

Commonly observed responses/shortcuts among SMEs when distress hits/ appears:

1. Inflating the stock & book debts to seek higher bank limits,
2. Resorting to expensive hand loans,
3. Adding new product lines to recoup the losses
4. Using statutory dues (TDS or labour payments) for business purpose,
5. Raising mortgages,
6. Going after riskier big deals hoping for quick turnaround
7. Running behind easy loans which more likely causes loss
8. Delaying book closure,
9. Hurting the relationship with bankers and creditors.
10. Seeking happiness in passing the blame etc.