

ABSTRACT

The paper is an attempt to study operational risk in the Indian banking sector by using variables related to operational risk. In India it is relatively new concept and Basic indicator approach is used to calculate operational risk. Not much has been done on this topic in India.

In this paper try to whether the banks with highest number of frauds and highest amount involved in fraud are the same as the banks with highest number of complains registered in the ombudsman office. To find a correlation between number of frauds, total number of complain registered in the ombudsman office and deposit and advance for each of the banks. To check whether the Gini-Coefficient is decreasing or increasing in the years taken. So as to check whether the concentration of complains and fraud has increased or decreased.

The main finding is that banks with highest number of frauds and highest amount involved in fraud are the same as the banks with highest number of complains registered in the ombudsman office. Thus saying that these banks have high operational risk.