

MIRROR 25. FEBRUARY 2022

REFLECTIONS :A GRASSROOT GAZETTE

Inside these walls a brighter tomorrow



Message from our Director



Things are returning to normalcy everywhere and this is welcome news to all of us, though fear of the next wave is lingering in the background. The Russia-Ukraine conflict is having its own impact on the global landscape through price rise in oil and several other commodities apart from the human lives it has affected.

The final assessment was completed for the CPMM 9th batch in Rasipuram-Namakkal and on-boarding to Belstar is in progress. The 10th and 11th batches which commenced in Jan'22 at Cuddalore and Mecheri respectively are progressing as per plan. The next batches are being considered at Tirunelveli, Virudhunagar, Coimbatore and Vellore.

The Academy is brimming with activity as new courses and training kept our facility busy in February. The marketing team's relentless efforts culminated into the first batch for the newly introduced TNPSC course, which was inaugurated during the month by CMT. Tally Prime and Full stack courses are progressing well.

All Heads of HIH pillars and group entities have been directed to utilize the services of the Academy to upskill and scale up the knowledge and productivity of their staff. I see this initiative translating in various customized training offerings commencing April 2022.

Our RTMs continue to deliver quality sessions for the Belstar staff at all locations with a combination of physical and virtual delivery mode.

The Academy is gearing up for the upcoming Alumni Meet scheduled to take place on 26th March.

Please continue to follow COVID protocols and remain safe.

Happy reading and we look forward to your feedback.

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The Academy marketing team has started focusing its attention on strengthening the students connect initiatives especially since the Government has permitted colleges to function through physical classroom sessions.

The Academy team of RTMs had conducted the induction training programs for the new joiners of Belstar, who had joined during the month of February'22. This included Welcome call, Common Induction and Role Based Induction. Subsequent to the individual 'Welcome Call' to the new joiners, the RTMs conducted the Common Induction training which is for two days. After the Common Induction modules were taught, the RTMs and the Academy faculty members 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.



We extended a hearty welcome to **Ms.Soumi Chatterjee**, who joined as Regional Training Manager based out of Ahmedabad, Gujarat. She will be handling the training requirements for Gujarat.

Training Outreach

Belstar Training Progress 2021-22



Welcome call, Common Induction & Role based training



The Regional Training Managers (RTMs) of the Academy have conducted the induction training for the new joiners of Belstar, who had joined during the period second half of January and first half of February 2022. This starts with a welcome call by our RTMs individually to all the new joiners. Subsequently, they shared the induction modules with them individually and encouraged them to go through the contents.

The Academy ensures that by and large, all the new joiners are covered with the Induction Program within 15 days of their DOJ. In general, the induction training programs are conducted as a 3-day module.

"The highest education is that which does not merely give us information but makes our life in harmony with all existence."

- Rabindranath Tagore

Observation and Demonstration training (ODT)



Intervention by observation and demonstration was continued by RTMs. The RTMs had accompanied the SOs in the field as part of ODT. Demonstration training is conducted for the newly joined SOs who has limited experience in the field.

The trainer will assist in speaking to customers and showcase how to handle customer, manage queries, objections, and the process to be followed, apart from the dress code, whether they are following COVID protocols, wearing helmets while riding two wheelers etc. This will also give confidence to SOs in handling customers.

Onsite refresher



The onsite refresher training programs focus on reinforcing the operational and process standards for branch level staff. The RTMs visited the branches and conducted onsite refresher training for Branch level staff. A total of 16 sessions were conducted during the month and 112 staff members attended.

Launch of TNPSC Coaching



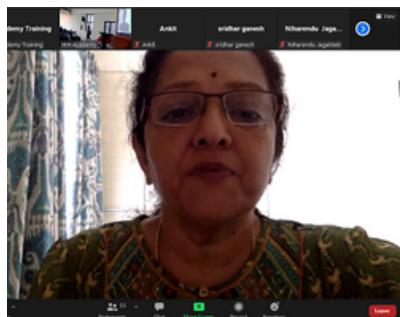
The Academy launched itself as a Coaching Centre for Tamil Nadu Public Service Commission (TNPSC) Exams for students from rural Tamil Nadu. The course was inaugurated by Dr.Kalpana Sankar on 26th February 2022.

The Chief Guest of the program, Shri.C.V.Sankar, IAS, Additional Chief Secretary, Industries, Government of Tamil Nadu (Retd) shared his past experience. He specifically

mentioned the approach and study pattern which the aspirant students must follow while preparing for the incumbent competitive exams.

Dr. S Balaji, IFS, Chief Conservator of Forest (Retired) gave a motivational speech instilling interest among students. Mr. Baskar, Group II officer, Govt. of Tamil Nadu spoke about the need of encouraging rural students by providing such coaching facilities and enabling them to acquire Govt. jobs.

The Academy has started conducting the regular weekend classes from 27th February 2022 onwards.



Certificate Program in Microfinance Management (CPMM) – Batch X & XI



Certificate Program in Microfinance Management (CPMM) batch X at Cuddalore completed its 45 days of sessions by last week of February'22 with a final evaluation. During the final evaluation the students were asked to make a detailed presentation on the progress and outcomes of their field internship with Belstar branches in the presence of a panel constituted by the Academy faculty team. Based on their written reports, oral presentation and their earlier performance in the classroom segment, the final assessments were carried out. Now the Academy team has started the placement process with Belstar HR.

Full-stack Web Developer & Tally Prime Courses



Academy rolled out its first batch of Full stack Web Developer course on 13th December 2021 and first satellite centre batch of Tally Prime on 16th December 2021. Weekend classes started during December 2021 and classes were paused since first week of January'22 due to the pandemic lockdown.

By the last week of February'22 the classes resumed as the Government eased the restrictions.

BFSI Sector updates

Microfinance Institutions Are Free To Set Interest Rates

The Reserve Bank of India removed the ceiling in interest rates that were charged by microfinance firms. But Microfinance institutions don't have absolute power as absolute power corrupts the person. So, microfinance institutions can't impose usurious levis and the Reserve Bank of India still has supervisory power to scrutiny, in case of unreasonable interest rates.

A microfinance Loan is a collateral-free loan given to households. Collateral free loan means the person is not required to pledge anything as security. RBI changed the limit which will take effect from April 1, 2022. Now, the upper limit is ₹ 3 lakh, against the earlier limits which were ₹ 1.2 lakh for rural and ₹ 2 lakh for urban borrowers.

The reason behind the revision cap is to expand the market opportunities because the economy will boom when the cash flow will be increased.

Reserve Bank of India likely to tweak norms to reduce MFI risk

The Reserve Bank of India (RBI) may tweak the qualifying assets threshold for microfinance institutions (MFIs) to 75 per cent of their net assets, compared with the current level of 85 per cent of net assets.

The parameters for MFIs' qualifying assets are exposure to households with annual income limits of Rs 1.25 lakh (rural) and Rs 2 lakh (urban), are collateral-free loans with no prepayment penalty, and flexibility of repayment periodicity. The loan amount limit is Rs 1.25 lakh (Rs 75,000 in the first cycle and exclusion of loans for meeting education and medical expenses from the loan limit), and a minimum tenure of 24 months for loans above Rs 30,000.

Microfinance sector's contribution to GVA to be 2.7-3.5% by 2025-26: Study

The impact of the microfinance sector on Gross Value Added (GVA) of the economy is expected to be between 2.7 and 3.5 per cent by 2025-26, according to a study report. The report, 'Present and Potential Contribution of Microfinance to India's Economy', was prepared jointly by MFIN, an association for microfinance entities, and National Council of Applied Economic Research (NCAER).

The MFIN-NCAER report points out that during 2018-19, the contribution of the microfinance sector as a whole, to India's GVA was 2.03 per cent.

The projected contribution of the microfinance sector to overall GVA, including the backward & forward linkages by 2025-26 would be a significant 2.7 per cent in the base case scenario and nearly 3.5 per cent in best case scenario, the report said.

Though the sector accounts for only a small part of the financial sector, the employment created is estimated to be about 1.28 crore jobs by the sector as a whole and 38.54 lakh jobs by the NBFC-MFIs alone, a significant contribution to the generation of employment, MFIN CEO & Director Alok Misra said.

Microfinance has emerged as a major instrument for meeting the needs of lower income households by linking them to the financial resources to meet both productive and critical needs of credit," NCAER Director General Poonam Gupta said.

**Suggestions? Feedback?
Do write to us at
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Belstar Microfinance Ltd standalone net profit rises 115.19% in the December 2021 quarter

Net profit of Belstar Microfinance Pvt rose 115.19% to Rs 11.62 crore in the quarter ended December 2021 as against Rs 5.40 crore during the previous quarter ended December 2020. Sales rose 27.57% to Rs 184.87 crore in the quarter ended December 2021 as against Rs 144.92 crore during the previous quarter ended December 2020.

Yields on advances by microfinance institutions to rise after new norms

Yields on advances by microfinance institutions (MFI) will likely increase in the near term, after the Reserve Bank of India (RBI) announced withdrawal of the pricing caps on microfinance loans.

"The yields on an overall basis will increase by 1-2% for larger microfinance institutions and to 3-5% on smaller MFIs," said Jindal Haria, director, India Ratings and Research.

The pricing caps on MFI loans were making it difficult for MFI lenders to book profits, as borrowing cost for these entities was high. Profits were also impacted due to the pandemic in the last two years. The revised regulations aim to provide a level playing field to all the players involved in microfinancing, analysts said.

The removal of pricing caps provides more flexibility to NBFC-MFIs as they will be able to do risk-based pricing on their loans. NBFC-MFIs may now penetrate newer geographies, as pricing can now be differentiated, and cover higher operating costs for the same.