



(VOLUME - II)

# **Handbook on Self Help Group (SHG) Formulation and Strengthening**

## **Nagaland Forest Management Project (NFMP)**



**CHIEF MINISTER  
NAGALAND  
KOHIMA  
MESSAGE**

6<sup>th</sup> April, 2021

I am happy to know that the Nagaland Forest Management Project (NFMP), a Japan International Cooperation Agency (JICA) assisted program under Department of Environment, Forest and Climate Change, Government of Nagaland, is bringing out manuals which will ensure dissemination of knowledge and effective implementation of the project.

I am confident that these Manuals will facilitate proper execution of the project activities in a transparent and participatory manner and help guide all stake-holders, ranging from officials to village communities as well as the field NGOs and SHGs.

The Nagaland Forest Management Project (NFMP) is a process driven and result oriented approach through the use of modern scientific technologies including GIS and MIS for planning, implementation and monitoring of various activities and it is being implemented by the Communities in Villages. The concept of implementation is laudable, and I am sure that this will go a long way in improving forest ecosystems, support income generation through rehabilitation of Jhum areas and enhance the livelihood opportunities.

I wish the Nagaland Forest Management Project a grand success.

  
( NEIPHIU RIO )



## **FOREWORD**

Nagaland Forest Management Project (NFMP) assisted by Japan International Cooperation Agency (JICA) is being implemented in 11 Forest Divisions of Nagaland covering 185 villages in the state. This 10-year project was started in 2017-18. The project aims to improve forest ecosystem and support income generation by rehabilitation of Jhum areas and provision of livelihood support, thereby contributing to sustainable forest and environmental conservation and livelihood improvement in the project villages. The major project interventions include Jhum land rehabilitation through various treatment models, soil and water conservation, biodiversity conservation, eco-tourism development and livelihood promotion through women Self Help Groups (SHG) groups.

For Livelihood Promotion of women members in the village, the project supports selected women SHGs in the project villages by supporting technical and financial assistance. These women SHGs are to be supported for better economic and financial inclusion and strengthened to take up income generation activities at their group level and at cluster levels thereafter. Regular capacity building and handholding support by FNGOs, FMUs and DMUs are critical for enhancing the income of the women SHG members and in contributing to the larger objective of strengthening livelihood.

This handbook aims to guide the project staff of FNGOs, FMUs and DMUs for better understanding on the process of SHG strengthening through improved record keeping, ensuring regular savings, internal lending, gradation and monitoring of the SHG activities etc.

**(Dharmendra Prakash)**  
**PCCF & HOFF**  
**Chief Project Director and CEO**



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## ANNEXURE A : SHG PROFILING FORMAT NFMP

1	Name of the DMU					
2	Name of the FMU					
3	Name of the Village					
4	Name of the JFMC					
5	Name of the SHG					
6	Type of SHG (Please tick the appropriate option)	<table border="1"> <tr> <td></td> <td>Male</td> <td>Female</td> <td>Mixed</td> </tr> </table>		Male	Female	Mixed
	Male	Female	Mixed			

Members Details of the SHG				Gender	Age	Designation	Joined on	Total Savings	Total Loan Outstanding	No. of meeting attend in 2021
Name										
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										

8	Date of Formation of the SHG	Date/Month			
9	Name of the Agency formed/promoted to SHG	NRLM/ICDS/NGO/Other			
10	Bank Account Details	NRLM/ICDS/NGO/Other Other			
11	Documents available with SHG (Please tick)	Member/Meeting NGO/Other	Cash Book	Pass Book	Other (Pl. Specify)
12	Group Management Practice	No. Of Meeting Conducted during 2019 Average attendance in the meeting			
13	Financial Status at end of November 2019	Saving in Bank Rs. Cash in Hand Rs. Loan outstanding on members (Rs.)			
14	Grant/Seed Money received from any agency	Agency Name	Amount (Rs.)	Month/Year	Purpose



15	Loan Received from any Bank/ Financial Institution (FI)	Bank/ FI Name	Amount (Rs.)	Month/ Year	Purpose	Loan Outstanding to Bank/FI

16	Gradation of SHG	Current Grade (A / B/C/Not Graded)	Who did the gradation (NABARD/ ICDS/NRLM/ NGO/ Other)	Month/ Year

17	Livelihood Activities by Members	Type	Started Since (Month/Year)	No. Of members involved	Turnover last year (Rs.)

18	JFMC Recommendation for supporting the SHG (Scale 1-5, where 1 is least preferred and 5 is most preferred)	1	2	3	4	5

Annexure B: Standard Record Keeping Format by the SHG

**B1: Proceedings of the Meeting**

Date:	Timing:	Place:
Total Members:	Present Members:	Remarks:

**Agenda for discussion**

1. Discussion on the agenda of the previous meeting



.....



.....



.....



.....

2. Discussion on monthly saving

3. Discussion on monthly loan repayment by members

4. Other issue

5. Tentative agenda for next meeting



.....



.....



.....



.....

SI No	Name of SHG members	Signature /Thumb Impression
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		

Signature of Treasurer

Signature of Secretary

Signature of President

**B2: Account Register**

## Account Register

<b>Name of the Self-Help Group</b>	::	
<b>Address of SHG</b>	::	
<b>Contact Details</b>	::	
<b>Formed/Established on</b>	::	
<b>Name of JFMC</b>	::	
<b>Name of FMU</b>	::	
<b>Name of DMU</b>	::	
<b>No. of members in the Group</b>	::	
<b>Name of SHPI/NGO/VA assisting the Group : if any,</b>	::	

## Details of Members of the SHG

Sl No	Name of SHG members	Name of Father/ Husband	Gender (Male/ female)	Signature /Thumb Impression
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

Signature  
Designation

Signature  
Designation

Signature  
Designation

## Name of SHG .....

Year : .....

(Amt. in Rs.)

[illegible]

**Signature of Treasurer**

## SHG Loan Disbursement to Members Register

Name of SHG .....

Year : .....

(Amt. in Rs.)

Month	Outstanding amt. as on 1 <sup>st</sup> of the month	Loan amt. disbursed during the month	Repayment Amt. during the month			Outstanding amt. at the end of the month	Signature of Treasurer
			Principal	Interest	Penalty		
1	2	3	4	5	6	7	8 = (2+3-7)
January							9
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
Total =							

Signature of Treasurer

## Individual Member Loan Register

Name of the Member	::	
Husband/ Father Name	::	
Serial No. of the Member	::	
Contact Details	::	

(Amt. in Rs.)

Date	Purpose of loan	Loan Amt. disbursed	Repayment Amt. during the month				Outstanding amt. at the end of the month	Signature of Treasurer
			Principal	interest	Penalty	Total		
1	2	3	4	5	6	7	8 = (3-7)	9
Total =								

Signature of Treasurer



**SHG Bank Loan availed Register**

Name of SHG.....

Year.....

Name of the Bank &amp; Branch :.....

Loan account No:..... Date of sanction.....

(Amount in Rs.)

Date	Purpose of loan	Loan Amt. disbursed	Repayment Amt. during the month				Outstanding amt. at the end of the month		
			Principal	interest	Penalty	Total	Principal	Interest	Total
1	2	3	4	5	6	7	8	9	10 (8+9)
Total =									

**Signature of Treasurer**

**Year.....**

**(Amount in Rs.)**

Date	Source of fund	Purpose	Amount received	Repayment made (if any)			Outstanding
				Principal	interest	Total	
1	2	3	4	5	6	7	8
Total =							

**Signature of Treasurer**

## SHG Income Ledger

Name of SHG.....

Year.....

(Amount in Rs.)

Month	Details of Income						
	Membership fee	Saving	Penalty	Bank CCL	Interest received from bank	Other income	Total
Total =							

Signature of Treasurer

## SHG Expenditure Ledger

Name of SHG.....

Year.....

(Amount in Rs.)

Month	Details of Income						Total
	Membership fee	Saving	Penalty	Bank CCL	Interest received from bank	Other income	
<b>Total =</b>							

Signature of Treasurer

[illegible][illegible]

ANNEXURE C: RESOLUTION FOR OPENING OF BANK ACCOUNT OF SHG

Name of the Self-Help Group	::	
Address of SHG/ CIG	::	
Formed/Established on	::	
No. of members in the Group	::	
Name of SHPI/NGO/VA assisting the Group : if any,	::	

<div style="border: 1px solid black; padding: 5px; width: 100px; margin: 0 auto;"> Affi passport Size photograph </div>	<div style="border: 1px solid black; padding: 5px; width: 100px; margin: 0 auto;"> Affi passport Size photograp </div>	<div style="border: 1px solid black; padding: 5px; width: 100px; margin: 0 auto;"> Affi passport Size photograp </div>
Name :	Name :	Name :
DOB :      Age:	DOB :      Age:	DOB :      Age:
Designation :	Designation :	Designation :
Address:	Address:	Address:
Mobile:	Mobile:	Mobile:
KYC Documents Provided	KYC Documents Provided	KYC Documents Provided
Enclosed Copy of address & ID proof <input type="checkbox"/> Voter ID <input type="checkbox"/> Driving License <input type="checkbox"/> Aadhar Card <input type="checkbox"/> Job Card <input type="checkbox"/> PAN Card <input type="checkbox"/> Passport <input type="checkbox"/> Any other document accepted by Bank (specify.....)	Enclosed Copy of address & ID proof <input type="checkbox"/> Voter ID <input type="checkbox"/> Driving License <input type="checkbox"/> Aadhar Card <input type="checkbox"/> Job Card <input type="checkbox"/> PAN Card <input type="checkbox"/> Passport <input type="checkbox"/> Any other document accepted by Bank (specify.....)	Enclosed Copy of address & ID proof <input type="checkbox"/> Voter ID <input type="checkbox"/> Driving License <input type="checkbox"/> Aadhar Card <input type="checkbox"/> Job Card <input type="checkbox"/> PAN Card <input type="checkbox"/> Passport <input type="checkbox"/> Any other document accepted by Bank (specify.....)
Specimen Signature/Thumb Impression	Specimen Signature/Thumb Impression	Specimen Signature/Thumb Impression

**Resolutionfor Opening of Bank Account**

Today on ..... (Date), at the meeting of ..... (name of SHG) at ..... (meeting place of SHG/ address) in presence of all its members, it is resolved that our ..... (name of SHG) will open Saving Bank account with ..... (branch) of ..... (bank). It has also been further resolved that Smt..... (Designation.....); Smt..... (Designation ..... ) and Smt ..... (Designation ..... ) will sign all the necessary document related to the opening of bank account on behalf of the ..... (name of SHG).

We all members hereby agree to the above decision.

Sl No	Name of SHG members	Name of Father/Husband	Gender (Male/female)	Signature /Thumb Impression
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Signature  
Designation

Signature  
Designation

Signature  
Designation

Seal of Self Help Group

### Acknowledgement

(To be handed over to SHG after Submission of the Application Form)

**Received the following Application form for loan**

Name of SHG	::	
Address	::	
Application No	::	
Saving Account No	::	
Date of Receipt of Application by branch	::	

Signature ..... Branch : ..... Bank : .....

Annexure D: Model By-Law of SHG

**By-Law of \_\_\_\_\_ SHG**

1. The name of the group shall be ..... hereinafter referred to as “The SHG”.
2. The .....(SHG NAME) is located in village/ward and the address of the group is.....  
.....
3. **Objectives:**  
The objectives of the SHG are:
  - a) To promote regular savings among members of the group
  - b) To make available credit to members of the group to meet urgent domestic needs
  - c) To form a group that would be eligible to receiving benefits under the Nagaland Forest Management Project (NFMP) other schemes of the Government of India and State Governments and would be able to articulate a demand for the same.
  - d) To build leadership skills of members so that they can manage the group in rotation.
4. **Membership:**
  - a) Persons above 18 years of age at the time of joining
  - b) Persons who are desirous of saving his/her money with the SHG
  - c) Persons who are willing to take a loan from the SHG
  - d) Persons who have been a resident of the village/ ward
  - e) Persons from families that have been identified as “poor” by the State Government
  - f) Not more than one member per family shall be allowed to join a group
  - g) The total number of members at any time should not exceed 20 persons or be less than 10 persons.
5. **Savings:**
  - a) Every member shall save Rs. \_\_\_\_ (in figures and words) per month and on ..... (specify date here) all members will deposit their individual savings with the Treasurer of the SHG
  - b) The SHG shall decide the savings amount on a regular basis from time to time. Any changes to this amount and the reason for the same will be reflected in the record of the meetings of the SHG
  - c) If a member does not pay savings money on a decided date, s/he will be fined with Rs. ....  
..... (in figures and words) per ..... (specify per month, per week or per day)
6. **Group Management:**
  - a) There shall be a management committee for the SHG responsible for its day- to-day and strategic management
  - b) The Management Committee shall consist of three office bearers Chairperson, Secretary and Treasurer who shall each be elected by all members of the group from among the members for a period of 1 (one) year.
  - c) These office bearers cannot remain in office continuously for more than 2 terms.
  - d) In case the group elects to have more than one member per family as members of the group, then no two members of the same family should stand for elections as SHG office bearers at the same time.
7. **Roles and Responsibilities of Office Bearers**
  - a) **Responsibilities of the Chairperson/ President:**
    - i. Presides over the regular meetings and any other meetings of the SHG
    - ii Signs (or puts thumb impression) to approve the decision and resolutions of the SHG taken at various meetings.



- ii. Call for or postpone a special meeting
- iii. Solve a complaint with the help of other office bearers and members, if required;
- iv. Check and coordinate the activities of the Secretary, Treasurer and other members
- v. Maintain relationships within and outside the SHG, especially with the banks and Urban Local Body to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under all relevant components of DAY-NULM
- v. Regularly report progress of the SHG to the ULB along with any other details requested in a timely manner.

**b) Responsibilities of the Secretary:**

- i. Call meetings with the prior permission of the Chairperson and prepare the agenda for every meeting
- ii. Maintain a record of the proceedings of all regular and special meetings and read them out at the next meeting.
- iii. Write resolutions made at each meeting and read them out at the same meeting.
- iv. The Secretary will maintain the membership register, attendance register, and activity and resolution register
- v. Conduct all meetings and chair a meeting if the Chairperson is absent.
- vi. Verify the books of account of the SHG regularly and report to the members in every meeting.
- vii. Maintain relationships within and outside the SHG, especially with the banks and ULB to ensure credit to the group (and individual SHG members) as well as access of SHG members to benefits under DAY-NULM
- viii. Regularly report progress of the SHG to the ULB along with any other details requested in a timely manner.

**c) Responsibilities of the Treasurer:**

- i. Preserve all important papers and documents related to financial matters of the SHG
- ii. Maintain all accounts of the SHG i.e. members' savings and loan register, member pass books, group bank pass book and loan book, cash transaction register
- iii. Deposit all cash collected at meetings within two days of collection
- iv. Pay loans approved by the SHG to members and receive savings, repayment, interest, fines, etc.
- v. Present all financial reports of the group

**8. Meetings:**

- a) The group will meet on fortnightly/ monthly basis every month. The dates of the meetings are .....
- b) In case of an urgent and important issue, the group can hold special meetings at a shorter notice.
- c) A minimum of 80% of the group's members with at least 2 out of 3 of the office bearers must be present for decisions to be valid. Where decisions on group funds above Rs. .... (Rupees .....only) or changes in the rules and regulations are to be made, all members must be present.
- d) The SHG ..... will hold its Annual General Meeting on ..... every year. This meeting will review the last year's activities and financial progress and plan the activities for the next year. (The group may use this meeting to conduct regular annual elections for the posts of office bearers of the Managing Committee).
- e) In case of special meetings or change in the conduct of regular meetings, the Secretary of the group

is supposed to give ..... days' notice to the members about such meetings.

- f) If a member does not attend ..... (Specify number of meetings) consecutive periodic meetings without any prior information, s/he will have to face a penalty of Rs. .... (Rupees .....only) per meeting.

#### **9. Maintenance of Group Records:**

- a) Every member will be given a savings and loan passbook where savings and loan balances for each member are recorded and updated regularly. It is the responsibility of the Treasurer to make all entries.
- b) Membership, attendance, activity and resolution registers will be kept with the Secretary to register membership, proceedings, attendance and resolutions of all meetings.
- c) Savings and Loan register will be kept with the Treasurer at the group level to maintain all individual records of savings and loans
- d) Cash book and bank loan register will be maintained by the Treasurer who will update the position of all income and expenditure as well as bank loans received and repaid.
- e) Group Bank Pass Book to be maintained by the Treasurer and updated regularly at each deposit and withdrawal.
- f) All group records are to be made available freely for examination by each individual member during the meetings and at other times, with reasonable notice to the levant office-bearer of the Managing Committee. SHGs may engage a non-member for book-keeping fixing a token payment for the service. However members providing this service to their own SHG will do so on a volunteer basis without payment.

#### **10. Managing the Group's funds:**

- a) The loan limit for each individual member shall be decided by the SHG. The amount will not exceed Rs. .... (in figures and words) at time.
- b) The interest rate shall be Rs. .... (in figures and words) per month per Rs. 100.00 (Rupees Hundred only).
- c) The loan repayment procedure shall be decided by all members of the SHG
- d) On sanction of the loan, the record of the loan, including agreed repayment schedule must be written in the applicant's saving and loan passbook and the group's saving and loan register. Thereafter, all repayments (and defaults, if any) must also be recorded in the applicant's savings and loan passbook and the group's savings and loan register.
- e) The loan shall be granted as long as:
  - i. The member has repaid any previous loan amount in full, along with the interest
  - ii. The member has been depositing regular savings with the SHG for a period of at least 3 months
- f) All the income that accrues to the SHG from interest on savings and loans and returns from penalties and fees will be added to SHG corpus.

#### **11. Managing the Group's Bank Account:**

- a) The SHG account shall be kept in the nearest bank. The Treasurer, Chairperson and/or Secretary (any two) shall have joint signatory power. All withdrawals to be supported by a resolution of the SHG

#### **12. Withdrawal of Membership**

Group members should discuss in detail the procedure and terms of refund of money if a member proposes to leave the group. This should be properly recorded in the proceedings of the group meeting.

#### **13. Addition of New Membership**

Group members should discuss in detail the procedure and terms of inclusion of any new member in the groups if a member proposes to join the group. This should be properly recorded in the proceedings of the group meeting. Groups has to take a collective decision regarding depositing the monthly saving of the new member

**14. Disqualification of Membership:**

A member may be disqualified by the SHG on the following criteria:

- a) Non-participation in regular group meetings for more than .....times
- b) Not depositing regularly for more than .....months
- c) Not repaying the loan received from the group
- d) Not following the rules of the group

**15. Change in the rules and regulations:**

The rules of the SHG or any part thereof can be amended by all members present at a General Body Meeting convened for the purpose.

**16. Dissolution of the group:**

In the event of group dissolution, members need to discuss the formalities and terms of group money distribution and group payables and receivables among themselves before the group can be dissolved. The agreed conditions of dissolution and re-distribution of funds should then be recorded in the bye-laws of the group. Members with a majority vote may decide to dissolve the group.

ANNEXURE E: FORMATS FOR GRADATION OF SHG

Format 1: SHG Grading format for fresh linkage

A: Basic Information

Name of the Self-Help Group	::	
Address of SHG	::	
Formed/Established on	::	
No. of members in the Group	::	
Date of opening of Bank S/B A/C	::	
Period considered for Grading		From ..... To .....

(Usually last 6 months)

B. Details of Grading /Evaluation Exercise:

S.N	Indicator	Allotted Marks	Formula of determining Marks	Mark obtained
1	<b>Regularity of Meeting:</b>			
(a)	Regularity of Holding meetings by SHG	10	No. of meeting held X 10 No. of meetings required to be held as per rule of SHG	
(b)	Regularity of Attendance of members in the meetings	10	Average no. of members attended the meetings X 10 Total no. of members of the SHG	
2	<b>Regularity of Saving by members</b>	10	Amount of savings deposited by the members X 10 Amount of savings required to be deposited as per rule of SHG	
3	<b>Frequency of Lending to members form Group corpus</b>	20	More than 1.5 :- 20 More than 1.0 up to 1.5:-15 More than 0.5 up to 1.0:-10 More than 0.2 up to 0.5:-5 Up to 0.2:- 0	
4	<b>Regularity in repayment of loan by members</b>	20	Amount of recovery against Demand X 20 Amount of Demand (required to be paid as per repayment schedule)	
5	<b>Updated Record keeping:</b>			
a)	Resolution Book	4	Maintained up to date:- Full marks	

S.N	Indicator	Allotted Marks	Formula of determining Marks	Mark obtained
b)	Cash Book	8	Maintained, but not up to date:- Half Marks Not maintained :- 0 (no Mark)	
c)	Savings Ledger	4		
d)	Loan Ledger	4		
e)	General Ledger	6		
f)	Individual Pass Book	4		
	Total	100		

$$\text{*Velocity of lending form Group Corpus} = \frac{\text{Amount lent to the members from Group Corpus}}{\text{Average amount of Group Corpus}}$$

- A Grade : 80 or more marks
- B Grade : 70-79 marks
- C Grade : 60-69 marks
- D Grade : less than 60 marks

Only A & B graded SHGs are to be considered for credit linkage

**Format 2: SHG Grading format for Repeat Linkage**
**A: Basic Information :-**

Name of the Self-Help Group	::	
Address of SHG	::	
Formed/Established on	::	
No. of members in the Group	::	
Date of opening of Bank S/B A/C	::	
Period considered for Grading		From ..... To .....

(Usually last 6 months)

**B. Details of Grading /Evaluation Exercise**

S.N	Indicator	Allotted Marks	Formula of determining Marks	Mark obtained
1	Regularity of Meeting :			
(a)	Regularity of Holding meetings by SHG	5	No. of meeting held X 10	
			No. of meetings required to be held as per rule of SHG	
(B)	Regularity of Attendance of members in the meetings	5	Average no. of members attended the meetings X 10	
			Total no. of members of the SHG	
2	Regularity of Saving by members	10	Amount of savings deposited by the members X 10	
			Amount of savings required to be deposited as per rule of SHG	
3	*Velocity of Lending to members form Group corpus	10	More than 1.5 :- 20 More than 1.0 up to 1.5:-15 More than 0.5 up to 1.0:-10 More than 0.2 up to 0.5:-5 Up to 0.2:- 0	
4	Regularity in repayment of loan by members	15	Amount of recovery against Demand X 20	
			Amount of Demand (required to be paid as per repayment schedule)	
5	Update Record keeping :			



S.N	Indicator	Allotted Marks	Formula of determining Marks	Mark obtained
a)	Resolution Book	4	Maintained up to date :- Full marks	
b)	Cash Book	8	Maintained, but not up to date :- Half Marks	
c)	Savings Ledger	4	Not maintained :- 0 (no Mark)	
d)	Loan Ledger	4		
e)	General Ledger	6		
f)	Individual Pass Book	4		
<b>Operations in Cash Credit / Term loan A/c and Credit history :</b>				
6	a)Number of transactions in last 12 months (Dr.& Cr)	10	i)12 or more:- 10	
			ii)6 to less than 12:- 6	
			iii)Less than 6:- 0	
	b)Servicing of interest charged in CC A/c	10	i)Within 1 month :- 10	
			ii)Within 2 month :- 6	
			iii)After 2 month :- 0	
	c) Occasions of overdrawing in CC A/c due to charging of interest etc. during last 12 months	5	i)Never:- 5	
			ii)On 2 occasion :- 3	
			iii)On more than 2 occasions :- 0	
Total		100		

**\*Velocity of lending form Group Corpus =** 
$$\frac{\text{Amount lent to the members from Group Corpus}}{\text{Average amount of Group Corpus}}$$

**Average amount of Group Corpus**

- **A Grade : 80 or more marks**
- **B Grade : 70-79 marks**
- **C Grade : 60-69 marks**
- **D Grade : less than 60 marks**

**Only A & B graded SHGs are to be considered for enhancement of CC limit / repeat dose of T/L**

ANNEXURE F: FORMATS FOR CREDIT LINKAGE OF SHG WITH BANK

Name of the Self-Help Group	::	
Address of SHG/ CIG	::	
Formed/Established on	::	
No. of members in the Group	::	
Name of SHPI/NGO/VA assisting the Group : if any,	::	

**Resolution for taking loan from Bank**

Today on ..... (Date), at the meeting of ..... (name of SHG) at ..... (meeting place of SHG/ address) in presence of all its members, it is resolved that our ..... (name of SHG) will seek loan of Rs ..... (in words) ..... from bank. It has also been further resolved that Smt. .... (Designation .....); Smt. .... (Designation ..... ) and Smt ..... (Designation ..... ) will sign all the necessary document related to the loan application to bank on behalf of the ..... (name of SHG).

We all members hereby agree to the above decision.

Sl No	Name of SHG members	Name of Father/ Husband	Gender (Male/ female)	Signature /Thumb Impression
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Signature  
Designation

Signature  
Designation

Signature  
Designation

**Seal of Self Help Group**



*INTER-SE AGREEMENT TO BE EXECUTED BY THE MEMBERS OF THE SELF HELP GROUP  
[TO BE STAMPED AS A GENERAL POWER OF ATTORNEY]*

THIS AGREEMENT made .....this ..... Day of..... 20.....

BETWEEN

Sl No	Members Name	Name of Father/ Husband	Gender (M/F)	Age (yrs)	Address
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10					
11					
12					
13					
14					
15					

who are members of the group, hereinafter referred to collectively as “The Self Help Group (SHG) Members” which expression shall, unless repugnant to the context or meaning, include every members of the said SHG and their respective legal heirs, executors and administrators.

WHEREAS all SHG members are residents of ..... Village in ..... taluka of the ..... State and are known to each other.

WHEREAS the SHG members above named have joined voluntarily together and formed the SHG with intent to carry on savings and credit and other economic activities for mutual benefit subject to the terms and conditions hereinafter appearing:

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT :

- Each member of the SHG shall save a sum of Rs. ....(Rupees..... only) or such sum as may be decided by the Group, on weekly fortnightly/monthly basis during the scheduled SHG meeting. The accumulated corpus of the SHG shall be given on loan to members' based on their need and recovered along with interest as decided by the SHG members.
- The SHG will take the responsibility for maintaining appropriate books of accounts to ensure transparency

in transaction among SHG members.

3. Each member shall strive for the success of the SHG and shall not act in any manner detrimental to the business interests of the SHG.
4. The SHG members shall be jointly and severally liable for all the debts contracted by the SHG.
5. All assets and goods acquired by the SHG shall be in the joint ownership of all the members of the SHG and shall ordinarily be in the constructive custody of such member as may be authorized by the Group and shall be kept at the place of business at .....which shall not be changed without consent of the SHG members.
6. The SHG members hereby duly elect and appoint  
Shri/Smt/Kum. .... as .....  
Shri/Smt/Kum. .... as .....  
Shri/Smt/Kum. .... as .....  
[by whatever name designated] to look after and manage the day to day affairs of the SHG's activities and also act in their name and on their behalf in all matters relating thereto. The authorized representatives, may however, be removed at any time by majority vote of the members and new representatives elected.
7. Each of the SHG members hereby agrees to abide by and ratify all such act, deeds and things as the authorized representatives may do in the interest of the said activities.
8. The authorized representatives shall take decisions in the day to day working of the SHG and each representative shall actively involve herself or himself and co-operate in looking after the day-to-day affairs of the SHG activities in particular to attend to the following activities.

-Every member of the SHG hereby authorizes the representatives to apply for the loan on behalf of the SHG and execute necessary agreements/ documents on behalf of the SHG for the purpose. The authorized representative may collect loan amounts from the bank on behalf of SHG, deposit the same in the savings account of the SHG for on-lending to members in accordance with the decision of the SHG and also deposit recovery of loan installment from members in the loan account/s of SHG with the bank.

9. The SHG members hereby specifically authorize the representatives:-
  - (i) To open Savings, Fixed Deposits and other accounts in .....branch of .....bank approved by the SHG and operate the same under the joint signature of any two of the following authorized representatives.  
Shri/Smt/Kum. ....  
Shri/Smt/Kum. ....  
Shri/Smt/Kum. ....
  - (ii) To keep or cause to be kept proper books of accounts of the savings, made by the SHG Members, loans granted to them and the recoveries made from them and render every year the full accounts to the SHG members for their approval and adoption;
  - (iii) To receive all payments due to the SHG and issue requisite receipts or acknowledgements for and on behalf of the SHG;
  - (iv) To institute and defend on behalf of the SHG members any legal proceedings and safeguard the interests of each member of the said SHG and for this purpose engage or disengage any lawyer or advocate or agent and incur the necessary legal expenses in connection therewith.
10. In the event of death of any of the members of the SHG, his/her legal heirs shall be entitled for the benefits and be liable for the obligations of the deceased member under this agreement.
11. It is agreed that no new person shall be inducted as a member of the SHG without consent of all the existing members.

IN WITNESS WHEREOF the aforesaid members of the SHG have set their respective hands hereunto at the place .....and on .....day of ..... month ..... year first herein appearing.

Sl No	Name of member of the SHG	Signature's/Thumb of impression
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		

WITNESSES:

(1).....

(2).....

*(Note: The SHG shall not consist more than 20 persons)*

*Application for Bank Loan*

*(Specimen of application to be submitted by SHG to Bank Branch while applying for loan assistance)*

Name of the Self-Help Group	::	
Address of SHG/ CIG	::	
Formed/Established on	::	
No. of members in the Group	::	
Name of SHPI/NGO/VA assisting the Group ; if any,	::	

To:

Date:.....

**The Branch Manager**

.....**Bank**

.....**Branch**

Dear Sir,

**APPLICATION FOR LOAN**

<div style="border: 1px solid black; width: 100px; height: 80px; margin: 0 auto;"> <p>Affi passport Size photograph</p> </div>	<div style="border: 1px solid black; width: 100px; height: 80px; margin: 0 auto;"> <p>Affi passport Size photograph</p> </div>	<div style="border: 1px solid black; width: 100px; height: 80px; margin: 0 auto;"> <p>Affi passport Size photograph</p> </div>
Name :	Name :	Name :
DOB :      Age:	DOB :      Age:	DOB :      Age:
Designation :	Designation :	Designation :
Address:	Address:	Address:
Mobile:	Mobile:	Mobile:

We the duly authorized representatives of the above SHG hereby apply for a loan aggregating Rs. ....(Rupees .....only) for lending to our members.

The financial particulars of the group as on .....(date) are given in the enclosed sheet.

**REPAYMENT SCHEDULE**

1. We agree to repay the loan amount as per the repayment schedule which may be fixed by the bank.
2. A copy of the Inter-se Agreement executed by all the members of the group authorizing us inter-alia to borrow on behalf of the SHG is enclosed.
3. We hereby declare that the particulars given above are true and correct to the best of our knowledge and belief.
4. We hereby authorize the Bank to disclose all or any particulars or details or information relating to our loan accounts with the Bank, to any other financial institution including NABARD, Government or any agency as may be considered necessary or desirable by the Bank. It will be in order for the Bank to disqualify the SHG from receiving any credit facilities from the Bank and or recall the entire loan amount or any part

thereof granted on this application, if any of the information pertaining to the group, furnished herewith is found incorrect and/or containing misrepresentation of facts.

Yours faithfully,

1. ....

2. ....

[Authorized representatives]

.....**SELF HELP GROUP**

Financial Particulars as on .....

Sl. No.	Particulars	::	Amount (in Rs.)
1	Total Savings from Members	::	
2	Total interest and other incomes	::	
3	Revolving fund/ Grant Assistance/ Seed Money from SHPI [NGO/VA], if any	::	
4	Cash/bank balance	::	
5	Other receipts	::	
	<b>Total =</b>		
6	Borrowings Outstanding : (Please specify source)	::	
7	Loan outstanding against members	::	
8	Amount in default, if any, against members	::	
8		::	

(Amount in words .....only)

We certify that the above statement is true and can be verified from the books of accounts maintained by our SHG.



## ABOUT NAGALAND FOREST MANAGEMENT PROJECT

The Project is an Externally Aided Project supported by an International Agency i.e. Japan International Cooperation Agency (JICA) aiming to improve forest ecosystem and support income generation by rehabilitation of Jhum area and provision of livelihood support, thereby contributing to sustainable forest and environmental conservation and livelihood improvement in the target villages in Nagaland State. The project has a target to cover 185 villages involving all Districts of the state and 22 Forest Range & Beats and will be spread over a period of 10 years.

This project has following three components:

- \* Forestry interventions and biodiversity conservation
- \* Livelihood improvement and community development &
- \* Institutional strengthening

