INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

IJRCM

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,
Indian Citation Index (ICI), J-Gage, India [link of the same is duly available at Inflibnet of University Grants Commission (U.G.C.)],
Index Copernicus Publishers Panel, Poland with IC Value of 5.09 (2012) & number of libraries all around the world.
Circulated all over the world & Google has verified that scholars of more than **6575 Cities** in **197 countries/territories** are visiting our journal on regular basis.
Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

http://ijrcm.org.in/

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography: Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** ***anytime*** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website (***FOR ONLINE SUBMISSION, CLICK HERE***).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____________

THE EDITOR

IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF** ______________________________.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled '____' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR	:
Designation/Post*	:
Institution/College/University with full address & Pin Code	:
Residential address with Pin Code	:
Mobile Number (s) with country ISD code	:
Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No)	:
Landline Number (s) with country ISD code	:
E-mail Address	:
Alternate E-mail Address	:
Nationality	:

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation **etc**. ***The qualification of author is not acceptable for the purpose***.

NOTES:

a) The whole manuscript has to be in ***ONE MS WORD FILE*** only, which will start from the covering letter, inside the manuscript. ***pdf. version is liable to be rejected without any consideration***.

b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail**:

New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.

d) The total size of the file containing the manuscript is expected to be below **1000 KB**.

e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.

f) ***The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours*** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.

g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.

2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters**, **centered** and **fully capitalised**.
3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name**, **designation**, **affiliation** (s), **address**, **mobile/landline number** (s), and **email/alternate email address** should be given underneath the title.
4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
5. **ABSTRACT:** Abstract should be in **fully Italic printing**, ranging between **150** to **300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA**. ***Abbreviations must be mentioned in full***.
6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aeaweb.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.
8. **MANUSCRIPT:** Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. *It should be free from any errors i.e. **grammatical, spelling** or **punctuation.** It must be thoroughly edited at your end*.
9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:

INTRODUCTION
REVIEW OF LITERATURE
NEED/IMPORTANCE OF THE STUDY
STATEMENT OF THE PROBLEM
OBJECTIVES
HYPOTHESIS (ES)
RESEARCH METHODOLOGY
RESULTS & DISCUSSION
FINDINGS
RECOMMENDATIONS/SUGGESTIONS
CONCLUSIONS
LIMITATIONS
SCOPE FOR FURTHER RESEARCH
REFERENCES
APPENDIX/ANNEXURE

The manuscript should preferably be in ***2000 to 5000 WORDS***, But the limits can vary depending on the nature of the manuscript.

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR**, **centered**, **separately numbered** & self-explained, and the **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. *It should be ensured that the tables/figures are referred to from the main text*.

13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.

14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.

15. **REFERENCES:** The list of all references should be alphabetically arranged. ***The author (s) should mention only the actually utilised references in the preparation of manuscript*** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parenthesis.
- ***Headers, footers, endnotes*** *and* ***footnotes*** *should* ***not be used*** *in the document.* However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

IMPACT OF CREDIT REFERENCE BUREAU AND CIBIL SCORE IN CREDIT APPRAISAL PROCESS ON NPAs WITH SPECIAL REFERENCE OF JAMMU AND KASHMIR BANK, JAMMU

BABLEEN KAUR
STUDENT
DEPARTMENT OF MANAGEMENT
ETERNAL UNIVERSITY
BARU SAHIB

KAJAL CHAUDHARY
ASST. PROFESSOR
DEPARTMENT OF COMMERCE & MANAGEMENT
ETERNAL UNIVERSITY
BARU SAHIB

SURJAN SINGH
ASST. PROFESSOR
DEPARTMENT OF MATHEMATICS
ETERNAL UNIVERSITY
BARU SAHIB

ABSTRACT

Banks and financial institutions are very important tool for financial sector which are closely related with economic development. Without a sound and effective banking system, no country can run a healthy business. In today's scenario every person wants loan for different needs. To this end, various banks and financial institutions provides many facilities to meet their needs. But it is not an easy process to take out a loan from banks/ financial institutions. Because when banks/ financial institutions provide loans, they check the creditworthiness and credit repayment capacity of the loanee's through Credit Information Bureau India Limited (CIBIL) score before granting the loan. In spite of, banks are facing Non-Performing Assets (NPAs) or distressed loans. NPAs affects the smooth functioning of banks as well as flow of credit and credit creation. This study focused on the functioning of CRB and CIBIL and examine the major components of credit appraisal and its process and impact of NPAs and on the J&K bank's performance. A Sample of 60 loanees and 18 banks were collected with the help of self-structured questionnaire.

KEYWORDS
Jammu & Kashmir Bank, CIBIL, CRB, NPA.

JEL CODES
G21, G33.

1. INTRODUCTION

An economic system is a region of production, distribution, commerce, and use of goods and services by various competitors. These are a series of processes that mainly affect culture, values, education, technical development, history, social organization, political-social organization and sound systems, as well as its geography, natural resource subsidizing and ecology. The economy system is a social use in relation to human practices and transactions. And, in each country, the banking system is in close proximity to the economy, which is the biggest challenge for them. The key job of a bank/financial institution is to accept deposits and loan money. Of course, the loan portfolio of banks is the largest asset and the largest source of receipts. Passed on the important contribution of loans to the fiscal health of banks through interest income, these assets are regarded the most significant assets of money boxes. Due to transactions with commercial banks and financial institutions, they are exposed to borrower default risks. The down payment is not risky because the banker is bound to refund the down payment when called for. On the other hand, lending is always associated with a high level of risk because there is no repayment security. Much of the revenue comes from deposits from the public. These sediments are normally repayable on request. Thus, a banker who lends money should follow a very cautious policy. The risk associated with the credit business makes it very important as important decisions are made. Thus, during the lending process, the banker should properly evaluate the project or not repays loans and forward motions. Most banks in India today are exposed to credit risk, with the division of the profit reserved for defaulting non-performing assets.

2. REVIEW OF LITERATURE

1) Bansal (2012) had examined in his study that quite often genuine borrowers face the difficulties in raising funds from banks due to mounting NPAs. Either the bank is reluctant in providing the requisite funds to the genuine borrowers or if the funds are provided, they come at a very high cost to compensate the lender's losses caused due to a high level of NPAs. While the gross NPA reflects the quality of the loans made by banks, net NPA shows the actual burden of banks. The banks have to take the initiative to reduce NPAs in a time-bound strategic approach. There has been a continuous reduction in the time period considered to declare a loan as non-performing. This move will certainly reduce the NPAs and in turn, improve the asset quality of the banks.

2) Poornima (2013) concluded in her study that the problem of NPAs has been a major issue for the banking industry. Reduction of NPAs in the banking sector should be regaled as a national priority item to get to the Indian Banking system more secure, vibrant and geared to meet the challenges of globalization which are the peak body for controlling levels of non-performing assets.

3) Bhattarai (2014) examined that the perception of the bankers working in Nepalese commercial banks shows that the lack of timely budget and low government expenditure have hampered the business environment and increased the non-performing loan of the commercial banks in Nepal. Hence, timely full budget and effective consumption of development budget may help to cut the non-performing loan of commercial banks of Nepal and overall improvement of the economic system. The study established that if the bank is government-owned the chances of having nonperforming loan increases. The commercial banks may lend more for farming inputs for the better carrying out of the agricultural sector, which may dilute the impact of poor monsoon and may aid to thin out the non-performing loan.

4) Cheruiyot et al. (2016) examined in their study that credit risk identification, credit scoring mechanism, and credit analysis and assessment are good predictors of the model consequently those three indicators used in credit risk management have responded positively to the financial operation of commercial banks in the townsfolk.

5) Chaudhary et al. (2017) reasoned that banks are the barometer of any economic system whether developed or growing. In today's scenario all over the worlds banks facing NPAs problems, which is a measure and serious issue of the world's economic system. Growth of NPAs affects the lending activity and profitability of the cants. Appearing at the immense size of the banking sector, there is a slight question that the NPA's threat will be slowed down. It is a major menace to the macroeconomic stability of the Indian economy. In conclusion, we can suppose that the carrying out of various restoration channels of NPAs in the Indian banking system is not acceptable. NPAs affect the development of the Indian economy.

6) Ukpong et al. (2018) established that credit appraisal was found to be really significant in influencing loan recovery. This is because it is the screening stage and those would be bad payers are sieved out and those anticipated to be good payers given their credit history and credit score are awarded. The other techniques were also deemed effective with the collection techniques having the most effect on loan retrieval.

3. OBJECTIVES OF THE STUDY

The present study is proposed to conduct with the following objectives:

a) To determine the knowledge of CRB and CIBIL Score in loanees.

b) To examine the components of credit appraisal and its process.

c) To evaluate the impact of Credit appraisal process on NPAs and on the J&K bank's performance.

4. RESEARCH METHODOLOGY

4.1 Need of the Study: This study reveals that the impact of Credit appraisal process on NPAs.

4.2 Study Design: Descriptive study design was used to fulfil the objectives**.**

4.3 Study Area: The study was conducted in J&K bank, Jammu.

4.4 Source of data: The primary data were collected using the survey method with the help of structured questionnaire. The secondary data was collected from various Research papers, internet, marketing journal, books, magazines and past thesis etc.

4.5 Sample Size: A sample of 60 loanees and 18 bank employees were collected.

4.6 Tools and Techniques: Data collected with the help of questionnaire is coded in the form of numbers such as 1, 2, and 3 and so on. In order to achieve the objectives of the study, percentage analysis was used.

4.7 Validity and Reliability: Various research paper and Expert's opinion was also corporate in every aspect of the study.

4.8 Sampling Design:

Convenient sampling technique is followed to select a sample of the district, bank branches, and loanees.

Stage I: A list of districts having Jammu and Kashmir Bank was prepared in consultation with officials of the bank posted at the head office located at Jammu town. From the list, a random sample of 2 districts was chosen.

Stage II: A list of bank branches in each of the selected district was prepared. Out of these lists, a random sample of 3 branches from each selected district was taken as the second stage of sampling.

Stage III: In each of the selected bank branch, a list of loanees was prepared in consultation with branch managers of the selected bank branches in the respective districts. Out of the lists, a random sample of 30 loanees (10 loanees from each selected branch) was chosen from each district thus making a total sample of 60 loanees.

5. ANALYSIS AND DISCUSSION

a) Credit Reference Bureau (CRB)

By definition, CRB is an agency that draws together the credit account of consumers so that the credit providers can reach informed decisions about awarding of loans. It allows banks to determine the creditworthiness of their borrowers - individuals, groups, and companies; and thus reduce the credit default risk. In this regard, CRB initially helps exchange information about bank failures. Secondly, the elimination of corrupt borrowers - those with the aim of adopting from various financial establishments in order to achieve bankruptcy; third, to provide commercial, professional credit references to possible foreign investors; and likewise to identify honest/credible borrowers based on known history and reference. CRB allows the interchange of credit data between financial institutions. The interchange of credit data undoubtedly plays a crucial function in reducing information asymmetry between banks and borrowers. The primary advantage that CRB banks receive is that they obtain credit information on potential borrowers who facilitate the assessment of loan applications to reduce the danger of bad debt losses.

Along the side of the borrower, a good credit card is an incentive for the competitive pricing of credit facilities. In short, going along on credit information rewards and promotes good credit. In addition, loan participation allows for a decrease in borrowing costs as well as appropriate risk analysis and appraisal. The deficiency of credit information has in the past led banks to require a risk premium when pricing loans. However, credit information is not the only factor that contributes to high credit costs. There are other structural rigidities that contribute to these high borrowing costs.

b) Benefits of CRBs to creditors

CRB enables creditors to:

1. Identify the customer (ID verification)
2. Establish the present credit history of the customer (Credit Report)
3. Predict the future risk of default (Credit Scoring)
4. Manage and monitor the customer (Collection prioritization)

c) Credit Information Bureau India Limited (CIBIL) Score

A credit score plays an important role in credit and credit card approval. This is the first selection criterion used by banks and financial institutions to review your loan application. The CIBIL score gives lenders the ability to distinguish between those who have responsibly fulfilled their responsibilities and those who are in arrears with payments. People who have met their obligations build up "reputation security" with lenders. These reputation papers may, in turn, permit individuals to negotiate better terms with a loaner. The CIBIL score is a three-digit number between 300 and 900. If the loanee's closer score is to 900, it indicates their credit profile is strong.

d) Components of Credit Appraisal process

Credit analysis by a lender is used to limit the risk associated with making a loan. Irrespective of the type of financing needed, a bank or lending institution will be concerned in both your clientele and personal funds. 5 C's i.e. Capacity, Capital, Collateral, Character and Condition are basic factors of credit assessment or appraisal. It is a method by which a lender determines the creditworthiness of the potential borrower to reduce the risk of non-payment.

1) Capacity: The ability to repay is the most important of all 5 factors; It is the primary informant for the repayment of the loan. Banks or financial institutions estimate the creditworthiness taking into account the applicant's cash flow, the timing of the repayment and the likelihood of successful repayment of the loan. The assessment of existing personal or business credit relationships is an indicator of future payment performance. Other sources of income also provide the opportunity to service the loan.

2) Capital: Capital is the borrower who personally invests in their intended personal expenses and is an indicator of how much banks or financial institutions are at risk. The lender has always anticipated the potential borrower to prepare a contribution from his own assets and conduct a personal financial risk.

3) Collateral or guarantee: Although the personal loan is an unsecured loan, collateral or other personal guarantees or the preparation of checks at a later date is collateral for lending banks or financial establishments. This gives the lender comfort in case of non-repayment and can be considered as another source of repayment.

4) Character: Overall impression of lending banks / financial institutions on the prospectus. The lender will form a selective opinion as to whether a borrower is trustworthy or not to repay the loan or the repayment intention. Education, background, quality of references, banking habits, and housing status give an insight into the role. Approach to social media to attain insight into work experience and employment experience. Sentimental insight into the analysis of characters.

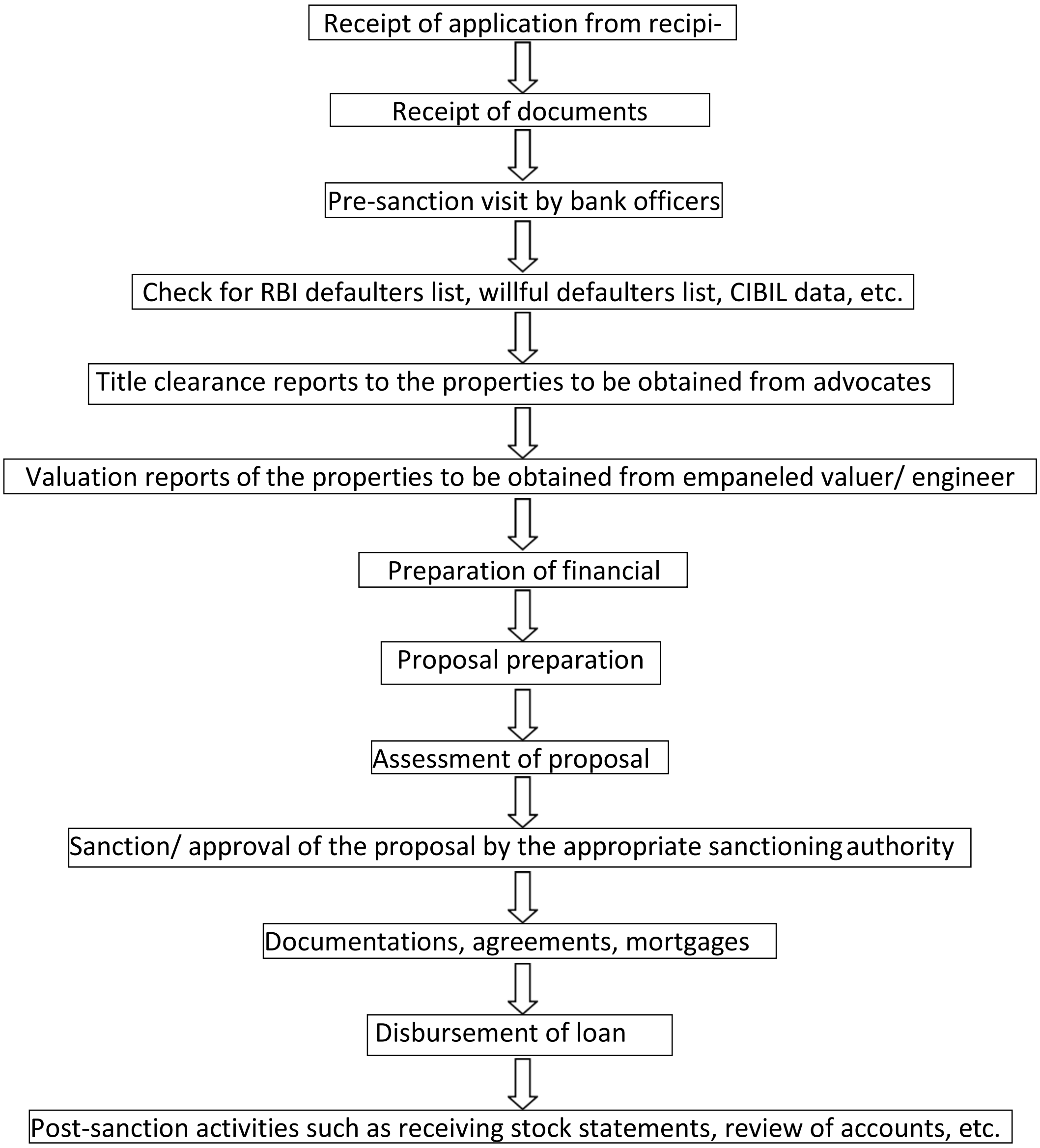
5) Condition: These describe the intent of the loan as well as the conditions under which the facility is approved. Purposes can be Working capital, purchase of additional equipment, inventory, or for long term investment. The lender considers various factors, such as macroeconomic conditions, currency positions, and industry, health before putting forth the conditions of the facility.

e) Credit Appraisal process

In this process firstly bank's check a loanee's creditworthiness with following factors i.e. income, age, repayment ability, work experience, present and former loans, nature of employment, monthly expenses, future liabilities, previous loan records, tax history, financing pattern and assets owned.

For this purpose, J&K bank follows RBI guidelines, which consist of *following stages*:

DIAGRAM 1



f) What do banks broadly check?

1. **CIBIL Score and Report:** It is one most important factor that affects lender's credit approval. A good credit score/rating and report indicates that the lender's creditworthiness is positive.
2. **Employment Status:** Except for good credit rating/score, lenders also check for borrower's income and employment level.
3. **Account details:** Lenders scrutinize written off cases.
4. **Payment History:** Lenders check payment defaults or late payment cases, which could give a negative overview of borrower overall report.
5. **EMI to Income Ratio:** Banks also consider the proportion of borrower existing loans when compared to your salary at the time of loan application. Loanees chances of loan approval gets reduced if loanee's total EMI's exceed their monthly salary by 50%.

6. RESULTS AND DISCUSSION

TABLE 1: CHARACTERISTICS OF THE AGE GROUP 31-43 OF 22 LOANEES

Demographic Profile of the loanees			
Factors	**Categories**	**Number of Respondents (n=60)**	**Percentage**
Age (Years)	31-43	22	
Gender	Male	13	59.00
	Female	09	41.00
Marital Status	Married	16	72.70
	Unmarried	00	00.00
	Single	01	04.50
	Divorcee	04	18.30
	Widow	01	04.50
	Separated	00	00.00
Qualification	Illiterate	00	00.00
	Primary	00	00.00
	Secondary	01	04.50
	Graduate	01	41.00
	Post Graduate	10	45.50
	Others	02	09.00
Monthly Salary (Rs.)	20000-50000	09	41.00
	50001-80000	09	41.00
	80001-110000	02	09.00
	110001-140000	00	00.00
	Above 140001	02	09.00
Family Size	Nuclear	11	50.00
	Joint	11	50.00
Occupation	Business	09	41.00
	Farmer	00	00.00
	Student	00	00.00
	Government Employee	07	32.00
	Private Employee	06	27.00
	Others	00	00.00

Source: Field Survey, 2019

Table 1 provides the overall investigation of the sampled respondents. The sampled respondents comprise 59% loanees are male and 41% are female. So, there are highest percentage of male loanees. In marital status 72.7% loanees are married and 18.3% loanees are divorcee. From this data we analyse that, needs are increases after marriage. So, that people are taking loan. From qualification point of view, 86.5% loanees are graduate and post graduate and who are married. Average salary of maximum loanees (82%) are Rs. 50,000. In the above survey students and farmers have not taken any loan. The details are provided.

TABLE 2: LOANEES DEALING WITH J&K BANK

Sr. No.	Particulars (year)	Number of Respondents	Percentage
1.	Less than 1	10	16.67
2.	1-5	33	55.00
3.	5-10	11	18.33
4.	More than 10	6	10.00
	Total	**60**	**100.00**

Source: Field Survey, 2019

The table 2 illustrates that at J&K bank the majority of 33 (55%) loanees is dealing from 1-5 years followed by 11 (18.33%) from 5-10 years, 10 (16.67%) dealing less than 1 year and 6 (10%) dealing with bank for more than 10 years.

TABLE 3: TYPE OF LOAN FACILITY OF AVAILING BY LOANEES

Sr. No.	Type of loan	Number of Respondents	Percentage
1.	Personal loan	16	26.67
2.	Business loan	12	20.00
3.	Education loan	9	15.00
4.	Home loan	15	25.00
5.	Car loan	2	3.33
6.	Others	6	10.00
	Total	**60**	**100.00**

Source: Field Survey, 2019

Table 3 reveals that at J&K bank the majority of loanees avails the facility of personal loan that is 16 (26.67%) followed by home loan by 15 (25%), business loan by 12 (20%), education loan by 9 (15%), others by 6 (10%) and car loan by 2 (3.33%). This shows that majority of loanees availed the facility of personal loan.

TABLE 4: AMOUNT OF LOAN TAKING BY LOANEES

Sr. No.	Amount of loan (Rs. in lakh)	Number of Respondents	Percentage
1.	Less than 1	19	31.67
2.	1-5	26	43.33
3.	5-10	13	21.67
4.	More than 10	2	3.33
	Total	**60**	**100.00**

Source: Field Survey, 2019

Table 4 states that at J&K bank majority of loanees that is 26 (43.33%) have taken a loan of 1-5 lakh followed by 19 (31.67%) with less than 1 lakh, 13 (21.67%) with 5-10 lakh and 2 (3.33%) with more than Rs. 10 lakh. This shows that majority of loanees had taken a loan of Rs. 1-5 lakh.

TABLE 5: INTEREST RATE PREFERENCE OF LOANEES

Sr. No.	Interest Rate	Number of Respondents	Percentage
1.	Fixed-rate	54	90.00
2.	Floating rate	6	10.00
	Total	**60**	**100.00**

Source: Field Survey, 2019

Table 5 illustrates that the majority of loanees that is 54 (90%) prefer a fixed interest rate while 6 (10%) of them prefer floating interest rate of J&K bank.

TABLE 6: AWARENESS ABOUT CIBIL SCORE OF LOANEES

Sr. No.	Categories	Number of Respondents	Percentage
1.	Yes	21	35.00
2.	No	39	65.00
	Total	**60**	**100.00**

Source: Field Survey, 2019

Table 6 illustrates that the majority of loanees that is 39 (65%) are not aware of CIBIL score for granting loan whereas 21 (35%) are aware of CIBIL score for granting the loan.

TABLE 7: AWARENESS OF PRE-CLOSURE FORMS AND CONDITIONS

Sr. No.	Categories	Number of Respondents	Percentage
1.	Yes	18	30.00
2.	No	42	70.00
	Total	**60**	**100.00**

Source: Field Survey, 2019

Table 7 illustrates that the majority of loanees that is 42 (70%) are unaware whereas 18 (30%) are aware of pre-closure forms and conditions of the bank.

TABLE 8: PROCESSING TIME OF LOANS AFTER CIBIL SCORE

Sr. No.	Categories	Number of Respondents	Percentage
1.	Yes	18	100.00
2.	No	0	0
	Total	**18**	**100.00**

Source: Field Survey, 2019

Table 8 illustrates that all the bank employees that are 18 (100%) agree to decrease in the processing time of loans after the introduction of CIBIL score.

TABLE 9: AWARENESS OF NPAS AMONG BANK EMPLOYEES

Sr. No.	NPA	Number of Respondents	Percentage
1.	When an asset ceases to generate income for the bank	8	44.44
2.	If customers do not pay PA & interest in 90days	10	55.56
3.	If periodical income is generated for the lender of money	0	0
	Total	**18**	**100.00**

Source: Field Survey, 2019

Table 9 reveals that the majority of respondents that is 10 (55.67%) respond that NPA occurs if customers do not pay payment and interest in 90 days whereas 8 (44.44%) respond that NPA occurs when an asset ceases to generate income for the bank.

TABLE 10: PERCENTAGE OF NPA IN BANK

Sr. No.	Percentage of NPA	Number of Respondents	Percentage
1.	0-4%	7	38.89
2.	4-7%	11	61.11
3.	7-10%	0	0
4.	10% and above	0	0
	Total	**18**	**100.00**

Source: Field Survey, 2019

Table 10 illustrates that the majority of respondents that is 11 (61.11%) respond that the % of NPA in J&K bank is 4-7% whereas 7 (38.89%) respond to 0-4% of NPA in the concerned bank.

TABLE 11: CLASSIFICATION OF NPA

Sr. No.	Categories	Number of Respondents	Percentage
1.	Standard asset	3	16.66
2.	Sub-standard asset	11	61.11
3.	Doubtful asset	3	16.66
4.	Loss asset	1	5.57
	Total	**18**	**100.00**

Source: Field Survey, 2019

Table 11 reveals that the majority of bank employees that is 11 (61.11%) classify NPA as sub-standard asset followed by 3 (16.66%) that classify NPA as standard as well as doubtful asset and 1 (5.57%) that classify NPA as loss asset. This concludes that the majority of bank employees classify NPA as a sub-standard asset.

TABLE 12: REASON FOR ASSETS BECOMING NPA

Sr. No.	Reason	Number of Respondents	Percentage
1.	Managerial deficiencies during work	1	5.55
2.	Lack of knowledge of the area of handling	2	11.11
3.	Lack of timely actions	5	27.78
4.	Lack of adequate efforts for recovery	5	27.78
5.	Lack of proper verification of the genuine purpose of loans and advances	5	27.78
	Total	**18**	**100.00**

Source: Field Survey, 2019

Table 12 states that majority of respondents that is 5 (27.78%) respond that reason behind asset for becoming NPA is lack of timely actions, adequate efforts for recovery and lack of proper verification whereas 2 (11.11%) respond to lack of knowledge of the area of handling for asset conversion into NPA and only 1 (5.55%) respond to managerial deficiencies behind conversion of asset into NPA.

CONCLUSION

All the objectives of the study are addressed through the analysis of the primary data and collected. The credit appraisal process has an impact on NPA and the bank's performance. It has been found that the reason behind asset becoming NPA is lack of timely actions, adequate efforts for recovery and lack of proper verification. This study examines and analyses the impact of CIBIL score on the processing time of loans. It has been found that the processing time of loans has decreased after the introduction of CIBIL score. Also, the turnover of loans and advances have increased after the introduction of CIBIL scores thereby decreasing the percentage of NPAs.

REFERENCES

1. Bansal A (2012) A Study of Recent Trends in Risk Management of Non-performing assets (NPAs) by Public Sector Banks in India. Journal of Information and Operations Management. 3 (1): 50-60.
2. Bhattarai S (2014) Determinants of Non-Performing Loans: Perception of Nepali Bankers. Economic Journal of Development Issues. 17 (1-2): 128-148.
3. Chaudhary K, Kumar A, Kaur M, Singh S and Kumar D (2017) NPA: A Biggest Challenge of Indian Banking Institutions and Economy. International Research Journal of Business and Management. 10(9): 1-13.
4. Cheruiyot P K, Bichanga W O and Nyangau A (2016) The Role of Credit Reference Bureau on Financial Performance of Banks in Kenya. International Journal of Economics, Commerce and Management. 4 (9): 534-551.
5. Ukpong E G, Amos U E, Essien and Thomas I (2018) Effect of Credit Management Systems on the Loan Recovery Efforts of Microfinance Banks in Akwa Ibom State, Nigeria. Research Journal of Finance and Accounting. 9 (10): 26-32.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, IT & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue, as well as on the journal as a whole, on our e-mail **infoijrcm@gmail.com** for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals