Self-Help Group Registration Support

A Self-Help Group (SHG) is a small, voluntary group - typically 10 to 20 people, most often women - who save together regularly and lend to each other from their pooled savings. Once established and registered, an SHG can also access bank credit at favourable terms and becomes the entry point for several government livelihood schemes. This guide walks through forming a group, registering it, linking it to a bank, and keeping the records that make it eligible for ongoing support.

Why Join or Form an SHG

- Access to small loans without collateral, based on the group's savings track record rather than individual credit history.
- Eligibility for bank credit linkage at favourable interest rates once the group demonstrates regular savings and repayment discipline.
- A direct pathway into schemes run through the National Rural Livelihood Mission (NRLM) and similar state-level livelihood missions, including skill training and micro-enterprise support.
- A built-in support network for members navigating business, household, or financial decisions together.

Tip
Many districts already have active SHGs you can join rather than starting from scratch - ask at your local Gram Panchayat, Block office, or Anganwadi centre before forming a new group.

1. Step-by-Step: Forming a New SHG

1. Gather 10 to 20 members from the same village or neighbourhood, ideally with similar economic background and a shared interest in saving and, eventually, borrowing together.
2. Hold a first meeting to agree on group rules: how much each member saves and how often (commonly a small fixed weekly or monthly amount), meeting frequency, and how decisions are made.
3. Elect or select office bearers - typically a president/leader, secretary, and treasurer - who will handle meeting records, the group's passbook, and communication with the bank or block office.
4. Choose a name for the group and decide on a regular meeting schedule and location.
5. Begin regular savings meetings immediately, recording attendance and savings amounts from the very first meeting - this record becomes essential for registration and bank linkage later.

Tip
Most schemes expect at least 3-6 months of consistent savings meeting records before a group is considered for bank linkage, so start your record-keeping from day one rather than trying to reconstruct it later.

2. Registering the Group

Many SHGs operate informally without formal registration, especially in early months - this is generally acceptable for opening a basic savings account. Formal registration becomes important once the group wants to access larger credit, government scheme linkage, or federation membership. Registration is most commonly done through the District Rural Development Agency (DRDA), the Block office, or under NRLM-affiliated state livelihood missions.

3. Documents Usually Required

- List of members with names, ages, and Aadhaar numbers
- Group resolution - a simple written record of the meeting where members agreed to form the group, signed by all members
- Address proof for the group's meeting location, if registering formally
- Photographs of office bearers (president/leader, secretary, treasurer)
- Savings register or passbook showing meeting and savings history, if already operating informally before registration

4. Who to Approach

Office / Contact	What They Help With
Gram Panchayat / Block office	First point of contact in most rural areas; often connects groups to NRLM facilitators
District Rural Development Agency (DRDA)	Handles formal registration and scheme linkage in many states
State livelihood mission office	State-specific NRLM implementing body - name varies by state
NGO or bank-appointed facilitator	Some banks and NGOs have dedicated SHG promotion staff who assist with formation and paperwork

5. The Three Stages of Bank Linkage

Bank linkage for SHGs typically happens in three recognisable stages. Understanding which stage your group is at helps set realistic expectations for what kind of support is currently available.

Stage	What Happens
Stage 1: Savings account	Group opens a joint savings account in the SHG's name, usually after a few months of demonstrated regular meetings
Stage 2: Internal lending	Group begins lending its own pooled savings to members for small needs, building a repayment track record
Stage 3: Bank credit linkage	Once savings and internal lending show consistency (commonly 6 months to a year), the bank extends a credit line to the group, often as a multiple of its savings

6. What Banks Look For Before Extending Credit

- Regular meeting attendance, documented in the group's minute book or register
- Consistent savings contributions from all members, even if the amount is small
- A track record of internal loans being repaid on time
- Active, engaged office bearers who can represent the group to the bank

7. Joining a Federation

In many areas, individual SHGs federate into larger Village Organisations (VOs) or Cluster-Level Federations (CLFs), which pool groups together for larger-scale schemes, training programmes, and market linkages. Joining a federation is optional but often opens access to opportunities a single small group wouldn't qualify for alone - ask your block office or NRLM facilitator whether one exists in your area.

8. Common Issues That Slow Groups Down

- Inconsistent meeting attendance, which weakens the savings and repayment record banks look for.
- Office bearers who don't rotate, leading to over-dependence on one or two people and disruption if they leave.
- Poor record-keeping - missing or unclear minute books make it hard to demonstrate a track record when applying for linkage.
- Unequal participation in decision-making, which can cause group friction and member drop-out over time.

Quick FAQ

Can men join an SHG?
Yes, though most SHGs under government livelihood missions are women-focused by design, since the programmes specifically aim to expand women's financial inclusion.

GROUP NAME

DATE FORMED

1. Member Roster

Member name	Aadhaar no. (last 4 digits)	Role

2. Monthly Savings Tracker

Track total group savings and internal loans month by month.

	Month 1	Month 2	Month 3
Total savings collected (Rs.)			
Internal loans given (Rs.)			
Internal loans repaid (Rs.)			

3. Registration Checklist

- [ ] Group of 10-20 members formed with agreed savings rules
- [ ] Office bearers (president, secretary, treasurer) selected
- [ ] Regular meetings happening, with attendance and savings recorded
- [ ] Savings account opened in the group's name
- [ ] Registration documents submitted to Block office / DRDA, if pursuing formal registration