



TELANGANA

SCHOOL BANK OF CHILPUR TEACHES CHILDREN TO MANAGE THEIR FINANCES

Five-month-old Zilla Parishad High School, Chilpur, Jangaon District, Telangana, has the undisputable reputation of being the only school in the state to run a bank of the children, by the children and for the children. A brainchild of the school's social science teacher D Venkateshwarlu, the School of Bank of Chilpur was started on former President APJ Abdul Kalam's birthday in October last year. The innovative programme aims at developing financial literacy among its students, in letter and spirit.



**The School Bank of Chilpur at Zilla Parishad High School,
Chilpur, Jangaon District, Telangana.**

Classes: VI to X

Total number of students: 161

Total number of Account holders: 151

Total amount of deposit: ₹1,34,962*

Total amount of withdrawals: ₹60,219*

Outstanding balance: ₹74,743*

(*: Data as of February 8, 2023)

The government school teaches savings and banking to students by making them the most important stakeholder of this initiative - the entire banking operation is managed by four student volunteers - who are in charge of the help desk, cash counter, accounts department and the manager's role.



Help Desk: Sahashra Lakshmi
Class VII

Function: Filling up deposit and withdrawal forms for transactions.

Accountant: G Akhlia
Class IX

Function: Entry of transactions in the register.

Cashier: B Sreeja
Class IX

Function: Stamping on deposit and withdrawal forms, token issues, and the issuing amount after due authentication by the Manager.

Manager: M Rajitha
Class VIII

Function: Maintenance of daily transaction register and checking the account balance.

As a token of appreciation for their commendable initiative, NABARD organised a financial and digital literacy camp in

association with the District Co-operative Central Bank Ltd., Warangal, at the school campus on February 13, 2023. The programme was attended by Sushila Chintala, CGM, Dr Hara Gopal Yandra, GM, and Al Nihad, Assistant Manager, from NABARD Regional Office, DDMs of Warangal cluster – L. Chandrasekhar and Chaitanya Ravi Thanga, CEO of DCCB, Headmistress of Zilla Parishad High School, Chilpur, Jangaon District, Telangana, Centre for Financial Literacy, Ghanpur and local representatives. Addressing the gathering, CGM said, “It’s a wonderful occasion for NABARD to get involved in another financial literacy camp here today along with Warangal District Central Co-operative Bank (DCCB), especially in the light of the Financial Literacy Week from February 13 to 17, 2023, that has been announced by the Bank of India. I would request the school management to see to it that they are also getting used to digitising their books. On this occasion, NABARD is giving them a pad so that they get used to digitising their books.”



The efficiency and effectiveness of these young girls in running the Bank left all the visiting dignitaries pleasantly surprised. Their professional approach towards this voluntary work at the schoolchildren's bank could give bankers a run for their money.

The visiting dignitaries interacted with the school children, who are running a model bank in the school. NABARD CGM congratulated the children and the school authorities for taking this innovative concept of financial literacy forward. She said, "It was delightful to see the registers and the entire process followed in a bank the school children follow. They keep their deposits in the nearby post offices and draw interest. They are also using these funds for their small leaps, like going out for excursions and probably buying their books. And these children have already started leaving a lot of dreams around their lives."



The major highlight of the programme was a street play on the best practices to teach financial discipline among children from an early age. The CGM, NABARD Regional Office, appreciated the work of the young children, deposited a token amount of ₹4,500 in the bank, and also presented a Tab to enable the children to maintain an e-record of their banking transactions. Brochures about the model bank and posters of the Financial Literacy Camp as a part of the Financial Literacy Week were released by CGM and GM during the event at the School Bank of Chilpur.



The Bank runs in three slots during a school day — from 9 am to 9.30 am, 1.15 to 1.45 pm and 4 pm to 4.30 pm — without any disturbance to the children’s academic schedule. “90% of the

amount is kept in the Post Office. 10% is kept in the bank for daily transactions. The balance amount is deposited weekly in the savings account maintained at the Post Office, Kazipet, in the name of the School Bank of Chilpur. The Headmistress V Leela or I are authorised to withdraw from that account,” said Venkateswarlu, the social science teacher at the school.



"At NABARD, we understand the importance of catching them young because financial literacy is the key to financial inclusion. Many initiatives are being taken in this direction by the Reserve Bank of India, the Government of India and NABARD, with special emphasis on rural India. Studies have proven that when a child reaches the age of seven, they can understand the importance of money. Therefore, starting these financial literacy programmes at a younger age is imperative. Only about 27% of our adult population is financially literate. The National Council of Financial Education, through its National Strategy study for 2025, has come out very clearly about the importance of Financial literacy among school children."

SUSHEELA CHINTALA, CGM, TELANGANA RO

Surprisingly, girls contributed 65% of the total deposits. The highest amount deposited is ₹4,777 by Class VIII student U Vaishali, followed by Class X student U Vyshanavi with a total deposit of ₹3,900.

The teacher behind the concept, Venkateswarlu, explained that each post is for one month for one child and will be rotated every month to ensure each student gets hands-on experience. “Each student has been issued a separate card for their account,” he said.



There are a lot of benefits when you start at a younger age because young minds can absorb any input, especially when it comes to financial literacy, the importance of money, how to save, the importance of depositing budgeting, the future use. As the child grows, its importance is taught, not only to them but also to society and their families, especially in the rural areas where most of the families are illiterate, are involved in agriculture and have a lot of problems in and around the financial aspects. These children can be messiahs in promoting or advocating the importance of financial literacy, even among their parents, in the easiest way. So not only do they build their lives in the best possible way, but they also substantially contribute to society and the economy. My hearty congratulations to the team working behind the scene at the Zilla Parishad High School of Chilpur, who have come up with this concept — my school, my bank and it is impressive to see children so involved in this banking initiative.

SUSHEELA CHINTALA, CGM, TELANGANA RO

Currently, no rate of interest is added to children's savings amounts. Explaining the reason for the same, Venkateswarlu added, “At present ‘No interest is being paid’ because the interest in the Post Office is meagre. And we need some amount for running the bank like expenditures on stationery and printing of forms, etc. regularly.”

The Bank is a student initiative, and teachers are not involved in the day-to-day activities. However, the school does have a role in checking the books of accounts. “The internal audit is done by teachers other than the in-charge teacher every month. We plan an external audit by other teachers from the neighbourhood area once a year,” said Venkateswarlu.



V Leela, Headmistress of Zilla Parishad High School, Chilpur, Jangaon District, Telangana, appreciated the efforts of her teacher and children who are zealously running this unique initiative. “Parents are happy with the idea because their children learn the nuances of managing their finances early on. On January 18, children were taken to Vizag for the excursion from their savings of ₹5,400 per child, which was the perfect way to explain how good saving habits could build sound financial health,” said the headmistress.

The interest amount would be used for creating necessary infrastructure like books in the library, and transportation expenses for attending various competitions (science fairs, talent tests, and merit scholarship exams) for school children.

The School Bank of Chilpur plans to include more banking activities for children, like fixed deposits, recurring deposits, etc., for the children from the next academic year. It also plans the digitalisation of banking transactions and replications of this novel endeavour in other schools across the state and also the country. The School Bank of Chilpur also plans to print small-size passbooks in the coming days.