APPRAISAL OF CREDIT RISK IDENTIFICATION PROCESS OF SELECTED PUBLIC AND PRIVATE SECTOR BANKS

SULTAN SINGH*; MOHINA**

*DEPARTMENT OF BUSINESS ADMINISTRATION, CHAUDHARY DEVI LAL UNIVERSITY, SIRSA – 125055.

**RESEARCH SCHOLAR, DEPARTMENT OF BUSINESS ADMINISTRATION, CHAUDHARY DEVI LAL UNIVERSITY, SIRSA – 125055.

ABSTRACT
In the present study, an attempt is made to analyze and compare the credit risk identification process of selected public and private sector banks in India namely State Bank of India, Syndicate Bank, Punjab National Bank, Union Bank of India, Bank of Baroda, Andhra Bank, Oriental Bank of Commerce, IDBI, ICICI Bank, Axis Bank Limited and HDFC in the area of Haryana and Delhi (including NCR). The collected data are analysed with the help of various statistical techniques such as frequency, percentage, mean and standard deviation. To validate the results, t-statistic and ANOVA technique has been used. The bank-wise ANOVA results of various public sector banks show that there is a significant difference among the bankers’ viewpoint with regard to guidelines and risk reporting, effectiveness of the systems to acquire adequate information about borrowers’ status, regular reporting system, periodical management reporting about the overall status of the borrowers, credit evaluation/appraisal process for clearly spelling out roles and responsibilities of staff and the responsibility of internal auditor to review and verify the risk identification system. There is also a significant difference among the viewpoint of respondents’ of various private sector banks towards the effectiveness of the systems to acquire adequate information about borrowers’ status and the responsibility of internal auditor to review and verify the risk identification system, guidelines and risk reporting; whereas there is no significant difference among the viewpoint of respondents’ of various private sector banks towards regular reporting system, periodical management reporting about the overall status of the borrowers and credit evaluation process for clearly spelling out roles and responsibilities of staff. The results of t-test shows the bankers’ viewpoint towards the effectiveness of the systems to acquire adequate information about borrowers’ status, regular reporting system, periodical management reporting about the overall status of the borrowers, the credit evaluation/appraisal process for clearly spelling out roles and responsibilities of staff and the responsibility of internal auditor for reviewing and verifying the risk identification system, guidelines and risk reporting; among public and private banks is not found significantly different.

KEYWORDS: Reporting System, Credit Evaluation, Internal Auditor and Identification.
REFERENCES