QUESTIONNAIRE - SME’S

Dear Sir/Madam

I KavithaVani S.D. Research scholar Department Of Studies in Commerce, University of Mysore pursuing PhD on the title “A Study of Finance Gap between Commercial Banks and Micro, Small and Medium Enterprises with reference to Karnataka” request you to fill the questionnaire and return the same. Your support in terms of investing time with us to respond this questionnaire would be great contribution to accomplish the study.

1. Name of your enterprise: ________________________________
2. Name of your bank/s: ________________________________
3. Which industry most closely describes your business?
   - Manufacturing  
   - Service
4. Name of the product/service of your enterprise: ________________________________
5. Have you registered your enterprise?  Yes  No
6. How much original investment your company has in plant & machinery/equipment & instruments at present?
   - Plant and Machinery
     - Up to 25 lakh
     - 25lakh to 5 crores
     - 5crores to 10 crores
   - Equipments and Instruments
     - Up to 10lakh
     - 10lakh to 2 crores
     - 2crores to 5 crores
7. Which best describe the ownership of your enterprise?
   - Sole proprietorship
   - Partnership
   - Cooperative
   - Private
   - Public
   - Others (Specify)
8. Place of functioning
   - Urban
   - Rural
9. What is your role in relation to main business?
   - Owner
   - One of the owner
   - Other (specify)
10. Firm owned by
    - Male owner/CEO
    - Female owner/CEO
11. How long have you been in this business?
    - 2yrs or less
    - 3yrs to 5yrs
    - 6yrs to 10 yrs
    - 10yrs & above
12. Number of full time workers in your enterprise.
    - Less than 10
    - 10-30
    - 30-50
    - 50-100
    - Morethan100
13. Do you keep records?
    - Manually
    - Electronically(Computerized)
14. Do you have business plan for your enterprise?
    - Yes
    - No
15. Could you please inform how much your firm has grown on an average per year during last three years? (Tick that Apply)

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<tr>
<th></th>
<th>Over 25%</th>
<th>10-25%</th>
<th>Less than 10%</th>
<th>No Growth</th>
<th>Become Smaller</th>
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<td>Sales/Turnover</td>
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<td>Profit Before Tax</td>
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<td>Capital</td>
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<td>Employment(no)</td>
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16. Considering the turnover of previous years, how much does your firm expected to grow?

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17. Over the next two years, do you plan to …(Tick that Apply)

1) Grow the business modestly
2) Grow the business substantially
3) Maintain the business at current level
4) Reduce the business from current levels
5) Sell/Transfer/windup the business

18. If planning to grow the business, PLEASE RANK THE PREFERENCE OF AREAS OF GROWTH

1) Internal finance only
2) External finance only
3) Both internal and external finance

19. What are the most critical problems your firm is facing in doing business? (RANK THEM)

1) Cost of production/cost of labour is high
2) Skilled/experienced managers are not available
3) Stiff competition from domestic firms
4) Access to bank finance
5) Lack of technology in production
6) Proper book keeping and accounting is not available
7) Marketing
8) Firm does work at very low margin
9) Others (please specify)
20. Are you aware of the availability of the following source of finance for SME’s

1) Commercial banks
2) SIDBI
3) State Financial Corporations
4) Government sponsored programmes
5) Non-Banking financial Institutions
6) Micro Finance Institutions

21. Are you aware of the products and services offered by commercial banks to SME’s?

1) Loans, o/d and other credit facilities
2) Term deposits
3) Current Account
4) Collection of Cheques
5) Letter of credit
6) Factoring Services
7) Merchant Services

22. Which is your preferred source of business finance? (Tick all that apply)

Savings
Family/Friends
Bank loan
Indigenous lender
Leasing
Financial Institutions
Business Angels
Govt. programs
Others (Specify)

23. Please give reason for your choice.

24. How would you keep informed about the business support available? (Tick all that apply)

1) Personal business contacts
2) Via membership of trade association
3) Government source
4) Mass media communication
5) Others (specify)

25. For what do you prefer business finance for? (Tick all that apply)

1) Establishment
2) Growth
3) New product development
4) Reaching new market
5) Working capital
6) Existing commitments
7) Research and Development

26. Identify your preferred financial institution for your business daily operations? (Tick that apply)

Public Sector Bank
Private Sector Bank
Foreign Bank
Co-operative society
others (Please specify)

27. Have you ever taken loan from banks before?

Yes
NO

28. If No, Please answer PART –B

If Yes, Please answer PART-A
PART-A

1. Please mention from which bank?

2. How much amount of loan did you apply for?

3. Was the request approved?
   Yes [ ] No [ ]
   If No, Continue to answer from Question Number 13
   If Yes, which of the following financial assistance your enterprise requested for?
   1) Term loan [ ]
   2) Working capital [ ]
   3) Cash Credit [ ]
   4) Overdraft [ ]
   5) Factoring [ ]
   6) Export financing [ ]
   7) Others (Please Specify) [ ]

4. Did you receive? (Tick that apply)
   100% of requested [ ]
   Between 75%-99% [ ]
   Between 50%-74% [ ]
   Less than 50% [ ]

5. What collateral you were asked to provide to obtain loan?
   Business assets [ ]
   Personal assets [ ]
   Intellectual property [ ]
   Personal Guarantor [ ]
   None [ ]
   Others (Specify) [ ]

6. What documents were requested as part of application process? (Tick all that apply)
   1) Formal application for financing [ ]
   2) Business certificate of registration [ ]
   3) Business financial statements [ ]
   4) Business Plan [ ]
   5) Projected cash flow [ ]
   6) Others (Please Specify) [ ]

7. Did you utilize the loan for the purpose for which it was provided?
   Yes [ ] NO [ ]

8. If your answer is No, mode of diversion? (Tick one that apply)
   1) Family consumption [ ]
   2) Repayment of debt [ ]
   3) House construction/maintenance [ ]
   4) Medical treatment [ ]
   5) Marriage/festival [ ]
   6) Others (please specify) [ ]

9. Are you repaying/repaid the loan?
   Yes [ ] No [ ]
   If No, state the reason (Tick one that apply)
   1) Diversion of loan [ ]
   2) Business loss [ ]
   3) Government scheme will compensate Bank [ ]
   4) Discouraged by others [ ]
   5) Others (please specify) [ ]
If yes, how do/did you repay the loan? (Tick one that apply)

1) Business income generated
2) Selling/pledging the assets
3) Chits/personal finance
4) Loan from other financial institutions
5) Others (please specify)

10. Did you get the loan?

1) Faster than you expected
2) On-time as you expected
3) Later than you expected

If your answer is later than you expected, it was due to delay in:

1. Submitting the documents
2. Site inspection
3. Procedural formalities
4. Getting certificates from other Government offices
5. Others (Please specify)

11. How many times have you visited the bank to avail the loan?

1. Less than 3 times
2. 3 to 6 times
3. 6 to 10 times
4. More than 10 times

12. How much time did it take to meet the bank officials in each visit?

1. Less than 1 hour
2. 1 to 2 hours
3. 2 to 3 hours
4. >3 hours

***Please continue from question number 16***

13. The reason given for not approving the request... (Tick one that apply)

1) The application did not meet the criteria
2) Poor credit history
3) The application was not correctly completed
4) The management team was too inexperienced
5) The enterprise could not provide enough guarantees
6) Others (Please specify)

14. Do you agree with the reason provided?

Yes ☐ No ☐

15. The impact of non-acceptance of your request

1) Serious finance difficulties
2) Had to put plans on hold
3) Had to deter plans but eventually went ahead with them
4) No impact
5) Yet to find out
6) Others (Specify)
16. Could you please describe the problems in accessing the bank loan, using 5- strongly disagree, 4-disagree, 3-neither agree/nor disagree, 2-agree & 1-strongly agree

1) Lack of sympathetic attitude on the part of bank officials
2) Identification of deserving borrowers
3) Untimely sanctioning of loan
4) Cumbersome procedure
5) Collateral requirement
6) Others (please specify)

17. Difficulties in getting the loan sanctioned? (Tick all that apply)
- Loss of labour
- Loss of time
- Incidental expenses
- others (please specify)

18. Are you availing the following services from your bank? (Tick all that apply)
1) Deposits
2) Training
3) Input supply
4) Technology
5) Marketing
6) Others (please specify)

19. Availability of adequate bank finance will have influence on the following activities of SME’s, please indicate, 5- not at all influential, 4- moderately influential, 3-influential, 2-very influential and 1-most influential

1) Level of production
2) Operational performance
3) Introduction of new technology
4) Launching new divisions
5) Buying any new machinery
6) Introducing new products
7) Adopting new business strategies

20. Are you satisfied with?

a. Behavior of the bank staff
   - Guidance received
b. Promptness in receiving in the loan
c. Formalities in getting the loan
d. Rate of subsidy
e. Rate of interest
f. Present lending facilities in the bank
21. Please express your views on the banks using the following…

5- Strongly disagree, 4- disagree, 3-neither agree/nor disagree, 2- agree & 1-strongly agree

1) Provides adequate credit
2) Flexible
3) Provides convenient business banking
4) Supports SME in good and difficult times
5) Makes timely decision regarding lending

22. Please express your opinion on the following in relation to bank staff while dealing with SME finance using 5 Disagree strongly, 4 Dis-agree slightly, 3 neither agree or disagree, 2 Agree slightly & 1 agree strongly

i. Understands SME business
ii. Reliable
iii. Follows up request promptly
iv. Easy to get in touch with
v. Is approachable
vi. Shows interest in doing business in SME’s industry
vii. Treats SME as valued customer
viii. Is quick to react to problems
ix. Is resourceful in finding solution

23. Has the enterprise requested financing under CGTMSE (Credit Guarantee Fund Trust for MSE)?

Yes ☐ No ☐

If No, Why? (TICK ALL THAT APPLY)

1) Not aware of the programme
2) This programme was not available
3) Did not meet the acceptance criteria
4) Procedure to obtain this financing was too complicated
5) Did not opt financing under this programme
6) Others (please specify)
24. Please indicate your views about the following statements in relation to finance for business on a scale 1-5 (where 5 Disagree strongly, 4 Disagree slightly, 3 neither agree or disagree, 2 Agree slightly &  1 agree strongly)

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<thead>
<tr>
<th>Statement</th>
<th>5</th>
<th>4</th>
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<tbody>
<tr>
<td>1) The range of different Products for SME’s have Improved in recent years</td>
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<td>2) Of all the available different types of finance providers, I do not know which is most suitable for my business</td>
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<td>3) Obtaining finance for business takes no more time/efforts Than 2 years ago</td>
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<td>4) The relationship between businesses owner the bank should be relevant to success in obtaining business</td>
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<td>5) I am confident that I know what different funds required for me and when I apply for finance</td>
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<td>6) There has been change in the policy or attribute of lenders</td>
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<td>7) I am optimistic about meeting the future financial needs of my business</td>
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<tr>
<td>8) I would like further support or training to develop my skills in obtaining finance</td>
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25. Would to like to access bank finance for you future business financial needs?
   - Yes [ ]
   - No [ ]
   - Don’t Know [ ]

26. What do you prefer?
   1. Subsidized low cost loan with some delay and inadequacy [ ]
   2. Easy, timely & adequate credit at higher rate [ ]

27. What do you think Government should do to develop SME’s access to bank finance?
   2. Thematic & adequate credit at higher rate
   3. Banks to value time of SME’s
   4. Banks to bring transparency in their process
   5. Regulators to subsidize SME loans
   6. Others (please specify)

28. Would you like to make any suggestion for banks/government to make bank’s loan easy for entrepreneurs? (RANK THEM)
   1) Awareness campaign for bankers and beneficiaries on various schemes
      Launched by Government for SME’s
   2) Positive transformation of attitude of banks to follow rules on financing
   3) Banks to value time of SME’s
   4) Banks to bring transparency in their process
   5) Regulators to subsidize SME loans
   6) Others (please specify)

THANK YOU

Signature & Seal
PART-B

1. If your company did not apply for finance from banks, why it was not applied for? (Tick appropriate reason)
   1) Did not apply because no bank approached the firm for the loan
   2) Did not apply because banks provide insufficient funding
   3) Did not apply because banks take more time to provide finance
   4) Did not apply because their lengthy, complex and inflexible paper work
   5) Did not apply because internal financing is a better source than external source
   6) Others (Please specify)

2. Could you please describe the problems in accessing the bank loan, using 5- strongly disagree, 4- disagree, 3- neither agree/nor disagree, 2- agree & 1- strongly agree

   1) Lack of sympathetic attitude on the part of bank officials
   2) Identification of deserving borrowers
   3) Untimely sanctioning of loan
   4) Cumbersome procedure
   5) Collateral requirement
   6) Others (please specify)

3. What in your opinion in relation to obstacles in getting the loan sanctioned? (Tick all that apply)

   Loss of labour
   Incidental expenses
   Loss of time
   Others (please specify)

4. Are you availing the following services from you bank? (Tick all that apply)

   1) Deposits
   2) Training
   3) Input supply
   4) Technology
   5) Marketing
   6) Others (please specify)

5. Do you feel that availability of bank finance will have influence on the following? please indicate your view using, 5- not at all influential, 4- moderately influential, 3-influential, 2-very influential and 1- most influential

   1) Level of production
   2) Operational performance
   3) Introduction of new technology
   4) Launching new divisions
   5) Buying any new machinery
   6) Introducing new products
   7) Adopting new business strategies
6. Please express your opinion on the following in relation to bank staff while dealing with SME finance using 5- strongly disagree, 4- disagree, 3- neither agree/nor disagree, 2- agree & 1- strongly agree

1) Understands SME business
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7. Has the enterprise requested financing under CGTMSE (Credit Guarantee Fund Trust for MSE)?
   Yes ☐ No ☐

8. If your answer is No, Why? (Tick one that apply)
   1) Not aware of the programme
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   4) Procedure to obtain this financing was too complicated
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9. Please indicate your views about the following statements in relation to finance for business on a scale 1-5 (where 5 Disagree strongly, 4 Dis-agree slightly, 3 neither agree or disagree, 2 Agree slightly & 1 agree strongly)

1) The range of different Products for SME’s have Improved in recent years
2) Of all the available different types of finance providers, I do not know which is most suitable for my business
3) Obtaining finance for business takes no more time/efforts Than 2 years ago
4) The relationship between businesses owner the bank should be relevant to success in obtaining business
5) I am confident that I know what different funds required for me and when I apply for finance
6) There has been change in the policy or attribute of lenders
7) I am optimistic about meeting the future financial needs of my business
8) I would like further support or training to develop my skills in obtaining finance
10. Would you like to access bank finance for your future business financial needs?
Yes ☐ No ☐ Don’t Know ☐

11. What do you prefer?
1) Subsidized low cost loan with some delay and inadequacy ☐
2) Easy, timely & adequate credit at higher rate ☐

12. Would you like to make any suggestion for banks/government to make bank’s loan easy for entrepreneurs? (Tick all that apply)
   i. Awareness campaign for bankers and beneficiaries on various schemes ☐
   ii. Launched by Government for SME’s ☐
   iii. Positive transformation of attitude of banks to follow rules on financing ☐
   iv. Banks to value time of SME’s ☐
   v. Banks to bring transparency in their process ☐
   vi. Regulators to subsidize SME loans ☐
   vii. Others (please specify) ☐

THANK YOU  Signature & Seal
QUESTIONNAIRE- BANK

Dear sir/Madam

I KavithaVani S.D, Research scholar Department Of Studies in Commerce, University of Mysore
pursuing PhD on the title “A Study of Finance Gap between Commercial Banks and Micro, Small and
Medium Enterprises with reference to Karnataka” request you to fill the questionnaire and return the
same. Your support in terms of investing time with us to respond this questionnaire would be great
contribution to accomplish the study and draw useful lessons for the banking industry towards the growth
of SME sector in our country.

1. Name of your Bank and Branch ...........................................
2. Your designation ..............................................................
3. Since how long you are in this bank & handling advance portfolio/heading branch?

<table>
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<tr>
<th>Less than 1 year</th>
<th>Handling advance</th>
<th>Heading branch</th>
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<td>1 year-3years</td>
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<td>3years-5years</td>
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<td>5years-10years</td>
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<td>10years and above</td>
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4. Whether any training and learning exposure was offered by your bank to deal with SME’s?
   YES ☐ NO ☐

5. Does the bank have a specific geographic focus dealing with SME’s?
   YES ☐ NO ☐

6. Please indicate whether your bank has a separate department that attends micro, small and
   medium enterprises separately (Tick that apply)
   Micro, Small and medium enterprises separately ☐
   Micro and small combined & Medium enterprises separately ☐
   SME combined but separately from large firms ☐

7. How do you identify potential SME clients? (RANK THEM)
   1) Existing deposit clients ☐
   2) Clients in need of credit ☐
   3) Clients located near branches ☐
   4) Clients attached to staff ☐
   5) Client’s data base ☐
   6) Others (please specify) ☐

8. Is there any interference in the selection of beneficiaries?
   YES ☐ NO ☐
If yes, from whom?
1) Political/Local bodies
2) Superior officers
3) Others (specify)

9. Actions taken by bank for communication of SME’s schemes (RANK THEM)
   1) Wall/Posters/Brochures/Signboard
   2) T.V/Radio/newspaper
   3) Circulars
   4) Internet
   5) Others (Please specify)

10. Does your bank give weightage to the following while processing loan proposal of SME’s clients? (Tick all that apply)
    1) Caste
    2) Income Level
    3) Education level
    4) Family Background
    5) Backward region
    6) Type of industry

11. How financial products and services offered to this sector are designed? (TICK THAT APPLY)
    1) Designed at head office
    2) Designed at branch level
    3) Designed based on specific need of clients
    4) Standardized products and services as per guidelines
    5) Changes according to the demand for products & services

12. Does your bank adopt BCSBI guidelines?
    YES ☐ NO ☐

13. CGTMSE was introduced to encourage loans to MSE’s. Does your bank covered under CGTMSE to all your SME’s customers?
    YES ☐ NO ☐
    If No, continue with question no 16
    If Yes,

14. Would you please share the contributing factors for poor performance under CGTMSE scheme?
    1) Knowledge of such scheme is not available to the branch
    2) Guarantee cover is very less
    3) Borrower to bear guarantee & service fees increases cost of borrowing
    4) Bank does not have any control over borrower if it is financed without collateral
    5) Any other(Please specify)

15. Would you please describe the measures to increase collateral free loans under CGTMSE?
    1) Awareness campaign for borrowers and also for bank officials
    2) Introduce reward for those bankers who exhibit outstanding performance under the scheme
    3) Waiver of service fees from borrowers & tax incentives to banks
    4) Enhancement of guarantee claim for floor rate & default amount
    5) Any other(Please specify)
16. Which of the following aspects of SME’s finance are centralized/decentralized

<table>
<thead>
<tr>
<th></th>
<th>Centralized</th>
<th>Decentralized</th>
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<tbody>
<tr>
<td>1) Loan pre screening</td>
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<td>2) Loan approval</td>
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<td>3) Risk management</td>
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<td>4) NPA recovery</td>
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<td>5) Sale of other non-financial products</td>
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17. While taking decisions to lend to SME’s which of the following factors are considered by the bank (RANK THEM)

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<tbody>
<tr>
<td>1) Forecasted balance sheet and P/L account</td>
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<tr>
<td>2) Projection of income and cost in the cash flow forecast</td>
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<td>3) Good track record</td>
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<td>4) Timing of the cash flow</td>
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<td>5) Abilities and experience of entrepreneurs</td>
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<td>6) Qualities of information submitted to the bank</td>
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<td>7) Feasibility of the business</td>
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<td>8) Collateral security provided</td>
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<td>9) Ability to repay the loan</td>
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<td>10) Owner’s equity stake</td>
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<tr>
<td>11) Business plan</td>
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<td>12) Others (Please specify)</td>
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18. Could you please express your views on the following, using 5– strongly disagree, 4 – disagree, 3– neither agree nor disagree, 2– agree & 1– strongly agree

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<tbody>
<tr>
<td>1) Procedure for processing loan request is very lengthy &amp; complicated</td>
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<tr>
<td>2) Majority of the loan request made are not qualified for Further processing</td>
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<td>3) Loan request processing/sanctioning/disbursement will normally be done within the time stated in the bank policy</td>
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<td>4) Papers and documentation of SME advances are inflexible</td>
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<td>5) Loan proposals recommended by branches are regularly Over-ridden by head office</td>
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</tbody>
</table>

19. Do you use the following source of credit information?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
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</thead>
<tbody>
<tr>
<td>1) Interview of loan applicant</td>
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<td>2) Bank records (Existing Clients)</td>
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<td>3) Inspection of applicant’s place of business</td>
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<td>4) Credit checking with suppliers</td>
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<td>5) Inter banking checking</td>
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<td>6) Credit bureau</td>
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</tbody>
</table>
20. How is the credit risk management function organized in your bank? (Tick that apply)
   i. Largely automatised
   ii. Done by credit risk analyst
   iii. Done at head office
   iv. Done at branch level
   v. Others (Please specify)

21. If SME’ clients take loan from the bank, are they able to pay back?
   Yes □  No □
   If no what are the reasons?
                                                                                                                  
                                                                                                                  
                                                                                                                  
                                                                                                                  
                                                                                                                  
22. Do you have a dedicated SME loan recovery unit?
   YES □  NO □

23. What are the actions taken when loans under default?
                                                                                                                  
                                                                                                                  
                                                                                                                  
                                                                                                                  
24. In which sector do you find more NPA?
   MICRO □  SMALL □  MEDIUM □

25. Which of the following the factors are responsible for NPA in SME sector, indicate your view, using 5- strongly disagree, 4 –disagree ,3- neither agree nor disagree, ,2- agree&1-strongly agree
   1) Unscientific borrower selection  5 4 3 2 1
   2) Lack of follow up
   3) Willful default
   4) Defective project approval
   5) Low income generation
   6) Socio-political pressure
   7) Mismanagement of funds
   8) Others (Please specify)

26. Do you require collateral?
   YES □  NO □  Not always □

27. What types of assets are commonly used as collateral for SME lending?
   1) Land
   2) Equipment
   3) Personal guarantee
   4) Cash/other liquid assets
   5) Real estate

28. Do you provide any assistance to make the project bankable with necessary alterations?
   YES □  NO □

29. Do you accept all bankable projects?
   YES □  NO □
30. Any processing charges are levied on the beneficiaries of

1) Micro Enterprises
2) Small Enterprises
3) Medium Enterprises

31. Reasons for delay in distribution of loans(if any)(Tick all that apply)

1) Shortage of staff
2) Improper documentation
3) Technicalities in approval
4) Industry experience of clients
5) Others (Please specify)

32. Loan proposal may be rejected by the bank due to the following reasons, please indicate using 5- strongly disagree, 4 –disagree, 3- neither agree nor disagree, 2- agree & 1-strongly agree

1) Unrealistic business plans
2) Inadequate management skills
3) Poor information sharing
4) Lack of transparency in SME business
5) Lack of good track records
6) Bank lack understanding of SME need
7) Lack of acceptable collateral

33. For each criteria which need to be satisfied by the SME’s is obtaining finance successfully, please specify the importance associated with each of the criteria using 5 –extremely unimportant, 4- unimportant, 3- neither unimportant/nor important, 2- important & 1- extremely important

1) Ability to provide collateral
2) Number of years they have been in business
3) Good track record of loan repayments
4) Strong Entrepreneurial characteristics
5) Good business plan
6) Cash flow sufficient to repay the loan
7) Complete information on the application form
8) Satisfactory reputation & trust worthiness
9) Sufficient amount of owner equity contribution
10) Others (Please specify)

34. It is more costly to gather reliable information on SME’s (SDA- strongly disagree, DA –disagree, NA/NDA neither agree nor disagree, A- agree & SA-strongly agree)

35. The level of information sharing between the bank and SME’ clients for the purpose of financing is

High ☐  Moderate ☐  Low ☐
36. Please use the key below to respond to the following statement using 5- strongly disagree, 4 – disagree, 3- neither agree nor disagree, 2- agree & 1-strongly agree

1) When dealing with credit application information required to assess the competence of the entrepreneur is inadequate
2) SME provide the bank with all the required information prior to provision of the loan
3) When dealing with SME application, the credit officer does not know whether customers is honest or not
4) We emphasize asset based lending to mitigate information asymmetric risk
5) It is very costly to lend because of incomplete Information regarding underlying quality of project
6) We are unable to assess the creditworthiness of clients due to lack of information

37. Could you please describe the reason for Bank lending to SME sector using the following keys, 5- strongly disagree, 4 – disagree, 3- neither agree nor disagree, 2- agree & 1-strongly agree

1) Intense competition for large corporate/retail funding
2) Social objective
3) Perceived profitability in the SME segment
4) Possibility to seek out SME’s through existing relations with large clients
5) Huge financial exclusion
6) Others (please specify)

38. The difficulties involved in the SME loan market are…(Tick all that apply)

1) Assessment credit worthiness
2) High number of defaulters
3) To follow the guidelines strictly
4) Lack of infrastructure facilities
5) Political pressure
6) Others (Please specify)

39. Identify the bank specific factors which are important obstacles to your exposure to SME (Tick all that apply)

1) Bank new to segment
2) Inefficiency in handling sector
3) No proper risk analysis
4) No technology and no trained staff
5) Industry experience of clients
6) Others (Please specify)
40. Banks are sometimes reluctant to serve SME’s sector, please use the key below to respond, 5- strongly disagree, 4 –disagree, 3- neither agree nor disagree, 2- agree & 1-strongly agree

1) The sector is not commercially viable
2) It is highly risky
3) Do not have proper accounting
4) Being small in size of loans, transaction cost is very high
5) SME borrowers do not have strong financials
6) Most of the SME borrowers are first Generation Entrepreneurs

41. What according to you, banks should do to boost people dealing with SME credit? (RANK THEM)

1) Setting targets for each others
2) Grant loans to SME’s as their one of key performance indicators
3) Preference in promotion & placement
4) Comprehensive package of training
5) Reward and compensation
6) Others (Please specify)

42. Which type of banking do you prefer for SME sector?
Class Banking □ Social Banking □

43. Is there any need to exclude SME financing from Priority Sector Lending?
YES □ NO □

44. In your opinion target set for banks in lending to SME’s is to be(Tick that apply)
Reduced to □ Increased to □ No change required □

45. Do you believe that benefit is enjoyed by real priorities?
YES □ NO □

46. SME’s need to be supported by the bank in the millennium of liberalization privatization and globalization (SDA- strongly disagree, DA –disagree, NA/NDA neither agree nor disagree, A- agree & SA- strongly agree)

47. How does an RBI guideline affect your involvement with SME’s?
Positive □ Negative □ Neutral □

48. Financial regulatory environment helps to facilitate financing availability to SME’s(SDA- strongly disagree, DA –disagree, NA/NDA neither agree nor disagree, A- agree & SA- strongly agree)
49. In general, Government policies and incentives facilitate access to commercial bank finance favor large enterprises more than SME’s
YES □ NO □

50. It is socially and politically more difficult to enforce repayment of loans or to recover assets in cases of default by SME’s (SDA- strongly disagree, DA –disagree, NA/NDA neither agree nor disagree, A- agree & SA-strongly agree)

SDA □ DA □ NA/NDA □ A □ SA □

51. Why the most of the SME’s do not want to take loan from banks?
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52. What policies do your bank has put in place for SME’s future?
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53. Would you offer some suggestions to SME clients & regulatory authorities, to make bank loan easy for SME’s

Regulatory Authorities
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SME Clients
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THANK YOU

Signature & Seal