APPENDIX - II

QUESTIONNAIRE FOR SCHEDULED COMMERCIAL BANKS

Note: All information will be treated as CONFIDENTIAL.

Q.1. Please state the forward movement and backward movement of a proposal for grant of export credit limit. That is, what hands/sections it passes through before the exporter is communicated about the acceptance or rejection of the credit limit applied for?

Q.2. Please state the criteria adopted in deciding upon the amount and period of credit limit.

Q.3. Is the exporter required to apply for credit limit every time he receives an export order or the bank fixes the limit on a revolving basis?

Q.4. What are the formalities that an exporter is required to fulfil when applying for:-

(i) Fixation of fresh credit limit;
(ii) Enhancement of existing credit limit;
(iii) Renewal of credit limit.

Q.5. Please indicate the documents/securities/guarantees which an exporter is required to give in respect of:-

(i) Pre-shipment credit;
(ii) Short term Post-shipment credit; and
(iii) Deferred credits.

Q.6. Please indicate in what circumstances a proposal for the sanction/enhancement of export credit limit is refused.

Q.7. (a) Please indicate the time normally taken in sanctioning enhancing/renewing the short-term credit limits in respect of (i) Export Credits; (ii) Agricultural Credit; (iii) Small scale industries Credit; (iv) Transport Operator's Credit; (v) Retail trade and small business Credit; (vi) Professional and self-employed Credit; and (vii) Non-priority sector Credits, when:

(i) The limit applied for is within the powers of branch manager;
(ii) The limit applied for is beyond the powers of branch manager.

(b) Please also indicate if the time taken in granting the short-term export credits can be reduced and how?
Q.8. In what circumstances do you insist on pledge or hypothecation of goods?

Q.9. Do you ask for any collateral security in respect of:

- (i) Pre-shipment Credit;
- (ii) Short-term Post-shipment credit; and
- (iii) Deferred Credits.

Q.10. At present the banks have the power to give package clearance to the deferred payment export credits proposal up to a value of Rs.1 crore. Do you think that this limit is sufficient. If not, what should be the new limit?

Q.11. Please indicate the criteria adopted by your bank in respect of deferred payment export finance for making the credit appraisal of:

- (i) Exporter;
- (ii) Overseas Buyers;
- (iii) Buyer's Country; and
- (iv) Export Contract/Project.

Q.12. Do you think that the refinancing scheme of the IDBI should be extended to Pre-shipment Credits in respect of capital goods? Please give reasons.

Q.13. Please indicate your views regarding the suggestion that the IDBI should provide export refinancing facilities in respect of banks' own share of Post-shipment export credit given under "Participation Export Finance Scheme".

Q.14. Please indicate the time taken in (i) giving clearance and preliminary commitment (ii) actual sanctioning of export finance, when:

(A) IDBI's participation is required:
- (i) In case it is referred to working group;
- (ii) In case it is not referred to working group.

(B) The IDBI's participation is not required.

Q.15. Please indicate how does an exporter draw upon the deferred payment export finance sanctioned in his favour.

Q.16. Do you favour the abolition of export credit interest subsidy. If not, would you like the interest subsidy to be raised? If so, to what extent?
Appendix-II (Contd.)

Q.17(a) Please indicate the time taken by ECGC in granting you a financial guarantee. Please mention the time for each type of guarantee.

(b) Do you think this time can be reduced? If yes, please indicate how?

Q.18(a) How much time ECGC normally takes in paying the claims. Please supply the following information regarding claims made by the bank during 1977-78 or 1978-79.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Date of making</th>
<th>Date of accept-</th>
<th>Date of payment</th>
<th>Amount claimed</th>
<th>Amount paid</th>
<th>Kind of Guarantee</th>
</tr>
</thead>
</table>

(b) Do you think that the time taken is (i) very long; (ii) long, or (iii) normal. Please mention the average time taken?

Q.19. Has ECGC at any time refused to pay you the claims? If yes, please give reasons.

Q.20. Are you satisfied with the procedures of ECGC regarding the settlement of claims. If dissatisfied, please indicate which of the following reasons would you attribute this to:

(i) Delay in processing;
(ii) Rigid interpretation of terms;
(iii) Establishment of claims turning out to be difficult;
(iv) Any other cause (please specify).

Q.21. Please give your suggestions to improve the efficiency of settling the claims.

Q.22. Please indicate whether you are satisfied with the ECGC services in the following areas:

(i) Issue of guarantee
(ii) Fixing of permitted limits on each exporter.
(iii) Fixing of maximum liability for whole turnover guarantees.

If the answer is 'No' to any of the areas mentioned above, please give reasons.
Appendix- II (Contd.)

Q.23(a) Please indicate if you consider the insurance facilities offered by the ECGC under its various guarantees to be adequate?

(b) If not, please specify such inadequacies and offer your suggestions for removing the same.

Q.24. Do you think that the minimum rates charged by ECGC on various bank guarantees is reasonable? If not, please give reasons.

Q.25. Do you feel that there is need of reviewing the premium rate on ECGC bank guarantees? If so on which of guarantees and to what level?

Q.26. Do you think that the extent of loss covered by ECGC under different guarantees as adequate? If not, please indicate the extent of cover that you would recommend in respect of each guarantee.

Q.27. Please specify the new guarantees that you think ECGC should issue. Give reasons.

Q.28. Please give your expert advice for improving the existing export credit and credit insurance system of India.

Q.29. Do you think that ECGC guarantees are comprehensive in regard to coverage of risks? If not, please indicate the other risks which you think should be covered under these guarantees?

Q.30. Please indicate if you consider any of the steps involved in ECGC's procedures relating to (i) issue of guarantees, and (ii) fixation of limits under guarantees, to be redundant?

Q.31. Please supply the following data from 1969 to 1979:

<table>
<thead>
<tr>
<th>Year</th>
<th>Packing Credit</th>
<th>Post-shipment Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Amount</td>
</tr>
<tr>
<td></td>
<td>applied sanct-</td>
<td>for</td>
</tr>
</tbody>
</table>

Q.32. Please give your personal views about the establishment of an Export-Import Banks.

-1-