

Chapter- VI

Socio-economic Condition of Small Borrowers in the District of Darjeeling: Findings & Analysis

6.01. History of Darjeeling District: The geographical position of the district is in the northernmost part of the State of West Bengal with a shape of irregular triangle with hilly areas in the northern and vast Terai region in the southern part of the district. Historically, the inhabitant of the Hilly areas of the districts were Lepchas, Limbus, Bhutias, Tibetan and various Nepalese castes and tribes from ancient times. On the other hand, the plain areas of the districts covered by thick forests. These areas were populated and inhabited by various indigenous tribal groups like Meche, Koches, Rajbangshi, Dhimal and others who mainly lived on nomadic cultivation and Jhoom cultivation. The word Darjeeling comes from two Tibetan words ‘dorje’, the meaning of this word is ‘thunderbolt’ and the word ‘ling’ means ‘a place or land’. Therefore the meaning of Darjeeling is - ‘a Land of thunderbolt.’

From the year 1670, some part of Darjeeling was under the king of Sikkim and Kalimpong area was under Bhutanese domination. Since 1780, there was fight between the King of Sikkim and the Gurkhas of Nepal in the western part of today’s Darjeeling and ultimately in 1790, the Gurkhas captured the area of the district up to the River Tista. Thereafter, the fights between the East Indian Company and the Nepalese army broke out during 1814-1816 and finally the British won the fight and through the ‘treaty of Sugauli’ and the ‘treaty Titalya, in 1817, the hilly areas of Darjeeling along with Sikkim retained under the British territory as a ‘Buffer State’ between kingdom of Nepal and Bhutan. In the year 1829, the British ruler decided to use the place of Darjeeling for the purpose of making a sanatorium and pursued for that to the king of Sikkim and ultimately they got the domination of the area from the king of Sikkim through a short deed of grant on 1st February 1835 which stated that ‘out of friendship for the said Governor General, hereby present Darjeeling to East India Company’. Though it was an unconditional transfer but in 1841, the ruler of Sikkim was granted an allowance of Rs. 3000/- as an annual compensation from East Indian Company which later increased to Rs. 6000/- per annum in 1846. The British started to develop the area under Darjeeling.

During 1860- 1870, major development on infrastructure were made by the British, new roads were made, world famous Darjeeling Himalayan Railways were build-up, inter area network through roads between Kurseong, Kalimpong and Tarai regions were made and Tea and Cinchona cultivation flourished. Due to those development and expansion of cash-crop cultivation there was a huge range to deforestation and during those phase a conservator of Forest was also appointed. During 1870 to 1901, steady but uneventful growth was observed in Darjeeling Areas. There were only two towns Darjeeling and Kurseong in the district. After the independence, Darjeeling district was formed. Siliguri Municipal Corporation gained its importance functioning as the gateway of North Eastern states including Assam and Sikkim. Darjeeling Himalayan Railway gained its World Heritage status from UNESCO in the year 1999.

6.02. Population Dynamics:

As per the first regular Census conducted under British rule in the year 1871-1872 showed the population figure of 94712 which was increased to 155719 by the next census in 1881 and in 1901 Census the population figure of Darjeeling area increased to 2,49,117. As per the first Census after independence which was conducted in the year 1951, the population of the district reached to 4,59,617 i.e., an increase of 73% from 1901's Census. After the independence the growth rate of population decreased (with exception in the decade of 1971-1981) and finally the Census of 2011 showed that the population of Darjeeling stands at 18,46,823 with 9,37,823 male and 9,09,564 females.

6.03. Socio Demographic Profile of Darjeeling District:

Table 6.01: Socio Demographic Profile of Darjeeling District in comparison to West Bengal

Particulars		West Bengal	Darjeeling District
Number of Villages	Total	40203	687
	Inhabited	37468	616
	Uninhabited	2735	71
Number of Towns	Statutory	129	5

	Census	780	24		
	Total	909	29		
Number of Households	Normal	20,309,872	389,003		
	Institutional	41796	1793		
	Houseless	28647	438		
Population	Total persons	91,276,115	1,846,823		
	Males	46809,027	937,259		
	Females	44,467,088	909,564		
Rural Population	Total Persons	62,183,113	1,1118,860		
	Males	31,844,945	566,965		
	Females	30,338,168	551,895		
Urban Population	Total Persons	29093,002	727,963		
	Males	14964,082	370294		
	Females	14,128,920	357,669		
Sex Ratio (Number of females per 1000 males)	Total Persons	950	970		
	Rural	953	973		
	Urban	944	966		
		Number	%	Number	%
Literates	Total persons	61,538,281	76.26	1,315,585	79.56
	Males	33,818,810	81.69	717673	85.61
	Females	27,719,471	70.54	597,912	73.33

Scheduled castes	Total persons	21,463,270	23.51	317,275	17.18
	Males	11,003,304	23.51	161,495	17.23
	Females	10,459,966	23.52	155,780	17.13
Scheduled Tribes	Total persons	5,296,953	5.8	397,389	21.52
	Males	2,649,974	5.66	197,251	21.05
	Females	2,646,979	5.95	200138	22.00

6.04. Distribution of Workers/ Non-Workers based on categories of Workers in Darjeeling District

Table 6.02: Distribution of Workers/ Non-Workers based on categories of Workers in Darjeeling District

Workers and Non-workers:		West Bengal		Darjeeling District	
		Number	%	Number	%
Total workers (Main & Marginal)	Total persons	34,756,355	38.08	683,726	37.02
	Males	26,716,047	57.07	479,586	51.17
	Females	8,040,308	18.08	204,140	22.44
Main Worker	Total persons	25,686,630	28.14	532,855	28.85
	Males	21,678,279	46.31	396,341	42.29
	Females	4,008,351	9.01	136,514	15.01
Marginal Workers	Total persons	9,069,725	9.94	150,871	8.17
	Males	5,037,768	10.76	83,245	8.88
	Females	4,031,957	9.07	67,626	7.43

Non-Workers	Total persons	56,519,760	61.92	1,163,097	62.98
	Males	20,092,980	42.93	457,673	48.83
	Females	36,426,780	81.92	705,424	77.56
Category of Workers (Main & Marginal):					
Cultivators	Total persons	5,116,688	14.72	76,178	11.14
	Males	4,500,041	16.84	54,694	11.40
	Females	616,647	7.67	21,484	10.52
Agricultural Labourers	Total persons	10,188,842	29.32	66,041	9.66
	Males	7,452,814	27.9	40,368	8.42
	Females	2,736,028	34.03	25,673	12.58
Workers in Households Industry	Total persons	2,464,124	7.09	16,579	2.42
	Males	1,114,683	4.17	10,667	2.22
	Females	1,349,441	16.78	5,912	2.90
Other Workers	Total persons	16,986,701	48.87	524,928	76.77
	Males	13,648,509	51.09	373,857	77.95
	Females	3,338,192	41.52	151,071	74.00

Source: Census-2011

6.05 Profile of the study area:

The four blocks in the plains of the Darjeeling District and the wards of Siliguri Municipal Corporation (SMC) under the jurisdiction of Darjeeling District have been considered as the as the Study area. A brief profile of the study area based on the Census data 2011.

Table: 6.03: Profile of the study area

	Matigara Block	Naxalbari Block	Khoribari Block	Phansidewa Block	Siligui Municipal Corporation
Area (in Square kilometre)	132.61	188.12	144.88	312.10	20.10
Populations	1,97,278	1,65,523	1,09,251	2,04,522	2,94,546
No of Males	1,01,023	85,054	55,671	1,03,719	1,51,535
No. of females	96,255	80,469	53,580	1,00,803	1,14,,011
SC population	70,527	44,328	58,570	60,704	26,042
ST population	26,484	32,388	21,262	62,595	3,703
Literate Persons	1,29,006	1,10,663	63,540	1,13,572	2,28,688

Source: Census data -2011.

Matigara and phansidewa blocks are very close to siliguri town. The matigara block can be termed as peri-urban region of Siliguri because of connectivity and the extension of the civic amenities to this regions. Phansidewa is an agricultural area which is growing fast as a rurbanised area with four lane National Highway connecting the region with siliguri and jalpaiguri towns and a it is located in the border of Bangladesh. Naxalbari and Khoribari are also grown as rurbanised area and well connected to Siliguri town. Naxalbari is also located along the border of Nepal.

The literacy rates of the region have increased considerably in the last decade and so the non-farm activities have out-migration have been noticed in all the concerning blocks. The main recipient of these migrant populations is the siliguri corporation area and the area has become a cosmopolitan (Chatterjee & Mukherjee, 2019).

6.06. Household information of the small borrowers:

General information of the respondent small borrower was obtained from survey of households taking the following parameters- age, religion including sub community, number of family members and composition, family status of the respondent whether

unitary or joint, marital status, and the education level of the respondent. The survey was conducted from the month of November 2017 to May 2018 in the four blocks of Darjeeling district namely, Matigara Block, Naxalbari Block, Phansidewa Block, Khoribari Block and in the different wards of Siliguri Municipal Corporation which come under the jurisdiction of Darjeeling district authority.

6.06.01. Distribution on the basis of Social Class (Sub-Community): Out of 244 households, it was found that 118 households of the small borrowers belonged to Scheduled Caste community i.e., 48.36% of the total and 3 households were of Scheduled Tribe Community i.e., 1.23% of the total while 123 households belonged to others including general and other backward class community. The factual matrix of the survey regarding distribution of small borrowers on the basis of social class has been shown in the table (No. 6.04) below:

Table 6.04: Distribution of small borrowers on the basis of social class

Block	No. of Households surveyed	SC	ST	Others
Matigara Block	47	20	0	27
NaxalbariBlock	41	16	0	25
Khoribari Block	51	42	3	06
Phansidewa Block	50	34	0	16
Siliguri Municipal Corporation	55	06	0	49
Total	244	118	3	123
Percentage	100%	48.36%	1.23%	50.41%

Source: Primary Survey data

6.06.02: Distribution of small borrowers on the basis of Gender: It was found that the total number of family members in 244 households of the small borrowers was 983. The average number of family member per family was 4.03 (983/244) in which number of the male members was around 54% of the total and female members was around 46% of the

total members. Minors accounted for only 21.5% of the total family members in the 244 house of small of small borrowers. The distribution of small borrowers on the basis of gender is shown in the table (No. 6.05) below:

Table 6.05: Distribution of small borrowers on the basis of Gender

Block	No. of Households surveyed	Male	Female	Minors (included in Male & Female)	Total
Matigara Block	47	98	80	32	178
NaxalbariBlock	41	89	78	33	167
Khoribari Block	51	124	99	49	223
Phansidewa Block	50	111	102	69	213
Siliguri Municipal Corporation	55	107	95	28	202
Total	244	529	454	211	983
Percentage		53.81%	46.19%	21.46%	983= 100%

Source: Primary Survey data

6.06.03. Age Wise Distribution of the family member of small borrowers: From the survey of 244 households of small borrowers it was found that out of 983 total members, the modal class belonged to 18-60 years of age. Dependent minors constituted only 21.5% and dependent elders constituted only 9% of the total member of the household surveyed (table No. 06.06).

Table 6.06: Age wise distribution of the family member of small borrowers

Block	No. of Households surveyed	Below 18 years	Between 18 yrs to 60 years	Above 60 years	Total
Matigara Block	47	32	134	12	178
NaxalbariBlock	41	33	122	12	167

Khoribari Block	51	49	157	17	223
Phansidewa Block	50	69	122	22	213
Siliguri Municipal Corporation	55	28	148	26	202
Total	244	211	683	89	983
Percentage		21.46%	69.48%	9.05%	983=100%

Source: survey data

6.06.04. Religion of the small borrowers: While surveying 244 households of the small borrowers, it was found that the Hindu community was the dominant religious group with 94% of the total household surveyed and less than 5% of the households belonged to Muslim communities and less than 3% belong to the Christian communities (table No. 06.07).

Table 6.07: Religion of the small borrowers

Block	No. of Households surveyed	Hindu	Muslim	Christian	Others
Matigara Block	47	47	0	0	0
Naxalbari Block	41	40	1	0	0
Khoribari Block	51	47	1	3	0
Phansidewa Block	50	41	9	0	0
Siliguri Municipal Corporation	55	55	0	0	0
Total	244	230	11	3	0
Percentage	244=100%	94.26%	4.51%	2.46%	0

Source: Survey data

6.06.05. Family Status of the Respondent small borrowers: In all households surveyed across the blocks, unitary family dominated the household family status, except for

Naxalbari block where both joint and unitary family were almost in equal proportion (table No. 6.08).

Table 6.08: Family Status of the Respondent small borrowers

Block	No. of Households surveyed	Family Status			
		Unitary		Joint	
		No	%	No	%
Matigara Block	47	41	87.23%	6	12.77%
Naxalbari Block	41	21	51.22%	20	48.78%
Khoribari Block	51	32	62.75%	19	37.25%
Phansidewa Block	50	32	64%	18	36%
Siliguri Municipal Corporation	55	47	85.45%	08	14.55%
Total	244= 100%	173	70.90%	71	29.10%

Source: Survey data

6.06.06. Average Family Size wise Distribution of the small borrowers: It is interesting to note that the family size of 5-10 members was the modal group as shown in the following table (No. 6.09):

Table 6.09) : Average Family Size wise Distribution of the small borrowers

Block	No. of Households surveyed	Up to 4 members	Between 5 to 10 members	More than 10 members
Matigara Block	47	21	20	06
Naxalbari Block	41	11	26	04
Khoribari Block	51	12	30	09
Phansidewa Block	50	13	32	05
Siliguri Municipal Corporation	55	29	22	04

Total	244 = 100%	86 (35.25%)	130 (53.28%)	28 (11.47%)
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Source: Primary Survey data

6.06.07. Current marital status wise distribution of the respondent small borrowers:

Out of 244 households of small borrowers the married borrowers were found as the majority among small borrowers. Out of 244 borrowers, 205 borrowers were found as married borrowers, i.e. 84% of the total borrowers. The following table (No. 6.10) has been given to show the distribution on the basis of current marital status of small borrowers in four blocks and Siliguri Municipal Corporation area under the jurisdiction of the district of Darjeeling.

Table 6.10: Marital status wise distribution of the respondent small borrowers

Block	No. of Households surveyed	Single	Married	Widowed	Divorced or separated
Matigara Block	47	3	43	1	0
Naxalbari Block	41	8	31	2	0
Khoribari Block	51	3	43	5	0
Phansidewa Block	50	4	45	1	0
Siliguri Municipal Corporation	55	02	43	07	3
Total	244	20	205	16	3
Percentage	244 = 100%	(8.20%)	(84.01%)	(6.56%)	(1.23%)

Source: Primary Survey data

6.06.08. Distribution as per the level of Education of the small borrowers: Level of education of borrowers is an important criterion regarding the disbursement of loans. It is found from the households surveyed that more than 55% of the total borrowers had received elementary education, around 25% of the borrowers were at higher secondary and graduation level and only 3% of the borrowers were illiterate showing that education is positively related with obtaining loan (Table No. 6.11).

Table 6.11: Distribution as per the level of Education of the small borrowers

Block	No. of Households surveyed	Illiterate	Functional Literate (up to class 4)	Up to class 10 (class 5 to 10)	Up to Class 12 (class 11 to 12)	Up to Graduation	Post Graduation
Matigara Block	47	01	03	28	07	08	0
NaxalbariBlock	41	03	05	19	03	11	0
Khoribari Block	51	04	12	24	08	03	0
Phansidewa Block	50	0	06	34	06	03	1
Siliguri Municipal Corporation	55	0	03	35	09	06	2
Total	244	8	29	140	33	31	3
Percentage	(100%)	(3.28%)	(11.89%)	(57.38%)	(13.52%)	(12.70%)	(1.23%)

Source: Primary Survey data

6.07. Economic Information of the respondent small borrowers: Economic information of the respondent small borrower was obtained from survey of households taking the following parameters- earning status of small borrowers' household whether sole earner or joint earner, monthly income of the respondent small borrowers.

6.07.01: Distribution on the basis of Earning Status of Households: Earning status of the households will determine the quantum of loans that a household will demand. Hence, it is expected that more number of earners in a family will have higher income status and lesser demand of consumption loan. On the other hand, multiple earners in a family increase the probability of receiving loans from multiple sources. It is found that out of 244 households around 31% of the total households of the small borrowers' house have the status of 'Sole Earner'. Scheduled Caste community having the 'sole earner' status constituted only 13% but in case of 'joint earner', the scheduled caste households constituted around 34% of the total 244 households (table No. 6.12).

Table 6.12: Distribution on the basis of Earning Status Householder

Block	No. of Households surveyed	Sole earner			Joint earner		
		SC	ST	Others	SC	ST	Others
Matigara Block	47	9	0	17	9	0	12
Naxalbari Block	41	2	0	5	14	0	20
Khoribari Block	51	14	0	3	28	3	3
Phansidewa Block	50	4	0	8	29	0	9
Siliguri Municipal Corporations	55	02	0	12	04	0	37
Total	244 (100%)	31(12.70%)	0	45 (18.44%)	84 (34.43%)	3 (1.23%)	81 (33.20%)

Source: primary Survey Data

6.07.02. Distribution on the basis of Monthly Income of the respondent households of small borrowers: From the table (No. 6.13) below it be highlighted that more than 86% of the households surveyed belonged to the income class ‘Rs. 10000 to Rs. 20000 and above’, it is to be noted that 36 SC households have monthly income of Rs. 20000 and above which accounts for around 15% of the total households surveyed. Only less one 1% of the total households earns ‘less than Rs. 5000’ in a month.

Table 6.13: Distribution on the basis of Monthly Income of the respondent households of small borrowers:

Range of monthly Income	Less than Rs. 5000			Rs. 5000 to Rs. 10000			Rs. 10000 to Rs. 15000			Rs.15000 to Rs. 20000			Rs. 20000 and above			Total
	SC	ST	Others	SC	ST	Others	SC	ST	Others	SC	ST	others	SC	ST	Others	
Blocks:																

Matigara Block	0	0	0	0	0	2	2	0	6	7	0	3	11	0	16	47
Naxalbari Block	0	0	0	1	0	0	6	0	8	6	0	0	3	0	17	41
Khoribari Block	0	0	0	7	0	0	12	2	4	12	1	0	11	0	02	51
Phansidewa Block	1	0	0	7	0	4	10	0	5	6	0	3	10	0	04	50
Siliguri Municipal Corporation	0	0	1	1	0	9	3	0	10	1	0	16	1	0	13	55
Sub-total	1	0	1	16	0	15	33	2	33	32	1	22	36	0	52	244
Total	02		31			68			55			88			244	
% on Total (244=100%)	0.82		12.70			27.87			22.51			36.07			100	

Source: Primary Survey data

Table 6.14: Distribution on the basis of Savings Information:

Blocks	No of Household surveyed	With savings (Yes)			Without saving (No)		
		SC	ST	Others	SC	ST	Others
Matigara Block	47	19	0	26	1	0	1
Naxalbari Block	41	16	0	24	0	0	1
Khoribari Block	51	42	3	6	0	0	0
Phansidewa Block	50	34	0	15	0	0	1

Siliguri Municipal Corporation	55	6	0	49	0	0	0
Sub-total	-----	117	3	120	1	0	3
Total	244	240			4		
% on total	244= 100%	98.36%			1.64%		

Source: Primary Survey data

6.08. Distribution on the basis of Mode of Savings: It was observed from Table (No 6.14), that out of 244 small borrowers more than 98% of the small borrowers have savings. In case of mode of savings, it is found where the borrowers have saved their accumulation (table No. 6.15). It is observed that among 244 borrowers 190 small borrowers have kept their saving in public sector bank, 50 borrowers have kept their money in Private sector bank, only 4 borrowers have kept their money Co-operative Bank, 8 borrowers have kept their money at Post Office, 118 borrowers have kept savings in LIC, 12 borrowers have used their PF account for keeping their accumulation, only 5 borrowers are found who have kept their savings in MFIs and 170 small borrowers have saved their money in SHGs. Apart from these formal savings institutions 45 borrowers have stated that they have kept their savings in their own custody, 29 borrowers save in informal local organizing committees and only one borrower has stated that he has saved money to his/her friends/ relatives. Out of these 244 borrowers, 4 borrowers have stated that they do not have any savings. Following are the further observations:

i). In the mentioned four Blocks and in Siliguri Municipal Corporation area, total 244 small borrowers' household were surveyed and out of this 244 Small borrowers' households, 118 households belonged to Scheduled Caste Community, 3 households belonged to Scheduled Tribe Community and 123 household belonged to other communities.

ii). In case of Public Sector Bank, total 190 small borrowers' household kept their saving and out of this 190 household, 85 household belonged to Scheduled Caste community, 3 household belong to Scheduled Tribe Community and 102 households belong to other communities.

iii). In Private Sector Bank, it was found that a total of 50 small borrowers household kept their accumulation there. Out of these 50 households, 19 household belong to Scheduled Caste and 30 households belong to other communities.

iv). Only 4 households saved their money in Co-operative Banks and no borrowers accumulated their money in chit funds. The saving in Post Offices by the small borrowers found relatively low and only 5 borrowers saved their money there. In case of saving in MFIs, the number of borrowers was 8 only.

v). In case of savings in LIC, it found that 118 borrowers kept their money in LIC. Out of this 118 borrowers households, 44 households belonged to the Scheduled Caste Community and, only single belong to Scheduled Tribe community and 73 households belonged to borrowers of other communities.

vi). Apart from savings in Public Sector bank, Small borrowers' households showed a keen interest in saving their money in SHGs in which they were a member. It was found that 170 small borrowers' households contributed to the SHG fund for savings purpose. Out of these 170 households, 89 households belonged to Scheduled Caste, 3 households belong to Scheduled Tribe and 78 households belonged to other communities.

vii). It was further observed that apart from the above formal institutions where borrowers saved their money, there were also some other places of savings. 45 borrowers told that they save in their own custody also, 29 borrowers told that they save in informal local organising committees and only single told that she saved her money to his relative.

viii) Out of these 244 borrowers, only four borrowers told that they did not have any saving anywhere. Out of these 4 borrowers, 1 borrower belonged to Scheduled Caste community and 3 borrowers belong to other communities.

It was further observed that out of these 244 respondent small borrowers some borrowers had deposited their savings in multiple places at the same time. It was found that out of 240 households, who had savings, 117 households were of SCs, 3 households were of STs and 120 households were of other categories. The table (No. 6.15.A) below has been given to observe the number of sources where small borrowers have kept their accumulation. Some observations regarding the number of sources of savings of 240 respondents have been given below:

- i) It was found that out of total 244 small borrowers' households, 240 household saved amount in different sources and 4 household did not have any savings anywhere. Out of 240 respondents who saved, 31 small borrowers saved in only one sources, and in this 31 household, 22 household belonged to SC and 9 household belong to other categories.
- ii) 91 households saved their accumulation in two sources, and in these 91 households, 45 household belonged to SC and 45 households belonged to other categories.
- iii) 64 households have three savings sources and in these 64 households, 26 households belong to SC, 1 household belong to ST and 37 households are of other categories.
- iv) Four saving sources are used by 43 households, where 20 households were of SC and 23 households were of other categories.
- v) 10 small borrowers have used five savings sources, where 4 households are of SC, 1 of ST and 5 households are of other communities and single borrower of other category used six sources for keeping his/ her savings
- vi) It was found that out of 4 borrowers, who did not have savings, one household belong to SC and 3 households belong to other categories.

As a whole it was observed that maximum small borrowers had savings, and the highest number borrowers used two savings sources for keeping their accumulations (table No. 6.15.A).

Table 6.15: Distribution on the basis of Mode of Savings

Blocks	HHs surveyed		Mode of Savings												
			Public sector bank	Private sector bank	Cooperative bank	Chit Fund	Post Office	LIC	PF	MFI	SHG	Own Custody	Locally organised Committee	Friend/Relative	No Savings
Matigara Block	SC	20	17	0	1	0	0	12	2	0	2	2	3	0	1
	ST	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Others	27	25	5	2	0	3	16	4	0	4	5	6	1	1
	Total	47	42	5	3	0	3	28	6	0	6	7	9	1	2
Naxalbari Block	SC	16	11	3	0	0	1	9	0	0	14	0	0	0	0
	St	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Others	25	22	5	1	0	0	19	0	0	10	2	1	0	1
	Total	41	33	8	1	0	1	28	0	0	24	2	1	0	1
Khoribari Block	SC	42	26	10	0	0	0	9	1	0	39	7	11	0	0
	St	3	3	1	0	0	0	1	0	0	3	1	1	0	0
	Others	6	4	3	0	0	0	3	0	0	6	1	1	0	0
	Total	51	33	14	0	0	0	13	1	0	48	9	13	0	0
Phansidewa Block	SC	34	28	5	0	0	1	11	4	2	28	12	0	0	0
	ST	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Others	16	13	2	0	0	0	5	1	0	14	6	1	0	1
	Total	50	41	7	0	0	1	16	5	2	42	18	1	0	1
Siliguri Municipal Corporation	SC	6	3	1	0	0	1	3	0	0	6	1	2	0	0
	ST	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Others	49	38	15	0	0	2	30	0	3	44	8	3	0	0
	Total	55	41	16	0	0	3	33	0	3	50	9	5	0	0
Total SC	118	85	19	1	0	3	44	7	2	89	22	16	0	1	
Total ST	3	3	1	0	0	0	1	0	0	3	1	1	0	0	
Total Others	123	102	30	3	0	5	73	5	3	78	22	12	1	3	
Grand Total (SC, ST, Oth)	244	190	50	4	0	8	118	12	5	170	45	29	1	4	

Source: Survey Data

Table 6.15.A: Number of saving sources used by small borrowers.

No of sources of savings	No of small borrowers			
	Total	SC HHs	ST HHs	Other HHs
In 1 source	31	22	0	9
In 2 sources	91	45	1	45
In 3 sources	64	26	1	37
In 4 sources	43	20	0	23
In 5 sources	10	4	1	5
In 6 sources	1	0	0	1
No savings	4	1	0	3
Total	244	118	3	123

Source: Survey data.

6.09. Indebtedness of Small Borrowers: Indebtedness of small borrowers has been found through the survey by taking the parameters- i) source of formal and informal credit ii) amount borrowed iii) purpose of credit i.e. purpose of taking the loan which has been shown at the time of taking loans iv) utilisation of credit etc., and after taking the loan where the small borrower utilised the loan amount actually, v) various of issues of repayment of loans etc. that also have been found out.

6.09.01. Distribution of the basis of sources of formal and informal credit: It was found that among 244 respondent small borrowers 149 borrowers had taken loans from SHGs and 132 borrowers took loans from Public/Private Sector Bank and RRBs. The number of respondent small borrowers who took loans taken from microfinance institute was only 44. The number of respondents who took loans from other than these three sources as mentioned above were: from Cooperative – 4 respondents, from LIC – 1 respondent and loan taken from PF – only 1 respondent (Table No. 6.16)

Table 6.16: Distribution on the basis of sources of formal and informal credit.

Blocks	HHs surveyed		Formal sources of Credit							Informal sources of Credit					
			Public sector bank / Private sector bank & RRB	Cooperative bank	LIC	PF	MFI	SHG	Others	Landlord/employer	Moneylender	Trader & commission Agent	Local ly organized Committee	Friend/ Relative	Others
Matigara Block	SC	47	7	1	0	0	0	9	0	0	5	0	1	1	0
	ST		0	0	0	0	0	0	0	0	0	0	0	0	0
	Oth		18	2	0	0	2	5	0	0	7	0	4	5	0
	Total		25	3	0	0	2	14	0	0	12	0	5	6	0
Naxalbari Block	SC	41	8	0	0	0	6	7	0	0	1	0	1	4	0
	ST		0	0	0	0	0	0	0	0	0	0	0	0	0
	Oth		23	1	0	1	4	9	1	0	5	0	2	4	0
	Total		31	1	0	1	10	16	1	0	6	0	3	8	0
Khoribari Block	SC	51	16	0	1	1	6	38	0	0	7	0	8	3	0
	ST		1	0	0	0	0	3	0	0	0	0	1	0	0
	Oth		2	0	0	0	1	6	0	0	1	0	2	0	0
	Total		19	0	1	1	7	47	0	0	8	0	11	3	0
Phansidewa Block	SC	50	19	0	0	1	10	21	0	0	3	0	0	6	2
	ST		0	0	0	0	0	0	0	0	0	0	0	0	0
	Oth		11	0	0	0	2	12	0	0	2	0	1	1	0
	Total		30	0	0	1	12	33	0	0	5	0	1	7	2
Siliguri Municipal Corporation	SC	55	1	0	0	0	2	5	0	0	1	0	1	0	0
	ST		0	0	0	0	0	0	0	0	0	0	0	0	0
	Oth		26	0	0	0	11	35	0	9	2	0	1	3	0
	Total		27	0	0	0	13	40	0	9	3	0	2	3	0
Total SC			51	1	1	2	24	80	0	0	17	0	11	14	2
Total ST			1	0	0	0	0	3	0	0	0	0	1	0	0
Total Others	244		80	3	0	1	20	66	1	9	17	0	10	13	0
Grand Total (SC, ST, Oth)			132	4	1	3	44	149	1	9	34	0	22	27	2

Source: Survey Data

Apart from these formal loans, small borrowers took loans from informal sources like moneylenders, landlords/ employed, trade and commission agents, local organising committees and friends and relatives. It was observed that the number of respondents who took loans from moneylenders was 34 and 22 respondent small borrowers had taken from local organising committees. Only 27 respondents had taken loans from friend/ relatives. Only 2 respondents took loans from ‘other’ informal sources. These borrowers took loans from neighbour by giving them the right of cultivating borrowers’ land.

It was also found that small borrowers took loans not only from one source but also loans were taken from multiple sources at the same time. The number of sources from where the respondent small borrowers took loans can be observed from the table (No. 6.16.A) as shown below:

Table 6. 16 A : Number of sources of credit used by small borrowers

No of sources of Credit	No of small borrowers				
	SC HHs	ST HHs	Other HHs	Total	Percentage
In 1 source	48	1	49	98	40.16
In 2 sources	51	2	58	111	45.49
In 3 sources	15	0	13	28	11.48
In 4 sources	4	0	3	7	2.87
Total	118	3	123	244	100

Source: Survey data.

From the table (No. 6.16.A) above, the following observation was made:

- It was observed that 98 number of small borrowers’ households took loans from only single source, in which 48 Households belong to SC, 1 household belongs to ST and 49 households belong to other category.
- Number of small borrowers who took loans from two sources was 111, in which the number of households belongs to: SC category- 15, ST category -

2 numbers of households, and 58 numbers of households were of other category.

- Number of respondent who took loans from three sources was 28, in which SC was 15 and other category was 13.
- Maximum number of sources from which small borrowers took loans was four and the number of small borrowers who took loans from four sources was 7 only, in which SC respondents were 4 and other category respondents were 3 only.

From the above matrix, **it has become clear that maximum respondent small borrowers took loans from two sources at a time.**

6.09.02: Distribution on the basis of amount borrowed by the respondent households of small borrower:

The amount borrowed by the respondent 244 small borrowers has been calculated by categorising the borrowed amount in five categories and these are: i) less than Rs. 10000; ii) more than Rs. 10000 but below Rs. 50,000; iii) More than Rs. 50,000 but below Rs. 1,00,000; iv) More than Rs. 100000 but upto Rs. 2,00,000 and v) more than Rs. 200000. Under these categories of amount borrowed, block-wise data have been tabulated from the survey data (table No. 6.17). Following are the major finding:

1. It was found that the total loans of 81 respondent small borrowers were under the category of ‘more than Rs. 10000 but below Rs. 50000’, which is 33.20% of the total respondent. In this 81 respondent 48 respondent belong to SC, 1 respondent belong to ST and 32 respondents belong to other category.

2. The total amount borrowed by the 71 respondents (29.10% of the total) was under ‘ more than Rs. 50000 but below Rs. 100000’ category in which 32 numbers of respondents were of Scheduled Cast, 2 numbers of respondents were of Scheduled Tribe and 36 numbers of respondents were of other category.

3. It was observed that total loans of 54 numbers of small borrowers which was 22.13% of the total respondent, was under the category ‘More than Rs. 100000 but upto Rs. 200000’. In this category, the number of respondents belonged to SC and other categories were 22 and 32 respectively.

4. Only 28 respondent had taken a total loans of ‘more than Rs. 200000’ and only 10 respondents’ total loans come under ‘ less than Rs. 10000’ category.

It was found that out of 244 respondents, the total loans of 206 respondent small borrowers, i.e. 84.43% of the total respondents, come in between ‘ More than Rs. 10000 but below Rs. 2,00,000’ category. The maximum small borrowers had taken loans under the category ‘ More than Rs. 10000 but below Rs. 50000’.

Table 6.17: Distribution on the basis of amount borrowed by the respondent households of small borrowers:

Range of borrowing=>	Less than Rs.10000			More than Rs. 10000 but below Rs. 50,000			More than Rs. 50000 but below Rs. 1,00,000			More than Rs. 1,00,000 but up to Rs. 2,00,000			More than Rs. 200000			Total
	SC	ST	Others	SC	ST	Others	SC	ST	Others	SC	ST	Others	SC	ST	Others	
Blocks:																
Matigara Block	0	0	1	5	0	2	5	0	6	5	0	14	5	0	4	47
Naxalbari Block	1	0	1	5	0	1	3	0	5	5	0	9	2	0	9	41
Khoribari Block	2	0	0	19	1	3	11	2	2	7	0	0	3	0	1	51
Phansidewa Block	1	0	0	14	0	9	14	0	5	5	0	1	0	0	1	50
Siliguri Municipal Corporation	1	0	3	5	0	17	0	0	18	0	0	8	0	0	3	55
Sub-total	5	0	5	48	1	32	33	2	36	22	0	32	10	0	18	244

Total	10	81	71	54	28	244
% on total 244= 100%	4.10	33.20	29.10	22.13	11.47	100

Source: Survey data

6.09.03: Distribution on the basis of purpose of credit as shown while taking credit:

At the time of taking loans from formal or informal sources, borrowers had to show the reason or the purpose for taking the credit also to the lender with all other necessary point. If the loan provider understands the reason which has been shown by the borrower is not correct, the loan may not be sanctioned. Borrowers show the original reason of taking loans only when they become confident that due to the reason or purpose their loans will not be rejected otherwise they write false causes or purposes. The purposes they showed while taking loans had been observed (table No. 6.18) and depicted below:

1. It was found that out of 244 respondent small borrowers, 13 number of respondent applied for the loans showing the 'Subsistence' purpose in which 8 respondents were of SC category and 5 respondents were of other category. The meaning of subsistence purpose, here, had been considered as money required for daily food, repairing of home, digging of well etc.
2. It was found that 217 respondent small borrowers had applied loans showing the reason 'Business' and out of these 217 respondents, 96 respondents were from SC category and 118 respondents were from other category.
3. While taking loans 'Purchasing of Cattle' had been shown as a purpose by 12 numbers of small borrowers. In these 12 respondents, 9 respondents belonged to SC and 3 respondents belonged to other categories.
4. 'Recreation' and 'Education' were shown as a purpose of taking loans by 6 and 4 respondents respectively out of total respondent 244.
5. 22 numbers of respondents applied for loans showing that they needed loans for 'emergent needs' such as treatment, obsequies etc., and out of these 22 respondents, 13 belonged to SC and 9 numbers of respondents belonged to other categories.

6. Only 15 respondents told that they took loans showing the reason ‘Repayments of old loans, and out of those 15 respondents, 10 respondents belonged to Scheduled Cast, 1 respondent belonged to ST and 4 respondents belonged to other categories. The interesting finding is that all these loans were taken from relatives/ friends with no interests.

7. Another interesting finding is that no respondent applied for loans for purchasing of ‘home appliances’ and only one respondent had been included in ‘other purpose’. ‘Other purpose’, here refers to the loan taken for taking the right of use of land for cultivation.

Table 6.18: Distribution on the basis of purpose of credit as shown while taking credit

Blocks	HHs surveyed		Purpose of Credit								
			Subsistence	Business	Purchasing Cattle	Recreation	Education	Emergent need (Repayment of old loans	purchasing of home	Other needs
			No. of Respondents								
Matigara Block	SC	20	2	14	0	1	0	1	2	0	0
	ST	0	0	0	0	0	0	0	0	0	0
	Others	27	2	26	2	0	0	3	1	0	0
	Total	47	4	40	2	1	0	4	3	0	0
Naxalbari Block	SC	16	1	12	0	1		2	1	0	0
	ST	0	0	0	0	0	0	0	0	0	0
	Others	25	1	23	1	0	0	1	0	0	0
	Total	41	2	35	1	1	0	3	1	0	0
Khoribari Block	SC	42	2	36	1	2	1	6	6	0	1
	ST	3	0	3	0	0	0	0	1	0	0
	Others	6	0	6	0	0	0	0	1	0	0
	Total	51	2	45	1	2	1	6	8	0	1
Phansidewa Block	SC	34	3	29	7	2	0	4	1	0	0
	ST	0	0	0	0	0	0	0	0	0	0
	Others	16	0	15	0	0	0	1	0	0	0
	Total	50	3	44	7	2	0	5	1	0	0
Siliguri Municipal Corporation	SC	6	0	5	1	0	1	0	0	0	0
	ST	0	0	0	0	0	0	0	0	0	0
	Others	49	2	48	0	0	2	4	2	0	0
	Total	55	2	53	1	0	3	4	2	0	0
Total SC		118	8	96	9	6	2	13	10	0	1
Total ST		3	0	0	0	0	0	0	1	0	0
Total others		123	5	118	3	0	2	9	4	0	0
Grand total		244	13	217	12	6	4	22	15	0	1

Source: Survey Data

6.09.04. Distribution on the basis of Utilisation of credit: Response of small borrowers regarding purpose of utilisation of loans was received during survey. The purposes of utilisation were categorised in three categories viz. loans utilised as per stated purpose; loans utilised other than the stated purpose and loans utilised partly as per stated purpose and partly other than stated purpose. Responses of 244 respondent small borrowers were received and tabulated in the table (No. 6.19) below. Some interesting results have been observed.

Table 6.19: Distribution on the basis of Utilisation of credit

Blocks	HH Surveyed	Purpose of utilisation		
		As per stated purpose	Other than stated purpose	Partly Stated and Partly for other than stated
		No of Respondent		
Matigara Block	47	34	5	8
Naxalbari Block	41	28	5	8
Khoribari Block	51	32	7	12
Phansidewa Block	50	28	10	12
Siliguri Municipal Corporation Area	55	40	7	8
Total	244	162	34	48
% on total (244= 100%)	100%	66.40	13.93	19.67

Source: Survey data

From the above table (No.6.19) it was found that out of 244 respondents, 162 respondents, i.e. 66.40% of the total respondents replied that they used the loan as per the purpose stated while taking the loans. 48 respondents, i.e. 19.67% of the total respondents stated that they used the loans partly for the purpose as stated while taking the loans and partly used for other than the stated purpose. It was observed that only 34 numbers of

respondents i.e. 13.93% of the total respondents used or utilised the loans other than stated purpose.

6.09.05. Distribution on the basis of purpose of taking credit and actual utilisation of credit: As stated above in point No. 6.09.03, that sometimes borrowers do not show the original cause of taking loans apprehending that showing of original cause may be the rejection of the sanction of their loans amount, and for this, they show some other causes or purposes than the actual purpose of taking loans. In the table (No. 6.20) below, the purposes of taking loans, as shown while taking, and the actual utilisation of the amount of loans had been observed. The observation is very interesting.

1. It was found that 244 respondent small borrowers had taken 442 numbers of loans from various sources. Out of these 442 loans, 364 number of loans, i.e. 82.35% of the total number of loans, as shown, were taken for business purpose. It was found that 22 numbers of loans, i.e. 4.98% of total loans, were taken showing the emergent purpose. 15 numbers of loans, i.e. 3.39% of the total loans, were taken showing the purpose of repayment of old loans. For the purpose of purchasing of cattle, as shown while taking the loan, only 14 loans were taken which was 3.17% of the total loans. Showing education, recreation purposes only 7 and 6 numbers of loans respectively, for each purpose, were taken. Only 1 number of loan was taken by showing the purpose of 'land taken on lease'. Out of the 442 number of loans, no loan was taken for the purposes of purchasing of home appliances, assets, car, bike etc., and for giving loan to others.

2. The total number of 442 loans were utilised in 469 numbers of ways or purposes. The utilisation of those 442 numbers of loans was as follows:

i) It was found that the purpose of 'subsistence', 13 loans were taken and all these loans were utilised in subsistence purpose as it was states while taking the loan and only 1 loan was utilised for both subsistence and emergent purposes. These 13 loans were utilised in 14 numbers of way. The percentage of loans taken for subsistence purpose and utilised for the same purpose is near to 100%.

ii) Total 364 numbers of loans were taken for the purpose of 'business' but the loans were utilised in total 388 ways or purposes. Out of those 364 numbers of loans, only 285 loans were utilised for business purpose. Loans taken for business but the utilization purpose of the loans were: subsistence purpose - 42 loans; recreation purpose- 10 loans; education

purpose – 11 loans; for emergent need, treatment, obsequies etc – 11 loans; for repayment of old loans – 10 loans; for purchasing of home appliances- 8 loans; for taking land on lease for cultivation – 8 nos. of loans and for giving loan to others- 3 nos. of loans. Apart from business use, the loans taken for business utilised mainly in subsistence purposes. Here it must be mentioned that near about 78.30% (i.e., $285/364 \times 100$) of business loans were utilised for business purpose.

iii) For purchasing of cattle 14 number of loans were taken and these 14 loans were utilised in total 15 numbers of ways. Out of those 14 loans, 11 loans were utilised for purchasing of cattle, i.e. as per the stated purpose. But this loan was utilised for other purposes also. The loans taken for purchasing of cattle but utilised other purposes were: for subsistence purpose- 2 no of loans; for repayment of old loans- 1 loan; and for purchasing of home appliances- 1 loan. Here also, the deviation of cattle loans was found mainly for subsistence purpose. Here also 78.57% (i.e. $11/14 \times 100$) of the cattle loans were utilised for purchasing of cattle, i.e. as per the states purpose.

iv). Only 6 number of loans were taken showing the purpose 'Recreation' and all these 6 loans were utilised for that purpose only, i.e. 100% utilisation of loans was as per the stated purpose.

v) There were 7 numbers of loans which were taken for 'education' purpose and those 7 loans were utilised in 8 nos. of ways. Out of those 7 loans, taken for education purpose, 5 numbers of loans were utilised for education purposes and the deviations were: for emergent need – 2 loans and for subsistence purpose- 1 loan. It was found that 71.42% (i.e., $5/7 \times 100$) of the education loans were utilised for the stated education purpose.

vi). Total 22 nos. of loans were taken for 'emergent' purpose like treatment, obsequies etc. and those 22 numbers of loans were utilised in total 22 numbers of ways or purposes. But out of those 22 numbers of loans which were taken for emergent purpose, 2 loans were utilised for subsistence purpose. The number of loans utilised as per the stated purpose was 20. he percentage of utilisation of 'emergent loans' as per the stated purpose was near about 99.91% (i.e. $20/22 \times 100$).

Vii) There was only 1 loan which was taken for 'taking land on lease' for cultivation purpose and it was utilised for the same purpose. The percentage of utilisation was 100% in this case.

It is clear from the above analysis that the maximum number of loans were utilised as per the stated purpose which was shown while taking the loan.

Table 6.20: Purpose and Utilisation of the Credit

Purpose of taking Credit	No of loans taken	Purpose of Utilisation of Credit										No of way of utilisation
		Subsistence	Business	Purchasing Cattle	Recreation	Education	Emergent need (treatment,	Repayment of old loans	purchasing of home appliances',	Land taken on lease	Loan to others	
Subsistence	13 (2.94)	13	0	0	0	0	1	0	0	0	0	14
Business	364 (82.35)	42	285	0	10	11	11	10	8	8	3	388
Purchasing cattle	14 (3.17)	2	0	11	0	0	0	1	1	0	0	15
Recreation	6 (1.36)	0	0	0	6	0	0	0	0	0	0	6
Education	7 (1.58)	1	0	0	0	5	2	0	0	0	0	8
Emergent need	22 (4.98)	2	0	0	0	0	20	0	0	0	0	22
Repayment of old loans	15 (3.39)	0	0	0	0	0	0	15	0	0	0	15
Purchasing of home appliances', assets, car, motor bike etc.	0	0	0	0	0	0	0	0	0	0	0	0
Land taken on lease	1 (0.23)	0	0	0	0	0	0	0	0	1	0	1
Loan to others	0	0	0	0	0	0	0	0	0	0	0	0
Total	442 (100%)	60	285	11	16	16	34	26	9	9	3	469
% on the basis of utilisation of loans (469 = 100%)		12.79	60.77	2.35	3.41	3.41	7.25	5.54	1.92	1.92	0.64	100%

Source: Survey data.

Note: Figure in the parenthesis in col. 2 represents the percentage of loans on total loans taken.

6.09.06. Distribution on the basis of repayment of loans: it was found from the table (No. 7.09.06) that out of 244 respondent small borrowers, 226 number of small borrowers pay regular instalment of loans, i.e. 92.62 % of the total small borrowers pay regular instalment of loans. The percentage of irregularities in repayment of loans was found in case 5.33% of borrowers. Only 13 number of borrowers stated that they were unable to

repay the loan instalment regularly and only 2.05% of the total borrowers, i.e. 5 numbers of borrowers informed that they had to stop repayment of loans due to various reason. The picture of repayment of loans can be observed form the table (No. 6.21) as given below.

Table 6.21: Repayment of Loans

Blocks	HH Surveyed	Repayment		
		Regular	Irregular	No Repayment
Matigara Block	47	40	4	3
Naxalbari Block	41	39	1	1
Khoribari Block	51	45	5	1
Phansidewa Block	50	48	2	0
Siliguri Municipal Corporation Area	55	54	1	0
Total	244	226	13	5
% on Total	(244= 100%)	92.62%	5.33%	2.05%

Source: Survey data

It was also found from the table (No. 6.21) that in Phansidewa Block and in the area under SMC, no small borrower had stopped repayment of loans. Maximum number of small borrowers (5 number) with irregularities in repayment was noticed in Khoribari Block followed by Matigara Block (4 no. of borrowers), whereas the maximum number of defaulter, who stopped repayments were found in Matigara block (3 no of borrowers). From the above matrix, it can be said that the small borrowers inclined toward repayment of loans on regular basis following the schedule of repayment as provided to them by the loan provider institution but due to some reason like loss in business/ profession etc., they become unable to repay loans and the percentage of this unable re-payer was only 2.05% which is a very meagre figure.

6.09.07. Distribution on the basis of period of repayment of instalment of loans: The mode of repayment was found by dividing the repayment schedule in seven categories of periods, viz. daily repayment; weekly repayment; bimonthly repayment (i.e. repayment in every 15 days); monthly repayment; weekly and monthly repayment in a single month and only month repayment. The following observation can be drawn from the table (No. 6.22):

i) It was found that out of 244 respondent small borrowers, only 1 borrower repay his debt regularly on day basis. This borrower was a retail fish seller in a market of Matigara block who used to take loan from moneylender everyday in the morning before he purchased fish from regulated market (Whole-seller) and after selling the fish he returned the amount of loan to the moneylender from whom he took in the morning with interest. The rate of interest in this case was found very high i.e. @ 2% per day basis.

ii) It was also found that 93 out of 244 respondent small borrowers, i.e. 38.11% of the total respondents, repay their loans weekly while only 2.46% of the small borrowers repay instalment of loan in bimonthly basis, i.e. repayment in every 15 days. These weekly and bi-monthly repayments were mainly for repayment of loans taken from MFIs.

iii) It was observed that 222 numbers of respondent small borrowers, i.e. 90.98% of the total respondent, repay the instalment of loan in monthly basis. This monthly repayment was mainly for the loans taken from Public/ Private commercial banks, Cooperative Societies, RRBs, SHGs and for some MFIs also.

iv.) It was also found that there were 70 numbers of respondent small borrowers who paid weekly and monthly instalment of loan in a single month and only monthly repayment of loans was done by 147 borrowers.

Table 6.22: Period of repayment of Instalment of loan

Blocks	HH Surveyed	Mode of Repayment of loans					
		Daily	Weekly	Bi-monthly	Monthly	Weekly & Monthly	Only monthly
Matigara Block	47	1	5	0	42	1	41

Naxalbari-Block	41	0	18	1	35	11	24
Khoribari Block	51	0	16	2	51	16	33
Phansidewa Block	50	0	27	1	47	24	22
Siliguri Municipal Corporation Area	55	0	27	2	47	18	27
Total	244	1	93	6	222	70	147
% on total	100%	0.41%	38.11%	2.46%	90.98%	28.69%	60.25%

Source: Survey data

6.09.08: Distribution on the basis of Sources of Repayment of Loans: It was found that the repayment of loans were made by the small borrowers from the various sources like generating income from where the loan amount was invested, disposal of their old assets and accumulation of money, borrowing money from the moneylenders or relatives if they unable to manage their repayment amount of loan in full. These sources of repayment of loans, in this study, have been shown by dividing these into six categories (table No. 6.23) and some respondents did not want to disclose the sources of repayment of loans. These respondents were included in 'No response' category. It was also found that borrowers used various sources, based on the availability of money, for repayment of a single loan. The findings were shown below:

i). It was found that 170 small borrowers out of 244 small borrowers repaid the loan amount by generating income using the loan amount i.e. 69.76% of the total respondent borrowers generated enough income by using the loans amount and from that income they were repaying their instalment of loans.

ii).The money for loan repayment was taken from 'other sources' by 92 small borrowers out total 244 respondents. This 'other sources' include: taking money from spouse, son,

daughter etc., other business income where the loan amount was not invested, salary, wage of other work etc. It was found that 37.70% of the total respondents repaid loan amount by taking the money from these sources. The reasons of using ‘other sources’ were found as: business loss, unable to generate profit from cultivation, investment of loan amount in unproductive purposes like repairing of house, digging of well etc. but these borrowers were able to manage the amount of repayment of loan from the regular income of their family.

iii). There were certain cases where borrowers were unable to repay loan amount by generating income using the loan amount or by taking money from other regular income sources of the family, and in that situation, borrowers, for paying instalment of loans, disposed their old assets, used their old savings or borrowed money from moneylenders, friend and relatives. It was observed that 11.42% of the total borrowers, i.e. 28 numbers of borrowers repaid loan amount by using their old savings and only 2 numbers of borrowers repaid loan amount by disposing their old assets. Further, it was found that only 1 borrower had to take loan from moneylender for repayment of previous loan amount, whereas, 5 borrowers had taken loans from friends and relatives for repayment of their previous loans. Only 4 borrowers did not disclose the sources of repayment of their loans.

Table 6.23: Sources of repayment of loans

Blocks	HH surveyed	Sources of Repayment of loans						
		Income generation by using loan amount	Disposal of old assts	Using old saving	Borrowing from moneylenders	Borrowing from relatives or friends	Other Sources	No response
Matigara Block	47	31	1	7	0	1	13	1
Naxalbari Block	41	28	0	1	0	0	14	1
Khoribari Block	51	40	0	7	1	2	22	1

Phanside wa Block	50	28	1	6	0	0	24	1
Siliguri Municipal Corporati on Area	55	43	0	7	0	2	19	0
Total	244	170	2	28	1	5	92	4
% on total	100%	69.67%	0.82%	11.48%	0.41%	2.05%	37.70%	1.64%

Source: Survey data

6.10. Conclusion: This chapter was based on the analysis of socio-economic condition of the small borrowers in the District of Darjeeling. This analysis is empirical in nature and the finding that has come out from the study is found interesting and the following conclusions have been drawn:

1. It is revealed from the distribution of small borrowers on the basis social class that the credit has been evenly distributed to general category borrowers and the scheduled category borrowers. Out of the 244 number of respondent borrowers, the percentage of general category borrowers was just above 50% and the percentage of scheduled category borrowers was just below 50%.
2. The maximum loans were issued in favour of married women as MFIs and SHGs issue loans only to women but it is revealed from the study that the family of the small borrowers are dominated by number of male members and are in unitary family status but joint earner. The maximum number of the members of the small borrowers' family is in the age group 'between 18- 60 years' of age. The age of '18-60 years' is considered the main working age of people with their full mental and physical ability and after 60 years people are considered senior citizen. The maximum loans have been issued to the small borrowers who have completed their primary education. Therefore, it can be concluded that the maximum loans have been issued to the literate small borrowers who are with their physical and mental

- ability to utilise the amount of loan in productive purpose and can employ their labour also.
3. As per the Master Circular issued by RBI in regard to the MBFC-MFIs (Ref. No. RBI/15-16/20, DNBR (PD) CC No. 047/03.10.119/2015-16 dated July 1, 2015 and updated as on April 20, 2016) it is said that a Microfinance Institution can lend to a small borrower with rural household and their family annual income does not exceed Rs. 1,00,000/- and this income limit for borrowers of urban region has been limited to Rs. 160,000/-. But it is observed that out of 244 respondent small borrowers, maximum i.e. above 36% of the respondent borrowers earn more than Rs. 20000/- monthly. Though a contradiction have been pointed out but these income found sufficient to repay back the loans amount and the defalcation rate of payment of instalment of loan has been noticed only at 2 percent. The small borrowers earn sufficiently by using the loans amount to repay the loan amount and after meeting the expenditure along with the instalment of loans, borrowers save the residue of income. In case of savings it is found that maximum of the small borrowers save in two sources at a time and their choice can be ranked as Public Sector bank, Self Help Group and LIC as first , second and third choice respectively.
 4. It is observed that out of 244 respondent small borrowers 98 borrowers took loan from single source only and 111 borrowers used two credit sources at a time. Therefore, it can be concluded that maximum respondent small borrowers like to take loans from up to two sources at a time and the total amount of loans for maximum borrowers (around 88%) found up to Rs. 2,00,000/- .
 5. In case of purpose and utilisation of credit, it is observed that maximum loans were taken for business purpose, and more than 66% of the loan getting families have used the loans for the purpose they have shown while taking the loans and around 80% of the loans taken by the small borrowers were utilised as per the purpose stated while taking loans.

Through this chapter, the socio-economic condition of small borrowers along with the purpose of credit of small borrowers and the utilisation of credit have been discussed. The major issue of any loan is the interest associated with the loan. In the next chapter (7),

along with some other issues of small borrowers like preference of loan sources, i.e., formal or informal loan along with the preference shifting of sources of loan, rate of interest paid by the small borrowers in the district of Darjeeling have also been discussed.