

# INDIA UNVEILED-3

## Banks replace friends and relatives as source for loans

Banks are beginning to replace family and friends, until now the preferred source of small loans in India. This is evident across income groups, with people who earn more being less likely to ask family or friends for loans because they have better access to bank finance. This is one of the findings of the Invest India Incomes and Savings Survey 2007, produced by IIMS Dataworks. The survey provides the first 360-degree view of the financial behaviour and future investment intentions of the Indian workforce. According to the survey, there are 321 million paid workers in India. While friends and relatives (used by 36% of all individual borrowers), and moneylenders (32%) retain their dominance over the lending market, the banking sector is gaining ground especially among higher income workers. As many of 57% of people earning more than Rs1 lakh a year borrow from banks to meet their small loan requirements. Mint started presenting the findings of the IIMS Dataworks study on Monday and will run this series over the next month. To see previous articles in the series go to: <http://www.livemint.com/indiaunveiled.htm>

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