

ANNEXURE IV

INDICATIVE PRINCIPLES FOR SELF-HELP GROUPS/THRIFT & CREDIT SOCIETIES

A Self-Help Groups (SHG)/Thrift & Credit Society (TCS) shall have:

- Group of women from different families
- Membership based on self-selection
- Ordinarily homogenous – in terms of social and economic conditions and location
- Leadership, preferably unanimous or by consent of majority members and based on rotation
- Savings as entry point and binding factor
- Internal loaning and rotation among members
- Rate of interest / to whom loan to be given to be a collective decision.

PANCHA SUTRAs for a Good SHG / T&CS:

1. Regular savings
2. Regular meetings
3. Regular accounts – book-keeping & accounting
4. Regular repayments
5. Adherence to Terms & Conditions – set Code of Conduct.

Key Operational Principles:

The SHG/T&CS shall be

- Agreed conditions for meetings
- Agreed conditions for savings
- Agreed conditions for loans to be given
- Agreed conditions for loan repayments
- Agreed social agenda