



MIRROR 29. JUNE 2022

REFLECTIONS :A GRASSROOT GAZETTE

Inside these walls a brighter tomorrow



Message from our Director

As Q-1 comes to a close, the Academy team is looking at newer courses and initiatives to expand its horizon and basket of offerings.

Onboarding of the candidates from the CPMM 13h and 14th batches in Virudhunagar and Vellore were completed by Belstar-HR. We are working closely with the Belstar team to spread the wings of CPMM into Karnataka, while in TN, the forthcoming batches are planned at Villupuram, Pondicherry, Kanchipuram, Thiruvannamalai etc.

Though the Tally Prime course at IAC concluded satisfactorily in April, the Academy helped the students prepare and undertake for the Tally certification test, as a value-added gesture.

The second batch of the Leadership Training for the RMs of Belstar was successfully delivered in June. Further batches will be rolled out in the coming months to cover the entire team of pan India RM's.

Further to the MOU entered into with the prestigious Vels University, the Academy team conducted a FDP at the University premises.

The Academy has developed the required contents for the Campus to Corporate (CTC) program, which are under review by the Belstar team. The inaugural CTC program for Branch Managers and Branch Accountants of Belstar is expected to be rolled out in August.

In respect of training for staff of HIH group entities, the English language training for the teachers at MG school has commenced. A Certificate Program in Housing Finance on similar lines of CPMM, has been developed by the Academy for Varasakthi Housing and the first batch will be rolled out in July.

I welcome Varsha as RTM for Maharashtra, and I am sure she will join the vibrant RTM team and deliver quality and innovative training for the Belstar staff.

We have rolled out an incentive scheme for the Marketing team and a quarterly award scheme for RTMs, in our continuing endeavour to motivate and reward excellence.

After a lull, there is an increase in Covid cases in some states and I request all of you to follow COVID protocols and remain safe.

Happy reading and we look forward to your feedback.

S. Chandrasekar

Director

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Belstar Training outreach

During June 2022, the focus of the training team has been largely on the regular ongoing programs such as the common induction program, role-based induction, branch refresher programs & welcome calling for new joiners. In addition, the team also made visits to the branches and extended hand-holding support to newly joined Sales Officers. The details of the training programs are presented below;



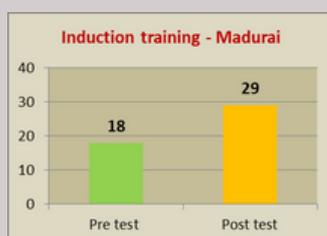
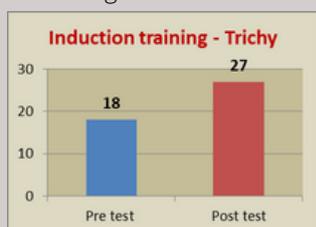
Common induction training & Welcome call:

The Academy training team has conducted the induction training programs for the new joiners of Belstar Pan India, who had joined during the period from 15th May to 15th June 2022. This included a Welcome call, Common Induction and Role-Based Induction. After the individual 'Welcome Call' to the new joiners by RTMs, Academy faculty and training team conducted the Common Induction training which is for two days. During the month, the team conducted 44 sessions of common induction and provided 1016 person-days of training.

Role-based training:

After the common modules were delivered, the Academy training team had taken up the role-based modules depending on the role performed by the new joiners. The Role Based Induction training is a one-day program. The team conducted 33 such sessions of Role-Based induction training and benefitting 442 participants. This covered the new joiners from 15th May 2022 to 15th June 2022 and those new joiners who could not complete the training in previous months.

The Academy prepared a questionnaire of 40 questions to test the knowledge level of the participants on the training subjects. It administered pre-test and post-tests for all the participants. This resulted in making the participants remain completely attentive to the class. Two sample results are given below.



The Academy extend a hearty welcome to new RTM



Ms. Varsha Ramdut Raut has joined as Regional Training Manager based out of Pune, and she will be handling the training requirements for Maharashtra.

Best trainer of the quarter award



To motivate and incentivize the RTMs, a quarterly award scheme has been instituted. This carries a certificate and a cash prize.

Mr. Rohith Reghunadhan, Regional Training Manager, Kerala has been selected for the Best trainer of the Quarter award for Q1 (FY 2022-23). He was awarded for outstanding performance and delivering impactful training to Belstar Microfinance Limited.

Regional Managers leadership program - Batch 2

The second batch of the Regional Managers Leadership Program was conducted from 16th to the 18th of June 2022 at the Academy. The 3-day Leadership program was designed by the Training team, for the Regional Managers (RMs) of Belstar in which 22 Regional Managers from Tamil Nadu participated.

Day 1 of the program focused on the interpretation of data and reports, orienting the RMs' towards the analysis of business value in every

data and information available and improving their verbal and email communications.

The second day was dedicated to coaching them on effective English communication. On the third day, the forenoon session focused on orienting the RMs on Ownership, Accountability and Responsibility through presentations, games, videos and activities. During the afternoon, RMs were taken to a field visit of Hand In Hand project sites.



CPMM Students Mentoring Program

The Academy organized a mentoring meeting on 11th and 13th June 2022 for CPMM 7-12 batch students who are working in Belstar. The objective of this initiative was to provide an opportunity to the CPMM students to open up and share their experience, grievances and challenges if any. It was also meant to provide comfort to them that the Academy team is always available for any guidance.

The meeting started with the self-introduction by the participants post which they shared their job experience with Belstar, how far each one was able to handle it and their challenges, learnings and support required.

Overall performance is progressive, and all are working hard to achieve and address the challenges. They have been advised to share the challenges/ difficulties with the Academy if it is not addressed by the branch/ regional team. They have also been advised to learn to work with the team and with mutual support.

The incentives scheme was explained well by the Regional Manager Mr Elumalai. It motivated the students to set goals and work with a long-term perspective.

Mr. S Chandrasekar, Director, Academy, Ms. R Sumathi, Faculty, Mr. Kishore, Belstar HR Zonal Head & Mr. Dharman, Belstar RHR attended the program and addressed the participants.

Effective communication in English course for MG school teachers

As per the instructions of our CMT, Dr.Kalpna Sankar, the Academy has taken up the task to impart training in English Advanced Course to the teachers of the Mahatma Gandhi Matriculation School and Mahatma Gandhi Nursery & Primary School.

The First batch of Effective Communication in English-an Advanced Course was inaugurated on 7th May 2022. The first two sessions were conducted on 11th & 25th June 2022 with the active participation of 33 teachers from both the MG schools.

The course syllabus focuses on the following major components:

- English Grammar – Advanced Level
- Framing of sentences,
- Letter Writing & Official Correspondence
- Speaking with clarity

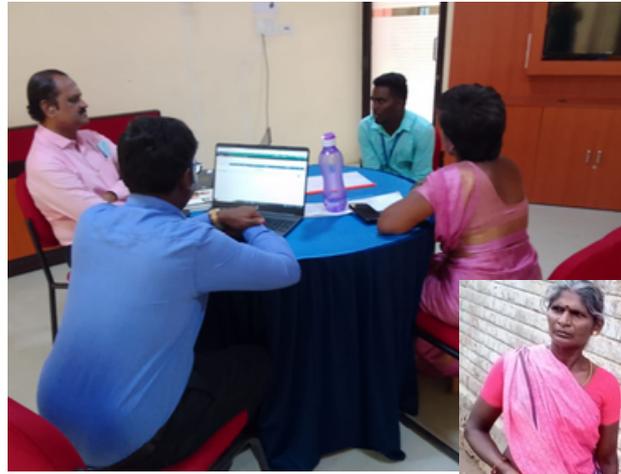
The entire course syllabus will be completed in 20 hours of classroom sessions with assignments and tests on 1st and 3rd Saturdays. On the sixth Saturday, the course will conclude with an Exit test, Viva-voce and Group discussion. One-on-one mentoring support is being provided to those who are having some difficulty in understanding.



CPMM Course

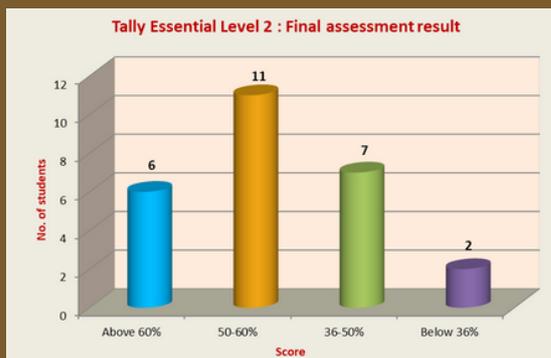
Certificate Program in Microfinance Management (CPMM) course, batches 13 & 14, in Tirunelveli & Vellore respectively completed its 45 days of classroom and field orientation sessions, concluding with final evaluation. The students completed their field internship program this month. They were reviewed at weekly intervals to understand the progress they made in the field and to sort out any issues they had. The students also prepared weekly reports and submitted them for review and feedback. The team continued to motivate the students to learn about sourcing clients, collections, following up with OD clients, aspects related to office management, roles and responsibilities of different cadres within a branch etc.

Belstar HR has interviewed the students and selected all 23 students for onboarding.



Tally Prime Final assessment

The Academy has completed its first Tally Prime course in Satellite centre at Indo-American College, Cheyyar with a final assessment test for Tally Certification from Tally Education Private Limited (TEPL). 26 students attended the final assessment test which was held at Academy on 27th June 2022.



Faculty Development Program (FDP) VELS University

The Academy conducted a 5 day Faculty Development Program (FDP) in Entrepreneurship and start-up promotion for faculty members of Vels University from 6th June to 10th June 2022, at the University premises. During the training, inputs were given on Fundamentals of Entrepreneurship, Intrapreneurship, Idea Generation, Idea Validation, Steps in converting an idea into a commercial product, a simulation game-based learning techniques, a half day session on Social entrepreneurship, funding opportunities for startups and incubators, business plan, new technologies developed in food processing and agro-processing etc. The program deliverables were highly appreciated by the participants.



Tea shop to Restaurant

Vanitha Hotel – Aluva ,
Ernakulam, Kerala



Ms.Geetha Bhasi aged 46 years started a tea shop as her livelihood at Aluva around 7 years back in 2015, a small village situated at Ernakulam district, Kerala. She ran the shop for 5 years earning a limited income on a monthly basis. She wanted to develop the tea shop and was enquiring for financial help. She heard about M/s Belstar Microfinance Ltd, approached the Aluva branch and applied for MEL first cycle loan. She has sanctioned the loan as per her eligibility as she could provide all the necessary KYC documents and was cleared from the preliminary checks also. With the loan amount, she could give a facelift to the tea shop and carry out some interior work at the shop.

Gradually the business grew with her hard work and the timely financial help she received from BML. She repaid the loan amount as per the repayment schedule.

During her visits to the branch and her discussions with the other members who had earlier availed the facilities from the MSME wing, she approached the MSME Division.

Looking into her prompt repayment history and the gradual growth the tea shop had visibly achieved, she was sanctioned MSME loan of Rs.2,50,000/- for developing and restyling the shop into a restaurant.

Today "Vanitha Hotel" has become a popular restaurant and a homely food corner at Aluva with the number of satisfied, repeat and regular customers growing day by day.

I was very happy when I heard this information during one of my visits to the food corner to have lunch.

The good news is Ms Geetha is an entrepreneur today and has given employment to 3 women at her restaurant.

A small tea shop has today become a restaurant.

Narration: **Mr Rohit, RTM,Kerala**
Written by: **Ms J. Lalitha, Faculty.**

Motivational Buddies.

I love this analogy!

You are holding a cup of coffee when someone comes along and bumps into you or shakes your arm, making you spill your coffee everywhere.

Why did you spill the coffee?

"Because someone bumped into me!!!"

Wrong answer.

You spilled the coffee because there was coffee in your cup.

Had there been tea in the cup, you would have spilled tea.

Whatever is inside the cup is what will spill out.

Therefore, when life comes along and shakes you (which WILL happen), whatever is inside you will come out. It's easy to fake it, until you get rattled.

**So we have to ask ourselves...
"what's in my cup?"**

When life gets tough, what spills over?

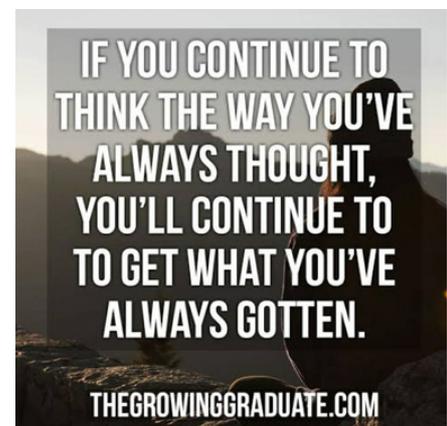
Joy, gratefulness, peace and humility?

Anger, bitterness, harsh words and reactions?

Life provides the cup, YOU choose how to fill it.

Today let's work towards filling our cups with gratitude, forgiveness, joy, words of affirmation; and kindness, gentleness and love for others.

- Writer not stated



Sticky micro loans at Rs 32,000 crore, but profitability for NBFC-MFIs may improve



The size of extremely sticky microfinance loans, which remained unpaid even after 90 days of their due dates, stood at nearly Rs 32,000 crore, which is about 11% of the sectoral gross loan portfolio of Rs 2.87 lakh crore at the end of March, data released by CRIF High Mark showed.

This, along with the soaring inflation and rise in borrowing cost post-April, which slowed the repayment collection once again, kept lenders at the bottom of the pyramid customers on a tricky wicket.

Most NBFC-MFIs have raised their lending rates by 150-250 basis points after the Reserve Bank of India's move to deregulate the lending rate in April. Inflation, measured by the consumer price index, remained over 7% for three consecutive months.

Despite the high sticky loans, the flexibility to set lending rates will help revive the profitability of NBFC-MFIs,

The high level of sticky loans has however shortened the odds on more future write-off by lenders. Write-offs increased to 4.8% at the end of March from 4.4% of the total portfolio three months prior to that, according to the CRIF data.

According to the latest report by CRIF High Mark, the share of the portfolio remained delinquent for 91-180 days past due was 2.7%, compared with 3.7% three months back. Tamil Nadu, West Bengal, Maharashtra, Madhya Pradesh, Odisha and Kerala have higher sticky portfolios for over 90-180 days than the industry average.

Microfinance Profitability Set To Revive This Fiscal: CRISIL

Enhanced flexibility to set lending rates will be one of the drivers supporting a revival in the profitability of non-banking financial company-microfinance institutions (NBFC-MFIs) this fiscal. This emanates from the Reserve Bank of India's (RBI) removal of the interest margin cap on lending rates under its new regulatory framework for microfinanciers, says a research note.

In the report, CRISIL Ratings says, "The other factors that will support the improvement in profitability include a reduction in credit cost and an increase in permissible household income limit according to the new framework. These, in turn, will help enlarge the market in terms of target borrowers and geographies, especially in the hinterland."

Additionally, the current rising interest rate environment is not expected to impair the profitability of NBFC-MFIs, as higher borrowing costs would be offset by steeper lending rates, cushioning net interest margins, it added.

Over the past two fiscals, the annual credit cost of NBFC-MFIs had shot up to around 4%-5% because of pandemic-related provisioning, versus about 1.5%-2.0% prior to that. With asset-quality pressures gradually easing and sizeable provision buffers created, the rating agency expects their credit cost to decline to about 2.5-2.8% this fiscal.

The new RBI framework augurs well for the next phase of growth for NBFC-MFIs, it says, adding, "The higher income eligibility threshold and enhanced flexibility to price loans will spur deeper penetration into existing markets and entry into new geographies. That, together with rising demand for loans in rural India, should drive NBFC-MFIs' credit growth, which is expected at 25-30% this year."

How microfinance startups leverage AI to democratise credit access

According to a global TransUnion study titled "Empowering Credit Inclusion: A Deeper Perspective on Credit Underserved and Unserved Consumers," more than 160 million consumers were credit underserved in India at the end of 2021. The new-age lending platforms are trying to bridge this gap

By offering micro-loans to underserved middle/lower-income segments, these platforms have simplified and increased lending in India. They are entirely digital, have instant disbursement, and lower ticket prices (as low as INR 1,000).

AI at play

Mumbai-based digital lending company CASHe uses an AI-powered social behaviour-based credit-rating system called Social Loan Quotient [SLQ] to assess the goodness quotient of the borrower and their ability to repay.

The company caters to young working professionals who are either near-prime or subprime borrowers with or without a prior credit history. It leverages a combination of Big Data Analytics and proprietary algorithms to analyse non-traditional data derived from multiple online and offline data points, like smartphone metadata, social media footprint, education, remuneration, career, and financial history and calculate the borrower's creditworthiness.

Suggestions? Feedback?
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