

**FICCI Survey on MSMEs Access to Finance
Questionnaire - December 2018**

Name and Designation of the Respondent: _____

Firm Name: _____

Sector: _____

Domestic Manufacturer / Exporter/ Both: _____

1) Please select the type of your organization:

- ☐ Sole Proprietorship
 ☐ Family Owned Business
 ☐ Partnership
 ☐ Limited Liability Partnership
 ☐ Private Ltd. Company
 ☐ Public Limited Company
 ☐ Other, please specify _____

2) What was your firm's annual turnover in last financial year (2017-18)?

- ☐ Upto Rs 5 crore
 ☐ Rs 5 – 25 crore
 ☐ Rs 25 – 75 crore
 ☐ Rs 75 – 250 crore
 ☐ Above Rs 250 crore

3) if you are in manufacturing sector, what is your investment in Plant and machinery

- ☐ Upto Rs 25 lakhs
 ☐ Rs 25 lakhs – 5 crore
 ☐ Rs 5 crore – 10 crore
 ☐ Above Rs 10 crore

4) if you are in service sector, what is your investment in equipment

- ☐ Upto Rs 10 lakhs
 ☐ Rs 10 lakhs – 2 crore
 ☐ Rs 2 crore – 5 crore
 ☐ Above Rs 5 crore

5) What is the composition of your organisation's capital?

Capital Component	% share
Own Capital	
Borrowed funds (Debt)	
Raised Capital through Equity	
Total	100%

6) Please indicate how have your operations been affected in last 2 years? (Tick appropriate cell for each row)

Operational Indicator	Trend seen in last 2 years			
	Increased	Decreased	No change	Not Applicable
Sales				
Labour cost				
Input/ Raw material cost				
Financing / interest cost				
Profits				
Profit Margin				

7) Please indicate the average size of loans availed by your firm in the past from banks or financial institutions?

☐ Upto Rs 10 lakhs
 ☐ Between Rs 10 – 25 lakhs
 ☐ Between Rs 25 – 50 lakhs
 ☐ Between Rs 50 lakh – 1 crore
 ☐ Above Rs 1 crore
 ☐ Not applicable (No loan)

8) What are the type of external sources of finance that your firm has used in past or is using currently? (Please tick appropriate cell(s) for each row)

Type of Credit	When availed?			
	Never used	Currently using	Used last year	Used two years back or earlier
Trade Credit				
Loans from friends, relatives				
Loan from local moneylenders				
Sh. Term finance from banks (cash credit, overdraft, credit line, etc.)				
Term loan from banks				
Loan from NBFC				
Factoring/ leasing				
Equity				
Seed Funding/Venture Capital/Angel Investment				
Any other, please specify				

9) a) Have you applied and received credit / loan from banks or other financial institutions in the past?

☐ Yes, applied amount was fully sanctioned
 ☐ Yes, but credit sanctioned was less than applied amount
 ☐ Applied, but application got rejected
 ☐ Applied, but did not avail as terms were not satisfactory
 ☐ Did not apply

b) In case you have applied, but your loan got rejected or you did not avail the loan, please indicate the reasons behind it in below table by ticking appropriate cell(s) for Columns A and B.

Reason for Withdrawal/ Rejection of your loan application	A. Reason for rejection of loan	B. Reason for Withdrawal of loan application
Managed finance from other sources		
Interest rate being charged was too high		
Not able to provide collateral in the form of mortgage assets		
Firm's Book-keeping/ financial documents were not proper (Did not have all documents required for processing)		
Bank was taking long time for processing of loan		
Did not meet eligibility criteria of bank / financial institution		
Bankers did not show interest in firm's project proposal		
Don't know as bank did not give any reasons		
Any other reason, please specify _____		

10) If you have not applied for finance from banks, what are major reasons? Please tick all appropriate.

- ☐ Availability of Own Capital
- ☐ Limited or no collateral available
- ☐ Availability of Capital from Informal Sources (e.g. friends/ relatives/ local lenders)
- ☐ No plans for upgradation / purchase of new machinery
- ☐ High interest rate charged by banks
- ☐ Too much paperwork and cumbersome procedures for taking loan from banks
- ☐ Any other, specify _____

11) Kindly fill the below table that relates to various schemes that Government provides for MSME finance. (Multiple ticks can be done - Please tick all appropriate cells for each column).

Description	Credit Guarantee Scheme (CGTSME) – collateral free loan upto Rs 200 Lakh	Credit linked Capital Subsidy scheme for Technology Upgradation	Financial Support for ZED Certification Scheme	Performance and Credit Rating Scheme	MUDRA
I am not aware of this					
I am partly aware of this					
I am aware and have taken benefit of this scheme					
I am aware but not taken benefit of this scheme					
This scheme is not applicable for my firm					
Banks never told us about such scheme					
Banks are not willing to give finance under this scheme					
I am aware but will not avail this scheme * (please give reasons below)					

Reasons: _____

- 12) Please indicate the average rate of interest charged by the banks to your firm for various type of loans as below.
Also indicate how the rates have changed over last one year.

Type of Loan	Interest rate % (tick appropriate)				Change in Interest rate over last one year (tick appropriate)		
	Less than 7%	7% - 10%	10% - 13%	More than 13%	Increased	Decreased	No change
Short term loan (less than 1 year)							
Term loan (more than 1 year but less than 3 years)							
Term loan (more than 3 years)							

- 13) For each of the below statements regarding recent developments in banking sector and their impact on business, please rate on a scale of 1-5 how strongly you agree or disagree (1 - strongly agree and 5 – strongly disagree)

Statement	Not applicable	1	2	3	4	5
Ban on Letter of Undertaking & Letter of Comfort by RBI has hurt working capital finance for my business						
Inability to get credit from banks in last 6 months – 1 year has affected potential sales growth of my business						
Banks have become more reluctant in lending to SMEs in last one year						
Export related credit has become more difficult in last six months, affecting our ability to take export orders						
Banks have increased collateral requirements for lending						
We have delayed our expansion plans as credit is not available/ has become more expensive						

- 14) What are the various type of collateral requirement for term loans that financial institutions usually ask from firms like yours? (tick all appropriate for each type of financial institution – multiple ticks allowed)

Collateral requirements by type of institution	Public Sector Banks	Private Banks	Co-operative Banks	Foreign Banks	NBFCs	Fintech Companies
No collateral Required						
Charge on fixed assets like building						
Charge on current assets						
Corporate guarantee						
Personal guarantee						
Third Party Guarantee						
Others, please specify _____						

15) What are the key factors that have been a hurdle in availing finance from banks/ financial institutions? (Please **scale each factor in each row** from 1 to 5, with 1 being very important and 5 being least important.)

Factors that are hurdle in seeking credit	Not Applicable	1	2	3	4	5
High interest rate						
Restrictive terms of lending besides interest rate						
Non-availability of sufficient collateral						
Lack of awareness about credit schemes of government						
Improper book keeping and accounting by firm						
Unwillingness of banks to lend to MSMEs						
Unwillingness of banks to lend to firms in my sector						
Easier and faster to get loans from informal sources than from banks						
Limited time and knowledge/ skills with firm to complete formalities required by banks						

16) Please tick from list below the key measure(s) that need to be taken to improve financing for MSMEs.

- ☐ Simplification of lending requirements by banks
- ☐ Faster processing of loans by banks
- ☐ Lowering of lending rates
- ☐ Transformation in attitude of bankers – encouraging them to lend to MSMEs
- ☐ Assistance at Banks in Vernacular Languages during Application Filing
- ☐ Integrated Online Portal for MSME Loan where it could be compared, applied and tracked
- ☐ Greater transparency in lending process through online tracking of loans, etc.
- ☐ Greater awareness about various credit subsidy schemes of government and effective implementation of same

17) Please provide any other suggestions for making finance for MSMEs easily accessible and affordable.

--- Thank You ---

(All Answers will be kept confidential)