

Cash Flow Study

Udaipur District



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CASH FLOW STUDY OF URBAN POOR

City: Udaipur

1. Introduction

Urban Poverty is a universal phenomenon and due to the increasing industrialisation it is seen to be growing steeply over the last decade or two. It has been predicted that the urban poor population is about to double in the next 30 years (UNDP, 2009). According to the NSSO survey conducted in 2008, 80 mn poor people are living in the cities and the peri-urban areas out of a total of 1.1 bn. This is leading to what is known globally as “urbanisation of poverty” i.e. increased ratio of urban poor to rural poor leading to rise in the urban problems of housing, water and other basic amenities.

There are many studies which talk about poor people living in the slums which are overcrowded, often polluted and lack basic civic amenities like clean drinking water, sanitation and health facilities. Most of them are involved in informal sector activities where there is constant threat of eviction, removal, confiscation of goods and almost non-existent social security cover.

But not much has been studied with regard to the financial needs of urban poor. To fill up this gap in knowledge the Centre for Microfinance (CMF), Jaipur has undertaken a study on cash flow pattern of urban poor in five cities of Rajasthan – Bikaner, Kota, Jaipur, Jodhpur, and Udaipur. The objectives of the study are:

- To understand the existing pattern of cash flow, acquisitions, investments and credit amongst the urban poor in Rajasthan.
- To identify opportunities of interventions for ensuring timely access to financial services at fair terms
- To act as a benchmark on the financial needs of the urban poor in the state.

To understand these aspects a survey of 1058 households (HH) was carried out. A structured questionnaire was used for data collection. The number of households covered in the city of Udaipur was 166 HH.

This included a survey primarily from four slum areas (Moharpura -63 HH, Pulla Kachi Basti – 59 HH, Rangaswami Basti – 25 HH, and Shahid Bhagat Singh Basti – 18 HH). In terms of Municipal Wards, the surveyed households are from Ward No. 1 (63 HH), Ward No. 15 (77 HH), and Badgaon (26 HH). The residents of these areas are primarily the natives of Rajasthan particularly from other parts of the Udaipur district and from other districts such as Rajsamand, Sawai Madhopur, Chittaurgarh, Churu, and Jaisalmer. About 10% are from UP, Bihar and Madhya Pradesh.

The report has been structured in seven sections. This section introduces the study, the second section gives an overview of the respondent profile, the third section describes the asset owned by the respondents and its source of finance, the fourth section describes the income, expenditure, and savings of the households, the fifth section describes the life cycle events and credit need, the sixth section describes the indebtedness and other financial aspect, and the last section concludes the study and draws some implications for financial institutions.

2. Profile of the Respondent Households

The total population of the surveyed households is 894 with an average family size of 5 members per household. Of them, 477 are males and 417 are females and about 85% (166 HH) are male headed. Age wise, about 357 fall in the pre-reproductive group (0-14 years), 509 fall in the reproductive group (15-55years), 28 fall in the post reproductive group (above 60 years).

About 15% of the surveyed households have been living for 20-25 years, 18% for 15-20 years, and 11% for 10-15 years while 14% are living here since the past decade which could mean that this population has recently migrated from elsewhere. About half of the population (44%) belongs to SC/ST category while only 28% belong to general category. 2% of the surveyed households did not respond when enquired about their social status. Further, 29% of the surveyed population is illiterate (38 are males and 224 are females).

Of the 166 HH, 145 have their own houses. The houses do not have adequate facilities like kitchen and toilet. 16 HH have kitchen facility only, 16 have only toilets, and 23 have both kitchen and toilets. About 111 HH (67%) have neither kitchen nor toilet. Electricity is not available with 27 HH. Of the HH surveyed, 112 have kutcha house, 47 HH have pukka house while 7 HH did not respond. Regarding drinking water facility, 55 HH (33%) have tap at home, while 100 HH get water from community tap, 11 get it from hand pump. Figure 1 gives a graphical overview of the facilities available with the HH.

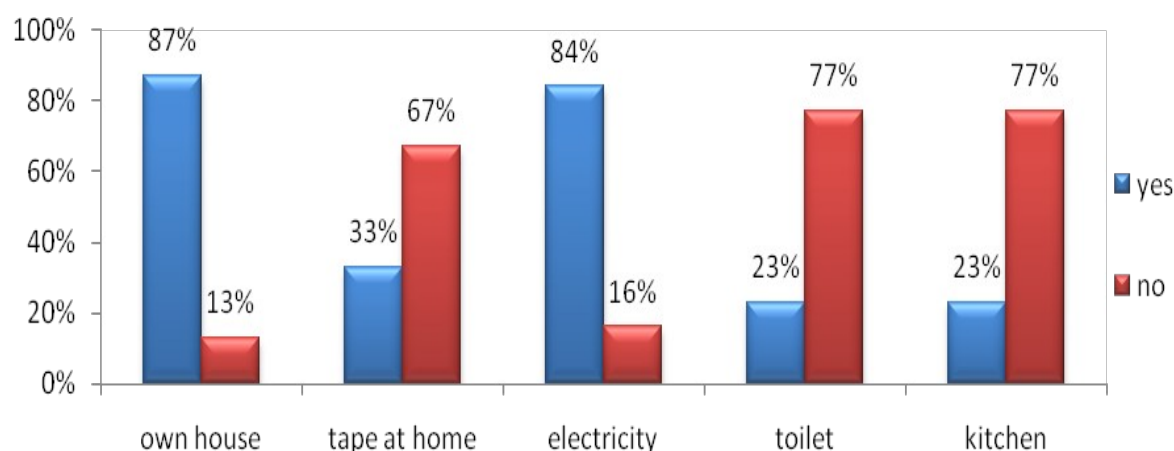


Figure 1: Facilities in the Households

Of the surveyed households average value of a house is 1.75 lakh; the highest value of the house is of Rs. 17, 50,000 while the lowest value of the house is Rs. 10000. The complete representation of the cost of households is given below.

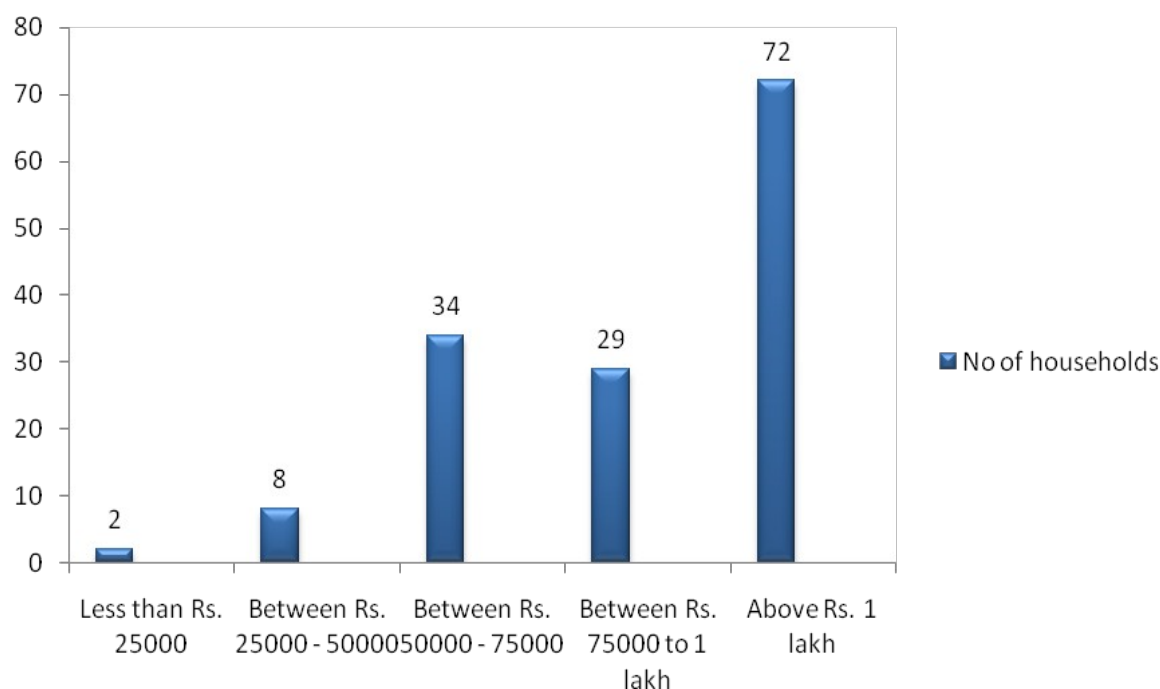


Figure 2: Cost of the households

2.2 Occupation of the households

Of the 509 people above 14 years of age, 352 report to have some kind of employment or the other. 66 people of this have secondary employment in some form while amongst the rest, 27% work as daily wage labourers, 19.5% are salaried and about 17.5% are self employed. Daily labour is the main form of employment which employs the maximum population followed by women who work as housemaids. Bhiksha activity is undertaken by about 7% of the population either as a primary source of income or as secondary employment.

The details of the employment of the surveyed population are given in the following table.

Table 1: Details of Employment

No of people from the sample households	Primary Occupation	Details of Employment
94	Daily wage labourers	Beldari, Cycle repair shop, painting, thelas, etc
91	Salaried	Driver, Watchman, Painter, tailor shop, painter, flour mill
34	Self Employed	Pani Puri thelas, Selling utensils in exchange of old clothes, Mechanic, tailoring, Auto repair shop, tea shop owners,
72	Housewives	Primary occupied in household activities, and occasionally also in home based activities like making spice powders, bandhej embroidery etc (as and when

		the opportunity arises)
48	Others	Mainly into Bhiksha activities

Further, it is also seen that not much children attend school in this area. Of the surveyed population only three were students but the activities of the students who do not attend school or who were school dropouts did not come out from the study.

As being told by the respondents during the FGD, children do not attend school as there is no nearby aanganwadi. A local NGO was running a school under their education programme which was attended by all the school age children, but this school got closed down after the project was completed.

2.2 Income, Expenditure and Savings

2.2.1 Income:

Since the occupation of the surveyed families varies with the permanency or at times with periodicity, the income of the surveyed population is pretty skewed and irregular.

The average annual income of a household surveyed is Rs. 47,606 of which the occupational income contributes 99% while the rest is contributed by rent and other sources. However the income distribution is quite skewed. The income from primary employment contributes 92% of the total income, while the secondary employment contributes about 7%.

This is in contrast to the income generation that takes place in the rural areas since rural people are simultaneously involved in multiple occupations. Agriculture being the primary one (which is seasonal and crop based) they also undertake other activities like poultry and cattle rearing and are also involved as being labourers. This is as opposed to the urban phenomena wherein the person is occupied in his/her primary occupation all the time.

Of the surveyed households, the lowest quarter of the sample has a household income of only Rs. 0.24 lakh while the same of the richest quarter of the sample is 0.81 lakh. Highest income amongst the surveyed population is of Rs. 13000 per month of the person who is a painter while the lowest one is of Rs. 600 per month who is a daily wage labourer. This wide bracket itself explains the extremities in the income.

2.2.2 Expenditure:

The average annual expenditure of the surveyed population is Rs. 42, 000 which when compared with the average income above tells us that the surplus amount that the households

have each year is only Rs. 5606. Amongst the surveyed sample, the highest expenditure is of Rs. 12510 per month while the lowest one is of Rs. 590 per month.

The expenditure of the lowest quarter income group is only Rs. 0.22 lakh while the highest quarter income group spends Rs. 0.68 lakh annually. The table below gives a comparison of the income and expenditures of the surveyed households according to the income groups they fall into. It would be interesting to find how the surplus amount at the end of the year is converted into building assets in the following section. However, we should note that the surplus here does not take into account the expenditures made on contingency events by the households.

Table 2: Income, Expenditure and Surpluses of the sample households

Income groups (lowest to highest)	Income			Expenditure			Surplus
	Total income of sample HH	Average income	%	Total expenditure of sample HH	Average expenditure	%	
First 25%	979200	23883	12%	892836	21776	13%	2106
Second 25%	1564800	37257	20%	1537752	36613	22%	644
Third 25%	1977600	48234	25%	1781712	43456	25%	4778
Last 25%	3381000	80500	43%	2860104	68098	40%	12402
	7902600	47,606	100%	7072404	42,605	100%	

Figure 4 and Table 3 presents further details of household expenditure. This includes all the regular expenditures. The occasional expenditures done on social events or on emergencies are described in a subsequent section. Consumption expenses comprise 52% of the total expenses and debt servicing contributes to 10%.

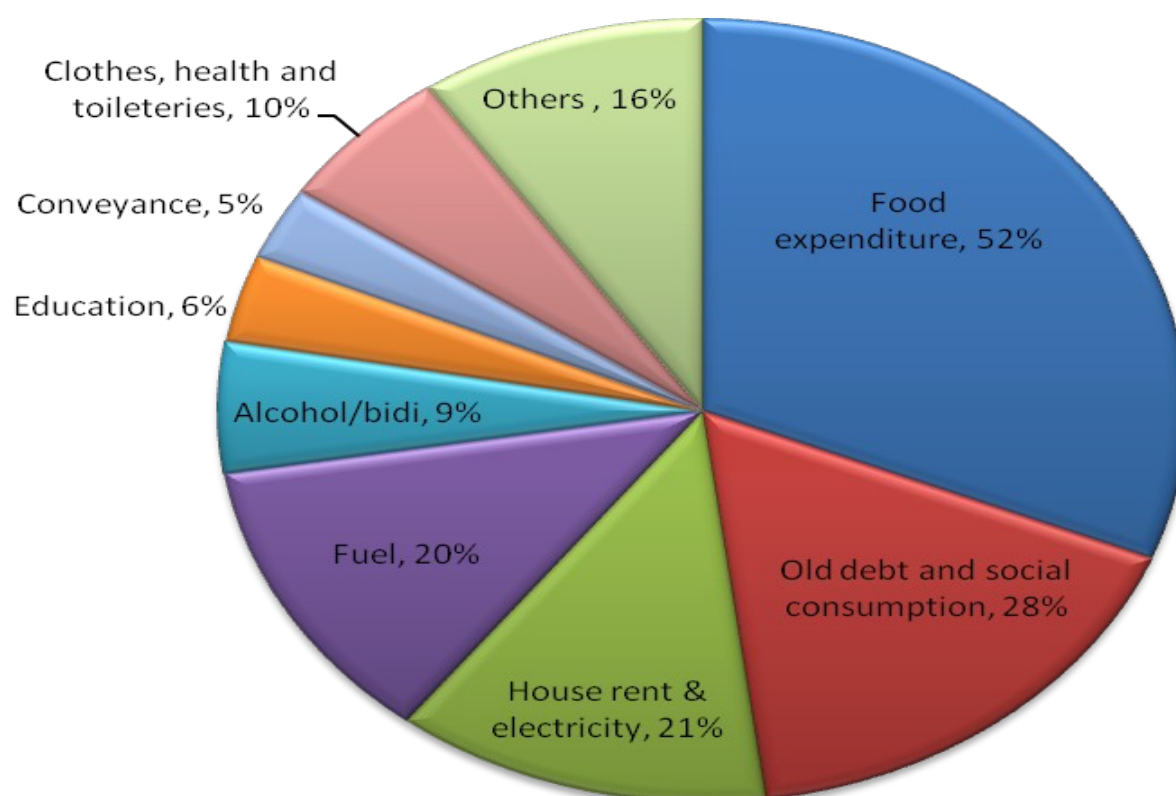


Figure 3: Household expenditures

If we look the expenditure as a percent of income then we can find that expenditure on food comprises more than half of the income (52%). Further 28% of the total income is spent on debt servicing and on other social expenses. It is interesting to note that the expenses on education are only 6%. This could be the reason as to why the literacy level of the area is so low and why such a small proportion of the surveyed sample has children who are attending school. With no emphasis given on the education expenses, the future of the kids is at risk. The detailed expenditures are given in the table below.

Table 3: Details of the household expenditure

	Annual Expenditure	percentage	Expenditure as percentage of income
Food expenditure	22337	52%	47%
Old debt	8238	19%	17%
House rent	6411	15%	13%
Vehicle fuel	4533	11%	10%
Alcohol/bidi	3679	9%	8%
LPG	2689	6%	6%
Litigation	2564	6%	5%
Electricity	2523	6%	5%
Education	2507	6%	5%
Conveyance	2132	5%	4%
Other	1800	4%	4%
Fuel cooking	1667	4%	4%
Clothes	1616	4%	3%
Remittances	1398	3%	3%

Health expenditure	1383	3%	3%
Telephone	1210	3%	3%
Toiletries	1113	3%	2%
Others (gift, social expenditure, water, cosmetics, entertainment, house repair, migration)	3891	9%	8%
TOTAL	42605	100%	47606

As stated above, food expenses consume the maximum share of the total annual expenditure followed by servicing of old debts and this indicates the high level of indebtedness amongst the population. It is also very alarming to know that the third highest expenditure takes place for vices like alcohol and bidi and this consumes 9% of the total annual expenditure.

2.2.3 Income v/s Consumption expenses+life cycle expenses/events:

To further analyze, expenditure of every household can be divided under two broad heads: Consumption or routine Expenditure and Life Cycle events expenditure. Routine Expenditure is mainly the expenditure on food, clothing and shelter while life cycle events are usually huge unprecedented events like death, births, marriages, health problems, house construction and repairs etc. Such exigencies make households spend more and at times cater to credit to access these needs.

The following table gives an analysis of the average income, average expenditure (consumption and lifecycle) and the surplus that the households have at the end of the year.

Table 4: Comparison of the income, expenditure and the surplus

Income Groups (lowest to highest)	Average Annual Income	Average Annual Expenditure (routine)	Average annual Expenditure (life cycle)	Surplus (annual)
First 25%	23314	21258	66500	(64444)
Second 25%	36257	35527	98210	(97480)
Third 25%	48086	43508	154500	(149922)
Fourth 25%	80500	68098	410730	(398328)

It is seen that the surplus amount here is negative which contradicts to the surplus amount above which does not consider the life cycle event expenditure. Thus it can be concluded that to meet the unprecedented expenses, the households resort to credit sources. The following table explains the same.

Table 5: Expenditure on Life cycle events (Over past 10 years)

Lifecycle event	No. of households having the particular event	No. of instances of events	Total amount spent	Avg per household	Self Finance	Asset Sale	Gift	Credit	Govt Aid
Marriage	56	63	2743000	41561	32%	5%	2%	59%	0%
Child Birth	40	65	184600	2840	45%	27%	0%	27%	0%
Health Expenses	57	59	908000	14885	20%	16%	5%	55%	1%
House Construction	46	55	2274000	39895	28%	4%	1%	52%	16%
Death	19	20	263000	12524	13%	15%	4%	55%	13%
Litigation	2	2	40000	40000	0%	25%	0%	75%	0%
Others	22	23	894800	35792	22%	0%	0%	78%	0%
Total	242	287	7307400	187497	28%	6%	2%	58%	6%
Average/HH			44020						

As seen from the events that take place in each household, the ratio of the events per household is 1.19 events on an average.

It can be observed that on an average a household has spent Rs. 0.44 lakh on such life cycle events. There have been 287 such unprecedented events for the surveyed households over the past ten years. About 28% of the total expenditure has been met through self-finance, 6% through sale of assets, 2% through gifts, 6% through government aid, while **58%** has been met through taking credit.

Of the various sources of credit, friends and relatives have provided support on more than 50% occasions, followed by moneylenders who have supported on more than one fourth of occasions as given in Figure 4.

Source of Credit

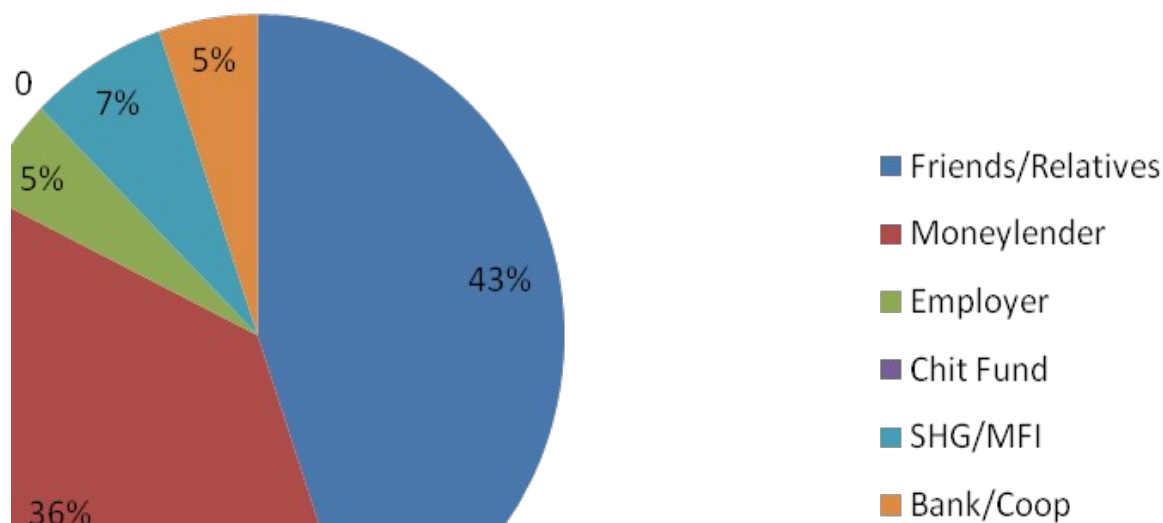


Figure 4: Source of credit for life cycle events

The details of the specific events and the source of credit for the same is given in the table below. On 48% of the instances the sourcing is through friends/relatives and then followed by moneylenders at 22% of the time.

Table 6: Source of credit v/s Life cycle events

Event	Friends/relatives	Moneylender	Employer / contractor	SHG	Bank/coop	Others
Marriage	66%	28%	3%	3%	0%	1%
Child birth	56%	40%	4%	0%	0%	0%
Health expenses	84%	14%	1%	0%	0%	0%
House construction	30%	22%	3%	5%	31%	9%
Death	44%	49%	7%	0%	0%	0%
Litigation	0%	100%	0%	0%	0%	0%
Others	15%	1%	4%	10%	41%	29%
	48%	22%	3%	4%	15%	7%

For obtaining the above finances, the surveyed households have paid an average interest rate of 3%. The periodicity of repayment is either monthly or when money is available in 95% of cases, while yearly and half-yearly repayments have been used on three and four occasions respectively. For monthly repayment the average interest charged is 1.64% while the same for when money is available is 2.58%; for six monthly and yearly repayments it is close to 3%. The rate of interest also varies from source to source (of finance) as shown in Figure 6.

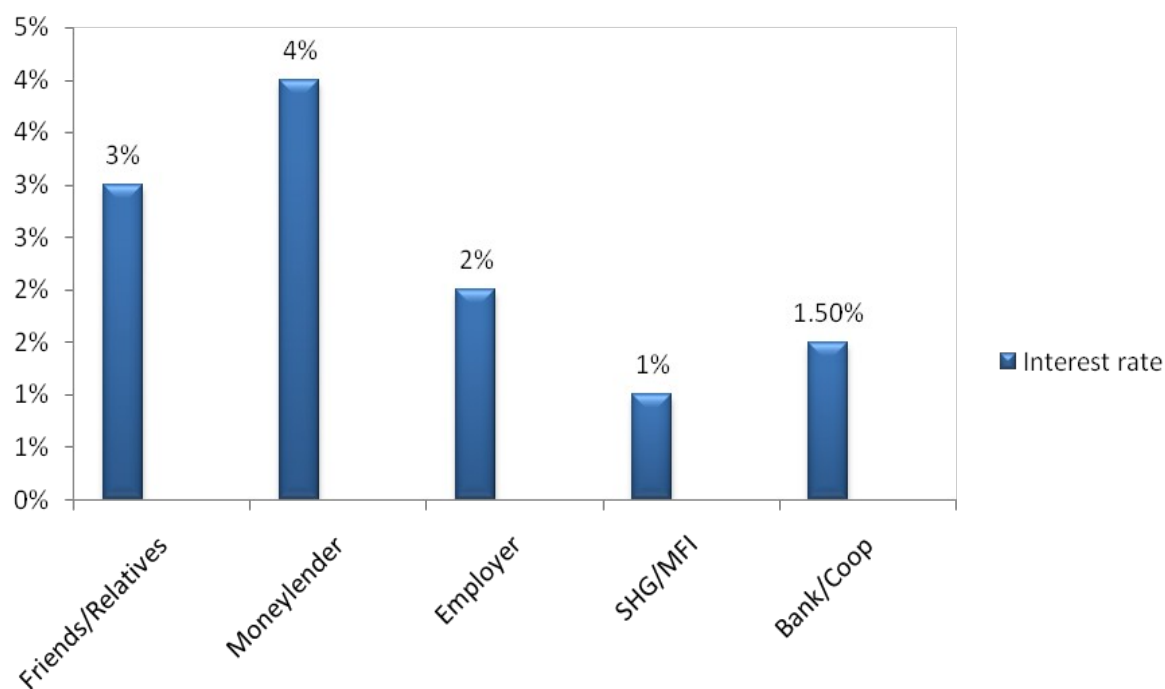


Figure 5: Variation in interest rate

2.2.4 Savings:

The surveyed households on an average have saved Rs. 3500 of which 40% has been saved in banks or cooperatives, 14% with SHGs, and 12% each with Post office and NBFCs. Only 1% amount is in the form of fixed deposits, while 11% is in the form of cash at home. These savings have been done on 241 occasions, of which 49% in the form of cash at home. More details are given in Table 7.

Table 7: Savings and Frequency

Mode of Savings	No. of instances	Amount of savings	%	Periodicity				
				Daily	Weekly	Monthly	Yearly	Whenever available
Post office	12	69900	12%			12		
Bank/coop	56	234040	40%	1		25		30
NBFC/Pvt.co	18	69670	12%	11		4		3
Chit fund	2	18200	3%	2				
SHG	30	79000	14%			30		
Cash at home	118	66250	11%	10	3	105		
Fixed deposit	1	6000	1%					1
Friends/relative	4	37900	7%			2	1	1
	241	580960	100%	24	3	178	1	35

About 74% of the households follow monthly savings which is then followed by savings on a daily basis which is carried out by 10% of the households. The daily savings is followed

mainly by people who save in NBFCs and also by those who save cash at home. Weekly saving is not followed in case of any formal institution.

The main criteria behind choosing a particular institution for savings are accessibility and liquidity, followed by security; interest rate plays a smaller role. As being told by the respondents during the survey, accessibility is the most important criteria followed by liquidity of the savings, while interest rate gathered on the savings does not bother the people much. About 48% of the respondents mentioned that interest rate is just irrelevant in making this decision. Details are given in the below mentioned table 8.

Table 8: Criteria for mode of savings

	Accessibility	Interest rate	Security	Liquidity
Very Important	174		37	142
Important	55	49	110	76
Not so important	11	69	75	13
less important		6	18	9
Irrelevant		116		
Total	240	240	240	240

3. Assets Ownership

As we discussed in the above sections, it would be interesting to know how the surplus amount gathered after all the expenditures are met is converted into building assets. But not all the surplus amount is converted into building assets and it is seen that people take resort to credit for purchasing assets.

On an average a household has spent Rs. 9,911/- on acquiring assets. The highest proportion has been spent on TV (23%) followed by Motor cycle (18%), fans (7%), LPG and cycle (6% each). About 60% of the amount spent on acquiring assets has been contributed by own savings, while 6% has been received though gifts. Appendix-I presents more details about this.

Source of finance

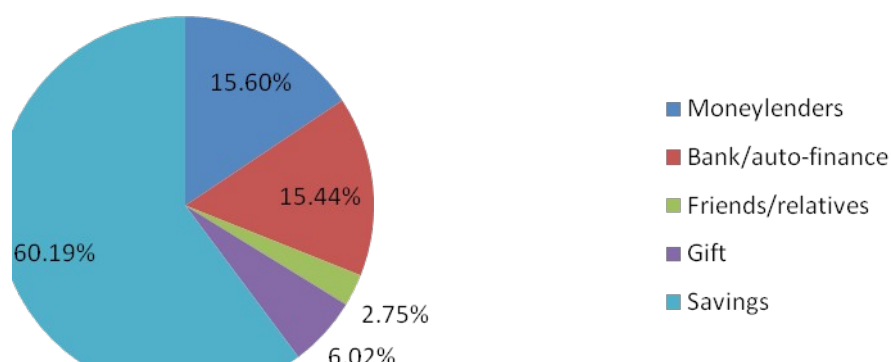


Figure 6: Source of Finance for acquiring Assets

About 34% of the amount spent on assets has been obtained through credit which is mainly by moneylenders (16%), and banks/auto finance companies (15%) while about 3% has been taken from friends and relatives. These sources together comprise 66% of the total amount of finance.

The pattern of asset holding among various income-groups shows that the lowest 10% income group have spent only Rs. 482/- on an average (0.5% of total amount), while upper most 10% income group has spent Rs. 10,777/- on an average (50% of total amount). The bottom quarter has spent only 3%, while the bottom half have spent only 11%, bottom three fourth have spent only 29% of the total amount spent on assets. Details are given in Table 2.

Table 9: Income group wise asset-holding

Cumulative percent of households	Cumulative percent of households	Amount spent on assets in Rs.	Percent of amount spent	Average amount spent for the income group in Rs.
10	17	8200	0.5%	482
25	41	47050	3%	1148
50	83	184400	11%	1556
75	124	481830	29%	3217
90	149	817555	50%	5281
100	166	1642255	100%	10777

Thus the distribution of spending on asset holdings is highly skewed.

4. Indebtedness and Other Financial Aspects

4.1. Indebtedness

The average indebtedness of a household is Rs 17,711/-. The indebtedness of the poorest quarter of the sample is Rs. 10,915 per HH, the next income group (26% to 50%) has an indebtedness of Rs. 12,583, while the next two quarters have an indebtedness of Rs. 16,866/- and Rs. 30,300/- respectively.

Thus on an average household in the poorest quarter owes 46% of the annual income, while the subsequent quarters of sample owes 34% to 38% of their annual income. On an average a household owes 37% of the annual income.

Friends and relatives are the largest source of credit who have contributed 53% of the total credit held by the sample households. The next important creditors are money lenders (20%) and banks and cooperatives (15%). Table 10 gives an overview of the same. However the reach of banks to such credit is very small as only 7% of households have accessed to such credit on eight occasions; this however means that banks have lent higher amount per occasion. The reach of moneylenders has been about 15% of the sample households, but the former have lent multiple times to the households.

Table 10: Source of Credit and Rate of interest

	Bank/co op	Chit fund	Employ er/contr actor	Friends/ relatives	Money lenders	SHG	Others	Total
No. of households	7	2	5	62	18	3	7	104
No. of occasions	8	2	6	64	35	9	7	131
Amount borrowed in Rs.	433000	10000	62500	1572500	602500	106600	153000	2940100
Average indebtedness in Rs.								17,711
Average rate of interest (monthly)	1.38	2.00	2.17	2.42	3.48	1.00	1.50	2.47
Yearly interest rate*	17	24	26	29	42	12	18	30

* calculated at simple interest rate

It can be observed from Table 11 that more than a third of the households have not taken any credit. Only 40% of the sample households have borrowed an amount higher than Rs. 10,000/-.

Table 11: Indebtedness of Households

	Nil	< Rs. 5000	Rs. 5000-1000 0	Rs. 10000-2500 0	Rs. 25000-5000 0	Rs. 50000 to Rs. 1 lakh	>Rs. 1 lakh
No. of HH	62	22	16	35	20	5	6
Percent of HH	37%	13%	10%	21%	12%	3%	4%

Table no.11 above explains the indebtedness per household. More than 50% of the sample households are indebted of which 12% have loans between Rs. 25000 – 50000 while only 4% have loans that are of Rs. 1 lakh or more. 37% of the sample households do not have any debts.

4.2. Purpose of Credit

Social consumption is the major purpose of credit, about 50% of the amount of total credit has been taken for this followed by purchase of houses or house repairing (24%). Table 12 and Figure 7 gives an idea of various purposes of credits.

Purpose of Credit

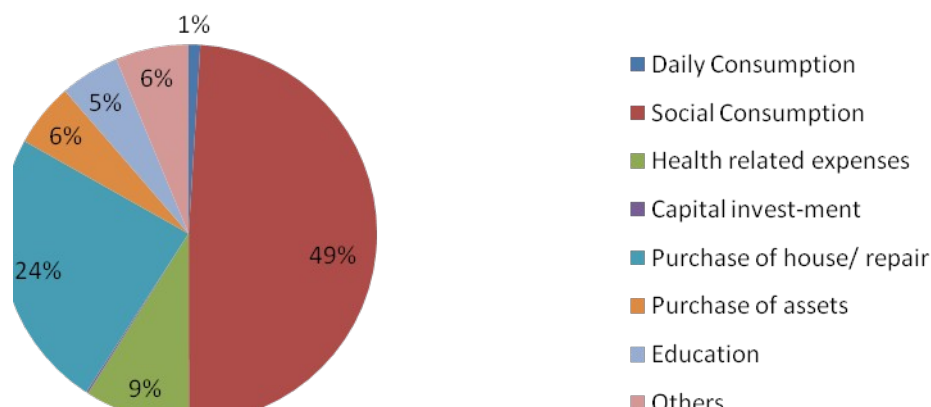


Figure 7: Purpose of Credit

It can also be observed that the lending sources have preferred to one or more particular purpose for credit. For social consumption and health related expenses it is mainly the friends/relatives and the moneylenders. The latter have mainly funded the purchase of houses and other aspects, while on one occasion it has extended an education loan.

Table 12: Purpose of obtaining credit (Number of Households)

Purpose	Daily Consumption	Social Consumption	Health related expenses	Capital investment	Purchase of house/ repair	Purchase of assets	Education	Others	Total
Rs. in lakhs	0.29	14.4	2.64	0.05	7.06	1.61	1.50	1.84	29.40
Bank/ coop					3	2	1	2	8
Chit fund				1				1	2
Employer/ contractor		3	1		1			1	6
Friends/ relatives	3	26	17		14	2		2	64
Money-lenders		16	9		8	1			35
SHG		1			5	1		2	9
Others	2	1			2	1		1	7
	5	47	27	1	33	7	1	9	131

It is interesting to note that only 0.05 lakh (0.17% of total credit) have been extended for capital investment i.e. for entrepreneurial purpose; which has been provided by a chit fund. The most important factor behind choosing a source of credit is the need of collateral as stated by 89% of the respondents. Accessibility and adequacy are relatively still important but the cost of credit is considered to be of least important as observed by about 56% of the respondents

4.3. Interest Rate

Table 10 as given above also shows the interest rate charged by the creditors. The average interest rate is 30% per annum; SHGs and Banks/cooperatives are the cheapest sources of credit who have charged 12% and 17% interest per annum respectively. The dearest source of credit is the moneylender who on an average charges 42% interest rate (ranging from 36% to 60% per annum). The employers and friends/relatives charge the interest rate of 26% to 29% per annum.

Interestingly, the interest rate charged towards monthly repayment rate is 32% per annum while the same for the repayment mode of as and when available is 27%. This is primarily because the banks have been open to the latter mode who charges less interest rate.

4.4. Remittance

Only 4 households have remitted money and the amount of remittance is very small (average Rs. 2750 per HH). Actually 90% of the households in the area are from Udaipur district and nearby areas hence they do not require remitting money. The 10% household who hail from MP, UP and Bihar have been settled here for 10 to 20 years; probably that is why remittance amount is very low.

4.5. Insurance

Only 15% of households (26 HH) have taken an insurance policy. Of this, 22 households have only one member who has insurance, while four households have two persons from the households under insurance coverage. Except for one case, all the insurance coverage is for life. The average premium is Rs. 4515/-. Maturity period ranges from 6 to 25 years (mostly in between 10-15 years). The half-yearly frequency of payment is the most preferred mode as observed in two-third of cases.

5. CONCLUDING REMARKS

5.1. Conclusions

From the above observations the following conclusions can be made:

- The surveyed households has a surplus economy in terms of regular income and expenditure, however, meeting the long terms needs of creating assets, incurring social expenditures and life cycle events, the household turn into a deficit situation as given follows:

Average annual income:	Rs. 47,606
Average annual expenditure:	Rs. 42,605
Average savings of a household:	Rs. 3,500
Average debt of a household:	Rs. 17,711
- Thus an average households' saving is equal to about its three weeks of income, but the debt amounts to about four and half months of income.
- Social consumption and housing (purchase/repair) are the most important causes of obtaining a loan which together covers 61% of the instances for which loan is taken

amounting to 74% of total credit. The next most important cause of indebtedness is health related expenses which takes about 9% of total credit obtained on 21% of occasions.

- Friends and relatives are the largest source of credit who contribute 53% of the total credit held by the sample households. The next important creditors are money lenders (20%) and banks and cooperatives (15%). However, Banks have provided loan only to 7% of households.
- The average interest paid to serve the credit is 30% per annum. The formal sources of credit and SHGs have been the cheapest ones charging 17% and 12 % interest per annum respectively, while the moneylenders have charged the highest, i.e. 42% per month.
- The interest rate on perpetual outstanding (27% per annum) is less than the monthly mode of repayment (32%). Very few households have followed yearly and six monthly mode of repayment; in such cases the interest rate is still higher.
- For saving, accessibility, security, and liquidity are the main criteria for choosing the place of savings has to be made. Rate of interest is a very less important criterion for saving. For obtaining credit, the important criteria for choosing creditor are need of collateral, followed by accessibility, and adequacy while cost of credit is the least important reason.
- As the area has residents primarily from the same district or from the neighbouring districts, the remittance is directly handed over by the person who is sending it. Only 2.5% cases remittance has been observed.
- Insurance has been purchased by less than 15% households. The insurance have been primarily life insurance products, while in only one instance a health insurance product has been purchased.

5.2. Implications for Financial Institutions

Other than banks/cooperatives no other institution is working there particularly to provide savings/credit services. There is no MFI/NBFC working in the area. There is ample scope for such agencies to operate in the area.

A Financial institution may take care of the a few things while operating or before starting its operation in the area:

- People have low accessibility to low interest loans of Banks; any loan product priced below that of the money lenders is definitely going to be taken if they are easily accessible.
- Social consumption is the major purpose of credit as observed in the survey; but none of the formal institutions has tapped this area. The MFI/NBFC who wants to work in the area may consider this as a prospective area of funding.
- Monthly and 'as and when available' mode of saving and repayment has been the mostly widely followed frequency. No instance of weekly or daily repayment has been observed. As SHGs have started operating in the area, these options can be included which can help expanding the credit base.
- There is a lot of scope for expanding the coverage of insurance services.
- While the economy is running on net deficit, it has also been observed that there is not much effort in extending finance for enterprising activities. Only in 0.17%% cases loans have been taken for such purpose. A hand-holding support mechanism in such activities can ensure viability of such initiatives, and it can improve the livelihoods of people too.

Cited References:

- IUPR, UNDP, 2009
- NSSO survey report, 2008

Appendix I: Assets and Source of Finance

Assets	No. of units	Amount spent	percentage
Almirah	11	29500	1.79%
Chair/Table	97	29050	1.77%
cooler	13	23600	1.43%
cycle	115	93301	5.67%
DTH antenna	4	6250	0.38%
fan	170	120770	7.34%
LPG	42	94980	5.77%
Mobile	50	93450	5.68%
motor cycle	16	289050	17.57%
radio	49	9615	0.58%
rickshaw	1	25000	1.52%
sewing machine	40	46020	2.80%
stove	2	600	0.04%
tape recorder	13	16700	1.02%
thela	11	27800	1.69%
trunk	17	5400	0.33%
TV	98	383320	23.30%
VCD	14	25400	1.54%
others	71	325450	19.78%
	834	1645256	

Appendix II: Sample Questionnaire used to carry out the survey at the households