

Working Paper Series No.19



GOVERNMENT OF KERALA

**PERFORMANCE EVALUATION OF GRAMAJOTHY
KUDUMBASHREE UNIT IN WARD NO. 12 OF MUHAMMA
GRAMA PANCHAYATH, ALAPPUZHA DISTRICT**

STUDY REPORT

**EVALUATION DIVISION
KERALA STATE PLANNING BOARD
THIRUVANANTHAPURAM**

March 2014

Disclaimer

This study has been prepared by Sri. Rubin George, Research Assistant, District Planning Office, Alappuzha. The facts and figures in this report is based on primary data collected by the author from the study area based on a questionnaire and secondary data collected from various sources and do not reflect the views or policies of Kerala State Planning Board.

Acknowledgement

With great pleasure I express my deep sense of gratitude to Dr. V. Vijayakumar, Chief, Evaluation Division, Kerala State Planning Board for his valuable guidance and supervision throughout the journey of preparing this study report.

A special word of thanks to Smt. Saly Joseph, District Planning Officer, Alappuzha for her wholehearted support and co-operation.

I remember with gratitude the wholehearted co-operation by Sri. Pradeepkumar, the Block Development Officer, Aryad in the study area, SHG Conveners and the respondents.

I also remember with gratitude, to the co-operation of my friends and colleagues.

Above all a live long indebtedness to the God the almighty for giving me an opportunity to prepare this study report.

Sd/-

Rubin George,
Research Assistant
District Planning Office,
Alappuzha.

Contents

List of Tables	-	4
List of abbreviations	-	5
Abstract	-	6-7
Chapter 1	Introduction	- 8-12
Chapter 2	Profile of the Scheme and Gramajyothy Kudumbashree Unit	- 13-15
Chapter 3	Analysis and interpretation	- 16-20
Chapter 4	Findings and recommendations	- 21-22
Appendix	-	23-28

List of tables

Table No.	Title	Page No.
1	Cash Flow Statement (<i>December 2012</i>)	14
2	Job profile of Gramajyothy Kudumbashree Unit	14
3	Job profile of Sinkarimelam	15
4	Average amount received for Sinkarimelam during the year 2013(January-June)	16
5	Monthly average income of a participant	17
6	Comparison of various activities of the SHG	19

List of abbreviations

SHG	-	Self Help Group
MGNREGA	-	Mahatma Gandhi National Rural Employment Guarantee Act
PRI's	-	Panchayath Raj Institutions
WCP	-	Women Component Plan
DCB	-	District Co-Operative Bank
ROCE	-	Return on Capital Employed

**Performance Evaluation of Gramajothy
Kudumbashree unit in ward no. 12 of Muhamma
Grama Panchayath, Alappuzha District**

Abstract

Aryad Block Panchayath in Alappuzha district of Kerala has introduced an employment, income generating, and innovative scheme for Gramajothy Kudumbashree unit in ward no.12 Muhamma Grama Panchayath. Objective was to provide financial assistance in their activities for acquiring assets for performing *Sinkarimelam* and thereby providing an additional income to the SHG. Present study is designed to find out whether the group has actually benefitted by the project in term of real growth in their income or employment opportunities. The problem is stated as “*Performance evaluation of Gramajothy Kudumbashree unit in ward no. 12 of Muhamma Grama Panchayath, Alappuzha district*”. All the members of the group are interviewed through pre determined questionnaire and verified the attendance register and bank statements. Arithmetic mean and ratio analysis were used as tools for evaluation. Seasonal nature, Uniqueness and time at disposal are the main constraints which limits the scope of the study. A project which provides income to a women group with lesser investment is better than a project that consumes large capital and lower return on investment. Effectiveness of various components of this project should be evaluated for the formation of new and creative projects. After evaluation, it is found that the SHG has three source of income viz. main source from coir rat spinning and weaving, secondary source of income is from MGNREGA works and an additional source of income is from *Sinkarimelam*. Average monthly income per programme is more than ₹3,000/-. Average monthly income from programmes indicates an increasing trend and the group is able to maintain a stable income on each programme despite of the number of performance. Return on capital employed shows a very high ratio of 73.53% which means that the SHG has attained a high growth in use of their capital. Average participants per programme are 13 and average amount per performance is ₹.250/-. Study recommends that at present the group members are not earning their optimum income. 6 is the average number of programme per

month. If it could be increased up to 18 programmes per month they can earn maximum income on each month without any reduction in the other sources of income.

Chapter 1

Introduction

Decentralized planning through Panchayathiraj institutions necessitated Peoples Planning in Kerala and over the years typical schemes were implemented for the economic development and human welfare. Kudumbashree was introduced in Kerala since 17 May 1998 with the objective of poverty eradication through networking of women groups. Self help groups of women are now recognized as a part of Kerala Model Development. Active participation of these SHG's in decentralized planning process has given immense scope for diversification of activities (with the help of PRI's) than mere function of microfinance. SHG's in these era are attaining their income not only from manufacturing or marketing of food items or sanitation works but also from men reserved jobs like coconut climbing, Auto taxi driving and Sinkarimelam etc. They are able to do those works which were solely reserved to male as per the tradition and custom.

Aryad Block Panchayath in Alappuzha district of Kerala has introduced an employment, income generating, and innovative scheme for Gramajyothy Kudumbashree unit in ward no.12 Muhamma Grama Panchayath. The project is named as Financial assistance to women Group (Sinkarimelam) under General (Women Component Plan) category have a total out lay of ₹.2,00,000/- (*Plan Fund ₹.1,00,000/- and bank loan of ₹.1,00,000/- from District Co-operative Bank, Alappuzha, Muhamma Branch*) was implemented through the Secretary Aryad Block Panchayath during 2012-13. Aim of the project was to give a sustainable income to all the 36 members of the group through the performance of Sinkarimelam dance. Through the implementation of the scheme it was found that these participants could gain a good mental and social status apart from earning an additional income for their livelihood. But it is clear that the economic feasibility was the main reason with the PRI to formulate a typical project to the SHG rather than an ordinary project.

Statement of the problem

The present study attempts to analyse the financial performance, employment and income generation of the Gramajyothy

Kudumbashree unit in ward no.12 Muhamma Grama Panchayath.The problem is stated as “*Performance evaluation of Gramajothy Kudumbashree unit in ward no. 12 of Muhamma Grama Panchayath, Alappuzha district*”.

Objectives of the study

1. Financial analysis of *Sinkarimelam* activities.
2. Analyses the various activities of the SHG.
3. Make suitable recommendations on the basis of findings.

Importance of the study

All the projects under decentralized planning process are to be evaluated for their optimum performance and social commitment. Since the resources are scarce and to be channelized for their optimum usage, innovative and income generating project with women empowerment are to be socially audited and given priority in planning decisions. Effectiveness of various components of this project should be evaluated for the formation of new and creative projects. This project is unique and has got wide acceptance from the stakeholders. Similar project is implementing this year too. A project which provides income to a group with lesser investment is better than a project that consumes large capital and lower return. In these circumstances it will be a good exercise to review the physical, financial and social aspects of the project.

Data and methodology

1. Primary data

Information is collected through informal discussions with the implementing officer, SHG convener and SHG members. A pre scheduled questionnaire is prepared for collecting data. Visiting the site of SHG and experiencing their activities helped to understand the importance of the scheme.

2. Secondary data

The data required for this study is obtained from inspection of Attendance register and Bank account statements. Plan documents kept at the implementing agency's office is verified for drawing an outline of the scheme.

Period of study

Account statements and attendance register for a period of six months (*January 2013 to June 2013*) are analysed for understanding the financial and physical performance of the Scheme.

Area of study

All the 36 members in the scheme are interviewed collectively in a formal meeting on the site verification using a pre scheduled questionnaire. Census method is used for data collection.

Devices of the study

Methods or devices used in the study to infer conclusions about the objectives of the study are:

1. Arithmetic mean
2. Ratio analysis

Limitations of the study

1. Time at disposal and money are the main constraint which limits the scope of a wide and scientific study.
2. Sinkarimelam is a seasonal source of income, which forms only a negligible part in the whole activities of SHG. Inferences may not be real to the whole activities.

Comparison of data with the district and state could not be done as there is not sufficient and reliable data bank. Uniqueness of the scheme itself denies the chance of comparison.

Schemes of the study

The study is presented in four chapters.

Chapter 1 : The first chapter gives a brief introduction to the study. It includes the objectives of the study, its importance, methodology adopted for the study, limitations and schemes of the study.

Chapter 2 : An attempt is to bring the nature of the scheme, cash flow statement of the scheme, criteria of selection, various activities of the scheme including Sinkarimelam and its environment are included in the second chapter.

Chapter 3 : The third chapter provides the financial and job analysis of the Gramajyothy Kudumbashree unit in ward no.12 Muhamma Grama Panchayath.

Chapter 4 : The fourth chapter presents the findings and recommendations of the study.

Appendix : Questionnaire and attendance statements are provided for reference.

Chapter 2

Profile of the Scheme and Gramajyothy Kudumbashree Unit

Project details

Name of the District	- Alappuzha
Name of the Project	- Financial assistance to Women Group (Sinkarimelam)
Name of the local body	- Aryad Block Panchayath
Name of the implementing Officer - Secretary,	Aryad Block Panchayath
Project No. and year	- S0003/13 (2012-13)
Category	- General (Women Component Plan)
Name of the self help group	- Gramajyothy Kudumbashree unit in ward no.12, Muhamma Grama Panchayath
Total outlay	- ₹ 2,00,000/-
Name of the banking partner	- District Co-operative Bank, Alappuzha, Muhamma Branch.

Activities under the project

1. Identification of women groups having experience in Sinkarimelam.
2. Grading the groups on the basis of predetermined merits.
3. Ranking the groups on the basis of grades.
4. Arranging agreement with the bank regarding loan amount.
5. Transfer of subsidy amount to the bank account.
6. Implementation of the project through subsidy and loan amount.

Criteria for selection of beneficiaries and marks

1. Groups having members with physically and mentally disabled persons - 30 marks
2. Groups having more members as widowers - 25 marks
3. Groups with more families having employment cards - 20 marks
4. Groups having more members as conventional labours - 5 marks
5. Groups having more Kudumbashree members. - 20 marks

Table no.01

Cash Flow Statement (December 2012)

Receipts			Payments		
Sl. No.	Items	Amount (₹)	Sl. No.	Items	Amount (₹)
1	Subsidy	100000	1	Chenda	120000
2	Loan	100000	2	Uniform	25000
			3	Elathalam	10000
			4	Shed	45000
	Total	200000		Total	200000

Source-Project report

Table no.02

Job profile of Gramajyothy Kudumbashree Unit

Sl. No.	Items	Descriptions
01	Total number of members in the group	36
02	Category of SHG	Kudumbashree Unit
03	Main source of income	Coir Rat Spinning & Weaving
04	Secondary source of income	MGNREGA work
05	Seasonal income	Sinkarimelam

Source-Primary data



Members of Gramajyothy SHG performing Sinkarimelam dance - on a public function at Aryad.

Table no.03

Job profile of Sinkarimelam

Sl. No.	Items	Descriptions
01	Area of operation	Anywhere in Kerala
02	Performance outside Kerala	Pollachi in Tamilnadu
03	Main instruments used	Chenda & Elathalam
04	Average duration of a programme	2-3 hours
05	Fund management	Fixed deposit for 1 st Sept of each year
06	Mode of payment to participants	On yearly basis (<i>every September</i>)
07	Records maintained	Attendance register, Bank A/c

Source-Primary data

Chapter 3

Analysis and Interpretation

A. Financial analysis of Sinkarimelam activities

1. Arithmetic mean

Arithmetic mean or average is a method to derive the central tendency of a sample space. If the values are of homogeneous in nature, average is considered as the single value of the entire distribution and the numbers to the left of the mean are balanced by the numbers to the right of the mean.

Table no. 04

Average amount received for Sinkarimelam during the year 2013(January-June)

Sl No.	Month and year	Total Amount received(₹)	No. of Programmes	Average
1	January 2013	44590	14	3185
2	February 2013	27722	7	3960
3	March 2013	22464	5	4493
4	April 2013	45070	9	5008
5	May 2013	7220	2	3610
6	June 2013	0	0	0
	Total	147066	37	20256

Source: Attendance register of Gramajyothy SHG

Interpretation of data

During the period under study with reference to the income and number of programmes received, average monthly earnings of the group per month is more than ₹.20,000/-.It is also understood that the average income per programme is more than ₹.3,000/-. Though the performance are of seasonal nature, (*January and April are the months with high number of programmes and during June no performance was made due to heavy rain.*) average income from programmes showing an increasing trend. This shows that the group is able to maintain a stable income on each programme despite of the number of performance. Advertising and publicity can increase the chance of performances in every month to a greater extent.

Table no. 05

Monthly average income of a participant

Sl. No.	Month and year	Average amount per programme	Average participants per programme	Average income per participants	Average income for 5 programmes
1	January 2013	3185	13	245	1225
2	February 2013	3960	13	305	1525
3	March 2013	4493	15	300	1500
4	April 2013	5008	16	313	1565
5	May 2013	3610	14	258	* 516
6	June 2013	0	0	0	0
	Total	20256	71	1421	6331

Source: Attendance register of Gramajyothy SHG

* On May only two programmes were conducted.

Interpretation of data

Average income of a participant per performance is around ₹250/- (*Income calculated after adjusting all operational cost*). Average participants per programme is 13 which means each member in the group can make a performance after every 3rd programme(36/13). If a person is able to participate in 5 programmes per month, he can earn a minimum of ₹ 1,250/- per month. It may be noted that the average time of performance is 3 hours only. This simply means that in busy seasons group can perform even 3 programmes per day and earn accordingly.

2. Ratio analysis

Ratio analysis is a powerful tool for financial analysis. It may be defined as the indicated quotient of two mathematical expressions. It gives clues about the financial position of a concern. These are the indicators of financial strength, position and weakness of an enterprise.

Return on capital employed (ROCE)

It is considered to be the most important ratio because it reflects the overall efficiency with which the capital is used.

$$\text{Return on capital employed (ROCE)} = \frac{\text{Net profit} * 100}{\text{capital employed}}$$

The return on capital employed indicates how well the management has used the funds supplied by creditors and owners. The higher the ratio the more efficient is the firm in using the fund entrusted to it.

In our analysis, we can make use of this tool even though the SHG is not strictly following a double entry system of accounting and practice. We can consider the subsidy and loan of the SHG as the capital employed in the business and the total income after deducting all expenses as the net profit.

Capital employed = ₹2,00,000/-

Net profit = ₹1,47,066/-

ROCE = ₹ 1,47,066/200000*100=73.53%

Interpretation of data

Return on capital employed shows a very high ratio of 73.53% which means that the SHG has attained a high growth in use of their capital. It may be noted that these figures are for six months only. For correct interpretation of results, these values are to be doubled and the opportunity cost (generally the bank interest rate at 10% per annum may be deducted). Then the new ratio will be $((147066*2)-200000*10\%)/200000*100 = 137.066\%$. It is clear that within a year itself the SHG could be able to repay the entire loan amount and the growth rate is more than cent percentage of the investment.

B. Analyses the various activities of the SHG

Primary source of income to the members are from coir rat spinning and weaving. Secondary source of income is from

MGNREGA works and an additional source of income is from Sinkarimelam performance.

Table No.6

Comparison of various activities of the SHG

Sl. No.	Description	Primary	Secondary	Territory
01	Various source of income	Coir rat spinning and weaving	MGNREGA works	Sinkarimelam
02	Average income per day/ performance	₹ 200/-	₹180/-	₹250/-
03	Average time taken for a day's work/ performance	10 hours	8 hours	3 hours
04	Average no. of persons engaged in a work/ performance	30 members	36 members	13 members
05	Mode of payment	Cash (weekly)	Bank (monthly)	Bank (yearly)
06	Average no. of works/performance in a month	12 days	8days	2 days
07	Area of operations	Village level	Panchayath level	National level

Interpretation of data

On comparing the various source of income of the members of this group it is found that though the members are getting a lesser monthly income from Sinkarimelam, the time and effort required is much lesser than primary and secondary sources. Average income from one performance in Sinkarimelam is higher than that of one day wage in Coir rat spinning and weaving or MGNREGA works. It may

be also noted that each member is free for work atleast 6 days in a month. At present 6 is the average number of programme per month. It can be increased up to 18 programmes per month without any reduction in the other sources of income.

Chapter 4

Findings and recommendations

Findings

1. Average monthly income per programme is more than ₹ 3,000/-. Average monthly income from programmes showing an increasing trend and the group is able to maintain a stable income on each programme despite of the number of performance.
2. January and April are the months with high number of programmes.
3. During June no performance was made due to heavy rain.
4. Average participants per programme is 13 and average amount per performance is ₹ 250/-
5. Return on capital employed shows a very high ratio of 73.53% which means that the SHG has attained a high growth in use of their capital.
6. A participant with 8 performances in a month can earn at least ₹1,225/- (January 2013).
7. Payments to the participants are made on yearly basis.

Recommendations

1. At present the group members are not earning their optimum income. At present 6 is the average number of programme per month. If it could be increased up to 18 programmes per month they can earn maximum income on each month without any reduction in the other sources of income.
2. SHG is not giving any publicity to its performance in any media. Success of any organization depends greatly on how well it markets its products/services to the proposed customer. If it could effectively market the service, the gap of unused hours can be excluded and optimum income level can be achieved.

Appendix

Questionnaire and attendance statements

Appendix-1: Questionnaire

DISTRICT PLANNING OFFICE, ALAPPUZHA

*“Performance evaluation of Gramajothy Kudumbashree Unit in ward
no. 12 of Muhamma Grama Panchayath
Alappuzha district”*

Questionnaire for interview

Name of the investigator :
Category of the respondent : (A) Male (B) Female
Date of interview :

Personal information

1. Name of the respondent :
2. Age :
3. Marital status : (A) Single (B) Married
(C) Separated (D) Widowed
(E) Divorced (F) Cohabiting
4. Education : (A) Cannot read and write
(B) Below 10th (C) Graduate
(D) Professional
5. Locality : (A) Urban (B) Rural
6. Religion : (A) Hindu (B) Christian
(C) Muslim
7. Income of the respondent
(Monthly) :
8. Various sources of income :
9. Average income per day :
10. Type of family : (A) Nuclear (B) Joint
11. Family status : (A) APL (B) BPL

Sinkarimelam activities

1. Are you an active member in the group?
2. Do you have any previous experience?
3. How do you learn Sinkarimelam?
4. Time taken to learn Sinkarimelam?
5. Name the instruments you learned to play?
(A) Chenda (B) Elathalam (C) Both
6. No. of programmes made in a month?
7. No. of (average) performance in a year?
8. Average time taken for a performance?
9. No. of persons needed for performance?
10. How will you get the payments?
(A) After each performance (B) once in a month
(C) Once in an year
11. Mode of payment?
(A) In cash (B) Through Bank (C) Any other mode
(Specify)

Marketing Aspects

1. How will you get new orders?
2. Do you have any similar competitors' in this field?
3. What is the opinion of your family members?
4. How will you market Sinkarimelam?
(A) Advertisement in media
(B) Organizational establishment (C) Well wishers
5. Who are your customers?
(A) Govt. (B) Private establishments
(C) Political parties (D) Any other (Specify)
6. What is your area of operation?
(A) Block (B) District (C) State (D) All India

Questions relating future plans

1. What are the different issues which are faced by the SHG in General?
2. What are the different issues which are faced by the SHG in Sinkarimelam activity?

Appendix-2: Monthly Attendance Register

Average income to the participants during January 2013

Sl No.	Date of the programme	Amount received	No. of participants	Amount/ participants
1	03/01/2013	1230	12	102
2	05/01/2013	2310	16	144
3	06/01/2013	1810	11	164
4	08/01/2013	4410	18	244
5	11/01/2013	3910	16	244
6	13/01/2013	5310	16	332
7	14/01/2013	3560	12	296
8	14/01/2013	1810	12	150
9	21/01/2013	3810	14	273
10	25/01/2013	2500	9	277
11	25/01/2013	2500	9	277
12	26/01/2013	1810	14	129
13	27/01/2013	4410	13	339
14	27/01/2013	5210	15	347
	Total	44590	187	3318

Source: Attendance register of Gramajyothy SHG

Total amount received after deducting all expenses	: ₹44,590/-
Total number of programmes received	: 14 nos.
Average amount received per programme	: $44,590/14 = ₹ 3,185/-$
Average number of persons per programme	: $187/14 = 13$
Average amount per person per programme	: $3,185/13 = ₹245/-$
Average amount to a person with 5 programme:	$245 * 5 = ₹1,225/-$

Average income to the participants during February 2013

Sl. No.	Date of the programme	Amount received	No. of participants	Amount/ participants
1	03/02/2013	0	12	0
2	07/02/2013	4987	15	332
3	10/02/2013	3887	12	323
4	19/02/2013	3787	12	315
5	21/02/2013	4187	10	418
6	26/02/2013	5287	15	352
7	27/02/2013	5587	16	349
	Total	27722	92	2089

Source: Attendance register of Gramajyothy SHG

Average amount received per programme : ₹27,722/7
= ₹3,960/-

Average number of persons per programme : 92/7 = 13

Average amount per person per programme : ₹3,960/13
= ₹305/-

Average amount to a person with 5 programme := ₹305*5
= ₹1525/-

Average income to the participants during March 2013

Sl. No.	Date of the programme	Amount received	No. of participants	Amount/ participants
1	01/03/2013	3887	15	259
2	03/03/2013	3187	11	289
3	17/03/2013	4060	12	338
4	26/03/2013	6790	21	323
5	30/03/2013	4540	14	324
	Total	22464	73	1533

Source: Attendance register of Gramajyothy SHG

Average amount received per programme : ₹22,464/5 =
₹ 4493/-

Average number of persons per programme : 73/5 = 15

Average amount per person per programme : ₹4,493/15 =
₹ 300/-

Average amount to a person with 5 programme : ₹300*5
= ₹1,500/-

Average income to the participants during April 2013

Sl. No.	Date of the programme	Amount received	No. of participants	Amount/ participants
1	02/04/2013	9390	20	469
2	03/04/2013	2490	12	207
3	11/04/2013	2490	12	207
4	11/04/2013	7390	19	388
5	19/04/2013	4290	14	306
6	25/04/2013	2790	12	232
7	26/04/2013	6090	15	406
8	28/04/2013	7650	24	318
9	30/04/2013	2490	14	177
	Total	45070	142	2710

Source: Attendance register of Gramajyothy SHG

Average amount received per programme : ₹ 45070/9 = ₹ 5008/-
 Average number of persons per programme : 142/9 = 16
 Average amount per person per programme : ₹ 5,008/16 = ₹ 313/-
 Average amount to a person with 5 programme : ₹ 313*5 = ₹1,565/-

Average income to the participants during May 2013

Sl No.	Date of the programme	Amount received	No. of participants	Amount/ participants
1	20/05/2013	2890	12	240
2	23/05/2013	4330	16	270
	Total	7220	28	510

Source: Attendance register of Gramajyothy SHG

Average amount received per programme : ₹ 7,220/2 = ₹ 3,610/-
 Average number of persons per programme : 28/2 = 14
 Average amount per person per programme : ₹ 3,610/14 = ₹ 258/-
 Average amount to a person with 2 programme : ₹ 258*2 = ₹516/-