Appendices
APPENDIX I

DEFAULTERS

“The Management of Non-Performing Assets in Commercial Banks- A study in Dakshina Kannada and Udupi districts”

Survey of Sample Defaulters of Commercial banks in Dakshina Kannada and Udupi Districts

Confidential

QUESTIONNAIRE

1. A) Profile of the Defaulter
   a. Name of the Unit/Name of the Defaulter:
   b. Year of establishment:
   c. Location of the Defaulter Unit: Rural/Semi-urban/Urban
   d. Education qualification:
   e. Occupation:
   f. Type of ownership/organization:
   g. Name of the Bank and branch from which credit facilities availed:
   h. Credit facilities availed since:
   i. Type of credit facilities availed:
      i) Cash credit/overdrafts  (ii) Medium term loan
      iii) Long term loan  (iv) Others
   j. Particulars of loan borrowed:
<table>
<thead>
<tr>
<th>Particulars</th>
<th>Cash Credit/Overdrafts Rs.</th>
<th>Term loans Rs.</th>
<th>Bills Discounting Rs.</th>
<th>Others specify Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of loan borrowed and rate of interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instalment amount</td>
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</tbody>
</table>

k. **Purpose for which loan is taken/borrowed**
   i. Agriculture operation
   ii. Development of agricultural land
   iii. Setting up of own business/unit
   iv. Expansion of business unit
   v. Modernization of business unit
   vi. Diversification of business unit
   vii. Rehabilitation of business unit
   viii. Quality control and/or pollution control
   ix. Consumption purpose
   x. Others, please specify

l. **Do you know the procedures/formalities and requirements of the bank for sanctioning loan?**
   Yes □ No □

m. **Family background of the defaulter** :
n) Formalities/procedures followed by the bank to sanction the loan?
   i) Liberal
   ii) Irrational, discouraging
   iii) Difficult to understand,  iv) Any other, Please specify
       cumbersome

o) Did you exert influence to avail loan from the bank
   Yes □                           No □

p) If yes, from whom you exerted influence?
   a) Local Prominent people  b) Politicians
   c) Social workers  Branch Manager/Officers
   d) NGOs  e) Friends/relatives
   f) Others, please specify
2. B) Present position of Credit facilities which you borrowed.

<table>
<thead>
<tr>
<th>Type of loan</th>
<th>Amount Sanctioned Rs.</th>
<th>Outstanding Rs.</th>
<th>Existing Limit Rs.</th>
<th>Overdue</th>
<th>Period from which Overdue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loan</td>
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<tr>
<td>Cash Credit/</td>
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<tr>
<td>Overdraft</td>
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<tr>
<td>Bills</td>
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<td>discounted</td>
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<tr>
<td>Others</td>
<td></td>
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</tbody>
</table>

b) Period from which the defaulter/unit deals with the bank

- Below 5 years □ 5-10 years □
- 10-15 years □ 15 years and above □

c) Is the defaulter presently carrying on his/her activities?

- Yes □ No □

3. Are you regular in repayment of the loan?

- Yes, regular □ Irregular □

a) If your answer is 'Irregular' how many instalments of loan are pending for repayment?

- More than 3 installments □ 3 -6 installments □
- More than 6 instalments □ Did not pay any instalments □

b) Whether your loan account is classified as NPAs?

- Yes □ No □

4. What are the main reasons for persisting irregularities in the cash credit account and/or non-repayment of term loan

Please ☑ mark the following reasons

- i. Recession in the market/lack of demand □
- ii. Demand restrictions, Heavy competition □
iii. High cost of operations and no profit/low productivity  □
iv. Inadequate power supply/working capital  □
v. Labour problems  □
vi. Lack of timely recovery from the debtors  □
vii. Any other problems, please specify

5. Was the originally sanctioned limit adequate for your requirements?
   Yes □ No □

   a) If no, how did you meet the shortfall?
   i. Own arrangement  □
   ii. Private borrowings  □
   iii. Loans from friends and/or relatives  □
   iv. Purchasing raw-materials on credit  □
   v. Any other sources, please specify  □

   b) What is your opinion in respect of bank's assessment of credit requirements
   i. Do not know how to fill the Application form.
   ii. Too many documents, references, certificates are asked.
   iii. Too many procedures and formalities involved so it is very difficult to understand.
   iv. Very co-operative both from the Staff and the Bank manager.
   v. Any other, Please specify

6. Is there excessive delay in sanctioning of loan by the bank
   Yes □ No □ Not too much delay □

   a. If Yes, do you face difficulties to run your business/agricultural activities?
      Yes □ No □

7. What is your assessment about the prospects of the business activity/unit in future?
8. If the present business has no scope for development whether you intend to diversify your activity.
   Yes □ No □ No idea □ After sometime □

9. Did you approach the bank for compromise in order to settle your NPA?
   Yes □ No □ Manager/Staff approached me □
   a) If yes, was the compromise proposal taken up immediately?
      Yes □ No □
   c) How much time the bank has taken to finalise compromise proposal?
      Less than One month □ 1month-6months □
      Less than nine months □ Less than twelve months □
      Any other, Please Specify
   d) What should be the reasonable period for taking up compromise proposal?
      3 -5 months □ 6-8 months □ 9-12 months □

10. Have you contacted the Regional Office for pursuing the compromise proposal?
    Yes □ No □

11. If your compromise proposal is accepted how do you propose to meet the repayment
    a. I have already arranged on my own □
    b. Can be arranged from friends/relatives □
    c. By disposing off the unit □
    d. By disposing off other assets □
    e. Any other mode (please specify)

12. Have you been reminded by bank branch to regularise your NPA account?
    Yes □ No □
    If yes, how frequently the same was done during the last year?
    a)Daily □ b)Monthly □ c)Quarterly □ d)Half yearly □
13. Would you like to pay NPAs only through court action?

Yes □ No □

a. If no, what steps are you taking to avoid legal action?

Submission of compromise proposal ..............

Repayment of overdues .................

Borrow loan from other sources, banks/FIs and repay the overdues.....

Any other...

14. What was the attitude of branch managers and employees while recovering NPAs from you?

Co-operative □

Harassing - ill treatment □

Courteous □

15. When the business/agricultural activity was facing problems, do you feel that the bank extended the support to come out of the same?

Yes □ No □

a) If yes, what was the nature of support?

Counseling is given □

Analysed the pragmatic view of the situation □

Any other, Please Specify

16. Whether the suit on your loan account has been filed in the Court?

Yes □ No □

17. a) If yes, at what stage is the suit now?

Just filed □

Contested □

Decreed □

18. Are you aware of the functioning of Lok Adalats?

Yes □ No □ I have no idea □

19. Have you ever attended the “Borrowers’ Meet” arranged by the bank?

Yes □ No □
2f. Are you aware of the Special Tribunals (DRTs)/SARFAESI Act enacted for recovering the NPAs?
Yes □ No □ Not at all □

If yes, Has the bank taken steps to recover your loan under SARFAESI Act.

2g. Are you aware of the Government’s proposal to blacklist and publish the names and Photos of the defaulters?
Yes □ No □

23. Please suggest the steps to be taken to improve the banker-borrower relationship and overall recovery of NPAs.

24. Problem faced while borrowing and dealing with the loan account?

a) Please suggest some measures to overcome the above problems.