

## IDPM FINANCIAL DIARIES COVER SHEET FORMAT

India: Urban

interview taken by: Nilesh Arya & Orlanda Ruthven date: 23/08/01 & 26/08/01

Category: Better off Initial wealth ranking: Medium Code: DIC07

Site: Indira Camp Principal respondent(s): Satish Pandey Caste: Brahmin

Originally from Madhubani District, Bihar, Satish Pandey (SP) has been in Indira Camp for last 11 years. SP was forced to come to Delhi in search of work in 1988 after loss of crops because of a severe flood in the village. He came first to Vasant Vihar with some co-villagers and found work immediately with a security agency. After two years he was posted by the agency to Okhla (Jaypee Industries) and slept in the factory itself. Soon afterwards he shifted to Fena Ltd, staying first with the factory owner and then taking a hutment on rent in IC the other side of the drain. Impressed with his work, the factory owner proposed that he join Fena Ltd as a Junior Store Assistant in 1991.

Since joining the company, SP been promoted twice. He purchased the hutment in which he now lives for Rs.1900 in 1991 and a second neighbouring hutment for Rs.2700 in 1995. SP and UK are part of a joint family in the village, having their parents and (most of the time) wives and children in the village. A third brother was living with them in IC until last year (spray painter, TV cabinets) and has since shifted to another Delhi neighbourhood. The family in the village is self sufficient and SP and his brother send money home for other expenses (such as marriages and on-going construction of house).

Depending very much on a strong network of colleagues and friends in the colony, SP manages his expenses by borrowing at low rates (or interest-free). He has substantial costs in Delhi (house repair, treating relatives...) and the village (house construction & sister's wedding...) and frequently sends lump sums home. While he could clearly access whatever financial services he pleased, he makes only limited use of his bank account (saying it doesn't suit his rapid cash-flow needs). He prefers to borrow continuously from multiple sources than to accumulate large amounts.

Forthcoming spending plans for SP include (i) the marriage of his eldest daughter for which he estimates a expenditure of at least Rs.2-2.5 lakhs; and (ii) his son's thread ceremony for which he estimates an expenditure of Rs.25,000-30,000

### 1. Initial household profile:

Name	Relations hip to HH	Age	Highest school grade	Main livelihood/ schooling	Other economic activities
Satish Pandey (SP)	self	32	Graduate	Senior store assistant, Fena Ltd (chemicals & detergents)	
Udhaykant (UK)	Brother	26	10 <sup>th</sup> Std	Supervisor, Fena Ltd	

### 2. Significant changes to household profile during research year:

SP's family – wife RD and two children (one daughter, one son) – join SP in Delhi in Apr 01 during research. She has come to Delhi principally to access medical treatment during/ after the birth of a baby daughter in May 01, and will return to the village. Their eldest daughter is studying in the village and does not join them in Delhi.

**3. Residence:**

Originally from Madhubani District, Bihar, Satish Pandey (SP) has been in Indira Camp for last 11 years.

**4. Tenure:**

Three hutments, one of which is temporary and the other semi-permanent. One is on rent. SP estimates the current value of the hutments as Rs.15,000 (temporary) and Rs.30,000 (permanent) respectively.

**5. Support networks:**

SP has many relatives in Delhi but avoids financial relations with them. He has a brother (ex-IC) close to Shahdra. He relies most heavily on Fena Ltd colleagues & ex-colleagues (in particular a friend who now runs his own business and lends to SP) and a shop owner in IC. SP explains he is able to raise substantial financial support on relaxed terms because he has generated good will over several years and has also been a reliable source of help for others. He appears to be a trusted and respected character in the community.

**6. Public entitlements:** Ration Card & ID Card holder

**7. Food habits:** Meat consumption 5-6 times/ month (never less than 1 kg). Three meals a day . The quality of food is never compromised.

**8. Significant assets:**

Asset type	Description	Value (if known or estimated)
Homestead Land	200 square yards	Estimates the cost of the land and house (already spent Rs.2-2.5 lakhs on it) as Rs.7-8 lakhs.
Farm land (state if irrigated)	5 bighas	Feeds the family
Home (equipment, furnishings etc)	2 ground floor rooms (pukka walls & floor, temp roof) in which SP & UK stay; 1 2 <sup>nd</sup> storey room let out.	
Machinery	-	
Livestock	Cow-1, Ox -2	
Jewelry	(1)Gold necklace, (2) silver set (3) gold nose ring (4)SP's gold ear ring	(1) Rs.16,000-17,000 (2) Rs.5000 (3) Rs.600 (4) Rs.2000-2500 Total: Rs.25,000

**9. Significant changes to assets during research year:**

Purchased pressure cooker (Rs.650), music deck (Rs.250), suitcase (Rs.945), folding bed (Rs.475), quilt & bedsheets (Rs.420) during the year. Significant improvement to floor of hutment (Rs.1200), Sept 00.

**10. Income pattern: estimated annual income over research year: Rs.88,100**

Name	Income source	Frequency	Scale	Comments
Satish Pandey	Senior store assistant, Fena Ltd	Monthly	Rs.3195-3500 basic plus benefits (see next cell)	Receives PF, Rs.475/month travel allowance, bonus (20%) & rent allowance (15%)
Udhaykant	Supervisor, Fena Ltd	Monthly	Rs.2700-3000	Plus o/t
SP	Rent from neighbouring hutment	Monthly	Rs.450	Rent in arrears since Feb 01. Tenant is friend

**11. Expenditure pattern:**

Expenditure item	Scale	Comments
Food	Rs.1500-2500/month	Increases to Rs.2500 when family arrives in Apr 01. Regular meat-eaters
Housing	Rs.500-1200	Whitewash, floor improvement (Rs.1200) Sept 00
Clothing	Rs.1100	1 entry (Diwali time)
Education	Rs.250 pm	For son's and daughter's fees.
Health	Rs.2000-3000	2 entries - daughter seriously ill (Jun 01) Rs.2000 when son met with an accident (Aug 01)
(i) Money home (ii) Trips home	(i)Rs.4000-20,000 (ii)Rs.3200	(i)5 entries, sent by hand or money order towards house construction. Would send larger amounts at once if he felt it was not so risky (no bank a/c in village through which to organise transfer). (ii)SP's trip, Mar 01
Festivals & ceremonies	Rs.1000-2000	Diwali (Rs.1000) & Kumbh Mela - mother & SP, Jan 01 (Rs.2000)
Basic services (rent, elec, water)	Rs.160-200/month	Electricity (metered)
Tourism of relatives	Rs.1000 & Rs.3000	Mother & brother-in-laws' visits to Delhi (respectively Feb & June 01)

## 12. Financial services/devices used during research year:

Type	Number of instances	Value(s)	Comments
Interest-free loans taken	7	Rs.800-5000	Loans taken for hutment repair, treating relatives, house construction, repayment of company advances. Mostly from colleagues in Fena Limited and friends.
Private loans taken on interest	3	Rs.5000-12,000	From 2-5%/ month for land registry of relative, trip home/ house construction, ceremonies of sister. From friends, grocery shop owner and an ASCA.
Bank savings account with chequebook (SP)	3 deposits 2 w/drawals	Balance fluctuates around Rs.1500	Allahabad Bank; 3 deposits (ave. Rs.1200), 2 withdrawals (ave. Rs.1600). Tried for BoI but they insisted he take a recurring deposit for 6 months before they would offer a current account. Opened in order to receive PF from previous job.
Bank savings account (Ud)			Bank of India
Provident Fund	1	Rs.29,000 as at Jun 00	[SP has withdrawn Rs.9000 for sister's marriage, Mar 00] Commenced payments in Sept 91.
Wage advance taken	4	Rs.500-3000	2 each taken by each brother, in all cases to send money home for house construction and village flood.
Groceries on credit	Monthly	Rs.700-1700	All one shop. He has also taken a loan on interest from the shop owner
Interest-free loans given	3	Rs.100-500	To neighbours and friends (once to tenant) He has never lost money by lending to such people.
Remitting cash to the village home	5	Rs.4000-20,000	4 times for house construction & once for flood (Rs.4000, Oct 00); 3 x Money Order, otherwise by hand (inc. Rs.20,000, Mar 01).

## 13. Cheating:

Two years ago SP was the cashier of an ASCA and acted as guarantor to a friend in IC who wanted a loan from the ASCA. A loan of Rs.4000 @ 5% was sanctioned but the friend vanished and never came back.

## 14. Comments on financial services and devices:

SP has more loans on interest than any other diary respondent. He says he actually prefers taking on interest since this forces some pressure to repay quickly.

SP is aware of shopkeepers & labour contractors in IC lending at 4-5%/ month. They lend after appraising the house and household's earning capacity but SP would not go to them directly. This is partly because he'd be more likely to get a loan if he went through the right contact. But it's also because he'd like to remain at a distance since he feels such people will hassle, behave badly and could jeopardize his reputation in the colony.

In any case, SP is unlikely to face a situation in which he needs to rely on these more commercial lenders, since he can raise large amounts through colleagues and friends in IC. His preferences for borrowing (in this order) are:- (I) Fena colleagues; (ii) professional moneylenders through Fena colleagues and IC friends, and (iii) neighbours (since they would not be in a position to give substantial amounts). He would only go to relatives as a last resort since he thinks it affects the relationship.

He's generally not impressed with long-term cash savings products since he has too many short-term demands on his money and finds it more convenient to draw debt when he needs extra cash. He says his cashflow is too fast-moving for the bank. While he faces no hassle in transacting with

the bank, he uses it unenthusiastically (only to make occasional deposits) and generally has too much need for money at home to keep it aside. He feels RoSCAs suit him better. They have a quicker turnaround and provide the benefit of large amounts from a single source.

**15. Recording financial service transactions:**

He keeps records of all his loans in and loans out.

**16. This year compared to previous years:**

The year was similar to other years except that his expenses were higher due to several visits of relatives and severe illness of his daughter. Otherwise he would have saved more.

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