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Government of India  
Ministry of Rural Development  
Department of Rural Development (RL Division)

7<sup>th</sup> Floor, NDCC Building-II  
Jai Singh Road  
New Delhi- 110001

To,

The CEOs/SMDs of SRLM all States/UTs

**Subject: Implementation of Financial Literacy under DAY-NRLM.**

Dear Sir/Madam,

There has been significant growth on various facets of Financial Inclusion under DAY-NRLM along with capacity & awareness among community about financial services. Banking & financial services is quite dynamic in nature and there has been major development in the sector in last 3 years with the launch of PMJDY, PMJJBY, PMSBY, APY, MUDRA etc. Almost all these financial products are targeted towards poor and hence SHGs' households should be made aware about these schemes on regular basis to facilitate their availing the services. Financial Literacy is one of the important strategies to keep SHGs' households aware about relevant financial services and build their capacity on same. The suggestive modules/components of Financial Literacy campaign under DAY-NRLM are as follows:

- i. Savings led model: – FL should focus on enhancing SHGs as well Individual savings. It should also make community aware to use PMJDY/other individual account for individual savings.
- ii. Effective use of fund – Bank loan and SHG own corpus
- iii. Spreading awareness about various relevant Insurance schemes like PMJJBY, PMSBY etc.
- iv. Making community aware about various banking channels i.e. BC, Common service centres etc.
- v. Need for long term financial planning – Pension.

It is worthwhile to mention that Banks have also mandate to spread financial literacy through Financial Literacy Centres and hence we should converge our effort with FLCs and RSETIs to roll out Financial Literacy. All SRLMs are required to initiate systematic intervention on Financial Literacy. SRLMs may decide their own roll out plan as per the local context; some suggestive steps are given below regarding same:

1. State level workshop: One day workshop on roll out of Financial Literacy should be organized with Directors RSETIs/RUDSETIs, officials from controlling banks managing

- FLCs, Financial Literacy Counselors, representative of RBI & NABARD. This workshop should preferably be organized before 15<sup>th</sup> July 2018.
2. Identifications of district & blocks: Launch Financial Literacy campaign in all intensive blocks. All SHGs in the intensive blocks should be covered.
  3. Master Trainer: Identify master trainer from each districts. Master trainer should consists of Director/Faculty RSETIs, Financial Literacy Counselor (FLC) and 2 trainers from SRLM. These master trainers will be trained at NAR, Bengaluru.
  4. Training of FL CRP: There should be 8-10 FL CRP in each block. It is suggested that FL CRP should be selected from existing cadres (MCP CRP, Bank Sakhi, VO CRP, Book Keepers etc). Training of FL CRP will be organized at RSETI/RUDSETI and concerned master trainer trained by NAR.
  5. Village wise training calendar: The above mentioned 5 modules should be delivered in 2-3 village level training camps i.e. each village will have 2-3 camps within a period of 2-3 months. For effective delivery, village wise training calendar should be prepared.
  6. Deployment of FL CRP: Deployment of trained FL CRP should be as per the training calendar. The village wise camps should be done in coordination with FLCs. These FL CRPs may be paid as per approved norms of SRLMs.
  7. On field monitoring – To ensure quality of training, it is suggested to establish a system to carry out field level monitoring on sample basis. Services of RSETIs and FLCs should be utilize for field level monitoring.
  8. Standing agenda in SLBC Sub Committee and DLCC: Financial Literacy should be a standing agenda of SLBC SHG subcommittee at state level and DLCC at district level. It is suggested that State Director, RSETIs may be included as member of SLBC SHG subcommittee and Director RSETIs as DLCC member to monitor the FL progress.
  9. Role of State Director RSETIs (SDR): All State Director of RSETIs have been oriented on Financial Literacy and their role by NRLM, MoRD on 29<sup>th</sup> May, 2018. These SDRs have important role in follow up with RSETIs for training of FL CRP, support SRLMs in roll out plan etc. Hence, it is suggested that SDR should be involved in the entire process of planning, execution & monitoring for better coordination at RSETI level.
  10. Proper MIS of Master trainer, FL CRP and block wise no. of SHGs trained should be in place for effective monitoring.
  11. Support of NRPs: NRLM, MoRD has empaneled some NRPs whose services may be utilized by SRLMs to roll out Financial Literacy.

You are requested to initiate action on above mentioned and keep the Ministry informed in this regard.

Yours sincerely



(Atal Dulloo)

Joint Secretary to the Govt. of India