Annexure 2

Interview Schedules
Dear Officer,

The burgeoning NPAs in the Public Sector Banks have been in the limelight for a decade now. Many studies have been conducted to identify the reasons and remedies for NPAs. In almost all the studies, banks were put at fault and none has tried to look at the problem from the Bankers’ viewpoint or to represent the Bankers’ opinion on the issue. The present Doctoral study is an earnest effort to bring out the Bankers’ perspective of the problem. I request you to help me through answering the following questionnaire candidly. I assure you that the data will be kept highly confidential and will be used for academic purpose only. The opinions will be aggregated and personal identity of any of the respondents will not be disclosed to any agency.

Thanking you,

Sincerely Yours,

Mr. V. Mallikarjuna, B. Tech., MBA.,
Assistant Professor,
Kandula School of Management,
Kadapa – 516 003.
Mobile: 98482 77018.

Section I: General Information (*Optional)

Name*: 
Designation: 
Bank: 
Branch*: 
Area: Metropolitan / Urban / Semi-urban / Rural
Experience in Banking: Years
Experience in Credit section: Years
Sec II: Reasons for NPAs

1. In your opinion to what extent are internal factors responsible for NPAs in relation to external factors?
   - [ ] Less than 25%
   - [ ] 25-50%
   - [ ] 50-75%
   - [ ] Greater than 75%

2. In your opinion what are the contributing factors for NPAs

<table>
<thead>
<tr>
<th></th>
<th>Greater Extent</th>
<th>Some Extent</th>
<th>Lesser Extent</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Credit Appraisal</td>
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<td>2. Post-sanction Monitoring</td>
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<td>[ ]</td>
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<tr>
<td>3. Political factors</td>
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<td>[ ]</td>
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<td>4. Corruption</td>
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<td>5. Pressure of disbursement targets</td>
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<tr>
<td>6. Lax Recovery Practices</td>
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<td>7. Lapses in Policy Framework</td>
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<tr>
<td>8. Lapses in implementation of Policy</td>
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<td>9. Priority sector lending</td>
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<tr>
<td>10. Competition</td>
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</tbody>
</table>

3. In your opinion what are the contributing factors for NPAs in Agriculture Sector? Please Rank.

   Rank (Between 1 and 7)

<table>
<thead>
<tr>
<th></th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Natural Calamities (Drought/Floods)</td>
<td>[ ]</td>
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<tr>
<td>2. Lower Rate of Return from Crop</td>
<td>[ ]</td>
</tr>
<tr>
<td>3. Wilful Default (Diversion/Siphoning)</td>
<td>[ ]</td>
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<tr>
<td>4. Hope of Loan Waiver</td>
<td>[ ]</td>
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<tr>
<td>5. Political pressures for Postponement of Recovery</td>
<td>[ ]</td>
</tr>
<tr>
<td>6. Absence of Crop Insurance</td>
<td>[ ]</td>
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<tr>
<td>7. Problems with further Financing</td>
<td>[ ]</td>
</tr>
</tbody>
</table>
4. In your opinion what are the contributing factors for NPAs in Small/Medium Industry Sector? Please Rank.

Rank (Between 1 and 7)

1. Ill-prepared Project Report
2. Delays in Project Implementation
3. Lower Return on Investment
4. Wilful Default (Diversion/Siphoning)
5. Problem with further Financing
6. Inefficiency of the management
7. Other External Factors

5. In your opinion what are the contributing factors for NPAs in other loans? Please Rank.

1. Financial weakness
2. Negligence
3. Reluctance
4. Taking advantage of weak legal provisions

Sec III: Management of NPAs

1. Please rate the following activities in your Bank
(1 = Excellent; 2 = Good; 3 = Satisfactory; 4 = Needs Modification)

1. Credit Appraisal Techniques
2. Post sanction follow-up
3. Collateral Security Requirements
4. Discretionary powers
5. Management Information Systems
6. Management attitude towards NPAs
7. Policy Framework towards NPAs
2. What is your opinion on the Training provided by the Bank in the following aspects?

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Excellent</th>
<th>Sufficient</th>
<th>Inadequate</th>
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</thead>
<tbody>
<tr>
<td>Credit Appraisal</td>
<td>□</td>
<td>□</td>
<td>□</td>
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<tr>
<td>Asset Valuation</td>
<td>□</td>
<td>□</td>
<td>□</td>
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<tr>
<td>Post-sanction Monitoring</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Recovery Procedures</td>
<td>□</td>
<td>□</td>
<td>□</td>
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<tr>
<td>New Prudential Norms</td>
<td>□</td>
<td>□</td>
<td>□</td>
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<tr>
<td>NPA Management</td>
<td>□</td>
<td>□</td>
<td>□</td>
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</tbody>
</table>

3. Please indicate the effectiveness of various measures initiated for Recovery of NPAs by RBI/GoI:

<table>
<thead>
<tr>
<th>Measure</th>
<th>Effectiveness</th>
<th>Remarks/ Modifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Recovery Tribunals</td>
<td></td>
<td></td>
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<tr>
<td>Lok Adalats</td>
<td></td>
<td></td>
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<tr>
<td>Recovery Melas (Drives)</td>
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<tr>
<td>Compromise Settlements (OTS)</td>
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<tr>
<td>Settlement Advisory Committees</td>
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<tr>
<td>Securitization Act</td>
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<tr>
<td>Early Warning System</td>
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<tr>
<td>Asset Management Co.s</td>
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</tbody>
</table>

4. How is the movement of NPAs in your Branch over the past three years?

- Additions are higher than reductions □
- Reductions are greater than additions □
5. What are the contributing factors for decrease in NPAs of your Branch? Please Rank.

- Awareness of the ill-effects of NPAs
- Increased Post-sanction Monitoring
- Pressure from Head office (Targets)
- Competition among Branches
- Better Information Systems
- Stringent Credit Appraisal
- Better Internal Controls

6. Gross and Net NPAs as percentage of Advances of your branch during the past year

- □ 0 – 3 per cent
- □ 3 – 6 per cent
- □ 6 -9 per cent

Sec IV: Perceptions:
1. Please assign each statement a number between 1 and 5 using the following scale (5 = Strongly Agree; 4 = Agree; 3 = Can’t Say; 2 = Disagree; 1 = Strongly Disagree)

- The 90 day norm for classification of NPAs if timely.
- NPA management is not the prime responsibility of banker.
- Publicity given to the issue of NPAs has positive impact on banks' image.
- Banker should not be held responsible for NPAs.
- NPAs can be reduced to the desired level of 3% of advances.
- The emphasis on NPAs affects the bankers' risk tolerance.
- Progress made by the banks in tackling the NPAs is not upto the potential.
- Targets for priority sector lending and reduction of NPAs are incompatible.
- Banks need to offer more non-interest services in future.
- More emphasis on social banking results in more NPAs.

<table>
<thead>
<tr>
<th>2. Are you satisfied with the discretionary powers vested in you for loan sanctioning?</th>
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<tbody>
<tr>
<td>Very Much Satisfied ☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Are you satisfied with the discretionary powers given to you for Rescheduling/Sanctioning additional loans to reconstruct the eligible NPAs?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Much Satisfied ☐</td>
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</table>

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<tr>
<th>4. What additional discretionary powers are required for you to better manage the NPAs in your region?</th>
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<td>____________________________________________________________________________________________</td>
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<tr>
<th>5. Top management solicits your opinion while formulating recovery procedures</th>
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<tbody>
<tr>
<td>Most of the times ☐</td>
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</table>

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<thead>
<tr>
<th>6. A prompt response is obtained from higher authorities when help/clarification is sought in NPA related matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most of the times ☐</td>
</tr>
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<table>
<thead>
<tr>
<th>10. What is your opinion on the issue of Accountability of Bankers for NPAs?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Induces Self Discipline ☐</td>
</tr>
<tr>
<td>Makes Bankers Unduly Cautious and Risk Averse ☐</td>
</tr>
<tr>
<td>Encourages Diligent Officers as they are distinguished from negligent ones ☐</td>
</tr>
</tbody>
</table>
I. Socio-economic Profile

1.1 Name: 

1.2 Age: 

1.4 Residential Location: Rural / Semi-urban / Urban 

1.5 Educational Qualification: Illiterate / School / Intermediate / Graduate / Postgraduate / Professional 

1.6 Profession: 

1.11 Total annual family income: Rs. 

1.14 Are you affiliated to any political party: Yes / No 

1.15 Political positions occupied by family members: Active / Passive 

II Reasons for defaulting 

2.1 Agriculture and allied loans 

Please Tick. 

1. Natural Calamities (Drought/Floods)  
2. Lower Rate of Return from Crop  
3. Wilful Default (Diversion/Siphoning)  
4. Hope of Loan Waiver  
5. Political pressures for Postponement of Recovery  
6. Absence of Crop Insurance  
7. Problems with further Financing
2.2 Industrial Loan

Please tick
1. Ill-prepared Project Report
2. Delays in Project Implementation
3. Lower Return on Investment
4. Wilful Default (Diversion/Siphoning)
5. Problem with further Financing
6. Inefficiency of the management
7. Other External Factors

2.3 Other Loan Categories

Please tick
1. Financial weakness
2. Negligence
3. Reluctance
4. Taking advantage of weak legal provisions

III Attitudinal Measurement towards PSBs

3.1 Please assign each statement a number between 1 and 5 using the following scale: (5 = Strongly Agree; 4 = Agree; 3 = Can’t Say; 2 = Disagree; 1 = Strongly Disagree)

- PSBs are more stringent in loan sanctioning than other banks
- PSBS are liberal in loan appraisal
- PSBs are prompt in recovery of loans
- Loan need not be repaid as the Bank is owned by Government of India
- Political influence helps in getting loans
- Bank officials cannot be manipulated
- Consequences of defaulting are very severe in PSBs
- Loan taken under Government sponsored scheme need not be repaid
- I cannot avail loan in other banks without paying existing loan
- PSBs will wait for a long time to take legal action
- Instances of other defaulters motivate me also not to pay
- Prompt payment of bank loan results in social regard
- PSBs are more stringent in loan sanctioning than other banks

3.2 What do you expect from the bank to revive your loan

(a) Waiver of interest
(b) Rescheduling of the loan
(c) Lowering of rate of interest
(d) Revival package
(e) Any other

264
□ □□□□