

# **A Comparative Study on Public & PVT. Merchant Bank India**

**SUBMITTED BY-**

**ADITYA RASTOGI**

**BBA**

**UNDER THE GUIDANCE OF**

**DR BALA SHIWANGI**

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## **CHAPTER – 1**

### **INTRODUCTION**

A Merchant Bank in the UK is a financial institution that offers a variety of services, including accepting trade bills, giving advice on mergers and acquisitions, handling foreign exchange, underwriting new issues, and managing investment portfolios.

This type of publicly-oriented bank plays a pivotal role as it allows merchants to present various offers aimed at attracting a greater number of clients through unique bundles. “These offers are beneficial for clients as they can take advantage of different packages depending on their specific needs.

Essentially, Merchant Banks function like financial brokers, and in India, their activities include:

Managing customers' securities.

Overseeing portfolio management.

Facilitating loan syndications.

Handling interest and dividend management.

### **HOW DOES MERCHANT BANKING WORK?**

Many different types of banking services are provided by merchant banks, which include trader banking, retail banking, investment banking, and more.

In most cases, trader banks mediate between companies and investors, easing transactions and providing financial strategy guidance. Additionally, dealer banks might manage clients' financial assets and investments, as well as provide loans or funding to businesses.

Moreover, trafficker banks can offer extra services like processing credit and debit card transactions, currency exchange, and trading services.

### **Benefits and Functions of Merchant Banking**

Merchant banking is an industry subset that caters specifically to businesses and nonprofits in need of banking services. Here are some of the key advantages and functions of merchant banking

**Fundraising:** Initial public offerings (IPOs) and bond issuances are two examples of new instruments that merchant banks assist firms in qualifying for funding. Setting pricing, promoting the assets to investors, and offering financial advice are all part of this process.

**Acquisition:** When businesses are involved in M&A, merchant banks are there to help. Finding potential acquisition targets, negotiating agreements, and obtaining funding may all be helped by their assistance.

**Structured finance:** Complex financial arrangements involving several parties and various forms of financing are the specialty of merchant banks. Airports and power plants are two examples of massive infrastructure projects that they might assist in securing funding for.

**Risk management:** Merchant banks provide guidance and support for managing risk, which includes safeguarding against interest rate and currency volatility. They may also provide insurance and other risk-reduction solutions.

**Investment management:** Investment management services, such as advising on investment strategies or overseeing client portfolios, are something that merchant banks may do.

**International trade finance:** International commerce may be facilitated by the finance and extra services offered by merchant banks. These services include export financing and letters of credit.

### **SERVICES THAT MERCHANT BANK PROVIDES**

Merchant banks provide a variety of services to address the financial requirements of its customers, particularly those in the corporate and institutional sectors. Some of the most common services provided by merchant banks are listed below:

**Corporate Finance:** Merchant banks provide its customers a range of financial advising services, including help with capital raising, restructuring, mergers and acquisitions, and other strategic financial decisions.

**Capital Acquisition:** Merchant banks help their clients secure funds via IPOs, private equity investments, or various financing methods.

**Underwriting:** Merchant banks underwrite securities to guarantee their successful placement in the market.

### **MERCHANT BANKS' FEATURES**

### **CARACTERÍSTICAS DE LOS BANCOS MERCANTILES**

Merchant banks provide a variety of services to their customers, such as:

**Securities Issuances:** Underwriters are merchant banks that help with securities issuances including bond offers and initial public offerings (IPOs). They make a profit by purchasing securities from the issuer and then selling them to other investors.

**Advisory Services:** Financial matters including capital structure, risk management, and mergers and acquisitions are areas in which these banks advise their customers.

**Mergers and Acquisitions:** Merchant banks support clients in pinpointing possible targets, structuring arrangements, and securing funds for mergers and acquisitions.

**Project Financing:** They assist clients engaged in significant infrastructure initiatives—such as power stations, airports, and tollways—by providing project financing solutions

**Structured Finance:** To meet specific funding needs, merchant banks provide structured financing solutions that make use of complex financial instruments.

**International Trade Finance:** Letters of credit, export finance, and trade finance consulting are just a few of the many services they provide in relation to international trade finance.

**Investment Management Services:** Merchant banks additionally participate in portfolio management, provide investment advice, and make private equity investments on behalf of their clients.

**Securities Brokerage:** They facilitate the purchase and sale of securities for their clients and provide custodial services, guaranteeing the secure storage and safeguarding of securities for their customers.

## INDIA'S PROCEDURE FOR COMMERCIAL BANKERS

Merchant bankers in India are vital to the country's capital market because of the wide variety of services they provide, which include corporate advising, underwriting, debt syndication, project finance, mergers & acquisitions, and more. Merchant banking in India entails the following steps:

The merchant banker keeps an eye out for prospective customers who could need money or financing.

**Feasibility Report Compilation:** After the merchant banker finds prospective customers, they write out a feasibility study. The feasibility and crucial success factors of the project are assessed in this study.

## SECTORS OF MERCHANT BANKERS IN INDIA





## INDIAN STATE BANK

In India, the State Bank of India (SBI) has a long and storied history that runs deep into the country's economy and society. It is one of India's oldest banks and a major figure in the development of the country's financial system; its roots are in the early nineteenth century. During the colonial era, in 1806, the British East India Company founded the Bank of Calcutta in what is now Kolkata, beginning the path that would later become SBI. This organization was the forerunner of several advancements in India's financial sector and the formal banking system in the country. A major change happened in 1921 when the Bank of Calcutta combined with two other British presidency banks—the Bank of Bombay and the Bank of Madras. The Imperial Bank of India, the most powerful and biggest commercial bank in the subcontinent, was born out of this merger. Prior to the 1935 establishment of the Reserve Bank of India (RBI), the Imperial Bank was essential in cash management and served as a de facto central bank.

The government of independent India saw early on the need of establishing a robust, state-owned bank to promote financial inclusion and further the country's socioeconomic agenda after its 1947 declaration of independence. Because of this, in 1955, the State Bank of India Act was passed, renaming the Imperial Bank of India to the State Bank of India (SBI) and thus nationalizing it. As the Reserve Bank of India took over SBI, the Indian government solidified its position as a major player in the country's drive for economic independence and inclusivity. Since then, SBI has grown not just in terms of assets and reach, but also in influence, becoming a symbol of trust, stability, and service for millions of Indians. Over the decades, the bank has been at the forefront of financial innovation, rural outreach, and national development.

SBI's growth story is deeply linked to its commitment to financial inclusion and serving underserved regions, particularly in rural and semi-urban India. From the very beginning, the bank prioritized the extension of credit facilities, savings instruments, and essential banking services to people in areas where private or foreign banks had no presence. In this way, SBI became a tool for national integration, linking remote corners of the country with the broader financial ecosystem. This commitment is evident today in the bank's vast network of more than 24,000 branches spread across the length and breadth of India, making it the largest banking network in the country. This physical presence, supported by over 58,000 ATMs, ensures that SBI is within reach of millions, regardless of geography or socioeconomic status. Additionally, the bank operates more than 70,000 Business Correspondents (BCs), also known as customer service points, which further deepen its penetration into villages and backward areas.

The State Bank of India is well-established both domestically and abroad, having branches and offices in more than 30 countries. Among these nations are South Africa, China, Singapore, Australia, Canada, and the US. These worldwide operations include investment banking services, trade finance, and remittance services to both foreign corporations and members of the Indian diaspora. Indian companies rely on SBI to help them connect to the global economy via its partnerships and abroad operations. This helps with India's external commerce.

The diverse range of SBI's business verticals includes digital banking, retail banking, investment banking, digital banking, asset management, and insurance. Its retail banking segment offers individualized financial solutions, a variety of deposit schemes, loans, debit and credit cards, and more to individuals. Large industries, small and medium-sized enterprises (SMEs), and infrastructure projects are all supported by its corporate banking services, which provide bespoke lending solutions. The SBI Group includes several wholly-owned companies including SBI Capital Markets, SBI Cards, SBI Life Insurance, and SBI Mutual Fund. Not only do these things help the bank earn money and build its reputation, but they also bolster its integrated financial services strategy. Notable among SBI's many accomplishments is its status as a leading asset manager in India via SBI Mutual Fund, and the strength of its life insurance offerings through SBI Life Insurance.

One of the most striking features of SBI's evolution in recent years is its proactive adoption of technology and digital banking. The bank has continually embraced innovation to meet the changing expectations of customers. The introduction of YONO (You Only Need One), SBI's digital platform, has revolutionized the way customers access banking and lifestyle services. YONO offers an integrated solution that includes mobile banking, investments, bill payments, insurance, online shopping, and even loan applications, all through a single app. The move towards digitization has not only improved customer convenience but also enabled the bank to operate more efficiently. As of recent years, SBI's YONO platform has garnered millions of active users, reflecting a new generation of customers who prefer mobile-first, user-friendly interfaces."

The bank has also made major strides in areas like data analytics, artificial intelligence (AI), blockchain, and cyber security, which have helped streamline operations, reduce fraud, and personalize services. For instance, AI-driven chatbots like SBI's "SIA" are now capable of handling customer inquiries 24/7. Moreover, SBI was among the first Indian banks to integrate biometric and Aadhaar-enabled services, making it easier for beneficiaries of government schemes to access subsidies and payments directly in their bank accounts — a major contribution to the success of the Jan Dhan Yojana, India's flagship financial inclusion initiative.

In terms of financial strength, SBI has consistently ranked among the top 50 banks globally in terms of assets. It is also the only Indian bank to be featured regularly in the Fortune Global 500 list, reflecting its massive scale of operations. As of recent financial reports, the bank has total assets exceeding INR 57 lakh crore (over \$700 billion), with deposits of more than INR 42 lakh crore, and loans of over INR 33 lakh crore. The bank's customer base exceeds 48 crore (480 million), making it one of the most widely used banks in the world. This vast customer base is served by more than 2.5 lakh (250,000) employees, trained to uphold the values of service, trust, and integrity. With these figures, SBI continues to command a market share of over 22% in deposits and nearly 20% in advances within the Indian banking sector.

The leadership and governance of SBI have also played a crucial role in the bank's sustained success. Governed by a board of directors that includes eminent bankers, economists, and administrators, the bank operates under a well-defined regulatory framework laid down by the Reserve Bank of India and the Ministry of Finance. The appointment of its Chairperson — currently one of the most powerful positions in India's financial landscape — is done by the government of India, ensuring accountability and alignment with national priorities. Over the years, several of SBI's Chairpersons have gone on to hold key positions in public and private sectors, reinforcing the bank's influence on India's broader financial ecosystem.

Another defining feature of SBI's identity is its commitment to Corporate Social Responsibility (CSR). Through its SBI Foundation, the bank undertakes numerous initiatives in the areas of healthcare, education, environmental protection, rural development, and skill building. The bank has been actively involved in supporting health infrastructure, especially during emergencies like the COVID-19 pandemic, when it contributed significantly to relief efforts, hospital support, and vaccination drives. SBI also promotes financial literacy through its Financial Literacy Centres (FLCs), which aim to educate people about the basics of savings, credit, insurance, and digital payments.

As India continues its march toward becoming a \$5 trillion economy, the role of SBI remains indispensable. The bank supports government schemes such as Startup India, Digital India, Make in India, Skill India, and PM SVANidhi,

providing crucial financial support to startups, micro-entrepreneurs, women-led enterprises, and self-help groups (SHGs). Through these initiatives, SBI plays a vital role in driving entrepreneurship, employment, and inclusive growth. The bank is also a key lender for major infrastructure and renewable energy projects, aligning its operations with national development goals and sustainability targets.

Challenges do exist — rising NPAs (Non-Performing Assets), competition from private banks and fintech startups, and regulatory pressures — but SBI has demonstrated a strong ability to adapt and reform. Strategic mergers, such as the historic merger of its associate banks and Bharatiya Mahila Bank in 2017, have helped it consolidate operations, reduce costs, and enhance its market position. These mergers were among the largest in the banking world and transformed SBI into one of the Top 50 global banks by asset size, giving it the scale and capability to compete internationally.

## **THE STATE BANK'S PRESENT STATUS**

When it comes to assets, deposits, branches, personnel, and customer base, the State Bank of India (SBI) now dominates among India's public sector banks. It continues to play a pivotal role in the Indian banking system, acting as the backbone for retail banking, agricultural credit, MSME lending, digital banking, and financial inclusion. SBI is recognized globally and ranks among the top 50 banks in the world based on asset size. As per the latest available data, SBI's total assets exceed ₹60 lakh crore (approximately USD 720 billion), which underscores its vast influence and reach.

### **BRANCH AND ATM NETWORK**

As of 2025, SBI operates a massive domestic network with:

- Over 22,000 branches across India,
- More than 62,000 ATMs and cash deposit machines (CDMs),
- Over 70,000 Business Correspondents (BCs) supporting banking in rural and semi-urban areas.

Its global footprint includes:

- Branch offices in 30+ countries,
- Subsidiaries and joint ventures in Canada, the UK, Mauritius, Nepal, the USA, and more,
- Providing services to Non-Resident Indians (NRIs) and international corporate clients.

### **CUSTOMER BASE AND SERVICES**

SBI serves more than 48 crore customers, which makes it one of the largest customer bases for any bank in the world. It offers a wide range of services that include:

- Retail Banking: Savings and current accounts, personal loans, home loans, auto loans, and more.
- Corporate Banking: Working capital loans, project finance, treasury, forex, and trade services.
- Agricultural and Rural Banking: Kisan Credit Cards (KCC), agri-loans, and rural development initiatives.
- Digital Banking: Internet banking, mobile apps, UPI services, and AI-based customer support.
- Wealth Management: SBI Wealth, mutual funds (through SBI Mutual Fund), and insurance (SBI Life, SBI General Insurance).



## DIGITAL TRANSFORMATION

SBI has made remarkable progress in becoming a technology-driven bank. Its flagship digital initiatives include:

- YONO (You Only Need One): An integrated digital banking platform that offers banking, shopping, insurance, investments, and lifestyle services. It has over 60 million downloads and active users.
- YONO Business: A platform dedicated to SME and corporate clients.
- SBI Quick and SMS Banking: For instant balance check, mini statements, and service requests.
- UPI and BHIM SBI Pay: Supporting millions of transactions per day.
- SBI Buddy and SBI mPassbook: Other mobile utilities for simplified customer experience.

The bank has also invested heavily in cybersecurity, AI, blockchain research, and analytics-based customer service tools to improve operational efficiency and reduce fraud.

## FINANCIAL PERFORMANCE

As per FY 2024–25 (provisional data):

- Net Profit: SBI reported a record net profit exceeding ₹60,000 crore, making it the most profitable public sector enterprise in India.
- Gross Advances: Over ₹35 lakh crore, with strong performance in retail, home, and SME loan segments.
- Gross NPA (Non-Performing Assets): Reduced to below 3.5%, indicating improved asset quality.
- Capital Adequacy Ratio (CAR): Maintained above 14%, complying with Basel III norms.

SBI's consistent financial performance reflects its efficient management, diversified portfolio, and sound risk practices.

## HUMAN RESOURCES AND EMPLOYMENT

SBI is one of India's largest employers, with over 2.40 lakh employees. The bank promotes:

- Skill development through SBI Academies,
- Leadership training for officers and managers,
- Diversity and inclusion, with strong representation of women in leadership roles,
- Employee welfare schemes and digital HR services.

SBI also recruits thousands of probationary officers, clerks, and specialist officers every year through its national examinations, contributing significantly to government job creation.

## SUSTAINABILITY AND CSR

SBI has aligned itself with sustainable banking principles and is a strong advocate of ESG (Environment, Social, and Governance) goals. The bank invests in:

- Green financing projects (like solar and renewable energy),
- Financial literacy camps in rural India,
- Scholarship and education support,
- Healthcare and sanitation projects through SBI Foundation.

It is also part of several global sustainability forums and climate initiatives.

## SUBSIDIARIES AND AFFILIATES

SBI operates multiple subsidiaries in key sectors:

- SBI Life Insurance – Leading life insurance provider in India.
- SBI Mutual Fund – Among the largest asset management companies.
- SBI General Insurance – Offering general and health insurance products.
- SBI Cards and Payment Services Ltd. – One of the largest credit card issuers in India.
- SBI Capital Markets – For investment banking, debt syndication, and advisory services.

These subsidiaries contribute substantially to SBI's profits and expand its reach into non-banking financial sectors.

## GLOBAL RECOGNITION AND AWARDS

SBI continues to be acknowledged for its performance:

- Ranked in the Fortune Global 500 list.
- Named as one of the top 100 most valuable brands in India.
- Winner of various awards for digital innovation, CSR, and customer service, including from Forbes, ET, IBA, and Dun & Bradstreet.

## CHALLENGES AND FUTURE OUTLOOK

While SBI has maintained its leadership position, it also faces certain challenges:

- Competition from private banks and fintech companies,
- Rising cybersecurity threats,
- Pressure on margins due to changing interest rate scenarios,
- Need to reduce legacy NPAs and improve asset quality further.

To stay competitive, SBI plans to:

- Accelerate digital transformation with AI, big data, and blockchain,
- Focus on cross-selling and wealth management,
- Expand internationally in emerging markets,
- Enhance customer satisfaction through personalization and innovation.



## PUNJAB NATIONAL BANK

One of the biggest and oldest public sector banks in India, Punjab National Bank (PNB) has a rich history. The history of the bank is presented here in great detail.

Distinguished Indian leaders, including the Swadeshi movement's Lala Lajpat Rai, founded PNB in 1894 in British India's Lahore.



The Indian government assumed control of PNB as the biggest shareholder when the country gained independence from Britain in 1947, turning it into a nationalized bank.

As part of its attempts to consolidate the banking system in 1969, the government allowed PNB to combine with many other banks, including Indo-Commercial Bank, Bharat Bank, and Universal Bank.

· In 1986, PNB launched India's first fully computerized branch in New Delhi and also set up a modern data center in Noida.

· PNB took a significant step in 1993 by opening a subsidiary in London, marking its first presence abroad to cater to the financial needs of the Indian community residing there.

· In 2003, PNB expanded its reach by acquiring Nedungadi Bank, a private bank in Kerala, which helped the bank establish a stronger footing in South India.

· PNB further extended its international footprint in 2012 with the establishment of PNB Bhutan, a fully-owned subsidiary that operates as a comprehensive bank in Bhutan.

· In 2018, PNB was involved in a major fraud scandal where several employees collaborated with businessmen to issue fraudulent letters of credit.

### MEGA-MERGER:

Merging the Punjab National Bank (PNB) with two significant nationalized banks—Oriental Bank of Commerce (OBC) and United Bank of India (UBI)—on April 1, 2020, was one of the most important and revolutionary events in India's banking system. The Indian government hoped that by merging these financial organizations, they would be better able to meet the varied and expanding demands of the country's economy. After the merger, Punjab National Bank surpassed State Bank of India (SBI) in terms of branch network and business volume, becoming the second-largest nationalized bank in India. The objective of this mega-merger was not only to improve operational efficiency but also to strengthen capital base, enhance customer service delivery, and build a banking institution capable of competing on a global scale. The merger led to the creation of a powerful, consolidated entity with a **pan-India presence**, robust customer base, and a diversified service portfolio.

Post-merger, the **combined bank now operates with a network of more than 12,248 branches, 13,000+ ATMs, and a large workforce of over 100,000 employees**. Additionally, **12,346 Business Correspondents (BCs)** further extend the bank's presence in rural and remote locations, helping in deeper financial inclusion. These numbers underline the sheer scale of the new PNB, whose physical presence spans across all major states and union territories in India. The integration of three banks under one umbrella not only brought together their customer bases but also consolidated their physical and digital infrastructure, making the bank one of the most accessible public sector banks in India. The synergy from this merger allowed PNB to serve an even more extensive customer base, offering seamless banking experiences through various channels, reducing duplication of services, and strengthening customer offerings. It also helped in managing bad loans better through a unified risk management framework. Moreover, the integration aimed to standardize and streamline customer services, lending norms, product portfolios, and digital platforms across the merged entities.

The history of **Punjab National Bank** itself is rooted in India's freedom struggle and nationalist spirit. PNB was established in **1895 in Lahore (now in Pakistan)** and was the first Indian bank to be started solely with Indian capital and management. Over the decades, PNB has grown into one of the most respected banking institutions in the country. It has withstood the test of time through partition, economic reforms, and the liberalization era. The bank has been closely associated with national leaders, including **Lala Lajpat Rai**, who was one of the founding members. Since its

inception, PNB has been committed to empowering people through access to credit, savings, and investment opportunities. With over **129 years of banking legacy**, PNB has been instrumental in supporting India's industrial growth, agricultural finance, and social development.

The merger of these institutions into PNB brought together these regional strengths, customer trust, and banking traditions into one unified brand.

At present, PNB provides a vast array of banking and financial services, including as checking and savings accounts, deposit options (both one-time and ongoing), loans (individual and mortgage), insurance, investment opportunities, mutual funds, locker services, and financing for small and medium-sized enterprises (MSME). Bank officials have been busy spreading the word about the need of financial education and lending a hand to budding business owners via initiatives like Stand-Up India, PM SVANidhi, MUDRA loans, and the Prime Minister's Employment Generation Programme (PMEGP). Through such initiatives, PNB contributes to national development by fostering self-reliance and entrepreneurship among the youth and underserved sections of society.

In recent years, PNB has significantly ramped up its **digital banking initiatives** to compete with private sector and fintech competitors. The bank now offers multiple digital platforms like **PNB One (its all-in-one mobile banking app)**, **Internet Banking**, **UPI-based services**, **chatbots**, **AI-powered customer service tools**, and **SMS banking**. These tools are designed to help customers perform financial transactions, open accounts, apply for loans, make bill payments, and access investment services without visiting a branch. Additionally, PNB has introduced **QR-based payments**, **digital lockers**, and **contactless card services** to promote a cashless and secure banking environment. The bank also offers **corporate banking solutions** including trade finance, project financing, working capital support, and treasury services to large and medium-sized enterprises.

PNB's investment in **cyber security**, **data protection**, and **regulatory compliance** has also increased following the merger, particularly in light of the larger customer base and higher transaction volume. The bank regularly upgrades its security protocols and IT infrastructure to prevent data breaches, phishing attacks, and financial fraud. With increasing dependence on digital tools, PNB aims to ensure that its digital transformation is both **customer-centric and secure**.

Despite its achievements, the post-merger phase was not without challenges. The integration of three large organizations with different corporate cultures, systems, processes, and workforce structures was a massive exercise. There were initial teething issues related to IT system migration, HR policies, and customer experience, especially where customer data and accounts had to be harmonized. Moreover, the bank had to address concerns related to **non-performing assets (NPAs)**, as each of the three banks had their own levels of bad loans. However, with strong leadership and support from the government and the Reserve Bank of India (RBI), PNB managed to complete the integration process in a phased and systematic manner. As of now, most of the systems have been fully integrated, and customers of OBC and UBI can access PNB services without any disruption.

PNB is also deeply committed to its **Corporate Social Responsibility (CSR)** mandate. The bank runs various programs in the areas of **education**, **healthcare**, **skill development**, **environment protection**, and **community development**. It also supports government programs like **Swachh Bharat Abhiyan**, **Digital India**, and **Beti Bachao, Beti Padhao**. Furthermore, PNB contributes to disaster relief efforts and healthcare infrastructure during emergencies, as was evident during the **COVID-19 pandemic**, when the bank provided medical kits, oxygen concentrators, and financial support to affected communities.

In 2024-2025, PNB continues to focus on strengthening its capital adequacy, expanding its market share, improving asset quality, and modernizing its service offerings. The bank has also been actively **recruiting young professionals**, investing in training and development, and empowering women employees to take leadership roles. The vision is clear — to position PNB as a globally recognized, technology-driven, and customer-friendly bank that contributes to India's socio-economic progress.

In conclusion, the **mega-merger** of Oriental Bank of Commerce and United Bank of India with Punjab National Bank marks a pivotal chapter in the history of India's public sector banking. It reflects the Indian government's vision to consolidate and strengthen public sector banks to make them more robust, scalable, and capable of supporting India's long-term development goals. Punjab National Bank, with its **rich legacy since 1895**, has now evolved into a modern banking powerhouse that is equipped to meet the financial aspirations of a new India. With its strong presence, extensive outreach, digital prowess, and customer-first approach, PNB remains a vital pillar of India's financial system — a bank that truly lives up to its slogan: **"The Name You Can Bank Upon."**

### Punjab National Bank

Headquarter	New Delhi
Zonal Offices	20
Circle Offices	162
MD & CEO	Mr Atul Kumsr Goel



### ICICI BANK

ICICI Bank is a leading private bank in India. Its full name is Industrial Credit and Investment Corporation of India. By providing a wide variety of services, using cutting-edge technology, and prioritizing client satisfaction, ICICI Bank has established itself as a leading financial institution with a strong presence in more than 20 countries throughout the world. In India, ICICI Bank is almost a byword for reliability, productivity, and cutting-edge banking techniques; it is the country's second-largest bank, behind only SBI. Its perseverance and capacity to adjust to changing financial environments are shown by its evolution from a development financial institution in 1955 to a fully-fledged commercial bank. With 6,983 branches and 16,285 ATMs nationwide, ICICI Bank is now easily accessible to people in both urban and rural areas.

The extensive range of banking products and services offered by ICICI Bank extends much beyond the usual checking and savings accounts, which contributes to the bank's success. Retail and corporate banking, loans, credit cards,

insurance, investment, and wealth management are all part of the extensive range of financial services offered by the bank. Customers have access to a wide range of loan options, including those for houses, cars, education, and businesses, all of which provide reasonable interest rates and flexible repayment schedules. Its credit card division is just as varied, serving everyone from first-time cardholders to very wealthy people looking for premium services. Life, health, and general insurance are just some of the many possibilities offered by the bank's insurance partners, ICICI Prudential and ICICI Lombard. Clients are able to protect themselves and their possessions with these services all under one financial umbrella.

Furthermore, ICICI Bank has established itself as a frontrunner in digital banking in India. With the rapid advancement in technology and increasing digital penetration, the bank has made significant strides in offering seamless and user-friendly digital banking experiences. Its internet banking platform allows users to perform a wide variety of tasks such as fund transfers, bill payments, investments, and account management from the comfort of their homes. The ICICI Bank mobile app is a feature-rich platform that brings banking to the fingertips of its customers, enabling real-time transactions and 24/7 access to account information. Additionally, ICICI Bank's digital wallet service, "Pockets," has gained popularity among youth and digitally-savvy users. It enables quick peer-to-peer payments, mobile recharges, and online shopping, thus promoting a cashless economy. These digital innovations not only streamline banking operations but also cater to the demands of modern-day consumers who value speed, security, and convenience.

The prominence of ICICI Bank as a frontrunner in the banking sector has been solidified by several honors and recognition. Numerous prestigious organizations have recognized ICICI Bank for its exceptional financial services, bestowing accolades such as "Best Bank in India" and "Best Retail Bank in India" from publications like The Asian Banker and Eurozone. These accolades demonstrate the bank's dedication to providing exceptional service, staying ahead of the curve, and putting customers first. In order to keep its banking services at a high quality, the bank has spent heavily in technological upgrades, staff training, and infrastructure improvements throughout the years.

“The use of state-of-the-art technology is one of the things that sets ICICI Bank apart. When it comes to enhancing the delivery of services, the bank has been in the vanguard of employing AI, ML, robots, and blockchain. Its futuristic attitude toward banking is on display, for instance, in the use of humanoid robots for client engagement and inquiry resolution at its main branch. Robots like this assist reduce client wait times and boost satisfaction by answering simple questions, showing customers to the appropriate counters, and answering questions about bank products. By implementing this technology, ICICI Bank is able to improve operational efficiency and project an image of being a progressive and tech-savvy financial institution.

Equally significant is the role that ICICI Bank has played in advancing financial inclusion in India. The bank has taken part in government programs including Pradhan Mantri Jan Dhan Yojana (PMJDY) in an effort to reach all parts of society, including the unbanked and underserved. Millions of low-income people have gained access to financial services through this initiative, thanks to ICICI Bank's zero-balance savings accounts. In addition, the bank runs programs to teach individuals about money management, savings, and insurance, and it actively supports micro-credit. The banking services are extended to even the most inaccessible parts of the nation through its network of Business Correspondents (BCs) and digital kiosks in distant places.

In the investment domain, ICICI Bank caters to a wide clientele ranging from individual investors to large institutions. Through its subsidiary ICICI Securities, the bank offers services like stockbroking, mutual fund investments, portfolio management, and research-based investment advisory. Clients can access stock markets, plan retirement savings, and explore diversified investment avenues through a single platform. ICICI Bank's online and mobile investment platforms are easy to use and provide in-depth market data and analysis, empowering investors to make informed decisions.

Another important aspect of ICICI Bank's operations is its strong corporate banking and treasury division. The bank provides working capital finance, trade services, structured finance, and cash management solutions to businesses across various industries. It partners with large corporates, SMEs, and MSMEs, offering them tailored financial products to

meet their business requirements. Its treasury operations manage assets and liabilities, foreign exchange, derivatives, and risk management instruments to support the bank's overall financial health and profitability.

In addition to financial services, ICICI Bank is deeply involved in corporate social responsibility (CSR) initiatives. The ICICI Foundation for Inclusive Growth works on a variety of projects in the areas of education, skill development, healthcare, and rural development. By funding livelihood programs, the foundation helps individuals become self-sufficient and improves the socio-economic conditions of rural communities. The bank's support for disaster relief and environmental sustainability further highlights its commitment to being a responsible corporate citizen.

ICICI Bank's emphasis on customer service and experience is at the core of its operational philosophy. The bank employs omnichannel support mechanisms, including customer care centers, chatbot assistants, and branch service desks to ensure smooth and uninterrupted service delivery. Personalized banking services are provided to high-value clients through ICICI Wealth Management and Private Banking divisions. Relationship managers cater to individual client needs, providing expert guidance on investment, tax planning, and estate management.

The growth trajectory of ICICI Bank has been underpinned by a strong and visionary leadership team. The bank's leadership has continuously focused on enhancing governance, risk management, and compliance practices to uphold the integrity and trust of its stakeholders. It has embraced digital transformation not as a trend but as a core strategic objective, investing in digital infrastructure and cybersecurity to provide safe and resilient banking environments. The bank has also been actively involved in upskilling its employees and creating a work culture that encourages innovation and accountability.

Moreover, the bank has embraced sustainability in its business practices. It has initiated green banking projects, reduced its carbon footprint, and adopted energy-efficient technologies in its branches and data centers. By offering green bonds and sustainable finance solutions, ICICI Bank supports environmentally responsible projects in sectors such as renewable energy, waste management, and water conservation.

Globally, ICICI Bank operates branches and subsidiaries in strategic locations such as the United States, United Kingdom, Canada, Singapore, Bahrain, Hong Kong, Qatar, and Dubai, among others. These international operations cater to non-resident Indians (NRIs) and global business clients, offering cross-border banking solutions, remittance services, and international wealth management. ICICI Bank's presence in global financial hubs enhances its brand reputation and contributes significantly to its revenue stream.

Looking to the future, ICICI Bank is well-positioned to continue its upward momentum. Its strategic investments in technology, focus on customer satisfaction, commitment to financial inclusion, and global expansion plans place it on a solid path of sustainable growth. The bank's ability to adapt to changing economic environments and customer needs makes it a dynamic and resilient institution.





## KOTAK MAHINDRA BANK

### Kotak Mahindra Bank: A Comprehensive Overview of Products, Services, and Innovations

One of India's most illustrious and rapidly expanding private sector banks is Kotak Mahindra Bank, which has its headquarters in Mumbai. Originally founded in 1985 as Kotak Mahindra Finance Ltd., the firm underwent a transformation in 2003 when it received clearance from the Reserve Bank of India (RBI) to become a commercial bank. Kotak Mahindra Bank was the pioneer among India's NBFCs to undergo this change and become a bank. Its growth over the last few decades has earned it a reputation as one of India's most dependable and cutting-edge private banks. With its extensive banking and financial services, cutting-edge client solutions, and unwavering dedication to digital transformation, Kotak Mahindra Bank has established itself as a prominent player in the Indian financial ecosystem.

### EVOLUTION AND GROWTH

In its early days, the bank that Uday Kotak founded provided bill discounting, leasing, and hire buy services. The bank expanded throughout time to become a full-service institution that serves a diverse range of customers, including individuals, small businesses, major organizations, and government agencies. Kotak Mahindra's early success was due in large part to the firm's steadfast adherence to conservative financial practices and risk management. The bank now has over 2,700 automated teller machines (ATMs) and 1,600 branches spread all over India. In addition to expanding its services to foreign markets, it is also increasing its geographical and technical reach.

#### 1. SAVINGS AND CURRENT ACCOUNTS

One of the foundational services offered by Kotak Mahindra Bank is its range of savings and current accounts. The bank has developed specialized account offerings to cater to various customer segments, from salaried individuals and students to high-net-worth individuals and businesses.

Kotak Mahindra Bank's **savings accounts** come with several attractive features such as competitive interest rates, zero balance facilities (in some account types), cashback rewards, free ATM withdrawals, and digital banking access. One of the most notable offerings is the **Kotak 811** digital savings account. Launched in 2017 as a response to India's growing digital ecosystem and the government's push for financial inclusion post-demonetization, Kotak 811 allows customers to open a savings account completely online using Aadhaar-based e-KYC. This account provides paperless, hassle-free onboarding and has become popular among millennials and first-time banking customers.

**Current accounts** offered by the bank are tailored to suit the needs of small and large businesses, professionals, and entrepreneurs. These accounts include features such as high transaction limits, customized cheque books, dedicated relationship managers, and facilities for bulk payments and collections. Kotak Mahindra Bank's current accounts are widely appreciated for their flexibility, digital tools, and integration with modern business software.

#### 2. LOAN OFFERINGS

. These loans are designed to meet the financial needs of individuals and businesses alike and come with flexible terms, competitive interest rates, and quick disbursal mechanisms.

- **Personal Loans:** Offered with minimal documentation and quick processing, personal loans from Kotak Mahindra Bank can be used for various purposes including travel, marriage, medical emergencies, or home renovations



- **Home Loans:** The bank offers home loans with attractive interest rates and EMI options, supporting both the purchase and construction of residential properties. It also provides balance transfer facilities for customers who wish to switch from other banks to Kotak Mahindra for better terms.
- **Car Loans and Two-Wheeler Loans:** These are available with quick approvals and up to 100% financing in some cases. The bank has tie-ups with automobile dealerships for seamless processing.
- **Business Loans:** Kotak Mahindra Bank offers term loans, working capital finance, and equipment loans to MSMEs and corporate clients. The bank has also introduced specialized products for women entrepreneurs and startups.
- **Education Loans:** The bank assists students in pursuing higher education in India and abroad by offering education loans with flexible repayment terms and moratorium periods.

### 3. CREDIT AND DEBIT CARDS

Kotak Mahindra Bank provides a diverse range of **credit and debit cards** to cater to the different needs and lifestyles of its customers. These cards offer multiple benefits such as cashback, discounts, lounge access, EMI conversion, and reward points.

- **Credit Cards:** The bank's credit card offerings include entry-level cards like the Kotak 811 Credit Card to premium cards like Kotak White and Royale Signature Cards. These cards offer lifestyle benefits, fuel surcharge waivers, dining discounts, travel perks, and movie ticket deals. Many cards are enabled for international transactions and come with enhanced security features like two-step authentication.
- **Debit Cards:** Available with almost all savings and current accounts, Kotak debit cards are widely accepted both online and offline. They offer withdrawal privileges, POS usage, and exclusive discounts on select merchants and e-commerce platforms.

### 4. INSURANCE PRODUCTS

Kotak Mahindra Bank offers a variety of **insurance products** through its subsidiaries—**Kotak Life Insurance** and **Kotak General Insurance**. These offerings are crafted to meet the diverse insurance needs of individuals and businesses.

- **Life Insurance:** Term plans, endowment plans, ULIPs (Unit Linked Insurance Plans), and pension plans are provided by Kotak Life Insurance. These plans are designed to offer both protection and wealth creation.
- **Health Insurance:** Coverage options include individual plans, family floater policies, critical illness covers, and top-up plans. Kotak General Insurance partners with a large network of hospitals for cashless treatments.
- **General Insurance:** Products under this category include motor insurance, home insurance, travel insurance, and personal accident insurance. The bank facilitates online policy purchase and renewal, along with claim tracking facilities.

Insurance services from Kotak are recognized for their transparent processes, quick claim settlement, and customizable coverage options.

### 5. INVESTMENT PRODUCTS AND STOCK TRADING

Kotak Mahindra Bank is a significant player in the investment and capital markets through its subsidiary **Kotak Securities**. The bank offers a wide array of investment products to cater to risk-averse as well as risk-tolerant investors.

- **Mutual Funds:** Kotak Mutual Fund provides diversified investment options ranging from equity funds to debt funds, liquid funds, and hybrid funds. Customers can invest via SIP (Systematic Investment Plan) or lump sum, with tools available for goal planning and risk profiling.

- **Equity and Stock Trading:** Through Kotak Securities, customers can access stock markets and trade in equities, derivatives, commodities, and currencies. The platform provides advanced trading terminals, research reports, market insights, and mobile trading applications.
- **Government Bonds and Sovereign Gold Bonds:** The bank also facilitates investments in government-backed instruments, including tax-saving bonds and RBI-issued gold bonds.

## 6. WEALTH MANAGEMENT SERVICES

Kotak Mahindra Bank is well-known for its **private banking and wealth management** division, which caters to high-net-worth individuals (HNIs), ultra-HNIs, and affluent families. These services include:

- Personalized wealth and investment advisory
- Portfolio management services (PMS)
- Estate and succession planning
- Tax advisory and financial planning
- Global investment solutions

Kotak's wealth management services emphasize relationship-driven engagement, confidentiality, and customized investment strategies aligned with the clients' long-term financial goals.

## 7. DIGITAL BANKING AND FINTECH INNOVATION

One of Kotak Mahindra Bank's greatest strengths lies in its embrace of **digital banking and technology-led innovation**. The bank is a trailblazer in delivering seamless digital experiences across its platforms.

- **Internet Banking:** Users can access almost all banking services, including fund transfers (NEFT/RTGS/IMPS), bill payments, tax payments, fixed deposit booking, and investments through a secure web portal.
- **Mobile Banking:** The Kotak Mobile Banking App is user-friendly and packed with features, allowing customers to manage their accounts, transfer funds, recharge mobile numbers, open FDs or RDs, and apply for loans or credit cards.
- **Kotak 811:** A revolutionary digital savings account that can be opened in minutes via the mobile app using Aadhaar and PAN details. It provides a zero-balance account with high interest rates, UPI functionality, and instant virtual debit card issuance.
- **UPI and Payment Integration:** Kotak Mahindra is a participant in India's UPI ecosystem and allows users to link bank accounts, scan QR codes, and make secure payments via UPI apps. It also integrates with Bharat QR, BHIM, Paytm, and Google Pay."
- **AI-Powered Services:** Kotak uses AI-driven chatbots and machine learning algorithms to provide personalized offers, financial insights, fraud detection, and customer support. "Keya," its voice bot, is capable of handling customer queries effectively in English and Hindi.

## CUSTOMER SERVICE AND CORPORATE SOCIAL RESPONSIBILITY

Customer satisfaction is at the heart of Kotak Mahindra Bank's business philosophy. The bank offers 24x7 customer support through call centers, email, and chat services. Regular feedback mechanisms and grievance redressal systems ensure that customer complaints are handled efficiently.

The bank is also active in **corporate social responsibility (CSR)** through its **Kotak Education Foundation**, which supports education for underprivileged children, and through initiatives that promote livelihood, environmental sustainability, and healthcare

## REQUIREMENTS OF THE BANK:

Banks have a variety of objectives, including the following:

The capacity to generate profit. One of a bank's main goals is to generate profits for its shareholders. This is accomplished by skillfully managing the bank's assets and liabilities, avoiding charges, and offering excellent financial services and perks to its customers.

“Another objective of a bank is to ensure it has enough liquidity to fulfill the needs and obligations of its clients. To achieve this, banks oversee their cash flows, maintain sufficient reserves, and ensure their assets can be readily transformed into cash.

**Risk management:** Banks have the responsibility to manage their risks effectively. The aim is to minimize threats that might damage the bank's reputation and financial stability. This encompasses the management of credit risk, market risk, liquidity risk, operational risk, and various other threats.

**Innovation:** To stay competitive, banks need to embrace new concepts and adapt to changing market circumstances. New financial products and services may be created, new technologies can be incorporated, and innovative business models can be implemented.

**Adherence:** Banks are required to comply with numerous laws, regulations, and ethical standards. The objective of compliance is vital as it maintains the integrity of banks' reputations and aids in avoiding legal and regulatory issues.

Banks have various goals overall, including profitability, liquidity, risk management, client satisfaction, innovation, and compliance. Achieving these objectives requires effective management, strong governance, and prioritizing the consumer.

## **CENTRE OF THE STUDY**

Research aims determine the specific areas of concentration for banks. Financial institutions have the option to study several crucial topics, such as:

When it comes to customer banking habits, opinions on different financial products, and overall happiness, banks may conduct surveys to learn more about their customers' needs and wants.

**Risk management:** Financial institutions may prioritize the development of more effective risk management strategies in order to mitigate risks pertaining to credit, markets, and operations.

**Technology adoption:** As more and more of the banking industry moves online, certain institutions may focus on studying the effects of emerging innovation on their business and customers, such as mobile banking and AI.

**Financial performance:** Financial institutions can put their attention where it belongs: on understanding what drives their profitability, cost management, and revenue generation. They could also plot how to do better.

**Innovation and competitiveness:** Banks may focus on finding new opportunities for innovation and expansion, such as entering new markets or delivering new goods and services, to stay competitive in a financial climate that is evolving at a rapid pace.

Financial institutions may choose to focus on many research areas to improve their operations, customer service, and overall performance.

## **CHAPTER-2**

### **LITERATURE REVIEW**

#### **REVIEW OF EXISTING LITERATURE**

##### **Understanding Merchant Banking: Functions, Benefits, and Best Practices in the Public and Private Sector**

When it comes to managing money, advising businesses on financial matters, and supporting their growth, merchant banking is an essential part of the financial system. Merchant banks, which may be found in both the public and private sectors, help with capital formation and provide specialized financial services to businesses, wealthy people, and entrepreneurs. In response to shifting market conditions and rising demand for financial knowledge, their remit has been swiftly expanding, especially in developing nations like India, where an increasing number of startups and small enterprises are looking for strong financial support to help them build up.

##### **DEFINITION AND ROLE OF MERCHANT BANKING**

In the context of mergers and acquisitions, capital raising, portfolio management, organizational restructuring, underwriting securities, and other financial transactions, merchant banking encompasses a range of banking and consulting services. Merchant banks are heavily engaged in complex financial services and transactions, as opposed to conventional commercial banks that mainly deal with deposit taking and loan making.

The Securities and Exchange Board of India (SEBI) maintains regulations for merchant banking services in India. Through their advising, promotional, and monetary aid services, these banks mediate a variety of financial processes between capital issuers and the investing public.

#### **FUNCTIONS OF MERCHANT BANKS**

Merchant banks perform several critical functions, which can be categorized as follows:

##### **1. Fund Raising for Clients**

One of the primary roles of a merchant bank is to assist companies in raising funds from domestic and international markets. They help in the issue of equity shares, debentures, and preference shares, and manage public offerings, rights issues, and private placements.

##### **2. Loan Syndication**

Merchant banks help clients raise term loans from financial institutions, banks, and other lenders by preparing project reports, loan proposals, and negotiating loan terms on behalf of the clients.

### 3. Advisory Services

They provide advisory services related to corporate restructuring, mergers and acquisitions (M&A), joint ventures, and takeovers. This involves valuation of target companies, due diligence, regulatory compliance, and strategic negotiation.

### 4. Portfolio Management

Merchant banks also manage portfolios for their high-net-worth individual (HNI) clients and corporate investors. This includes managing investments in stocks, bonds, mutual funds, and other financial instruments.

### 5. Underwriting of Securities

They undertake underwriting of shares and debentures, meaning they guarantee the subscription of securities by buying the unsold portion of the issue, ensuring that the company is able to raise the required funds.

### 6. Merchant Accounts and Advisory Support

In the modern digital context, merchant banks assist in setting up **merchant accounts** for businesses. A merchant account enables businesses to accept electronic payments, including debit and credit card transactions. Banks also offer **advisory support** to help clients understand transaction fees, legal obligations, compliance standards, and optimization strategies.

## THE DUAL ROLE IN PUBLIC AND PRIVATE SECTOR

Both public sector and private sector banks offer merchant banking services. Each has its own advantages:

#### Public Sector Merchant Banks:

- Generally more trusted for their legacy and government backing.
- Offer services at lower costs due to their non-profit nature.
- Strong compliance with regulatory frameworks.
- Example: State Bank of India Capital Markets, Punjab National Bank Merchant Banking Services.

#### Private Sector Merchant Banks:

- More agile and customer-centric.
- Technologically advanced with faster processing times.
- Offer customized solutions and global reach.
- Example: ICICI Securities, Kotak Mahindra Capital, Axis Capital.

An **improvement in both sectors**—public and private—can be highly beneficial. For example:

- **Public sector banks** can enhance digital capabilities and customer service.
- **Private sector banks** can improve transparency and reduce fees to stay competitive.

## STEPS TO ESTABLISH A MERCHANT ACCOUNT

Setting up a merchant account involves a systematic approach that includes documentation, verification, and contract finalization. Here's how it works:

To initiate the setup of a merchant account, the bank or payment provider collects detailed information about the business:

- Legal name and registration details.
- Business address and contact information.
- Ownership structure and tax identification numbers.
- Bank account details for fund settlement.
- Estimated sales volume and transaction history.

## 2. Verification of Information

Once the application is submitted:

- The bank performs KYC (Know Your Customer) and AML (Anti-Money Laundering) checks.
- Business licenses, PAN, GST, and bank statements are verified.
- Website and product/service offerings are examined (for online businesses).

## 3. Evaluation of Risk

Banks evaluate the **market risk** and **credit risk** associated with the merchant:

- High-risk businesses (travel, gambling, forex) may face stricter scrutiny.
- Collaborative rates (negotiated transaction fees) depend on the perceived risk.

## 4. Service Charges and Fees

Banks charge setup fees, monthly service charges, and transaction processing fees. These vary based on:

- Business type and size.
- Risk category.
- Volume of transactions.
- Customization of service offerings.

### Merchant Service Providers Comparison Chart

Below is a **sample chart** to compare different merchant banking service providers. Businesses use such charts to make informed decisions about selecting the right partner:

Provider Name	Sector	Setup Fee	Transaction Fee	Settlement Period	Advantages	Disadvantages
ICICI Merchant Services	Private	₹1,000	1.75% per transaction	T+2 days	Fast setup, strong support, mobile POS	Slightly higher fees
SBI Merchant Services	Public	₹500	1.25% per transaction	T+3 days	Low cost, government trust	Slow onboarding



Provider Name	Sector	Setup Fee	Transaction Fee	Settlement Period	Advantages	Disadvantages
Razorpay	Private	Zero	2% + GST	T+2 days	No setup fee, API support, UPI & cards	Higher transaction charges
HDFC Bank SmartHub	Private	₹2,000	1.5% per transaction	T+2 days	Multilingual app, EMI facility	Annual maintenance cost
Paytm Business	Private	Free	1.99%	T+1 day	Popular with small merchants, integration	Limited customization
Axis Bank	Private	₹1,000	1.7%	T+2 days	24/7 support, secure payment gateway	Moderate transaction fees

## WHY MERCHANT BANKING IS GROWING IN INDIA

India is seeing a **massive surge in digital payments and e-commerce**, creating demand for merchant accounts.” Several factors contribute to the rapid rise in merchant banking services:

- **Growth of MSMEs and Startups:** Small businesses are adopting digital payments, driving up demand for merchant accounts.
- **E-Governance and Financial Inclusion:** Government initiatives like “Digital India” encourage cashless payments, which rely on merchant banking infrastructure.
- **Rise of FinTechs:** Collaboration between banks and FinTech companies is creating user-friendly merchant service platforms.
- **Improved Service Offers:** Banks and payment providers attract customers with offers like instant settlements, reward programs, and reduced fees.

## Best Practices for Merchants: Reading the Fine Print

Before signing any merchant banking agreement, it is crucial for merchants to **thoroughly read and understand** the terms and conditions. Many hidden costs and clauses can impact long-term profitability. Merchants should:

- **Understand All Charges:** Setup fee, MDR (Merchant Discount Rate), chargebacks, refund fees, and PCI-DSS compliance charges.
- **Review Obligations:** Some agreements require merchants to meet a minimum transaction volume or face penalties.
- **Check for Cancellation Fees:** Early termination of contracts can result in fines or forfeiture of deposits.
- **Data Protection and Compliance:** Ensure that the bank complies with data protection laws and follows secure payment processing standards.

Avoid signing any document until all doubts are cleared. If necessary, consult a legal advisor to interpret complex terms

Merchant banking is an indispensable part of India’s financial sector, contributing significantly to economic development, business growth, and capital formation. Whether operating in the public or private sector, merchant banks offer a suite of financial services that help clients manage complex transactions, access funding, and optimize their financial strategies. Establishing a merchant account is now a strategic move for businesses of all sizes, as it allows seamless electronic transactions and integration into the digital economy.

The merchant banking process—from advisory to account setup and contract execution—requires due diligence, comparison of service providers, and attention to legal and financial obligations. With improvements in transparency, digital tools, and customer service, merchant banks can serve clients more efficiently and help India move closer to a truly cashless economy. As the number of merchants continues to grow, the importance of understanding merchant banking practices, pricing models, and digital solutions will only increase. Whether you're a new business owner or an established enterprise, partnering with a trusted merchant bank can set the foundation for long-term success and financial resilience.

## “ RM OF RESEARCH

### RESEARCH STRUCTURE:

- Sample size 100 responded
- Convenience sampling has been used
- This study is based on a secondary analysis
- Statistical to a frequency & percentage sample is Greater than Noida

Statistical Tools- Diagram, Table, graphs & charts

- 

### METHODS OF DATA COLLECTION:

**Primary Data** through self-observation.

**Secondary Data** are collected by the information related to the Merchant bank, which is already covered by those earlier. It considers these various sources-

- Newspapers
- Websites
- Books

## CHAPTER-4

### PRESENTATION & ANALYSIS & INTERPRETATION RESEARCH

**Q 1 Are you satisfied with the Financial? Services that banks provide you?**

No. Satisfied with

Services Respondent % Of

Respondent

1 Yes

60 60

2 No 40 40

Total 100 100

EXPLANATION -

60% of respondents are satisfied & 40% of respondents are not satisfied with the services that banks provide.

**Q 2 Are you aware of Merchant Banking?**

No. Know About

Merchant Respondent % Of

Respondent

1 Yes 40 40

2 No 60 60

Total 100 100

EXPLANATION –

40% of respondents are aware of Merchant banking & the rest 60% of respondents are not aware of that.

**Q 3 the services provided by the bank are easy to use or not?**

No. Agree Respondent % Of

Respondent

1 Yes 65 65

2 No 35 35

Total 100 100

EXPLANATION –

65% of respondents are agreeing that the services provided by banks are easy to use & 35% of respondent are not agreeing with that.

**Q 4 Which bank gives you better service?**

No. Bank %

1 ICICI 18

2 SBI 34

3 PNB 25

4 KOTAK 15

5 Other 8

EXPLANATION –

Of businesses takes budgetary administrations from SBI.

**Q 5 According to you where stand Pvt. Sector Merchant Bank?**

No. Criteria %

1 Good 50

2 Normal 35

3 Bad 15

Total 100

**EXPLANATION-**

According to the respondent the Pvt. Sector merchants are in a good position by 50%, 35% normal & 15% bad.

**6 According to you where stands Public Sector Merchant Bank?**

No. Criteria %

1 Good 40

2 Normal 55

3 Bad 5

Total 100

EXPLANATION -According to the respondent, the general public quarter service provider financial institution is in a Normal function with the aid of using 55%

**Q 7 which type of deposit do you prefer in the bank?**

**INTERPRETATION-**

70% of respondent are not agreeing that it is the same & the rest 30% agree that it is the same.

No. Deposit Respondent %

1 Bank Security (F.D.) 28 20

2 Gold 0 0

3 Land Papers 50 50

4 Third Person Security 22 22

Total 100 100

#### **EXPLANATION –**

Land papers are the 1st choice of 70% of respondents, the rest can prefer the FD 28% & third person security 22%.

#### **Q 8 you are agreeing to pay a certain amount of security amount of the bank?**

No. Agree to a payment amount Respondent %

1 Yes 80 80

2 No 20 20

Total 100 100

#### **EXPLANATION -**

According to the respondent, 80% agree to pay this amount & the rest 20% do not agree with **that**.

#### **Q 9 Can banks handle all operations & services timely?**

No. Agree Respondent %

1 Yes 67 67

2 No 33 33

Total 100 100

#### **EXPLANATION–**

67% of respondent agree & the rest 33 % does not agree on that.

#### **Q 10 Is Merchant Bank & Investment Bank being same?**

No. Agree Respondent %

1 Yes 30 30

2 No 70 70

Total 100 100”

#### **COMPARISON BETWEEN PUBLIC & PRIVATE SECTORS**

In terms of ownership, goals, administration, funding, and responsibility, among other things, public and private organizations are distinct. Some important distinctions between the public and private sectors are as follows:

Organizations in the private sector are owned and operated by private persons or businesses, whereas those in the public sector are owned and regulated by the government.

**Objectives:** The primary goal of most private sector businesses is to maximize profits for its shareholders and owners, while the primary goal of most public sector organizations is to serve the public interest and provide necessary services.

**Management:** Directors and corporate executives in the private sector wield the power, whereas public sector firms are often controlled by government employees or appointed boards.

**Funding:** Funding for public sector organizations often comes from tax revenues and other public sources, whereas private sector organizations rely on investment capital, loans, and sales revenue to finance their operations.

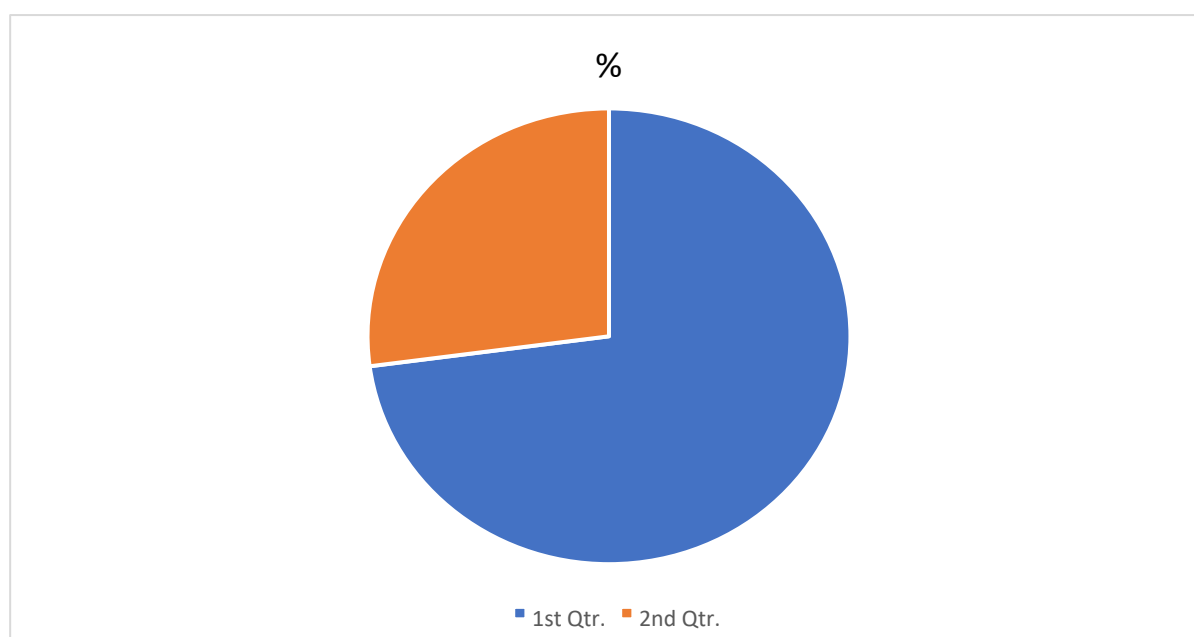
**Responsibility:** The public and the government are the ultimate arbiters of public and private sector accountability, while shareholders and clients are the primary arbiters of private sector accountability.

**Entrepreneurship and innovation:** In contrast to public sector organizations, which are known for their lengthy decision-making procedures and heavy bureaucracy, private sector businesses frequently exhibit these traits.

**Job stability:** Workers in the private sector are often more responsive to changes in the market and less likely to face long periods of stability than their public sector counterparts.

Organizations in the public and private sectors both have their strengths and weaknesses, but they both play vital roles in our economy and society. When compared to public sector organizations, private sector ones tend to be more inventive and profit-driven.

**Public Sector Share % = 84% Private Sector Share % = 30%**





## CHAPTER-5 FINDINGS & CONCLUSIONS FINDINGS

- Everyone knows that investment banks are different from commercial banks.
- When compared with the private sector, the public sector's market share is much higher.
- When contrasted with their public sector counterparts, private sector banks enjoy far more favorable conditions.
- When compared to private sector banks, public sector banks, like SBI, provide better service.
- Financial institutions can efficiently handle all tasks.
- Physical paper deposits are preferred by most responders.
- Bank services are easy to use, and the majority of people who took the survey think they're about the same.

## CONCLUSION

- The government's share of the market is growing daily.
- Because of their long history and reliable services, the majority of people have faith in public sector banks.
- When it comes to affiliation with any bank, the band is crucial.
- On a daily basis, the banks encounter rivalry. The bank is thus having a hard time dealing with clients.
- The bank's status is also impacted by the use of new technologies.
- When it comes to the Merchant Bank's financial services, SMEs are also linked to the institution.

## “LIMITATIONS OF THE STUDY

There can be a probability of “individual biases” on the part of respondents.

- The sample size to be taken may not be the exact representation of the population.

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## QUESTIONNAIRE

QUESTIONNAIRE Hello Sir/ Madam, I ADITYA RASTOGI currently delving into the matter “An almost STUDY ON PUBLIC &PVT. MERCHANT BANK IN INDIA” Please carry your truthful belief and live concluded that this data controlled will exist morally private and not to exist partook for any design unlike than inquiry reporter ’

### RESPONDENT’S PROFILE

Name: \_\_\_\_\_

Age: 20-35 ( ) 36-50 ( ) 51-60 ( )

Gender: Male ( ) Female ( )

Occupation: \_\_\_\_\_

Q 1 Are you happy with the Fin? Favors that banks supply you?

Yes (), ( b) NO()

Q 2 Are you witting in Merchant Banking?

a) Yes (), ( b) No()

Q 3 the turns furnished by the bank light to operate or not?

a) Yes (), (b) No ()

Q 4 Which bank gives you better turn?

a) ICICI(), ( b) SBI(), ( c) PNB() d) KOTAK(), ( e) unlike()

Q 5 answering to you were sitPvt. Sector Merchant Bank?

a) Logical (), ( b) common (), ( c) wrong ()

Q 6 answering to you where stands Public Sector Merchant Bank.

a) Logical (), ( b) common (), ( c) wrong()

Q 7 which variety of grounds do you care in the bank?

a) Bank protection(), ( b) Gold(), ( c) country document(), ( d) Third- do cover()

Q 8 You're concurring to compensate a given quantity of cover quantity of the bank?

a) Yes () ( b) No ()

Q 9 Can banks take all charges & favors speedy?

a) Yes (), ( b) No()

Q 10 Is Merchant Bank & Investment Bank living even?

Yes (), ( b) No()