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Competitive Studies of Loan between Yes Bank and IDFC First Bank

Prof. Ekta Swarnakar¹, Mr. Swapnil Sahadeo Khot²

Project Guide¹, MMS Student²

^{1,2}ARMJET

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ABSTRACT

There are many important factors to be considered before comparing the quality of customer service if you meant customer services. So called big banks too, are at times in hot news owing to mismanagement, concealment of material information or suppression of vital information, which takes several years for analysts to come to a fair and objective conclusion. Some decisions taken by the board level are found to be tainted with illegal transactions or at least malafide intent and the person responsible is ordered to make way. This is not history of an era. This is of recent times. When things take auppish ascent all express and offer their accolades. When something nosedives, there are hundreds who will use their pointed finger. If you are in the good books of powers that be, you are allowed enormous powers. You can even acquire other countries not to speak of properties. When the tide will turn against you is a matter of time. KEEP all your investment if any in different baskets so that you can fall back on your own resources All banks are good for customers. Banks main interest to mobilize deposit and give advances. Every bank attempt to give good service to their customers to increase customer base. You may approach any Public Sector or pvt sector bank. One need to ensure strong and healthy bank before opening the account. SBI, HDFC, ICICI etc. are top banks. Further most of the banks are offering internet/mobile banking and you need not to visit the bank regularly for routine jobs.

1. INTRODUCTION

The history of banking began with the first prototype banks which were the merchants of the world, who gave grain loans to farmers and traders who carried goods between cities. This was around 2000 BC in Assyria, India and Sumerian. Later, in ancient Greece and during the

Roman Empire, lenders based in temples gave loans, while accepting deposits and performing the change of money. Archaeology from this period in ancient China and India also shows evidence of money lending.

Development of banking spread from northern Italy throughout the Holy Roman Empire, and in the 15th and 16th century to northern Europe. This was followed by a number of important innovations that took place in Amsterdam during the Dutch Republic in the 17th century, and in London since the 18th century. During the 20th century, developments in telecommunications and computing caused major changes to banks' operations and let banks dramatically increase in size and geographic spread. The financial crisis of 2007–2008 caused many bank failures, including some of the world's largest banks, and provoked much debate about bank regulation.

Organizational profile

1.1 About yes bank

“YES BANK” is pursuing a Brand strategy to build one of the finest financial brands in India. YES BANK believes that differentiation begins with its service and trust mark embedded in ‘YES’, which represents the Bank’s fundamental goal of being a highly service oriented Financial Institution. The endeavor at YES BANK is to provide an unprecedented Delightful Banking Experience to all its customers..

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YES signifies

- The essence of the brand completely by conveying all the values and characteristics – Attractive, Smart, Simple, Serious, Reliable, Trustworthy, Optimistic, Positive, Efficient, Universal

- Clutter breaking in the banking environment, and affirmative with target clients across business and market segments

Brand Vision and Commitment

- To be recognized as the WORLD's BEST QUALITY BANK IN INDIA.
- To provide a Delightful Banking Experience to all its customers.
- To be a long-term partner with all stakeholders particularly customers by creating & sharing value.
- To be a solid and trusted financial trust mark backed by two professional promoters and an exceptional management team

1.2. About IDFC first bank

IDFC First Bank (formerly IDFC Bank) is an Indian private sector bank that forms part of IDFC, an integrated infrastructure finance company. The bank started operations on 1 October 2015, after receiving a universal banking license from the Reserve Bank of India (RBI) in July 2015. It is listed on BSE and NSE

IDFC First signifies

The new brand identity of IDFC FIRST Bank signifies growth and energy. It reflects the progressive spirit of our times. The symbolism behind our new identity is drawn from the theme of 'progress'. Inspired by a forward-moving bar graph, it embodies a symbol of growth that can be seen and measured.

IDFC First brand vision and communication

- IT aim to be the most respectable financial service provider that reaches out to millions of people pan India through various subsidiaries hold.
- IDFC First aspire to live up to the expectations of our customers, our people, our investors and society at large.
- They want to touch the lives of millions of Indians in a positives way by providing Hight -quality banking services to them, using contemporary technologies.

1.3. SCOPE AND OBJECTIVES

- To develop the ability to study the functioning and Difference between Loan Banking in India & learn & apply multidisciplinary concepts, tools & techniques to solve vital problems.
- To familiarize with the various services provided by Loan's to the customer.
- To compare the Yes Bank & IDFC First Bank sector company engaged in providing Loan services on various grounds.
- To find out the growth potential of the Loan's in Yes Bank & IDFC First bank sector companies.
- Yes Bank has been in news for all wrong reasons but it is definitely a better bank than IDFC. More branches, more customers, more deposits etc.

2. Comparison of Loan rates and details for Yes Bank and IDFC First Bank.

Personal Loan

Some of the key results of the comparison between the two banks are: Lowest Interest rate of IDFC First Bank Loan is 10.49%, which is lower than the lowest interest rate of Yes Bank at 10.70%. ... IDFC First Bank offers Personal Loan up to an amount of ₹ 40 Lakh, while Yes Bank offers Loan up to an amount of ₹ 20 Lakh. Here is a comparison of Personal Loan rates and details for Yes Bank, IDFC First Bank on key parameters as on 31/12/2021.

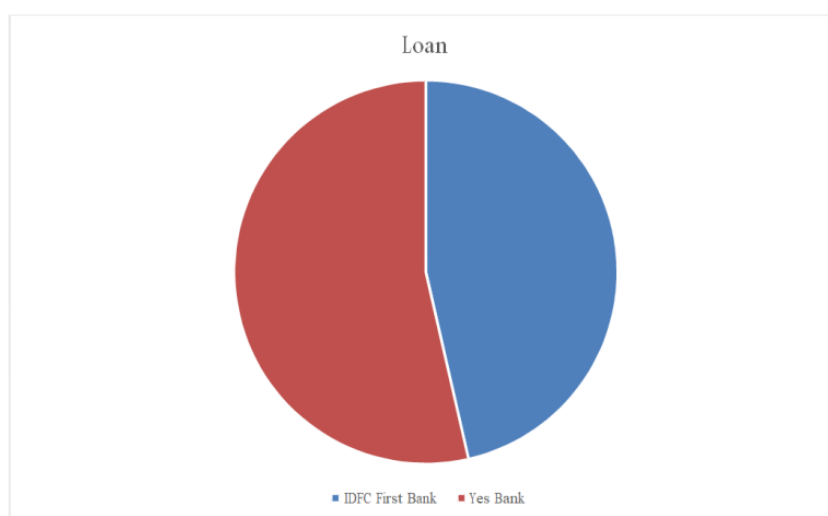
Parameters	Yes Bank	IDFC First Bank
Interest Rat	10.70% - 19.99%	10.49% - 22.00%
Processing Fees	Upto 2.50%	Upto 2.00%
Loan Amount	Rs. 2 Lakh to 20 Lakh	Rs. 1 Lakh to 40 Lakh
Loan Tenure	12 to 60 Months	12 to 60 Months
Lowest EMI Per Lakh	Rs. 2,159	Rs. 2,149
Part Payment Charges	Allowed after 12 months at 2% charges	Allowed after 3 months at In case of Smart Personal Loan at Nil Charges
Foreclosure Charges	Allowed after 12 months at Up to 4%	Allowed after 12 months at 5% foreclosure charges. Can foreclose after 3 months in case of smart personal loan
Eligible Age	21 to 60 Years	23 to 60 Years
Minimum income	Rs. 18,000	Rs. 20,000
Current Work Experience	6 Months	6 Months
Total Work Experience	24 Months	12 Months
Customer Ratings	4.5/5.0	4.6/5.0

3. COMPARISION BETWEEN Yes Bank & IDFC First Bank loan SECTORSE

Equations and formulae should be typed in Math type, and numbered consecutively with Arabic numerals in parentheses on the right hand side of the page (if referred to explicitly in the text). They should also be separated from the surrounding text by one space.

Public Sector is the pioneer in providing Merchant Banking services in India. But due to liberalization of economy the scenario has changed many private Merchant Banking companies have entered in the industry since then. Public sector merchant banking companies facing stiff competition from the private sector companies.

Bank Name	Loan
IDFC First Bank	65
Yes Bank	75



Interpretation

Yes Bank has been in news for all wrong reasons but it is definitely a better bank than IDFC. More branches, more customers, more deposits etc

4. CONCLUSION

IDFC is a better choice. the central government, acting on an application from the Reserve Bank of India (RBI), had placed YES Bank under a moratorium till April 3, 2020. If the RBI's handling of banking crises in the past is any indication. While IDFC is a super-safe bet, given its government- blessed infrastructure lending pedigree, Bandhan has a strong and clean microfinance record, with the World Bank's private funding arm, IFC, and government-owned Small Industries Development Bank of India (Sidbi) being key investors in it. For the quarter ended March 2020, IDFC FIRST BANK has posted a net profit of Rs 715 m (up 132.8% YoY). Sales on the other hand came in at Rs 40 bn (up 9.0% YoY). Read on for a complete analysis of IDFC FIRST BANK's quarterly results.

5. SUGGESTIONS/ RECOMMENDATIONS

The highest exposure is with State Bank of India at Rs 11,000 crore followed by Yes Bank at Rs 4,000 crore and IndusInd Bank at Rs 3,500 crore. However, in terms of percentage of loan book, the biggest hit from Vodafone Idea's default will be to IDFC First Bank as it has an exposure of 2.9 percent of its loan book followed by yes bank at 2.4 per cent and IndusInd Bank at 1.65 per cent. According to media reports, IDFC First Bank has already marked Vodafone Idea as stressed and provided for 15 per cent of the outstanding debt.

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