



Trust for Rural & Urban Social Transformation

Annual Report

April 2014 – March 2015

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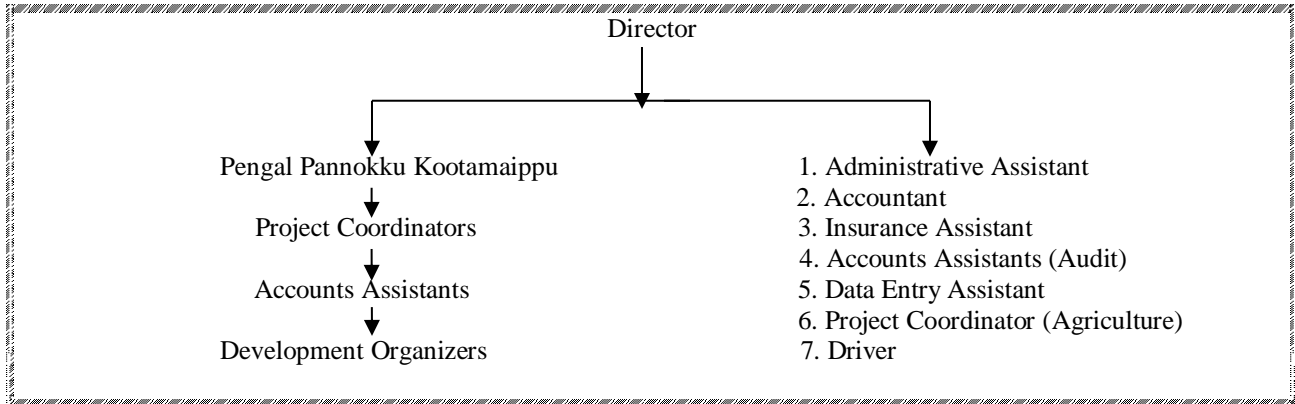
1. Introduction

During the 2014-15 reporting period, TRUST was focused primarily on helping the organizations for which we consult in strengthening all their existing groups. In addition to acting in an advisory role for their social service and economic programs, TRUST worked on creating clear and streamlined processes for their administration to help them prevent misuse of resources and avoiding fraudulent activities.

2. Staff Information

S.No	Position	Staff
TRUST		
1	Director	1
2	Administrative Assistant	1
3	Accountant	1
4	Insurance Assistant	1
5	Accounts Assistants (Audit)	2
6	Data Entry Assistant	2
7	Project Coordinator (Agriculture)	1
8	Driver	1
	Total	10
TRUST Staff Contracted to PPK		
9	Project Coordinators	5
10	Accounts Assistants	12
11	Development Organizers	20
	Total	37
Grand Total		47

TRUST Organizational Chart



Top (left to right): G. Sankaranarayanan, M. Rani, R. Ranjitha, C. Meena and R. Manopriya

Bottom (left to right): M. Suganthi, L. Kayalvizhi, M. Sampooram, S. Latha and M. Indhumathi

TRUST Staff Contracted to PPKs



3. Our Project Partners

Pengal Pannokku Kootamaippu (six organizations)

Life Insurance Corporation of India (Micro Insurance)

ICICI Bank (Micro Finance)

4. TRUST Consultation Program

Between April 2014 and March 2015, TRUST consulted for the following six organizations.

- Ayothiyapattanam Pengal Pannokku Kootamaippu
- Panamarathupatty Pengal Pannokku Kootamaippu
- Salem Pengal Pannokku Kootamaippu
- Vazhapadi Pengal Pannokku Kootamaippu
- Pedhanaickenpalayam Pengal Pannokku Kootamaippu
- Kabilarmalai Pengal Pannokku Kootamaippu

In order to fulfill their own needs, women's self-help groups in TRUST project areas joined together in a democratic way to form several organizations with the full support of TRUST. These organizations were each registered as Pengal Pannokku Kootamaippu preceded by the block name.

TRUST consults for all six of these PPKs consisting of 1,188 self-help groups that are spread out over 575 villages in 140 panchayats in the Salem and Namakkal districts of Tamil Nadu. There are a total of 20,170 active members in these self-help groups (SHGs). The table below shows the how these groups are distributed.

PPK Working Blocks

S.No	Pengal Pannokku Kootamaippu	Panchayat	Villages	Total groups	Total members
1	Ayothiyapattanam	30	87	265	4,763
2	Panamarathupatty	22	70	156	2,420
3	Salem	16	102	184	2,851
4	Vazhapadi	21	141	234	3,744
5	Pedhanaickenpalayam	29	103	276	4,727
6	Kabilarmalai	22	72	111	1,665
Total		140	575	1,188	20,170

TRUST's consultations to these organizations can cover a wide range of areas depending on what each PPK requires or requests. However, special focus is always given to strengthening groups, encouraging social service activities, and continually reviewing, creating and providing streamlined processes for increasing savings, accessing loans, preventing loan defaults and other financial transactions.

Additionally, TRUST provides focused training specific to the needs of the PPKs' management and its group leaders/members to reinforce all of these. Regular financial audits are also undertaken by TRUST on behalf of the PPKs as per their request.

4.1. PPK Management and Administration

In order to maintain democratically run groups and avoid any misuse of power by committee members, the PPKs have chosen to outsource group auditing, grading and updating group registers to TRUST.

A. Member and staff rotation

Based on TRUST's recommendation, all PPK working committee members take on committee membership positions on a rotating basis so that all members have the opportunity to fully understand the purpose and operations of all activities and processes. TRUST believes that this will also prevent any misuse or help identify such misuse sooner rather than later.

In accordance with this idea, TRUST also rotates its staff that are contracted out to the PPKs so as to encourage familiarity with all the organizations we work with, as well as a preemptive measure against misuse. The following tables show the transfers that took place during the reporting year.

B. Group Meetings

Development Organizers (DOs) attend group meetings scheduled on a weekly basis, and take this opportunity to do home visits for those members requiring it. Meetings are organized in such a way that DOs visit every single group at least once a month. This system was set up by TRUST during the PPKs' inception, however, TRUST continues to review and improve this process.

For example, in cases where a DO is on leave or unavailable, TRUST recommended that Program Coordinators or Special Development Organizers attend group meetings to avoid a group being missed out for a whole month.

DOs visit each day's three scheduled groups and collect the data required by the checklist, which is used for group grading. The checklist was created as a guide for the DOs by TRUST to help them cover various aspects of each group's activities during the meetings. For easy updating, printed checklist registers are provided to staff by the PPKs.

C. TRUST Project Data Collection for PPKs

TRUST is handling all project data collection for these PPKs as they are currently not set up to do this, but hope to be soon. All PPK project data is updated in our system by submitting it to the TRUST head office. TRUST has appointed two staff members for this purpose. The project data collection allows TRUST to better advise the PPKs in their activities, and enables the PPKs to readily present any information or data requested when they apply for government schemes, bank loans, etc.

S.No	Pengal Pannokku Kootamaippu	Total groups	No. of groups submitting project data	Group data entered	Balance
1	Ayothiyapattanam	265	240	240	0
2	Panamarathupatty	156	138	138	0
3	Salem	184	180	180	0
4	Vazhapadi	234	188	188	0
5	Pedhanaickenpalayam	276	241	241	0
6	Kabilarmalai	111	63	63	0
Total		1,226	1,050	1,050	0

Project data is up to date as of 31.12.2014.

D. PPK Income Generation

The PPKs approached TRUST regarding possible ways to generate income for their organizations to put towards their running costs. The following are a few suggestions by TRUST that they found feasible and implemented.

- Subscription fees
- Register updating fees
- Auditing fees
- Group grading fees
- Registers and passbook printing and sales.
- Insurance maturity service charge
- Loan incentives from banks

E. Miscellaneous

Each PPK has purchased a money counting machine based on our suggestion so as to ensure speed and count accuracy since they deal with multiple groups coming in everyday to repay loans.

All the PPKs have also purchased internet access data cards as per our recommendation to help with their day-to-day work.

4.2. PPK Financial Management

The table below is a combined overview of the financial standing of these organizations.

Combined Overview of the PPKs

Combined Overview of PPKs	Amount (₹)
Savings for 2014-15	98,53,479
Total Savings	6,72,89,853
Last year's PPKs loan issued by rating	7,96,00,250
2014-15 PPKs loan issued by rating	8,73,50,000
Total PPKs loans issued by rating	16,69,50,250
Loan overdue amount from groups' inception	1,23,10,672
Total loan overdue collected	80,09,329
Loan overdue balance	43,01,343

TRUST verifies all the PPKs balance sheets on a monthly basis and provides analyses and consultation to each PPK once every three months addressing issues such as how to increase savings and ensuring prompt loan collection from groups by each PPK.

A. Group Grading

TRUST created and helped the PPKs implement a system of grading groups that helps them determine each member's/group's borrowing power. Groups are rated by TRUST/PPK staff using detailed monthly checklists created by TRUST that grade each group on series of factors based on which loans are recommended. Each group is analyzed using their current grade position, which helps group leaders monitor and improve their grade overtime.

Below is a table showing the PPKs grades for the reporting year. The names have been removed for privacy.

S.No	Total groups	Grade							
		A	%	B	%	C	%	D	%
1	221	46	21	84	38	83	38	8	4
2	161	57	35	27	16	40	24	37	22
3	173	46	27	41	24	46	27	40	23
4	237	55	23	41	17	133	56	8	3
5	230	66	29	40	17	55	24	69	30
6	110	30	27	38	35	38	35	4	3
	1132	300	27	271	24	395	35	166	15

B. PPKs Loans Issued

As mentioned previously, the PPKs use TRUST's grading system to allocate loans. During 2014-15, the loans issued based on rating increased to Rs.8,73,50,000 when compared with the previous year's total of Rs.7,96,00,250.

C. PPKs Loans Overdue

Due to the large amount of overdue loans accumulated since the groups' inception, the PPKs sought guidance from TRUST on how to collect these loans and minimize overdues in the future. TRUST advised the Project Coordinators and Development Organizers to visit groups together to review the situation in the field. The TRUST Director did the same, and along with the Project Coordinators and Development Organizers took the steps necessary to successfully collect two-thirds of the overdue amounts in a single year. All overdue loans were collected by July 2015.

In order to avoid such large overdue loan amounts in the future, TRUST reviewed the existing process for group grading and improved it to ensure accuracy and prevent misuse.

To facilitate timely repayment, loans were issued in two parts. Each group was divided into two batches with the first batch receiving the first round of loans. Halfway through the loan repayment schedule for this first batch, the second batch would become eligible for the loan. Their eligibility is dependent on the first batch repaying their loans on time since the groups are regularly graded and the grades determine if and how much they can borrow. Therefore, peer pressure within the groups comes into play to assure timely and full repayment.

Furthermore, the loans are now issued as a cheque deposited directly into the individual member's account rather than the group's account to prevent any misuse.

D. TRUST Auditing of Self-help Groups (2014/15)

S.No	Pengal Pannokku Kootamaippu	Target	Completed	Balance	Percentage %
1	Ayothiyapattanam	289	289	0	100
2	Panamarathupatty	184	184	0	100
3	Salem	185	185	0	100
4	Vazhapadi	237	233	4	98
5	Pedhanaickenpalayam	270	263	7	97
6	Kabilarmalai	135	133	2	99
	Total	1,300	1,287	13	99

TRUST audits of individual groups are done every twelve months (this does not need to be based on either calendar or financial year).

Due to increased instances of misuse by a few group animators who were in charge of bookkeeping, TRUST advised that the following steps be implemented by PPK staff.

- PPK staff were instructed to update group registers every month, and also monitor whether collected funds were deposited at the bank within two days. All group members were required to visit their bank branch each month on a rotating basis with a checklist witness to avoid misuse.
- Before starting group audits, TRUST staff are to look through records for any instances of misuse. If any are found, the animator will be instructed to deposit the misused amount in the bank before auditing commences.
- In each audit, every individual member's transaction is recorded in the auditing register. All members must authorize this and sign a confirmation.

- Group audits will be done by two TRUST Accounts Assistants (Audit) at the PPK offices where groups will bring their books for auditing instead of the Accounts Assistants spending days visiting each group individually. This optimizes the use of staff time and allows Development Organizers to spend more time with the groups instead of focusing on audits.

E. TRUST Self-help Group Auditing Plan for 2015/16

S.No	Pengal Pannokku Kootamaippu	Total Target
1	Ayothiyapattanam	271
2	Panamarathupatty	153
3	Salem	174
4	Vazhapadi	211
5	Pedhanaickenpalayam	230
6	Kabilarmalai	131
	Total	1,170

F. TRUST Auditing of PPKs

S.No	Pengal Pannokku Kootamaippu	July 2014	October 2014	January 2015	April 2015
1	Ayothiyapattanam	18,19,21/07/14	13,14,15/10/14	12,13,19/01/15	15,16,17/04/15
2	Panamarathupatty	18,19,21/07/14	16,17,20/10/14	08,09,10/01/15	15,16,17/04/15
3	Salem	22,23,24.07.14	27,28,29/10/14	08,09,10/01/15	23,24,27/04/15
4	Vazhapadi	18,19,21/07/14	16,17,20/10/14	23,24,28/01/15	20,21,22/04/15
5	Pedhanaickenpalayam	12,13,14/07/14	13,14,15/10/14	12,13,19/01/15	20,21,22/04/15
6	Kabilarmalai	22/07/14	27/10/14	24/01/15	23/04/15

TRUST conducts internal financial audits every three months for the above-mentioned PPKs, while the annual audit is done by a Certified Chartered Accountant.

5. TRUST Training Program

TRUST conducted training sessions for TRUST staff contracted out to PPKs and PPK staff on the following topics.

S.No	Training topics	Training duration	Venue	Participants
1	Group loan rating	One day	TRUST Head Office	Project Coordinators Development Organizers Accounts Assistants
2	Group grading	Two days	Karumandurai Training Centre	Project Coordinators Development Organizers
3	Bookkeeping	Three days	TRUST Head Office	Special Development Organizers
4	Register updating	Three days	TRUST Head Office	Project Coordinators Development Organizers Accounts Assistants
5	Group checklist	One day	TRUST Head Office	Project Coordinators Development Organizers
6	Project data	One day	PPK Office (Ayothiyapattanam)	Project Coordinators Development Organizers

Karumandurai Training Centre



6. ICICI Bank

Since October 2012, TRUST and ICICI Bank have partnered to provide micro loans to women from self-help groups (SHGs) to further their economic development.

Combined Overview of ICICI Loans

Combined Overview of ICICI Loans to PPKs	Groups	Amount (₹)
Last year's bank loans issued	574	17,67,22,844
Loans issued in reporting period: 2014-15	299	9,63,95,557
Current loan to be repaid: 2014-15	518	10,16,08,727
Loans repaid: 2014-15	518	10,16,08,727
Total loans disbursed since partnership: 2012-15	873	27,31,18,401
Total loans repaid: 2012-15	347	17,02,28,277
Balance to be repaid: 2012-15	526	10,28,90,124

PPK group members utilize loan amounts for education, manufacturing and consumer business purposes. Group members submit a loan repayment agreement to TRUST and ICICI Bank.

ICICI Bank loan repayments are scheduled for the 5th and 15th of every month and have been consistently followed with the result being that the groups' loan repayments are 100%. This includes those groups that TRUST no longer consults for as of last year.

7. Life Insurance Corporation of India (LIC)

TRUST partners with LIC to provide PPK members with access to insurance that benefits them individually, their families and groups. With Jeevan Mangal, members pay a single initial amount that they can claim upon maturity or their families can receive upon their death. This not only creates additional savings for the member, but also helps their families pay off their loans and have access to the remaining amount in the event of their death. Groups also benefit as it ensures that there are no loan defaults that can potentially harm other group members.

A. Jeevan Mangal (2014 – 2015)

S.No	Pengal Pannokku Kootamaippu	Insured Members
1	Ayothiyapattanam	309
2	Panamarathupatty	227
3	Salem	209
4	Vazhapadi	383
5	Pedhanaickenpalayam	339
6	Kabilarmalai	0
	Total	1,467

Group members who receive PPK loans and ICICI bank loans are encouraged to insure themselves with the single premium Jeevan Mangal LIC insurance. Members also have opportunity to purchase up to five policies should they wish.

B. Jeevan Mangal Maturity Amount Submission (Sep 2012 – Mar 2015)

S.No	Pengal Pannokku Kootamaippu	Members maturity document submission		Total	Members received maturity amount		Total	Balance
		Last year	This year		Last year	This year		
1	Ayothiyapattanam	158	1,788	1,946	89	1651	1740	206
2	Panamarathupatty	416	668	1,084	148	777	925	159
3	Salem	261	753	1,014	120	633	753	261
4	Vazhapadi	394	836	1,230	153	1,001	1,154	76
5	Pedhanaickenpalayam	282	1,427	1,709	21	1,523	1,544	165
6	Kabilarmalai	0	11	11	0	3	3	8
	Total	1,511	5,483	6,994	531	5,588	6,119	875
7	Namakkal District	691	538	1229	419	690	1109	120
	Total	2,202	6,021	8,223	950	6,278	7,228	995

A total of 6,278 group members received their maturity amount during 2014-15. 995 policies are under process at LIC for disbursement. TRUST also helped those groups from Namakkal District who we no longer consult for to submit their documents and receive their maturity amounts.

C. Jeevan Mangal Death Claims

S.No	Pengal Pannokku Kootamaippu	Death claim submitted		Total	Death claim received		Total	Balance
		Last year	This year		This year	Last year		
1	Ayothiyapattanam	14	53	67	12	48	60	3
2	Panamarathupatty	11	46	57	5	50	55	2
3	Salem	6	31	37	5	27	32	1
4	Vazhapadi	16	52	68	16	50	66	2
5	Pedhanaickenpalayam	17	52	69	15	54	69	1
6	Kabilarmalai	3	20	23	3	14	17	6
	Total	67	254	321	56	243	299	22
7	Namakkal District	35	0	35	33	2	35	0
	Total	102	254	356	89	245	334	22

8. TRUST Agriculture

TRUST raises crops and leases out land in order to generate some additional income to fund our programs. TRUST bought the land from its now-defunct sister agency, The Community Services Guild, in 2010. All land related work is managed by the Project Coordinator (Agriculture) under supervision of the Director.

In Chellankurichi, two acres of wetlands are being leased out to a local farmer on a yearly basis. TRUST also worked with this farmer to create a twenty-foot path to allow vehicles to access the farm from the panchayat road.

The mango grove in Chellankurichi, as well as the betel nut grove in Killakadu, are being leased on a yearly basis to local traders for harvesting and sales.



There were also 75 papaya plants planted at the Karumandurai Training Centre as an experiment to evaluate future feasibility.

9. Conclusion

Between April 2014 and March 2015, TRUST has continued strengthening its working relationship with other organizations and supporting them in an advisory capacity to help them achieve their goals.

Since the 2010 creation of the self-governing PPKs, which were made up of TRUST's own self-help groups, TRUST has focused primarily on its consultation and training programs. However, in the coming year, TRUST plans to explore expanding to the Union Territory of Puducherry, and once again setting up new women's self-help groups to continue its vision to achieve holistic development for its constituents.