

**Title: Comparative Credit Risk Assessment Structures in Indian Banking Industry**

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This study pursuit is to discern whether banking institutions in India possesses efficient and effective use of Credit Risk Assessment Structures and tools and the various challenges undertaken, as a consequence the need arose to find suitable data set, which upon analysis will provide whatever conclusions, and recommendations were put across. The research focused on the banking institutions in India for relevant data collection. Primary data from 275 bank employees covering Public, Private and foreign banking institutions have been collected to achieve the objectives of the study.

The components of credit risk assessment structures; their architecture and operation differ substantially across banks. And this implies that lending decision for one particular borrower also differs across banks. The need to streamline the credit assessment, which will help in reducing the non-performing loans of the banking industry, forms the primary reason/backbone for the development of a comprehensive credit assessment framework. Also, the absence of appropriate weights in the current system triggered the need for the development of the same.

Prior to the construction of this framework comparison of the various banks were been made on the terms of the requirements for credit assessment, which has reported variation on various grounds of the information being acquired.

Then the personal traits of the credit analysts influencing the credit risk assessment structures were investigated and this contributed to our understanding of the characteristics of experts in the domain of credit assessment. On the whole, the present dissertation gives a somewhat ambiguous picture of the alleged superiority of the experienced lenders' judgment and decision-making behavior. On the one hand, the experienced lenders appear to be capable, careful, and conscious of their responsibility. They tend to consider large numbers of cues before making up their mind, rely on decision-aiding systems, and reject credit when in doubt. On the other hand, there is no evidence that these tendencies vouch for reliable performance.

Further, the effect of experience on decision-making and the credit analysts' risk attitude and acquisition of information in Credit Risk Assessment was analyzed. Regardless of method, survey or experiment, the findings indicate overall that experience does not unambiguously lead to specific and superior decision-making behavior. When the present research was initiated, the assumption was, for instance, that experienced lenders would acquire less information and that experience could be linked with attitudes towards risk-taking, using decision support systems, and requesting collateral. Surprisingly, many of the findings pointed in the opposite direction. One explanation for this relates to the phenomenon of overconfidence and task characteristics. Finally a comprehensive credit assessment framework is developed, built and also validated with the help of certain existing clients of the various banks. This framework will not be eliminating the experts' decision-making processes; rather it is only a decision support system. To conclude, the present study provides insights into the Credit Risk Management problems by substantiating the maxim "Expertocredite" (trust one who has proved it).