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FACTORS RESPONSIBLE FOR FAILURE OF YES BANK AND LAKSHMI VILAS BANK: ANALYSIS OF PERCEPTION OF CUSTOMERS

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Reena Rani Bansal[1], Netra Pal Singh[2]
[1]MVN University, School of Business Management and Commerce, Palwal, India.
21ms9001@mvn.edu.in, ORCID: 0009-0005-5135-9763
[2]MVN University, School of Business Management and Commerce, Palwal, India
dr.npsingh@mvn.edu.in, ORCID: 0000-0002-3006-9522

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ABSTRACT

Purpose- This study analyzes customer perceptions of the factors leading to the failure of Yes Bank and Lakshmi Vilas Bank. It seeks to identify how issues such as NPAs, weak governance, and regulatory lapses influenced customer trust and confidence, while offering insights to strengthen private bank stability and restore public faith.

Methodology- The research methodology of the present study is descriptive cum exploratory in nature. Descriptive research is also termed as survey-based research which mainly depends on primary data. Exploratory research design seeks the applications of exploratory data analysis techniques such as frequency analysis, measures of central tendency, measures of dispersion etc. The part of the study covered these characteristics. This research was conducted as a survey that analysed the perception of customers (Internal & External) regarding the factors responsible for failure of a bank in India.

Findings- The results demonstrate that out of six major factors, NPAs/ bad loans and bank frauds are the most significant factors and less liquidity is the least significant factor that are responsible for the failure of Yes bank and Lakshmi Vilas Bank.

Conclusion- Bank failures pose a serious threat to the Indian economy, as evident in the collapse of Yes Bank and Lakshmi Vilas Bank (LVB). Their decline was driven by excessive NPAs, weak governance, inadequate regulatory response, and loss of stakeholder confidence. These failures caused financial instability, long-term reputational damage, and erosion of public trust, which proved difficult to restore even after intervention (RBI, 2020).

Keywords: Bank failure, customer perception, NPA, bank frauds, capital inadequacy, Yes Bank, Lakshmi Vilas Bank.
JEL Codes: G21, G28, G33, M31, M38

1. INTRODUCTION

Banks are regarded as the backbone of a nation's financial system, channeling income and savings into productive investments and ensuring the smooth functioning of the economy. In India, the banking system is categorized into public sector banks, private sector banks, payments banks, small finance banks, and foreign banks (Bansal & Singh, 2024). Among these, commercial banks play a particularly crucial role in driving economic growth in a developing economy like India by mobilizing resources and delivering credit to various sectors.

To sustain growth and remain competitive, banks—both public and private—continuously emphasize technological innovation, infrastructure development, human capital efficiency, service quality, and performance benchmarking. However, despite such strategies, the banking sector is exposed to multiple risks such as poor governance, weak asset quality, liquidity crises, and inadequate regulatory oversight. The collapse of a bank therefore poses not only institutional but also systemic risks, shaking depositor confidence, reducing credit flow, and threatening overall economic stability. As Lawrence et al. (2015) argue, the failure of any bank carries severe consequences for shareholders, creditors, customers, and the wider economy.

The Indian banking sector has witnessed two significant episodes of private bank failures in recent years: Yes Bank and Lakshmi Vilas Bank (LVB). Yes Bank, once among the fastest-growing private sector banks, encountered a crisis due to excessive exposure to stressed assets, governance lapses, and weak risk management practices, leading to liquidity pressures and erosion of depositor confidence (Reserve Bank of India [RBI], 2020a). Similarly, LVB, with its long-standing presence in the Indian banking industry, struggled with persistent non-performing assets, deteriorating financial health, and unsuccessful

attempts to raise capital, which ultimately undermined its viability (RBI, 2020b). To safeguard financial stability and protect depositors, the RBI intervened in both cases. A reconstruction scheme for Yes Bank was implemented in March 2020 with capital support from a consortium of banks led by the State Bank of India (Ministry of Finance, Government of India, 2020), while LVB was merged with DBS Bank India in November 2020 under a regulatory moratorium (RBI, 2020c). These episodes underline the importance of strong governance, prudent lending practices, and effective regulatory oversight in ensuring the resilience of the banking system.

These failures not only highlighted structural and managerial inefficiencies but also raised concerns regarding regulatory vigilance and depositor protection. While several studies have examined the financial and regulatory dimensions of these collapses, limited attention has been paid to how customers perceive the factors responsible for such failures. Understanding customer perception is vital because trust and confidence form the foundation of the banking system. Customers' views can provide unique insights into issues of governance, service delivery, risk management, and transparency that may not always be reflected in financial reports alone.

Against this backdrop, the present study seeks to explore customer perspectives on the causes of these failures. By capturing and analyzing these perceptions, the study aims to bridge the gap between institutional explanations and stakeholder experiences, offering a more holistic understanding of private bank collapses in India.

To achieve the objectives of the study, the research is organized into five sections. **Section 1** introduces the background, objectives, scope, and significance of the study. **Section 2** presents a comprehensive review of existing literature on bank failures, with a particular emphasis on the cases of Yes Bank and Lakshmi Vilas Bank. **Section 3** describes the research methodology adopted for the study, including data collection methods, sampling techniques, and analytical tools. **Section 4** discusses the results, interprets the findings, and provides a detailed analysis in light of the research objectives. Finally, **Section 5** summarizes the major findings, draws conclusions, and offers suggestions for policy, practice, and future research.

2. REVIEW OF LITERATURE

This section is one of the most important sections as it helps in exploring the research gap, formulating the methodology of study and finding out the cause-and-effect relationship of the study. Review of literature leads every researcher to look at the subject from a newer and broader perspective, analyse existing ones and add new to extant literature.

Banerjee et al. (2018) discussed in her examination that the administration's decision to assign its own heads to micromanagement has prompted open division banks and other private businesses to suffer from the negative consequences of excessive regulations, with an excessive amount of their advantages being used to make up for the administration's shortcomings. Kaur (2019) analysed the financial status of Punjab and Sind Bank by using Z-score model for the period 2012-2017. The findings of the study revealed that financial distress and bank performance have meaningful relations. Sengupta and Vardhan (2020) analysed the beneficiaries of productivity gains in the Indian banking sector during the period from 1992 to 2019. The findings of the study concluded that the Indian public sector banks experienced steady productivity growth from 1990s till about 2010. The growth presumably helped reduce the burden on the government of capitalising the public sector banks, especially during the 1997-2002 period of sharp rise in non-performing assets. Vani (2020) uncovered in her studies that the more NPAs or bad loads and non-serious investors are the one of the major reasons of the failure of YES Bank during 2020.

Kumar and Upadhyay (2021) discussed the factors responsible for failure of Yes Bank. The findings of the study reveal that Corporate Governance, excessive withdrawal and Bad loans are the main reasons for Yes Bank failure. Lappay et al. (2021) examined the effect of risk and returns on Capital Adequacy Ratio of Commercial Banks in India. The findings of the article reveal that there is a negative correlation between risk and capital adequacy ratio of banks and there is a positive correlation between returns and capital adequacy ratio. Surapalli and Parashar (2021) studied the relationship between corporate governance and the financial performance of the banks in India. The findings of the study reveal that financial performance of a bank and corporate governance are interrelated.

Kanoujiya et al. (2022) studied the bankruptcy and financial distress among 34 Indian banks by using regression analysis. The findings of the study reveal that there is a positive correlation between that financial distress and inadequate liquidity. Raut et al. (2022) examined the relationship between liquidity position and the financial performance of India's banks in both the public and private sectors. The findings of the study reveal that there exists a negative correlation between liquidity position and financial performance of a bank. Bansal and Singh (2024a) analysed by using CAMEL Model for the period of 2009-2020, the financial performance of Yes bank &SBI, and Lakshmi Vilas Bank & DBS Bank India Ltd. The findings of the study concluded that NPAs and bad loans are the major reason for the failure of lakshmi Vilas Bank and Yes bank. Bansal and Singh (2024b) compared the effects of acquisition on financial performance of IDBI bank ltd. for a period of 10 years from 2015 to 2024. The findings of the study show that there is a positive impact of acquision on capital adequacy, Assets quality etc.

3. RESEARCH METHODOLOGY

Research methodology is a systematic approach to problem identification that includes situation assessment, research design selection, appropriate sampling technique selection, appropriate sample size determination, scale determination, data collection and techniques of data analysis. In other words, the goal of research technique is to systematically address the research problem. "Research methodology is a science that deals with how research is conducted" (Kothari, 2004).

The objectives of the research study are to analyze perception of different demographic segments of customers with respect to failure of Yes bank and Lakshmi Vilas Bank, identify the factors of failure of YES bank and Lakshmi Vilas Bank based on perception of customers (Internal & External), and suggest the policy initiatives/ interventions to regulators to avoid failure of a private bank in future.

In relation to above stated objectives, research questions of the present research study are listed in the following. This list of questions is not exhausted but selective. The study is an attempt to find out possible answer to the following research questions.

Research Question 1: What is the different in the perception of customers (internal & external) about the failure of Yes bank and Lakshmi Vilas bank?

Research Question 2: What are the main factors responsible for the failure of commercial bank in general?

Research Question 3: what suggestions are given to regulators to avoiding failure of private bank in future?

This study is based on primary data collected directly from respondents through a structured questionnaire, distributed via e-mail, WhatsApp, and Google Forms. A total of 398 responses were received, of which 13 were rejected due to missing or irrelevant data, leaving 385 valid responses for analysis. The data was examined using exploratory and inferential statistical techniques. Exploratory analysis included factor analysis and frequency distribution, while inferential analysis employed ANOVA, t-test, F-test, and Z-test to test hypotheses and address the research questions.

4. RESULTS AND DISCUSSION

This section presents the result of analysis of data gathered through structured questionnaire. Descriptive analysis, factor analysis, total variance explained, and reliability test are explained in the following sub sections.

4.1. Descriptive Statistics/ Demographic Analysis

This section presents the classification of various demographic factors using the SPSS program. Out of the total respondents, 58.3% (225) were male and 41.7% (161) were female. In terms of age distribution, 16.8% were below 25 years, 20.5% (79) were between 25–35 years, 33.7% were between 35–45 years, and 29% were above 45 years. Regarding education, 39.4% of respondents were graduates, 18.1% were postgraduates, and 21.2% belonged to other categories.

With respect to monthly income, 15.5% earned below INR 10,000, 17.4% between INR 10,000–20,000, 25.1% between INR 20,000–30,000, and 22.3% above INR 40,000. Most respondents (72%) belonged to urban areas, while 28% were from rural areas. A large proportion (96.6%) reported having a bank account, of which 10.6% held savings accounts, 28% current accounts, and 61.4% salary accounts. Additionally, 82.4% of respondents did not hold any shareholding in the same bank. Finally, 63% of respondents were associated with private banks, while the remaining 37% were associated with public sector banks.

4.2. Factor Analysis

This section presents the factor analysis of 31 statements measured on a five-point Likert scale. To reduce a large number of variables into a smaller set of meaningful components, factor analysis was conducted using SPSS with the Principal Component Analysis (PCA) method. The primary objective of PCA is to condense a large set of correlated variables into the fewest possible factors while retaining the maximum explained variance (Malhotra, 2010 and Blunch, 2008).

Table 2: Factor Analysis for 31 Statements on Yes Bank

No	Rotated Component Matrix							
	Statements for Yes Bank	**1**	**2**	**3**	**4**	**5**	**6**	**Communalities**
1	Lack of strong legal action against loan defaulters is one of the reasons responsible for more bad loans.	**.799**	.183	-.160	.049	-.077	.137	0.573
2	High rate of interest leads to more NPA/ bad loans as burden of repayment increases on the borrowers.	**.815**	.281	-.062	.121	.009	.253	0.833

3	Loans given to economically weaker section increases NPA/ bad loans to a great extent.	**.841**	.230	.020	.114	.007	.197	0.774
4	Inadequate staff in banks to manage loan portfolio, supervision and follow-up.	**.803**	.218	.011	.225	-.069	.218	0.779
5	Most of the borrowers don't repay loans wilfully/ intentionally.	**.811**	.182	.035	.247	-.084	.151	0.763
6	Poor monitoring agencies to detect frauds.	**.646**	.187	-.031	.430	-.062	.226	0.712
7	Lack of trained human resources.	.371	.200	.117	**.729**	-.038	.180	0.711
8	Unnecessary political intervention leads to increased frauds.	.253	.206	-.004	**.718**	.134	.255	0.669
9	More Unsecured loans provided to customers.	.219	.176	.105	**.785**	.137	.191	0.702
10	Poor banking governance	.145	.337	.047	**.712**	.257	.158	0.707
11	Lack of rules and guidelines, for managing operational risk available in the bank.	.152	.304	.076	**.696**	.300	.059	0.679
12	Ineffective risk management framework	-.188	.118	.187	.367	**.699**	-.028	0.759
13	The bank does not monitor quality of the credit portfolio on day-to-day basis.	-.188	.034	.233	.248	**.774**	.040	0.710
14	Lack of transparency for assets quality increases credit risk.	-.112	.049	.239	.123	**.836**	.092	0.678
15	Untrained managerial personals wrongly predict market risk.	-.007	.082	.388	.046	**.754**	-.057	0.709
16	Mortgage lending is generally misled by inspecting officers/ valuers /experts which result in poor credit appraisal.	.112	.056	.458	-.040	**.717**	.006	0.686
17	Investment of funds from current account is also the one of the causes of liquidity problem.	.082	-.012	**.686**	.014	.496	-.073	0.674
18	Excessive operational cost and comparative less income also creates liquidity problem.	-.010	.041	**.784**	-.067	.390	.000	0.715
19	Excessive withdrawal by Industrialist is also a reason of less liquidity.	-.079	.045	**.855**	.051	.280	.014	0.757
20	Lack of proper cash flow management is also a reason for less liquidity.	-.100	.048	**.838**	.123	.245	.057	0.720
21	Providing loans to a particular sector is also a reason for less liquidity.	-.112	.069	**.826**	.162	.095	.159	0.667
22	Not proper internal assessment of their capital adequacy against their economic capital.	.344	.218	.151	.194	-.037	**.721**	0.656
23	Not proper internal assessment of their capital inadequacy against their economic capital.	.343	.337	.102	.244	-.046	**.720**	0.741
24	Excessive unsecured loans results in capital adequacy.	.343	.319	.027	.258	-.013	**.754**	0.743
25	Less liquidity is also a reason for capital inadequacy	.322	.508	-.028	.188	.129	**.604**	0.695
26	Less earnings lead to over capitalization	.290	.548	-.043	.169	.103	**.640**	0.750
27	Funding from short term capital rather than permanent capital also cause capital inadequacy	.232	**.685**	.017	.234	.083	.425	0.722
28	Top management includes mainly family members also influence the working of a bank.	.287	**.781**	.038	.264	.079	.213	0.760
29	Decisions made by one dominant individual	.261	**.865**	.071	.199	.034	.185	0.776
30	Unauthorized transactions by management officials.	.254	**.814**	.052	.225	.092	.184	0.746
31	Proving unofficial loans to director's near and dear.	.255	**.790**	.094	.232	.037	.196	0.685

Table 3: Factor Analysis for 31 Statements on Lakshmi Vilas Bank (LVB)

No	**Rotated Component Matrix**							
	Statements for LVB	**1**	**2**	**3**	**4**	**5**	**6**	**Communalities**
1	Lack of strong legal action against loan defaulters is one of the reasons responsible for more bad loans.	.207	**.803**	.172	-.060	-.021	.091	0.680

2	High rate of interest leads to more NPA/ bad loans as burden of repayment increases on the borrowers.	.209	**.808**	.097	.046	.049	.138	0.712
3	Loans given to economically weaker section increases NPA/ bad loans to a great extent.	.192	**.768**	.217	.035	.094	.166	0.720
4	Inadequate staff in banks to manage loan portfolio, supervision and follow-up.	.147	**.736**	.320	-.041	.103	.158	0.678
5	Most of the borrowers don't repay loans wilfully/ intentionally.	.159	**.680**	.436	-.025	.054	.072	0.689
6	Poor monitoring agencies to detect frauds.	.207	**.549**	.492	.024	.083	.197	0.652
7	Lack of trained human resources.	.334	.376	**.687**	-.109	.013	.147	0.755
8	Unnecessary political intervention leads to increased frauds.	.343	.350	**.688**	-.072	-.047	.240	0.752
9	More Unsecured loans provided to customers.	.319	.347	**.725**	-.005	-.045	.205	0.747
10	Poor banking governance	.296	.263	**.768**	.045	-.029	.182	0.709
11	Lack of rules and guidelines, for managing operational risk available in the bank.	.281	.218	**.749**	.089	-.039	.164	0.669
12	Ineffective risk management framework	-.015	-.074	.100	**.821**	.073	.145	0.698
13	The bank does not monitor quality of the credit portfolio on day-to-day basis.	.002	-.050	.018	**.878**	.170	-.003	0.773
14	Lack of transparency for assets quality increases credit risk.	-.008	-.017	-.022	**.855**	.260	-.019	0.715
15	Untrained managerial personals wrongly predict market risk.	-.019	.044	-.035	**.779**	.388	-.176	0.752
16	Mortgage lending is generally misled by inspecting officers/ valuers /experts which result in poor credit appraisal.	-.080	.087	-.116	**.687**	.497	-.119	0.745
17	Investment of funds from current account is also the one of the causes of liquidity problem.	-.005	.149	-.069	.531	**.651**	-.154	0.726
18	Excessive operational cost and comparative less income also creates liquidity problem.	-.007	.128	-.037	.351	**.792**	-.064	0.705
19	Excessive withdrawal by Industrialist is also a reason of less liquidity.	-.058	-.005	.032	.254	**.851**	.016	0.698
20	Lack of proper cash flow management is also a reason for less liquidity.	-.031	.008	.042	.164	**.859**	.161	0.714
21	Providing loans to a particular sector is also a reason for less liquidity.	-.006	.037	-.047	.148	**.760**	.311	0.655
22	Not proper internal assessment of their capital adequacy against their economic capital.	.167	.273	.292	-.141	.324	**.639**	0.691
23	Not proper internal assessment of their capital inadequacy against their economic capital.	.236	.273	.266	-.104	.144	**.762**	0.746
24	Excessive unsecured loans results in capital adequacy.	.306	.258	.231	-.036	.057	**.768**	0.715
25	Less liquidity is also a reason for capital inadequacy	.568	.206	.185	.103	-.056	**.610**	0.701
26	Less earnings lead to over capitalization	.525	.153	.203	.113	-.040	**.632**	0.697
27	Funding from short term capital rather than permanent capital also cause capital inadequacy	**.774**	.152	.235	-.010	-.039	.328	0.727
28	Top management includes mainly family members also influence the working of a bank.	**.824**	.207	.294	-.028	-.005	.152	0.770
29	Decisions made by one dominant individual	**.850**	.280	.215	-.073	-.017	.068	0.792
30	Unauthorized transactions by management officials.	**.847**	.256	.242	-.047	-.040	.094	0.816
31	Proving unofficial loans to director's near and dear.	**.834**	.263	.242	-.043	-.008	.117	0.780

The results of factor analysis are presented in Tables 2 and 3. Factors were extracted using Principal Component Analysis with VARIMAX rotation. Factor loadings and the selection of factors were determined from the rotated component matrix. To cluster the six factors effectively, all variables with loadings between +0.49 and +0.89 were included in the analysis.

4.3. Total Variance Explained

Total variance is the sum of the variance of each distinct primary component. The fraction of variables explained is the ratio of a principal component's variation to the total variance. Table 4 explains the total variance.

Table 4: Total Variance Explained for 31 Statements

Total Variance Explained									
Components	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.886	37.145	37.145	11.886	37.145	37.145	5.090	15.905	15.905
2	5.988	18.713	55.858	5.988	18.713	55.858	4.888	15.276	31.181
3	2.254	7.042	62.901	2.254	7.042	62.901	3.889	12.152	43.333
4	1.914	5.983	68.883	1.914	5.983	68.883	3.877	12.116	55.448
5	1.340	4.186	73.070	1.340	4.186	73.070	3.766	11.770	67.219
6	1.054	3.293	76.363	1.054	3.293	76.363	2.926	9.144	76.363
7	.836	2.611	78.974						
8	.630	1.969	80.943						
9	.562	1.756	82.699						
10	.509	1.592	84.291						
11	.488	1.526	85.817						
12	.435	1.359	87.176						
13	.395	1.235	88.411						
14	.355	1.109	89.520						
15	.337	1.053	90.573						
16	.321	1.002	91.575						
17	.289	.902	92.477						
18	.265	.828	93.305						
19	.233	.728	94.033						
20	.224	.699	94.732						
21	.210	.655	95.387						
22	.189	.591	95.978						
23	.177	.554	96.532						
24	.166	.518	97.050						
25	.153	.480	97.530						
26	.144	.451	97.980						
27	.136	.425	98.406						
28	.122	.380	98.786						
29	.119	.370	99.156						
30	.107	.339	99.565						
31	.075	.235	100.000						
Extraction Method: Principal Component Analysis.									

Based on the factor analysis, six factors emerged that together explained 76.636% of the total variance (Table 4). Factor 1 (NPAs/Bad Loans) accounted for 15.905% of the variation, Factor 2 (Bank Fraud) for 15.276%, Factor 3 (Poor Risk Management) for 12.152%, Factor 4 (Inadequate Liquidity) for 12.116%, Factor 5 (Capital Inadequacy) for 11.770%, and Factor 6 (Insider Abuse) for 9.144%. The communalities indicate that the proportion of variance explained by these six factors differs across variables. The factor loadings show that statements S1–S6 load highly on Factor 1 (NPAs/Bad Loans), S7–S11 on Factor 2 (Bank Fraud), S12–S16 on Factor 3 (Poor Risk Management), S17–S21 on Factor 4 (Inadequate Liquidity), S22–S26 on Factor 5 (Capital Inadequacy), and S27–S31 on Factor 6 (Insider Abuse).

4.4. Factors and their Nomenclature

Six factors and their nomenclature are outlined in this section. The identified six factors are as follows: factor 1: NPAs/ bad loans from statement 1-6, factor 2: Bank fraud from statement 7-11, factor 3: Poor risk management from statement 12-16, factor 4: Inadequate liquidity from statement 17-21, factor 5: capital inadequacy from statement 22-26 and factor 6: Insider abuse from statement 27-31.

4.5. Reliability and Validity Test

In this section, the values for Cronbach's alpha, Kaiser-Mayor-Olkin, the sampling adequacy metric, and the chi-square result of Bartlett's test of sphericity for all the factors were presented with the significant level and degree of freedom.

Table 5: Reliability and Validity test of 31 Statements for Factors Responsible for Failure of Yes Bank

	Yes Bank			Lakshmi Vilas Bank		
	Reliability coefficient- Cronbach's alpha	**KMO**	**Bartlett test: Approx. Chi-Square**	**Reliability coefficient- Cronbach's alpha**	**KMO**	**Bartlett test: Approx. Chi-Square**
NPAs/ Bad Loans	.934	.898	1941.255	.903	.866	1439.383
Bank Frauds	.897	.836	1183.162	.924	.831	1574.639
Poor Risk Management	.895	.812	1199.003	.898	.850	1354.638
Less Liquidity	.912	.828	1418.885	.908	.821	1252.146
Capital Inadequacy	.929	.813	1568.453	.896	.795	1271.227
Insider Abuse	.941	.854	1834.912	.939	.844	1996.143
All Factors	**0.928**	**.916**	**11510.266**	**.918**	**.907**	**11599.039**

In table 5, Cronbach's alpha has excellent value for both Yes bank and LVB, because it is about 0.9. The Kaiser-Meyer-Olkin (KMO) value for the Yes Bank and for LVB is good because it is more than 0.8. Chi- square has a value of 11510.266 for Yes Bank and 11599.039 for LVB with 496degrees of freedom and significant level .000.This indicates that the factor model is appropriate and there is sufficient correlation between items.

4.6. Descriptive Analysis of Newly Derived Factors

This section presents the descriptive analysis of newly derived 6 factors in relation to 11 demographic segments for both Yes bank and Lakshmi Vilas bank (LVB). Results of mean perception along with null and alternative hypothesis are also presented.

4.6.1 Descriptive Statistics of Factors as per Age Group

This section presents the mean perception scores of six factors responsible for failure of Yes Bank and Lakshmi Vilas Bankderived from factor analysis for various age groups i.e. below 25 years, 25- 35 years, 35- 45 years, above 45 years.

$H_0$1: There is no significant difference between mean perception score of age group (below 25 years, 25- 35 years, 35-45 years and above 45 years) for the factor 'NPAs/ Bad loans'.$H_1$1: There is significant difference between mean perception score of age group (below 25 years, 25- 35 years, 35-45 years and above 45 years) for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The mean perception scores along with p- value are shown in the following table 6 and 7.

Table 6: Mean perception score with Standard error of 6 factors responsible for failure of Yes Bank

No	**Factors**	**Mean ± S.E. (M)**				**p- value**
		Below 25	**25 - 35**	**35 - 45**	**Above 45**	
1	NPAs/ Bad Loans	.157 ± .111	-.307 ± .104	-.139 ± .096	.287 ± .084	0.000*
2	Bank Frauds	.211 ± .126	**.310 ± .104**	-.161 ± .082	-.154 ± .098	0.001*
3	Poor Risk Management	**.422 ± .102**	.051 ± .124	-.239 ± .097	-.003 ± .072	0.000*
4	Less Liquidity	.184 ± .146	.076 ± .127	**-.114 ± .075**	-.027 ± .088	0.215
5	Capital Inadequacy	.206 ± .115	-.025 ± .120	-.148 ± .078	.069 ± .103	0.101
6	Insider Abuse	.134 ± .104	-.160 ± .101	-.115 ± .090	**.168 ± .087**	0.044*

Table 7: Mean perception score with Standard error of 6 factors responsible for failure of Lakshmi Vilas Bank

No	**Factors**	**Mean ± S.E. (M)**				**p- value**
		Below 25	**25 - 35**	**35 - 45**	**Above 45**	
1	NPAs/ Bad Loans	-.093 ± .124	-.340 ± .124	**.053 ± .085**	**.231 ± .084**	.001*
2	Bank Frauds	**.347 ± .139**	**.216 ± .109**	-.252 ± .073	-.059 ± .099	.000*
3	Poor Risk Management	.314 ± .086	-.175 ± .126	-.205 ± .094	.181 ± .084	.000*
4	Less Liquidity	.057 ± .128	-.087 ± .118	-.053 ± .085	.091 ± .090	.549
5	Capital Inadequacy	-.010 ± .141	-.121 ± .133	.002 ± .078	.089 ± .083	.563
6	Insider Abuse	-.068 ± .132	.124 ± .108	-.005 ± .090	-.043 ± .090	.628

Tables 6 and 7 present the mean perception scores and standard error values across four age groups (below 25 years, 25–35 years, 35–45 years, and above 45 years). From Tables 5.1a and 5.1b, it can be inferred that, in the case of Yes Bank, the null hypothesis was rejected for four factors—NPAs/Bad Loans, Bank Frauds, Poor Risk Management, and Insider Abuse. For Lakshmi Vilas Bank, the null hypothesis was rejected for three factors—NPAs/Bad Loans, Bank Frauds, and Poor Risk

Management. For the remaining factors, there was no evidence against the proposed null hypothesis. This indicates that perceptions of the factors responsible for the failure of Yes Bank and LVB vary significantly across different age groups.

4.6.2. Descriptive Statistics of Factors responsible for failure of Yes Bank with respect to Gender

This section presents the mean perception scores of six factors responsible for failure of Yes Bank and Lakshmi Vilas Bankderived from factor analysis for gender (male and female). In addition, mean differences are tested using t- test for the following six nulls and alternate hypothesis are presented.

$H_0$1: There is no significant difference between mean perception score of Gender (male and female) for the factor 'NPAs/ Bad loans'.$H_1$1: There is significant difference between mean perception score of Gender (male and female) for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The mean perception scores along with p- value are shown in the following table 8.

Table 8: Mean perception score, standard error and significant value of 6 factors as per gender

No	Factors	Yes Bank			Lakshmi Vilas Bank		
		Mean ± S.E. (M)		p- value	Mean ± S.E. (M)		p- value
		Male	Female		Male	Female	
1	NPAs/ Bad Loans	**.207 ± .058**	-.290 ± .086	.000*	.080 ± .063	-.114 ± .083	.059
2	Bank Frauds	-.189 ± .063	**.264 ± .079**	.000*	-.152 ± .063	**.215 ± .082**	.000*
3	Poor Risk Management	-.004 ± .062	.006 ± .086	.910	**.211 ± .062**	-.298 ± .080	.000*
4	Less Liquidity	.066 ± .062	-.093 ± .076	.121	.121 ± .062	-.173 ± .083	.004*
5	Capital Inadequacy	-.023 ± .065	.033 ± .081	.579	.030 ± .067	-.043 ± .078	.475
6	Insider Abuse	-.050 ± .074	.070 ± .064	.239	.027 ± .068	-.039 ± .074	.516

Table 8 presents the mean perception scores and standard error values for male and female respondents. As shown in Table 8, in the case of Yes Bank, the null hypothesis was rejected for two factors—NPAs/Bad Loans and Bank Frauds. For Lakshmi Vilas Bank, the null hypothesis was rejected for three factors—Bank Frauds, Poor Risk Management, and Inadequate Liquidity. For the remaining factors, there was no evidence against the null hypothesis. These results indicate that gender significantly influences perceptions of the factors responsible for the failures of Yes Bank and LVB.

4.6.3. Descriptive Statistics of Factors with respect to Educational Qualification

This section presents the mean perception scores of six factors responsible for failure of Yes Bankand Lakshmi Vilas Bank derived from factor analysis for four categories of educational Qualification i.e. under gratuate, graduate, post gratuate and others. In addition, mean differences are tested using t- test for the following six nulls and alternate hypothesis are presented.

$H_0$1: There is no significant difference between mean perception score of educational qualifications (under gratuate, graduate, post gratuate and others) for the factor 'NPAs/ Bad loans'.$H_1$1: There is significant difference between mean perception score of educational qualifications (under gratuate, graduate, post gratuate and others) for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The following tables 9 and 10, summarizes mean perception score along with standard error of male and female respondents towards six key factors responsible for failure of Yes bank and LVB.

Table 9: Mean perception score with standard error of 6 factors as per educational qualification for Yes Bank

No	Factors	Mean ± S.E.				p- value
		Under Graduate	Graduate	Post Graduate	Others	
1	NPAs/ Bad Loans	-.195 ± .114	-.079 ± .084	-.321 ± .121	**.618 ± .055**	.000*
2	Bank Frauds	.076 ± .106	**.208 ± .082**	-.013 ± .110	-.451 ± .102	.000*
3	Poor Risk Management	**.379 ± .086**	-.152 ± .095	-.081 ± .126	-.027 ± .072	.001*
4	Less Liquidity	-.146 ± .121	.044 ± .090	-.035 ± .114	.094 ± .069	.410
5	Capital Inadequacy	.058 ± .115	-.147 ± .089	**.099 ± .097**	.129 ± ,093	.131
6	Insider Abuse	.091 ± .123	-.123 ± .080	.010 ± .097	.128 ± .112	.222

Table 10: Mean perception score with Standard error of 6 factors as per Educational Qualification for Lakshmi Vilas Bank

No	Factors	Mean ± S.E.				p- value
		Under Graduate	Graduate	Post Graduate	Others	
1	NPAs/ Bad Loans	-.184 ± .111	-.021 ± .090	-.205 ± .117	.396 ± .070	.000*
2	Bank Frauds	**.166 ± .116**	.114 ± .083	-.037 ± .105	-.343± .101	.003*
3	Poor Risk Management	-.016 ± .092	-.209 ± .094	-.116 ± .120	**.501 ± .066**	.000*
4	Less Liquidity	-.259 ± .123	.083 ± .088	-.239 ± .116	.307 ± .056	.000*
5	Capital Inadequacy	.075 ± .122	-.027 ± .086	-.110 ± .103	.071 ± .097	.607
6	Insider Abuse	-.270 ± .120	**.120 ± .085**	**.044 ± .107**	.008 ± .095	.040

Tables 9 and 10 present the mean perception scores and standard error values across four categories of educational qualification (undergraduate, graduate, postgraduate, and others). The results indicate that, in the case of Yes Bank, the null hypothesis was rejected for three factors—NPAs/Bad Loans, Bank Frauds, and Poor Risk Management. For Lakshmi Vilas Bank, the null hypothesis was rejected for four factors—NPAs/Bad Loans, Bank Frauds, Poor Risk Management, and Inadequate Liquidity. For the remaining factors, there was no evidence against the null hypothesis. This suggests that educational qualification significantly influences perceptions of the factors responsible for the failures of Yes Bank and LVB.

4.6.4. Descriptive Statistics of Factors with respect to Monthly Income Level

This section presents the mean perception scores of six factors responsible for failure of Yes Bankand Lakshmi Vilas Bank derived from factor analysis for five categories of monthly income level. In addition, mean differences are tested using t- test for the following six nulls and alternate hypothesis are presented.

$H_0$1: There is no significant difference between mean perception score of monthly income level (below INR 10 K, 10K- 20 K, 20 K- 30 K, 30 K- 40 K and above 40 K) for the factor 'NPAs/ Bad loans'.$H_1$1: There is significant difference between mean perception score of monthly income level (below INR 10 K, 10K- 20 K, 20 K- 30 K, 30 K- 40 K and above 40 K) for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The following tables summarize mean perception score along with standard error of male and female respondents towards six key factors responsible for failure of Yes bank and LVB.

Table 11: Mean perception score with standard error of factors as per monthly Income Level for Yes Bank

No	Factors		Mean ± S.E.				p-value
		Below 10k	10k – 20k	20k– 30k	30k-40k	Above 40k	
1	NPAs/ Bad Loans	-.047 ± .123	-.017 ± .125	-.249 ± .108	-.041 ± .113	.364 ± .091	.001*
2	Bank Frauds	.153 ± .120	.202 ± .125	**.098 ± .100**	-.070 ± .116	-.313 ± .103	.007*
3	Poor Risk Management	**.421 ± .116**	**.327 ± .087**	-.218 ± .117	-.204 ± .120	-.121 ± .093	.000*
4	Less Liquidity	.086 ± .150	-.147 ± .137	-.069 ± .083	**.105 ± .140**	.038 ± .073	.501
5	Capital Inadequacy	.313 ± .117	-.086 ± .117	-.160 ± .113	-.079 ± .118	.099 ± .093	.036*
6	Insider Abuse	.047 ± .122	-.184 ± .115	-.065 ± .097	-.221 ± .126	**.380 ± .101**	.001*

Table 12: Mean perception score with standard error of factors as per monthly Income Level for Lakshmi Vilas Bank

No	Factors		Mean ± S.E.				p-value
		Below 10k	10k – 20k	20k– 30k	30k-40k	Above 40k	
1	NPAs/ Bad Loans	-.131 ± .129	-.045 ± .126	-.112 ± .102	-.045 ± .122	**.290 ± .092**	.043
2	Bank Frauds	**.287 ± .136**	**.276 ± .132**	-.035 ± .094	-.125 ± .108	-.262 ± .100	.002*
3	Poor Risk Management	.186 ± .105	.009 ± .105	-.308 ± .115	-.014 ± .129	.221 ± .093	.004*
4	Less Liquidity	-.086 ± .132	-.161 ± .137	-.072 ± .107	**.120 ± .119**	.158 ± .079	.203
5	Capital Inadequacy	-.236 ± .144	.110 ± .126	.111 ± .104	-.087 ± .112	.029 ± .092	.201
6	Insider Abuse	-.274 ± .151	-.056 ± .113	**.157 ± .102**	.101 ± .110	-.034 ± .100	.093

Tables 11 and 12 show the mean perception scores and standard errors across five monthly income categories (below INR 10,000; INR 10,000–20,000; INR 20,000–30,000; INR 30,000–40,000; above INR 40,000). For Yes Bank, the null hypothesis was rejected for five factors—NPAs/Bad Loans, Capital Inadequacy, Insider Abuse, Bank Frauds, and Poor Risk Management. For Lakshmi Vilas Bank, it was rejected for two factors—Bank Frauds and Poor Risk Management. These results indicate that monthly income level significantly influences perceptions of the factors contributing to the failures of Yes Bank and LVB.

4.6.5. Descriptive Statistics of Factors with respect to Residential Area

This section presents the mean perception scores of six factors responsible for failure of Yes Bankand Lakshmi Vilas Bank derived from factor analysis for residential areas (urban area and rural area). In addition, mean differences are tested using t- test for the following six nulls and alternate hypothesis are presented.

$H_0$1: There is no significant difference between mean perception score of residential area (urban area and rural area) for the factor 'NPAs/ Bad loans'.$H_1$1: There is significant difference between mean perception score of residential area (urban area and rural area) for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The following table summarizes mean perception score along with standard error of male and female respondents towards six key factors responsible for failure of Yes bank and LVB.

Table 13: Mean perception score, standard error and significant value of 6 factors as per residential area

No	Factors	Yes Bank			Lakshmi Vilas Bank		
		Mean ± S.E.		p- value	Mean ± S.E.		p- value
		Urban Area	Rural Area		Urban Area	Rural Area	
1	NPAs/ Bad Loans	.052 ± .059	-.134 ± .097	.099	**.069 ± .057**	-.181 ± .106	.027
2	Bank Frauds	-.029 ± .060	.074 ± .095	.360	.013 ± .060	-.035 ± .093	.670
3	Poor Risk Management	.003 ± .056	-.008 ± .109	.919	.061 ± .057	-.159 ± .104	.052
4	Less Liquidity	-.384 ± .058	**.098 ± .102**	.226	-.020 ± .058	.053 ± .104	.517
5	Capital Inadequacy	**.053 ± .058**	-.136 ± .102	.094	-.057 ± .057	.149 ± .104	.068
6	Insider Abuse	.004 ± .061	-.010 ± .091	.893	-.059 ± .059	**.153 ± .097**	.061

In Table 13, mean perception score as well as standard error values of the two categories of residential area (urban area and rural area) were presented. It can also be inferred from table 13 that, in case of residential areas, for all six factors, there is no evidence against the proposed null hypothesis for both banks i.e. Yes Bank and Lakshmi Vilas Bank. This means that the residential area has no statistically significant influence on the perception of factors responsible for the failure of Yes bank and LVB.

4.6.6. Descriptive Statistics of Factors with respect to having a Bank Account

This section presents the mean perception scores of six factors responsible for failure of Yes Bank and Lakshmi Vilas Bank derived from factor analysis for having a bank account (yes or no). In addition, mean differences are tested using t- test for the following six nulls and alternate hypothesis are presented.

$H_0$1: There is no significant difference between mean perception score of having a bank account (yes or no) for the factor 'NPAs/ Bad loans'.$H_1$1: There is significant difference between mean perception score of having a bank account (yes or no) for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The following table summarizes mean perception score along with standard error of male and female respondents towards six key factors responsible for failure of Yes bank and LVB.

Table 14: Mean perception score, standard error and significant value of 6 factors as per having a bank account

No	Factors	Yes Bank			Lakshmi Vilas Bank		
		Mean ± S.E.		p- value	Mean ± S.E.		p- value
		Yes	No		Yes	No	
1	NPAs/ Bad Loans	-.024 ± .051	**.701 ± .190**	.010*	-.021 ± .052	**.616 ± .112**	.004*
2	Bank Frauds	-.008 ± .051	.235 ± .339	.389	-.016 ± .051	.459 ± .373	.002*
3	Poor Risk Management	-.004 ± .052	.118 ± .178	.665	-.015 ± .052	.447 ± .172	.101
4	Less Liquidity	**.007 ± .052**	-.205 ± .136	.452	-.001 ± .052	.031 ± .189	.909
5	Capital Inadequacy	-.018 ± .051	.544 ± .246	.046*	**.001 ± .052**	-.056 ± .169	.835
6	Insider Abuse	-.010 ± .052	.314 ± .221	.250	-.003 ± .052	.094 ± .205	.730

Table 14 presents the mean perception scores and standard error values for the two categories of having a bank account (yes and no). The results indicate that, for Yes Bank, the null hypothesis was rejected for two factors—NPAs/Bad Loans and Capital Inadequacy—while for Lakshmi Vilas Bank, it was rejected for NPAs/Bad Loans and Bank Frauds. For the remaining factors, no evidence was found against the null hypothesis. This suggests that having or not having a bank account influences perceptions of certain factors contributing to the failures of Yes Bank and LVB.

4.6.7. Descriptive Statistics of Factors responsible with respect to Type of Bank Account

This section presents the mean perception scores of six factors responsible for failure of Yes Bank and Lakshmi Vilas Bank derived from factor analysis for type of bank account (savings, current, salary). In addition, mean differences are tested using t- test for the following six nulls and alternate hypothesis are presented.

$H_0$1: There is no significant difference between mean perception score of type of bank account (savings, current, salary) for the factor 'NPAs/ Bad loans'.

$H_1$1: There is significant difference between mean perception score of type of bank account (savings, current, salary) for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The following table summarizes mean perception score along with standard error of male and female respondents towards six key factors responsible for failure of Yes bank and LVB.

Table 15: Mean perception score, standard error and significant value of 6 factors as per various types of bank account

No	Factors	Yes Bank				Lakshmi Vilas Bank			
		Mean ± S.E.			p-value	Mean ± S.E.			p-value
		Savings	Current	Salary		Savings	Current	Salary	
1	NPAs/ Bad Loans	-.110 ± .146	**.033 ± .105**	.003 ± .062	.735	-.097 ± .140	.057 ± .095	-.009 ± .066	.684
2	Bank Frauds	.160 ± .135	-.056 ± .100	-.001 ± .065	.495	.099 ± .144	-.062 ± .098	.011 ± .065	.652
3	Poor Risk Management	-.173 ± .151	-.070 ± .092	**.062 ± .066**	.259	-.128 ± .165	.009 ± .094	**.018 ± .065**	.683
4	Less Liquidity	.029 ± .183	-.001 ± .098	-.004 ± .062	.979	-.033. .155	**.074 ± .095**	-.028 ± .065	.658
5	Capital Inadequacy	.059 ± .138	-.008 ± .093	-.006 ± .067	.923	.039 ± .123	-.043 ± .089	.013 ± .069	.859
6	Insider Abuse	**.351 ± .160**	.030 ± .074	-.074 ± .069	.038*	**.229 ± .152**	-.069 ± .085	-.008 ± .068	.262

Table 15 presents the mean perception scores and standard error values across three categories of bank accounts (savings, current, and salary). The results show that, for Yes Bank, the null hypothesis was rejected only for Insider Abuse, while for Lakshmi Vilas Bank none of the factors showed rejection. For the remaining factors, no evidence was found against the null hypothesis. This suggests that the type of bank account held has a limited but noticeable influence on perceptions of factors contributing to the failure of Yes Bank, while it shows no significant impact in the case of Lakshmi Vilas Bank.

4.6.8. Descriptive Statistics of with respect to Relationship with Bank

This section presents the mean perception scores of six factors responsible for failure of Yes Bank and Lakshmi Vilas Bank derived from factor analysis for relationship with the bank (customer only and customer & employee both). In addition, mean differences are tested using t- test for the following six nulls and alternate hypothesis are presented.

$H_0$1: There is no significant difference between mean perception score of relationship with bank (customer only and customer & employee both) for the factor 'NPAs/ Bad loans'.

$H_1$1: There is significant difference between mean perception score of relationship with bank (customer only and customer & employee both) for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The following table summarizes mean perception score along with standard error of male and female respondents towards six key factors responsible for failure of Yes bank and LVB.

Table 16: Mean perception score with standard error of factors as per relationship of respondents with the bank

No	Factors	Yes Bank			Lakshmi Vilas Bank		
		Mean ± S.E.		p-value	Mean ± S.E.		p-value
		Customer only	Customer & employees both		Customer only	Customer & employees both	
1	NPAs/ Bad Loans	**.134 ± .060**	-.256 ± .089	.000*	.100 ± .061	-.194 ± .087	.006
2	Bank Frauds	-.078 ± .063	**.149 ± .082**	.033*	-.082 ± .062	**.159 ± .085**	.024
3	Poor Risk Management	-.071 ± .063	.136 ± .084	.052	.027 ± .065	-.052 ± .080	.462
4	Less Liquidity	.010 ± .064	-.020 ± .083	.775	**.131 ± .057**	-.253 ± .096	.000*
5	Capital Inadequacy	-.002 ± .059	.004 ± .095	.949	.011 ± .055	-.021 ± .104	.765
6	Insider Abuse	.097 ± .061	-.186 ± .087	.008*	-.045 ± .065	.088 ± .080	.214

Table 16 presents the mean perception scores and standard error values for two categories of relationship with the bank (customer only, and customer & employee). The results show that, for Yes Bank, the null hypothesis was rejected for three factors—NPAs/Bad Loans, Bank Frauds, and Insider Abuse—while for Lakshmi Vilas Bank, it was rejected only for Inadequate Liquidity. For the remaining factors, no evidence was found against the null hypothesis. This indicates that the type of relationship with the bank has a varying impact on perceptions of the factors contributing to the failures of Yes Bank and LVB.

4.6.9. Descriptive Statistics of Factors with respect to Shareholding in the Same Bank

This section presents the mean perception scores of six factors responsible for failure of Yes Bank and Lakshmi Vilas Bank derived from factor analysis for shareholding in the same bank (yes or no). In addition, mean differences are tested using t-test for the following six nulls and alternate hypothesis are presented.

$H_0$1: There is no significant difference between mean perception score of shareholdings in the same bank (yes or no) for the factor 'NPAs/ Bad loans'.

$H_1$1: There is significant difference between mean perception score of shareholdings in the same bank (yes or no) for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The following table summarizes mean perception score along with standard error of male and female respondents towards six key factors responsible for failure of Yes bank and LVB.

Table 17: Mean perception score, standard error and significant value of 6 factors as per shareholding

No	Factors	Yes Bank			Lakshmi Vilas Bank		
		Mean ± S.E.		p- value	Mean ± S.E.		p- value
		Yes	No		No	Yes	
1	NPAs/ Bad Loans	-.036 ± .116	**.007 ± .056**	.744	-.022 ± .111	.004 ± .057	.839
2	Bank Frauds	-.015 ± .115	.003 ± .056	.885	-.036 ± .116	.007 ± .056	.739
3	Poor Risk Management	.040 ± .117	-.008 ± .056	.713	-.020 ± .117	.004 ± .056	.854
4	Less Liquidity	**.041 ± .081**	-.008 ± .059	.717	-.049 ± .103	.010 ± .057	.656
5	Capital Inadequacy	.031 ± .120	-.006 ± .056	.778	**.008 ± .123**	-.001 ± .056	.937
6	Insider Abuse	.110 ± .119	-.023 ± .056	.315	-.001 ± .051	**.048 ± .137**	.659

In table 17, mean perception score as well as standard error values of the two categories of shareholding with the same bank (yes and no) were presented. It can also be inferred from table 17 that, in case of shareholding with the same bank, for all six factors, there is no evidence against the proposed null hypothesis. This means that shareholding with the same bank has different impact on various factors responsible for failure of Yes bank and LVB.

4.6.10. Descriptive Statistics of Factors with respect to Years belonging to Banking Industry

This section presents the mean perception scores of six factors responsible for failure of Yes Bank and Lakshmi Vilas Bank derived from factor analysis for four categories of years belong to banking industry i.e. below 5 years, 5-10 years, 10-15 years and above 15 years. In addition, mean differences are tested using t- test for the following six nulls and alternate hypothesis are presented.

$H_0$1: There is no significant difference between mean perception score of years belonging to banking industry (below 5 years, 5-10 years, 10-15 years and above 15 years) for the factor 'NPAs/ Bad loans'.$H_1$1: There is significant difference between mean perception score of years belong to banking industry (below 5 years, 5-10 years, 10-15 years and above 15 years)for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The following tables summarizes mean perception score along with standard error of male and female respondents towards six key factors responsible for failure of Yes bank and LVB.

Table 18: Mean perception score with standard error of factors as per years belong to banking industry for Yes Bank

No	Factors	Mean ± S.E.				p-value
		Below 05 years	05-10 years	10-15 years	Above 15 years	
1	NPAs/ Bad Loans	-.126 ± .140	-.025 ± .102	**.064 ± .079**	.001 ± .108	.678
2	Bank Frauds	.077 ± .127	-.010 ± .096	.002 ± .087	-.044 ± .109	.925
3	Poor Risk Management	.107 ± .144	.097 ± .092	-.133 ± .083	.040 ± .112	.217
4	Less Liquidity	-.090 ± .144	.039 ± .090	-.045 ± .092	**.096 ± .087**	.661
5	Capital Inadequacy	**.135 ± .135**	-.006 ± .092	-.062 ± .085	.036 ± .112	.649
6	Insider Abuse	-.180 ± .159	**.212 ± .082**	-.103 ± .082	.013 ± .117	.038*

Table 19: Mean perception score with Standard error of factors as per years belong to banking industry for Lakshmi Vilas

No	Factors	Mean ± S.E.				p-value
		Below 05 years	05-10 years	10-15 years	Above 15 years	
1	NPAs/ Bad Loans	-.055 ± .133	-.082 ± .097	**.097 ± .084**	-.029 ± .110	.500
2	Bank Frauds	.088 ± .144	-.005 ± ..96	.003 ± .082	-.068 ± .112	.860
3	Poor Risk Management	.082 ± .134	-.016 ± .091	-.047 ± .088	.059 ± .112	.809
4	Less Liquidity	-.271 ± .145	.010 ± .090	.093 ± .088	-.009 ± .098	.162
5	Capital Inadequacy	-.024 ± .114	**.104 ± .100**	-.079 ± .084	.017 ± .114	.003*
6	Insider Abuse	**.126 ± .113**	-.086 ± .093	-.044 ± .082	**.130 ± .132**	.398

Tables 18 and 19 present the mean perception scores and standard error values across four categories of years of experience in the banking industry (below 5 years, 5–10 years, 10–15 years, and above 15 years). The results show that, for Yes Bank, the null hypothesis was rejected only for Insider Abuse, while for Lakshmi Vilas Bank (LVB), it was rejected only for Capital Inadequacy. For the remaining factors, there was no evidence against the null hypothesis. This suggests that years of experience in the banking sector have a limited but distinct influence on perceptions of factors contributing to the failures of Yes Bank and LVB.

4.6.11. Descriptive Statistics of Factors with respect to Classification of Bank

This section presents the mean perception scores of six factors responsible for failure of Yes Bank and Lakshmi Vilas Bank derived from factor analysis for the classification of bank (private bank and public bank). In addition, mean differences are tested using t- test for the following six nulls and alternate hypothesis are presented.

$H_0$1: There is no significant difference between mean perception score of classification of bank (private bank and public bank) for the factor 'NPAs/ Bad loans'.

$H_1$1: There is significant difference between mean perception score of classification of bank (private bank and public bank) for the factor 'NPAs/ Bad loans'.

Likewise, hypotheses will be tested for each of the 6 factors. The following table summarizes mean perception score along with standard error of male and female respondents towards six key factors responsible for failure of Yes bank and LVB.

Table 20: Mean perception score, standard error and significant value of 6 factors as per classification of bank

No	Factors	Yes Bank			Lakshmi Vilas Bank		
		Mean ± S.E.		p- value	Mean ± S.E.		p- value
		Private bank	Public bank		Private bank	Public bank	
1	NPAs/ Bad Loans	.033 ± .062	-.056 ± .088	.391	.050 ± .064	-.085 ± 0.083	.195
2	Bank Frauds	-.061 ± .063	.104 ± .084	.114	-.113 ± .059	**.191 ± .091**	.004*
3	Poor Risk Management	-.123 ± .065	**.209 ± .077**	.002*	-.002 ± .065	.003 ± .083	.955
4	Less Liquidity	.032 ± .063	-.054 ± .084	.412	.051 ± .062	-.086 ± .086	.192
5	Capital Inadequacy	.007 ± .064	-.012 ± .082	.855	-.036 ± .064	.061 ± .083	.351
6	Insider Abuse	**.043 ± .063**	-.073 ± .084	.271	**.083** ± .064	-.140 ± .083	.033

Table 20 presents the mean perception scores and standard error values for the two categories of bank classification (private and public). The results show that, for Yes Bank, the null hypothesis was rejected only for Poor Risk Management, while for Lakshmi Vilas Bank, it was rejected only for Bank Frauds. For the remaining factors, there was no evidence against the null hypothesis. This indicates that bank classification has a limited but distinct influence on perceptions of factors contributing to the failures of Yes Bank and LVB.

5. SUMMARY AND SUGGESTIONS OF THE STUDY

This section briefly summarises the perception of respondents on 31 different statements and latent Identified factors based on responses of customers (Internal & External) related to the causes of failure of Yes Bank and Lakshmi Vilas Bank (LVB). It also presents suggestions based on the study's outcomes to address the identified issues effectively.

5.1. Summary of Perception of Customers (Internal & External) related to the Causes of Failure

In this sub section mean perception values along with their standard errors are presented. Table 6shows the comparative perception of customers (Internal & External) on 31 different statements related to the causes of failure of Yes Bank and Lakshmi Vilas Bank (LVB), based on their mean scores (M) and standard errors (S.E.).

Table 21: Mean perception score of 31 statements with their standard error (M) of Yes Bank and Lakshmi Vilas Bank

No	Statements	Yes bank	LVB
		Mean ± S.E. (M)	
1.	Lack of strong legal action against loan defaulters is one of the reasons responsible for more bad loans.	3.54 ± .083	3.28 ± .062
2.	High rate of interest leads to more NPA/ bad loans as burden of repayment increases on the borrowers.	3.43 ± .086	3.37 ± .061
3.	Loans given to economically weaker section increases NPA/ bad loans to a great extent.	3.55 ± .084	3.37 ± .060
4.	Inadequate staff in banks to manage loan portfolio, supervision and follow-up.	3.48 ± .085	3.36 ± .061
5.	Most of the borrowers don't repay loans wilfully/ intentionally.	**3.59 ± .081**	3.42 ± .063
6.	Poor monitoring agencies to detect frauds.	3.56 ± .079	3.52 ± .065
7.	Lack of trained human resources.	3.47 ± .071	3.78 ± .070
8.	Unnecessary political intervention leads to increased frauds.	3.50 ± .072	3.81 ± .067
9.	More Unsecured loans provided to customers.	3.56 ± .069	**3.89 ± .069**
10.	Poor banking governance	3.55 ± .070	3.80 ± .066
11.	Lack of rules and guidelines, for managing operational risk available in the bank.	3.49 ± .070	3.76 ± .070
12.	Ineffective risk management framework	2.83 ± .079	2.85 ± .076
13.	The bank does not monitor quality of the credit portfolio on day-to-day basis.	2.61 ± .075	2.60 ± .074
14.	Lack of transparency for assets quality increases credit risk.	2.54 ± .074	2.56 ± .073
15.	Untrained managerial personals wrongly predict market risk.	2.46 ± .071	2.41 ± .074
16.	Mortgage lending is generally misled by inspecting officers/ valuers /experts which result in poor credit appraisal.	2.45 ± . 071	2.40 ± .073
17.	Investment of funds from current account is also the one of the causes of liquidity problem.	2.36 ± . 071	**2.38 ± .069**
18.	Excessive operational cost and comparative less income also creates liquidity problem.	2.28 ± . 072	2.45 ± .067
19.	Excessive withdrawal by Industrialist is also a reason of less liquidity.	2.28 ± . 073	2.48 ± .068
20.	Lack of proper cash flow management is also a reason for less liquidity.	**2.21 ± . 070**	2.43 ± .069
21.	Providing loans to a particular sector is also a reason for less liquidity.	2.28 ± . 076	2.54 ± .068
22.	Not proper internal assessment of their capital adequacy against their economic capital.	3.34 ± . 079	3.26 ± .072
23.	Not proper internal assessment of their capital inadequacy against their economic capital.	3.48 ± . 078	3.45 ± .070
24.	Excessive unsecured loans results in capital adequacy.	3.51 ± .076	3.50 ± .069
25.	Less liquidity is also a reason for capital inadequacy	3.53 ± .075	3.54 ± .067
26.	Less earnings lead to over capitalization	3.59 ± .074	3.58 ± .068
27.	Funding from short term capital rather than permanent capital also cause capital inadequacy	3.50 ± .076	3.62 ± .067
28.	Top management includes mainly family members also influence the working of a bank.	3.42 ± .073	3.63 ± .072
29.	Decisions made by one dominant individual	3.40 ± .074	3.65 ± .072
30.	Unauthorized transactions by management officials.	3.46 ± .072	3. 65 ± 071
31.	Proving unofficial loans to director's near and dear.	3.45 ± .072	3.72 ± .069

Table 21 shows For Yes Bank, S5 (Most of the borrowers don't repay loans wilfully/intentionally) received the highest mean score (3.59), indicating a strong belief among respondents that wilful default by customers was a significant reason for failure of Yes bank. This reflects a perceived lack of borrower integrity and suggests that the bank may have failed to adequately assess creditworthiness or enforce strict recovery mechanisms. For LVB, S9 *(*More unsecured loans provided to customers) received the highest mean score (3.89), pointing to a perception that the bank's liberal and risky lending practices—especially without sufficient collateral—substantially increased its vulnerability to credit defaults.

5.2. Summary of Latent Identified Factors based on Responses of Customers (Internal & External)

This sub section presents the summary of six latent identified factors responsible for failure of Yes bank and Lakshmi Vilas Bank (LVB) based on responses of Customers (Internal & External) collected by a scheduled questionnaire.

Table 22: Overall mean of responses of customers (Internal & External) of Yes Bank & Lakshmi Vilas Bank (LVB)

No	Factors responsible for failure of a bank	Overall average of responses of respondents of Yes Bank	Overall average of responses of respondents of LVB
1.	NPAs/ Bad loans	**3.53**	3.69
2.	Bank Frauds	3.51	**3.81**
3.	Poor Risk Management	2.58	2.57
4.	Less Liquidity	**2.30**	**2.46**
5.	Capital Inadequacy	3.50	3.47
6.	Insider Abuse	3.45	3.49

Table 22 indicates that Bank Frauds and NPAs/Bad Loans were perceived as the most significant factors behind the failures of both banks. Lakshmi Vilas Bank scored higher (3.81 for Bank Frauds, 3.69 for NPAs) than Yes Bank (3.51 and 3.53,

respectively). Insider Abuse also ranked notably high (3.49 for LVB, 3.45 for Yes Bank), aligning with literature that highlights governance lapses as hidden drivers of distress (Sharma & Roy, 2019). In contrast, Poor Risk Management (2.58 for Yes Bank, 2.57 for LVB) and Inadequate Liquidity (2.30 and 2.46) received lower scores, suggesting these were viewed as less critical by respondents.

5.3. Suggestions to Overcome the Failures

Transparency and customer trust are critical drivers of growth in any industry, and the banking sector is no exception. To safeguard the interests of investors, depositors, and consumers, regulators enforce stricter credit appraisal and risk management practices, such as real-time monitoring of large exposures, regular stress testing, and lending limits for specific sectors. Banks must also conduct periodic internal assessments of capital adequacy and key financial parameters. Mortgage lending should be evaluated by qualified valuers, while timely legal action against defaulters must be ensured without political interference.

Further, independent directors, full-time directors, and audit committees should actively oversee management decisions, with transparent and ethical governance made mandatory and backed by strict penalties for non-compliance. The Reserve Bank of India (RBI) should adopt real-time monitoring and strengthen Prompt Corrective Action (PCA) frameworks with timely, graded responses. Leveraging advanced technologies such as AI-driven risk analytics can further enhance supervision. Adoption of these measures, as highlighted in secondary sources and reports, can significantly improve the stability and integrity of private sector banks in India.

5.4. Conclusion

The failure of any bank or financial institution represents a severe setback for the Indian economy. The collapses of Lakshmi Vilas Bank (LVB) and Yes Bank underscore the importance of strong governance, prudent lending, timely regulatory oversight, and transparent stakeholder engagement in maintaining stability in private commercial banks. This study identifies excessive NPAs, weak internal controls, inadequate regulatory response, and loss of stakeholder confidence as key factors contributing to their decline. The findings highlight the need for regulators to adopt a more vigilant and proactive approach, ensuring early detection of distress signals and timely corrective actions. Bank failures also trigger a sharp erosion of public trust, which is difficult to fully restore even after regulatory intervention or restructuring (RBI, 2020). In the cases of Yes Bank and LVB, financial instability led to long-term reputational damage, further undermining depositor and investor confidence.

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