Annexure-I

QUESTIONNAIRE FOR THE DEFAULTING BORROWERS

Socio-Economic Profile of the Borrower

1. Name of the borrower : 
2. Village : 
3. Age : 
4. Sex: Male / Female : 
5. Caste : SC / ST / BC / OBC
6. Religion : Hindu / Muslim / Christian / Others
7. Educational Qualifications : (i) Primary
(ii) Secondary
(iii) Higher
(iv) Professional
8. Occupation : (i) Primary occupation
(ii) Secondary occupation
9. Income from different sources : (a) Agriculture : Rs. 
(b) Business : Rs. 
(c) Industry : Rs. 
(d) Others : Rs. 
10. Annual Expenditure : Rs.
11. No. of earning members and dependents in the family : Earning members _____
Dependents _____
12. Marital status : Married / Unmarried
13. No. of children : (i) Male
(ii) Female
14. From which bank did you borrow the loan?:

15. When did you borrow the loan?: (i) Less than and upto 1 year  
(ii) 1-2 years  
(iii) 2-3 years  
(iv) 3-4 years  
(v) 4-5 years  
(vi) 5 years and above.

16. Time Gap between applying the loan and sanctioning of the Loan: ___ months

17. How much amount did you borrow?: (i) Below Rs.25,000/-  
(ii) Rs.25,000 to Rs.50,000/-  
(iii) Rs.50,000 to Rs.1,00,000/-  
(iv) Above Rs.1,00,000/-

18. When did you pay the last interest / instalment of the principal amount?: (i) Less than 90 days  
(ii) Less than or equal to 12 months  
(iii) More than 12 months  
(iv) 2 years & above

(i) Now, your loan asset status: (i) Standard Asset  
(ii) Sub-Standard Asset  
(iii) Doubtful Asset  
(iv) Loss Asset

19. Did you borrow loan from any other financial Institution?: Yes / No

a) If yes, specify: (a) Other commercial bank  
(b) Co-operative Bank  
(c) NBFC’s (LIC, GIC, etc.)  
(d) Money Lenders  
(e) Others

b) Are you repaying the loan regularly?: Yes / No

(i) If yes, what is the amount paid?: Rs. ___________

(ii) What is the amount due?: Rs. ___________

(iii) Since how long the amount is due?: (a) Less than 6 months  
(b) 6 months to 1 year  
(c) 1 to 2 years  
(d) More than 2 years
20. Do you face any problems from the bankers for repaying the loan: Yes / No
   (i) If yes, what type of problems:

21. Did you take any training before starting the business by the governmental or non-governmental institutions: Yes / No
   (i) If yes, is it sufficient?: ___________
   (ii) If no, state reasons: ___________

22. What is the purpose of borrowing the advance?: (a) For Self-employment (b) Diversification (c) For personal use (d) Others

23. Is the amount borrowed sufficient:
   (a) If yes, to what extent it is sufficient:
   (b) If no, state reasons:
      (i) Heavy hidden expenses
      (ii) Inputs cost increased
      (iii) The loan amount issued for personal needs
      (iv) Others

24. Do you have any knowledge about the scheme of loan?: Yes / No
   If yes, specify:
      (i) Experience
      (ii) Technical knowledge
      (iii) Production and Marketing Techniques
      (iv) Others

25. Is your loan secured?: Yes / No

26. Is your unit alive till today?: Yes / No
   If No, state reasons:
      (i)
      (ii)
      (iii)

27. Is your unit generating sufficient income?: Yes / No
28. Do you face any problems to run your Unit: Yes / No
   If yes, specify:
   (i) Over competition
   (ii) Lack of Demand
   (iii) Lack of sufficient technology
   (iv) Lack of working capital
   (v) Others

29. Did your product capture the market? : Yes / No
   (a) If yes, to what extent ______ %
   (b) If no, state reasons:
      1. Heavy competition
      2. Lack of Quality
      3. High prices
      4. Lack of sufficient advertisement
      5. Others

30. Did you make adequate arrangements for marketing of products and transportation? : Yes / No
   (a) If no, state reasons:
      (i) No proper plan
      (ii) Lack of sufficient funds
      (iii) Others

31. Was your unit ever affected by natural calamities? : Yes / No

32. Is there any insurance coverage to your Unit? : Yes / No
   (i) If yes, is it sufficient to meet your needs?
      (a) Sufficient
      (b) Insufficient
      (c) Uncertain

33. Do you think the policy of the Government towards covering the damage(s) is suitable ? Yes / No
   If No, what could have been suitable policy and procedure:

34. The bankers argue that there is socio-political pressure for non-repayment of loans, Is it true?
   If yes, to what extent?
   How far it causes you for non-repayment?
35. Did you find adequate demand for your product?  Yes / No

(i) If No, state the reasons  1) Lack of adequate quality
2) Competition from other units
3) Inadequate marketing arrangements
4) Low prices

(ii) To what extent the above said reasons impede you from repayment  a) to some extent
   b) larger extent
   c) not to any extent

36. Do you have any thought to repay the loan?  Yes / No

(a) If yes, when will you repay?  (i) Within 6 months
   (ii) Within one year
   (iii) More than one year
   (iv) Uncertain

37. Do you establish any relationship between the Government policy and financial strain of non-repayment?  Yes / No

38. What are the main reasons for the failure of repaying the loan?  (i) Less or no returns on the asset
(ii) Diversification of funds
(iii) Misutilisation of funds
(iv) Asset sold away early
(v) Lack of demand
(vi) Lack of infrastructure
(vii) Impact of Globalisation
(viii) Natural calamities

39. Is there any proper monitoring and follow-up by the bank authorities?  Yes / No
If yes, specify  (i) Sending reminders
   (ii) Visiting Unit by the Bank staff
   (iii) Counselling
   (iv) Providing incentives for early repayment
40. Are the bank authorities reminding you about the repayment of the loan?  
   If yes, specify  
   : (i) Once in a month  
   (ii) Twice in a quarter  
   (iii) Once in a year  
   (iv) Uncertain

41. Are the Bank authorities visiting your business premises/residence?  
   a) If yes  
   : (i) Fortnight  
   (ii) Monthly  
   (iii) Quarterly  
   (iv) Uncertain

42. Are the bank authorities enlightening you about the settlement of NPA?  
   a) If yes, what type of settlement specify  
   : (I) Compromise / One time settlement  
   (ii) DRT  
   (iii) Securitisation Act  
   (iv) Asset reconstruction  
   (v) Others

43. Are the bank authorities conducting recovery camps?  
   If yes, How often  
   : (I) Monthly  
   (ii) Quarterly  
   (iii) Once in 6 months  
   (iv) Once in a year  
   (v) Uncertain

44. Did you get any relief measure, such as rescheduling loans?  
   a) If yes, how frequently it is done  
   b) How many times you got the benefit :

45. Do you suggest any measures to minimize NPAs?  
   (a) If yes, specify the measures  
   : (i)  
   (ii)  
   (iii)  
   (iv)
Annexure-II

QUESTIONNAIRE TO THE BANKERS

1. Name of the respondent : 
2. Designation : 
3. Branch 
4. Do you have any targets to sanction loans? : Yes/No 
5. Do you have any Government policy to sanction loans based on Caste, Community and other socio-demographic factors : Yes/No 
   If yes, do you follow it strictly? : Yes/No 
6. Is there any delay in sanction of loan? : Yes/No 
   If yes, specify details? 
   1. 
   2. 
   3. 
7. Do you sanction sufficient finance to the borrowers? (please rate the level of adequacy) : 
   a) Adequate 
   b) Inadequate 
   c) Decided by the Government based on schemes 
8. How do you deal with internal issues : 
   such as improper and inadequate assessment of loan applications? 
   a) 
   b) 
   c)
9. How do you deal with external pressures such as the political pressure of loan waivers etc?

a) 

b) 

c)

10. Do you provide any training to the borrowers? : Yes/No
If no, Is there any other provision like:
   a) Govt. providing training through agencies
   b) Training provided by the Bank indirectly (oral counselling)
   c) Training provided by NGOs

11. Do you have alliance with any Governmental agency or NGO in order to assist in training borrowers.
   1. If yes, what is the duration of training : …………………
   2. What is the content of the training : …………………

12. In which schemes, do you find more defaulters?
   a) Govt sponsored schemes
   b) Other than Govt. sponsored schemes

13. Do you find more defaulters in Priority sector or non-priority sector?
   (i) Priority sector
   (ii) Non-priority sector

14. Is there any coordination between bankers and district administration in sanction of loans and recovery?
   If yes, what is the coordinating mechanism between bankers and Govt. officials put ‘√’
   i) Each bank has one district level coordinator/liaison officers
   ii) Liaison officers provide information in both ways
   iii) Lead bank officer conducts different levels of meetings.
15. Do you have continuous monitoring for recovery? : Yes/No

If No, what are the reasons?
1. 
2. 
3. 

16. Do you give any incentives for regular repayment of loans? : Yes/No

If yes, of what kind?
1. 
2. 
3. 

17. What reasons do you attribute for the incidence of NPAs? : 
a) 
b) 
c) 
d) 
e) 

18 In your opinion, what are the measures to minimise NPAs.
1. 
2. 
3. 
4. 
5. 

*****
Annexure-III

KRISHNA DISTRICT – A PROFILE

Krishna district was one of the oldest British administration areas of Andhra Pradesh. It was formerly called Masulipatnam district and in 1859 when the then Guntur district was abolished, certain taluks thereof were added to this district which was renamed as Krishna District, after the sacred and mighty river Krishna.

The District is divided into 50 mandals covering 4 revenue divisions viz., 1. Machilipatnam, 2. Vijayawada, 3. Gudivada and 4. Nuzvid. The district has 88 km long coastline. Frequent cyclones of different intensities and tidal storms are the natural calamities effecting the coastal tracts of Krishna. The tidal storms in particular may be responsible for the deterioration of ground water quality in the coastal areas. The one which was hit the coastline during November 1977, stands as typical instance.

Location: (Physical Characteristics)

It lies between 15°–43′ and 17°–10′ of Northern latitude and 81°–33′ of Eastern longitude which extends over an area of 8,727 Sq. Kms. It is surrounded on the East by Bay of Bengal and West Godavari District on South by Bay of Bengal, on the west of Guntur and Nalgonda District and on North by Khammam District

Climate and Rainfall

Tropical climate conditions with extreme hot summer and cold winter prevail in this District. April to June are the hottest months with high temperature in May. The
Monsoon usually breaks in the middle of June and brings good rains up to the middle of October. The normal rainfall of this district is 1029 mm which is received through the south–west monsoon. The average annual rainfall recorded during the year 1994 – 95 is 12,208 mm and in 2006-07 it is 1054.3 mm.

**Rivers**

The chief rivers of the districts are the Krishna (length 1280 kms) Muniyeru (Muneru), the Tammileru and Budameru. Krishna River debouches into the Bay of Bengal at Hamsala Divi and Nachugunta in this District. The district contains small hillstreams viz., Jayanthi, Kattaleru, Ippalavagu, Upputeru, Telleru, Ballaleru, Nadimeyeru.

**Flora**

The district has no worth mentioning forests. However, it contains reserved forest areas in Nandigama, Vijayawada, Tiruvuru, Nuzvid, Gannavaram, Bandar and Divi taluks. A type of lightwood known as ‘PONUKU’ (Gyrocapus Jacquini) is found on the Kondapalli Hills. This wood is used for the manufacture of the well known kondapalli toys. The most noticeable trees are pterocarpus, Terminalia, Anogeissus and Logustroeinai and Casuarina.

**Fauna**

It is also meagre since the forests in the district are low and open. Panthers, Hyaena, Jungle cat, fox and bear are the carnivorous mammalian fauna represented. Among the herbivorous animals deer, spotted deer sambar and blackbuck are sometimes
found in the interior inland forests. A migrant gray billed pelican is a protected bird in the
Kollair Lake boarding the Krishna district. The district possesses a large number of
Murrah buffaloes and cows with Murrah stain.

Soils

There are four types of soils in this district viz., black cotton soils (57.6%), Sandy
clay loams (22.3%) and Red loamy soils (19.4%) and sandy soils (0.7%). The sandy soils
form a fringe along the cost. The belt cotton soil is the most extensive and occurs in
almost all the Mandals. The sandy clay loams are formed along rivers and streams. The
red loamy soils in the district are suitable for cultivation and as a result 72 per cent of the
area has been brought under the plough. The alluvial soils are mainly suitable for the
paddy, sugarcane and the upland areas are mainly suitable for dry and horticulture crops.

Land Utilisation

The land utilisation pattern of the district as on 31-03-2008. It can be seen that
the geographical area of Krishna district is 8,72,700 hectares. Forest occupy an area of
73,944 hectares (8.47%) Land not available for cultivation is 1,98,170 hectares (22.71%).
Cultivable wasteland is 70,611 hectares (8.09%). The net area is cultivated in the district
is 4,49,000 hectares (51.44%).

Population and Growth

According to 2001 census, the total population of Krishna District is 41,87,841
comprising 21,17,401 men and 20,70,440 women. During the last decade, there has been
an addition of 4,89,008 persons. The district has recorded a decimal growth rate of 21.33
percent against the state average of 20.20 per cent. When we recast the earlier census,
population figures for the present jurisdiction of the district. It is seen that the district has although recorded considerably lower growth rate than the state average during all the previous decades – during the decade 1991–2001, the district had occupied 15th place in the growth rate among the districts of the State.

**Literacy**

Krishna district has recorded a literacy rate of 70.03. The district is well advanced in field of education. According to 2001 census, total no of literates in the Krishna district is 25,39,974. In this regard, total male literates are 13,86,261 and total females literates are 11,53,713. In Krishna district Vijayawada Urban mandal has the highest male and female literates, against that of lowest male literates in Reddygudem mandal and female literates in A.Konduru mandal.

**Agriculture**

Krishna is one of the prominent coastal districts of Andhra Pradesh, growing numerous crops round the year. It is also considered as a museum of crops by the agronomists. Agriculture is the most common occupation in the district. According to 2001 census 40.07 per cent of the total working population are engaged in agriculture. It is the main source of economic activity of the people of the district while fisheries activity which mainly constitute inland, marine and to a limited extent, blackish water, contribute to the wealth of the district. Other major agriculture based economic activities include plantation & Horticulture, Animal Husbandry, Poultry, Sheep, & Goat development. Paddy which is grown in abundance in the district is exported to other district / states. Other crops grown are Maize, Jowar, Cotton, Sugarcane, Groundnut,
Pulses, Chillies and to some extent Tobacco. The major horticulture crops grown are Mango, Guava, Oil Palm, Coconut, Cashew, Lemon etc. Similarly vegetables grown in the district include cucumber, gaurds, bhendi, brinjal, tomato, cabbage, cauliflower and leafy vegetables.

**Industries**

There are about 84 large and medium industries working in the district with investment of Rs.3,979.18 crores, providing employment to 17,985 persons. The main activities are refined oil manufacturing, cement, Lead Extraction, Fatty Acids etc. Vijayawada city has a big industrial estate which manufactures plastic, stainless steel articles and aluminium works, oil engines, paints etc. The Andhra Pradesh Heavy Machinery Engineering industry established with a paid-up share capital of Rs. 2 crores at Kondapalli town in Ibrahimpatnam mandal produces machinery required for papers, cement, textile and leather industries. Besides this, the Jawahar Autonagar, Patamata, the only one of its kind in India in the entire country and the R.T.C. (Road Transport Corporation) regional workshop at Vidyadharapuram, for repairing old buses are the important industries in the district.
PROFILE OF STATE BANK OF INDIA

Evolution and Objectives

The State Bank of India’s story is made up of different events, people and economic trends. Known by different names at different periods in history, the State Bank of India as it is today, is an amalgamation of all these, with a history that dates back to the Bank of Calcutta in 1806, the Bank of Bombay in 1840, the Bank of Madras in 1843 and the imperial Bank of India in 1921. SB I occupies a central and important place in the Indian banking system. The State Bank of India Act, 1955 constituted SBI which took over the entire unit of the Imperial Bank of India (IBI) in the country from 1st July, 1955. The First of July 1955 on which the SBI began to function, is regarded as a notable date in the annals of Indian banking.

The objects of the SBI are stated in the preamble of the SBI Act as, “the extension of banking facilities on large scale, more particularly in the rural and semi-urban areas and for diverse other public purposes”. Thus, the primary function of the State Bank of India is to promote banking habit in the rural areas and to cater for their credit needs.

Organisational Structure

The organisation of SBI consists of Central/Corporate Office, Circle/Local Head Offices (LHOs), Zonal Offices, Regional Offices and Branches. The Bank’s Registered Office is in Calcutta where as Corporate (Central) Office is located at Mumbai. Besides this, there are 14 Circle/Local Head Offices, 54 Zonal Offices and 224 Regional Offices.
The Bank has 10,241 branches including 58 foreign branches by the end of 31st March 2008.

**SBI Associate Banks**

State Bank of India (Subsidiary Banks) Act was passed in 1959, according to which 8 major State – associated banks have been taken over by the SBI as its subsidiaries. In 1963, State Bank of Bikaner and State Bank of Jaipur were merged together to form State Bank of Bikaner and Jaipur. The SBI and its 7 Associates are generally called as State Bank Group.

As on March 31st 2008, the SBI stands with a total deposits of Rs.5,37,403.95 crores. Loans and advances and investments of the bank respectively stand at Rs.4,16,768.20 crores and 1,89,501.27 crores. Out of the total advances in India (Rs.3,60,628.34 crores) priority sector amount to Rs.1,19,230.51 crores. The advances of the bank outside India stand at Rs.56,139.84 crores. The SBI has to its credit the results and surplus of Rs.48,401.19 crores as against the share capital of Rs.631.47 crores.

**Mobilisation of Deposits**

Deposit mobilisation is a primary function of a commercial bank. Banks are facing stiff competition in the area of deposit mobilisation due to attractive return and concessions reaped by investors in modes of savings other than the bank deposits. Competition in the banking industry has become more keen and intense than ever before with the entry of new private sector banks and more foreign banks. Banks face competition not only from other banks but also from other financial intermediaries like
Non-Banking Financial Corporations (NBFCs), Mutual Funds, Manufacturing Companies, Financial Institutions and Capital Markets.

Types of Deposit Schemes

The deposits of SBI are analysed under three categories broadly. They are Demand Deposits, Savings Bank Deposits and Term Deposits. In usage, these deposits are called as Current Accounts, SB Accounts and Fixed Deposits respectively. The deposit mix in SBI during 1991 to 2008 reveals that the growth in Term Deposits had contributed significantly to the growth in total deposits more than Demand Deposits and Savings Bank Deposits.

Deployment of Funds

SBI is the biggest commercial bank in India. It recorded a tremendous growth in its advances since inception. The total advances of SBI are analysed, mainly under three categories viz., (1) Bills Purchased & Discounted (2) Cash credits, Overdrafts and Loan repayable on demand and (3) Term Loans. The major portion of advances are covered under Cash credits and Overdrafts. During the period, it varied between 54.5 per cent to 56.0 per cent. Term Loans also occupied a major portion of advances of SBI. They were at 37.1 per cent in 1991 and were increased to 46.7 per cent by the end of March 31, 2008. There is a limited change in Bills Purchased and Discounted. The trend in advances of SBI under these three categories is fluctuating year by year.

Management of NPAs in SBI

The SBI which is one of the largest public sector banks, having wide branch network in India and abroad, aims at containing net NPAs to less than 5 per cent of the
Bank’s net loan assets in conformity with international standards. At the Corporate Office of the Bank (Mumbai) three specialised outfits have been created, each headed by a General Manager, to tackle NPAs both at preventive and curative stages. Those are:

1. NPA Management Department  
2. Work-out Group, and  
3. Risk Management Department

Further, at Local Head Offices and Zonal Offices separate outfits with distinct roles and responsibilities have been created at various levels to address NPA related issues.

Specialised Rehabilitation And Recovery Branches (RARBs) have been opened at six centres viz., Mumbai, Calcutta, New Delhi, Chennai, Hyderabad and Ahemadabad. To upgrade the loan portfolio relating to the sick industrial units, the Bank continued to work in close association with the Board for Industrial and Financial Reconstruction (BIFR) for rehabilitating the sick units with basic viability. BIFR identified 493 units (including 65 PSUs) financed by the bank as sick and approved rehabilitation packages for 93 units, involving an amount of Rs.742 crore. Of these 59 packages involving Rs.477 crore have been / are being implemented.

The Bank as a policy, accepts compromises and one-time settlements as measures of managing its NPAs relating to borrowers who have failed to meet their obligations to the Bank on account of genuine reasons. In order to expedite disposal of cases transferred to DRTs, special legal cells have been created at Local Head Offices. The Law Officers attached to the LHOs/Zonal Offices visit, at periodical intervals, branches having a large number of suit filed accounts and review the progress thereof in
consultation with branches and the advocates concerned and approve the strategies, mid-course corrections etc., so as to complete the process at the earliest. Micro level budgeting and performance review are also carried out to contain NPAs. Further, a loan review mechanism of all large advances has been put in place to initiate appropriate action where an account shows symptoms of sickness.

The Working Group at the corporate office seeks to expedite the process of recovery in select high value non-BIFR problem accounts relating to C & I segment. The Group considers various recovery options, such as, sale of assets of units / divisions and follows up cases pending with DRTs for their quick disposal.

With a view to motivating its employees in recoveries and management of NPAs, the SBI formulated a scheme for award of cash prizes, certificates of merit and trophies to branches showing outstanding performance in this respect. Training programmes for all levels of the executives of the Bank enable them to meet the emerging challenges and upgrade their skills in credit and NPA management areas.

Recently, SBI and Housing Development Finance Corporation (HDFC) have entered into a Memorandum of Understanding (MOU) for setting up a Credit Information Bureau (CIB) and the modalities are being worked out. The Bureau is expected to expedite credit and investment decisions by banks and financial institutions as also curb the growth of fresh NPAs through better institutional mechanism.

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## Annexure-V

**INDICATES VARIOUS GOVERNMENT SPONSORED PROGRAMMES/SCHEMES**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Programme/Scheme</th>
<th>Coverage</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Swarna Jayanthi Gram Swarozgar Yojana (SGSY)</td>
<td>Below Poverty Line Families</td>
<td>DRDA</td>
</tr>
<tr>
<td>2</td>
<td>Prime Ministers Employment Generation Programme (PMEGP)</td>
<td>SC/ST/OBC/Minorites/Women/Ex-service mam, PHC, Hill and Border areas etc.</td>
<td>KVIC</td>
</tr>
<tr>
<td>3</td>
<td>Swarna Jayanthi Shahari Rozgar Yojana (SJSRY)</td>
<td>Urban poor poverty line families.</td>
<td>All Municipal Corporations</td>
</tr>
<tr>
<td>4</td>
<td>Scheduled Caste Action Plan (SCAP)</td>
<td>SC Communities</td>
<td>SC Corporation</td>
</tr>
<tr>
<td>5</td>
<td>Scheduled Tribe Action Plan (STAP)</td>
<td>ST Beneficiaries</td>
<td>APSTC Finance Corporation</td>
</tr>
<tr>
<td>6</td>
<td>BC Action Plan and Rajiv Abhuyudaya Yojana</td>
<td>Artisans belonging to BC Community</td>
<td>Krishna Dist Backward Classes Service Cooperative Society.</td>
</tr>
<tr>
<td>7</td>
<td>Anti-Poverty and Self Employment Programmes</td>
<td>Minority Communities</td>
<td>A.P.State Minorities Finance Corporations Ltd.</td>
</tr>
<tr>
<td>8</td>
<td>Programmes for Physically Handicapped</td>
<td>Physically Handicapped Persons</td>
<td>Asst. Director, Welfare of Physically Handicapped.</td>
</tr>
<tr>
<td>9</td>
<td>KVIB’s Margin Money Assistance Scheme</td>
<td>All Rural/ Village Industrials Units</td>
<td>KVIB Vijayawada</td>
</tr>
<tr>
<td>10</td>
<td>Valmiki Ambedkar Awas Yojana (VAMBAY)</td>
<td>Urban Slum Dwellers who are living below Poverty line.</td>
<td>A.P.State Housing Corporation Ltd.</td>
</tr>
</tbody>
</table>

**Source:** Annual Credit Plan 2010-2011, Krishna Dist. (A.P.), pp.118-123.