bank Ltd. Is only calculating interest through the floating charges method .
- In that study the MCRL rate is higher of Kotak Mahindra bank .
- By the study I understand that Kotak Mahindra bank is good for taking Home loan.
- The policy and rules of regulations, internal body and their credit rating system all over the different.
- Looking through the study . Kotak Mahindra Bank can reject home loan for the some difficult criteria, strict careening policy to providing the funds.

BIBLIOGRAPHY

BIBLIOGRPHY

7.1 WEBSITE

- (a) www.Bankbazaar.com
- (b) www.kotakbank.com

7.2 BOOKS

- a) THR HOMELOAN BOOK
- b) HOUSING FINANCE

7.3 NEWSPAPERS

- a) The Times Of India
- b) Financial Express

ANNEXURE

LOAN FORM

kotak Kotak Mahindra Bank		HOME LOAN APPLICATION FORM	
PLEASE FILL THE FORM IN BLOCK LETTERS		Form No. _____	Date: DDMMYYYY
<input type="checkbox"/> Borrower		<input type="checkbox"/> Individual <input type="checkbox"/> Non Individual	
Name: Mr. / Mrs. / Ms. / Dr. / M/s. _____			
First Name Middle Name Last Name			
Name of Organisation: _____			
Employment Nature: <input type="checkbox"/> Salaried <input type="checkbox"/> Self Employed <input type="checkbox"/> House Wife <input type="checkbox"/> Student <input type="checkbox"/> Retired			
Nature of Organization: <input type="checkbox"/> Govt. PSU <input type="checkbox"/> Public Ltd. <input type="checkbox"/> Pvt.Ltd. <input type="checkbox"/> MNC <input type="checkbox"/> Partnership			
<input type="checkbox"/> Proprietorship <input type="checkbox"/> Others _____			
Designation: _____ Period in Current Employment/Business _____ Years/Months			
GSTIN Number : _____			
<input type="checkbox"/> Co-Borrower <input type="checkbox"/> Guarantor		<input type="checkbox"/> Individual <input type="checkbox"/> Non Individual	
Name: Mr. / Mrs. / Ms. / Dr. / M/s. _____			
First Name Middle Name Last Name			
Name of Organisation: _____			
Employment Nature: <input type="checkbox"/> Salaried <input type="checkbox"/> Self Employed <input type="checkbox"/> House Wife <input type="checkbox"/> Student <input type="checkbox"/> Retired			
Nature of Organization: <input type="checkbox"/> Govt. PSU <input type="checkbox"/> Public Ltd. <input type="checkbox"/> Pvt.Ltd. <input type="checkbox"/> MNC <input type="checkbox"/> Partnership			
<input type="checkbox"/> Proprietorship <input type="checkbox"/> Others _____			
Designation: _____ Period in Current Employment/Business _____ Years/Months			
GSTIN Number : _____			
<input type="checkbox"/> Co-Borrower <input type="checkbox"/> Guarantor		<input type="checkbox"/> Individual <input type="checkbox"/> Non Individual	
Name: Mr. / Mrs. / Ms. / Dr. / M/s. _____			
First Name Middle Name Last Name			
Name of Organisation: _____			
Employment Nature: <input type="checkbox"/> Salaried <input type="checkbox"/> Self Employed <input type="checkbox"/> House Wife <input type="checkbox"/> Student <input type="checkbox"/> Retired			
Nature of Organization: <input type="checkbox"/> Govt. PSU <input type="checkbox"/> Public Ltd. <input type="checkbox"/> Pvt.Ltd. <input type="checkbox"/> MNC <input type="checkbox"/> Partnership			
<input type="checkbox"/> Proprietorship <input type="checkbox"/> Others _____			
Designation: _____ Period in Current Employment/Business _____ Years/Months			
GSTIN Number : _____			
Type of Loan / Facility		Loan / Facility applied for	Purpose of Top-up
<input type="checkbox"/> Builder Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Home Improvement <input type="checkbox"/> Resale <input type="checkbox"/> Top-up Term Loan <input type="checkbox"/> Top-up Term OD <input type="checkbox"/> Plot + Construction <input type="checkbox"/> Balance Transfer <input type="checkbox"/> Commercial Property <input type="checkbox"/> Smart Home Loan <input type="checkbox"/> Others _____		Amount ₹ _____ Tenure (Months) _____ Rate of Interest <input type="checkbox"/> Fixed <input type="checkbox"/> Floating <input type="checkbox"/> Fixed + Floating	<input type="checkbox"/> Business <input type="checkbox"/> Others _____ Loan Account No. _____ (In Case of Top-up of Existing Kotak Mahindra Bank Limited Loan)
Property Details			
Transaction Type <input type="checkbox"/> Builder <input type="checkbox"/> Resale <input type="checkbox"/> Repair / Renovation			
Builder Name: _____ Project / Property Name: _____			
Property Type <input type="checkbox"/> Flat <input type="checkbox"/> Single Storey House <input type="checkbox"/> Extension/Repair <input type="checkbox"/> Bungalow <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial			
<input type="checkbox"/> Plot+Construction <input type="checkbox"/> Others _____			
Property to be purchased in name of _____			
Own Contribution source <input type="checkbox"/> Fixed Deposit <input type="checkbox"/> Shares <input type="checkbox"/> Mutual Funds <input type="checkbox"/> Property Sale <input type="checkbox"/> Others _____			
Address of Property _____			
City _____ Pincode _____			
Cost of Property / Land+Construction _____ Built-up Area (In Sq.Ft / Sq.Mts.) _____			
Carpet Area (In Sq.Ft/Sq.Mts.) _____ Name of Seller _____			
Stage Construction <input type="checkbox"/> Complete <input type="checkbox"/> Under progress <input type="checkbox"/> Yet to start			
Usage Of Property <input type="checkbox"/> Self Occupy <input type="checkbox"/> Rental <input type="checkbox"/> Investment <input type="checkbox"/> Others _____			

Insurance Details (Optional)

Life Insurance (Loan Cover Protection Plan)

☐ Interested☐ Non Interested

Property Insurance

☐ Interested☐ Non Interested

If interested, would you like the premium and other charges to be funded by Kotak Mahindra Bank

☐ Yes☐ No

References (Not related to you)

Name:

Tele.:

Mobile

Name:

Tele.: STD Code

Mobile

In compliance to RBI Circular Ref DBOD No. Dir BC/4/13.03.00/2012-13, clause 2.2.1 on granting loans and advances to relatives of directors and clause 2.2.2 on restrictions on grant of loans and advances to officers and relatives of senior officers of banks.

For Individual / Sole-proprietor Applicants

a) Do any of the applicants happen to be directors or relatives of a director of a banking company (including Kotak Mahindra Bank & its subsidiaries), as defined in the said circular

☐ Yes ☐ No

b) Do any of the applicants happen to be relatives of senior officers of the bank, as defined in the said circular

☐ Yes ☐ No

For Non-individual Applicants

a) Do any of the partners / directors in the firm / company happen to be directors or relatives of a director of a banking company (including Kotak Mahindra Bank & its subsidiaries), as defined in the said circular

☐ Yes ☐ No

b) Do any of the partners / directors in the firm / company happen to be relatives of senior officers of the bank, as defined in the said circular.

☐ Yes ☐ No

Credit linked subsidy scheme - Select the applicable category

<input checked="" type="checkbox"/>	CLSS (Economically Weaker Selection)/ (Lower Income group) Interest Subsidy of 6.5% for period of 20 years for loan amount upto 6 lacs.	<input checked="" type="checkbox"/>	CLSS (Middle Income Group I) Interest Subsidy of 4% for period of 20 years for loan amount upto 9 lacs.	<input checked="" type="checkbox"/>	CLSS (Middle Income Group II) Increase Subsidy of 3% for period of 20 years loan amount upto 12 lacs.
<input type="checkbox"/>	Annual Household Income is less than Rs. 6 lacs	<input type="checkbox"/>	Annual Household income is between Rs. 6 lacs to Rs. 12 lacs	<input type="checkbox"/>	Annual Household income is between Rs. 12 lacs to Rs. 18 lacs
<input type="checkbox"/>	None of the family members in the household own a pucca house in any part of India	<input type="checkbox"/>	None of the family members in the household own a pucca house in any part of India	<input type="checkbox"/>	None of the family members in the household own a pucca house in any part of India.
<input type="checkbox"/>	House is in the name of female member of the household or in joint name of male and female member of the household	<input type="checkbox"/>	Carpet Area of the property is within 160sq.mt.	<input type="checkbox"/>	Carpet Area of the property is within 200sq.mt.

Note :

- Family Definition : A beneficiary family comprises of Husband, wife and unmarried children.
 - Property is located within the 4041 statutory towns as per census 2011
 - List of 4041 statutory towns as per census 2011, is available in www.nhb.org.in
 - NHB is the final authority to decide the eligibility and disburse the claim. Guidelines given by NHB for CLSS claim to be strictly followed. If at any stage, it is found that the information given by customer is false/not true, all benefits given under the schemes would be withdrawn and legal action as deemed fit, would be taken.
 - By signing this form, applicants declare that they have understood the guidelines of CLSS scheme of Pradhan Mantri Awas Yojana, and are in strict adherence of the same.
- Incase any terms of the CLSS guidelines are not fulfilled, the subsidy will be withdrawn and refunded to NHB. Guidelines and all other terms available @ <https://nhb.org.in/>