

## From the MD's Desk



Dear Friends,

As we mark the 'New Year 2025', let's wish for a prosperous new beginning for each one of us. We step into the crucial Q4 quarter, which promises to be exciting and can turn out to be the most happening quarter as we commit 100% towards our mission and begin our final lap to achieve the targets set for the year.

The past three quarters were challenging for the business and with the new guardrails introduced by MFIN during Q2 have helped facilitate responsible lending, prioritize customer protection, and promote steady growth in the sector. This final adrenaline rush towards our goals should be enough to motivate us, However, it is pertinent for us to be vigilant and maintain compliance with all regulations in place.

Our strength lies in our teamwork, innovation, and collaboration, driving our mission to empower millions of women. It is important to build a healthy and quality portfolio as a responsible customer centric ethical MFI. We need to be agile in seizing every opportunity and utilise the data available in creating a healthy portfolio.

As part of our continuous innovation, we are excited to introduce the Map My India integrated 'Workmate' based login system across the country. This new system is designed to equip our sales force with clear KPIs, to effectively utilize available time to source quality leads and ensure efficiency in our collections. We have recently rolled out the 'WhatsApp Pay' feature, which can significantly enhance the way we handle collections. We should leverage this effectively to meet our collection targets without any lapses, ensuring a smooth and efficient process.

I am pleased to inform that we have been certified as a 'Great Place to Work' for the second time in a row. This certification reflects our collective efforts to foster a positive, inclusive, and supportive workplace culture. I extend my heartfelt gratitude to each of you for your hard work, integrity, and dedication.

**Let's continue to reach new heights and make a lasting impact this New Year!**

- Dr. Kalpanaa Sankar



Q&A with

**Mr. J Balakrishnan**

Chief Operating Officer

**Q1. As a career banker, what challenges do you foresee in the Indian microfinance industry, and how can they be addressed?**

The Indian microfinance sector faces several challenges, including **Borrower Selection:** which relies on self-reported income data can lead to inaccuracies. We must enhance borrower training and implement rigorous selection processes to ensure portfolio quality.

**Interest Rate Caps:** With rate caps limiting profitability, reducing operational costs and maintaining portfolio quality are critical to improve ratings and ensure better funding opportunities.

**Rising Operational Costs:** Regulatory requirements increase costs, especially in rural areas. Adopting data analytics for better risk assessment and product development can enhance efficiency.

**Default Risks:** Crop failures or economic downturns can impact repayments. Collaborating with NGOs for better client engagement and focusing on productive loan utilization can mitigate risks.

**Q2. What leadership principles guide your decision-making in this dynamic environment?**

I strongly believe in taking ownership of business decisions and their outcomes. This involves accepting responsibility for the results, whether positive or negative. Encouraging innovation and learning from failures is a cornerstone of my approach, as it drives growth and resilience. I prioritize making timely, data-driven decisions, ensuring that choices are backed by solid evidence and analysis. Engaging stakeholders in the decision-making process and communicating the rationale behind key decisions helps build trust and alignment. Most importantly, I ensure that all decisions are aligned with the organization's values and compliance standards, maintaining integrity and long-term sustainability.

**Q3. How can we build a high-quality portfolio in microfinance?**

Building a high-quality portfolio in microfinance requires a multifaceted approach. Client selection is critical, and conducting thorough KYC and credit assessments ensures that only reliable clients are onboarded. Product diversification plays a key role, with tailored loan products and flexible repayment terms designed to meet diverse client needs. Regular monitoring, through diligent client visits and credit scoring, helps maintain portfolio health and identify potential risks early. Empowering staff with training and incentivizing them to manage credit risks effectively builds a proactive approach to portfolio management. Additionally, leveraging technology and data analytics provides valuable insights into client behaviour and portfolio performance, enabling informed decision-making and sustained growth.

**Q4. What changes are being implemented to improve field staff efficiency?**

We are focused on standardizing processes and implementing digital solutions that enhance workplace efficiency, streamline data management, and reduce risks and errors. A structured review mechanism has been established, including regular portfolio reviews and risk-based monitoring, to identify and address potential challenges. These reviews also support the development of targeted action plans to mitigate risks effectively. Continuous monitoring of client behaviour and performance is another critical component, enabling us to identify changes in their risk profiles promptly.

**Q5. What is your message to employees as we move into the new year?**

As we move into the new year, I urge everyone to overcome procrastination, which often acts as a significant hurdle to progress. Break tasks into manageable steps, set clear objectives and priorities, and focus on celebrating small wins along the way. Employing effective time-management strategies and minimizing distractions will go a long way in enhancing productivity. Staying organized is key to achieving our goals, both individually and collectively. Let's approach the year with determination, discipline, and a commitment to excellence, ensuring that we continue to grow and achieve success together.

# SNAPSHOTS

## Blood Donation Drive



A blood donation drive was organised at the HO. It saw overwhelming response with over **40 individuals** generously donating blood and making a meaningful contribution to saving lives.

## Dussehra Celebrations

Employees enthusiastically participated in a colorful dress week, adding vibrance to the Dusshera festivities. The traditional **Ayudha Puja ceremony** was also conducted, invoking blessings for continued success and prosperity.

## Diwali - Lamp Painting

Diwali celebrations included a creative twist with a **Lamp Painting Competition**. The event witnessed enthusiastic participation, showcasing employees' artistic flair.

## Muthoot MD Visit



We were honored to welcome the Muthoot MD, Shri. George Alexander Muthoot, to our HO this quarter. His visit was an inspiring moment for all, reflecting the deep support and strategic vision that drives our institution forward.

## Christmas Extravaganza



Christmas spirit was in the air with a heartwarming **Secret Santa exchange** and a **surprise visit from Santa Claus!** The festive cheer, gifts, and camaraderie brought everyone together for a joyous celebration.

## Children's Day Festivities



# The Spirit of Pongal - Makar Sankranti - Lohri



The HO and our branches across India came alive with festive cheer during this year's Pongal/Makar Sankranti/Lohri celebrations!

Events were marked by enthusiastic participation in activities such as lemon-spoon race, sack race, slow bike race, pot painting, uriyadi, pongal making, and rangoli competitions.

The vibrant atmosphere reflected the true festive spirit, with employees and clients coming together to celebrate the festival in high spirits. It was truly a memorable day filled with joy and festive fervor!

# AWARDS

## Elaben Memorial Award 2024



We are delighted to announce that Sa-dhan has recognised Belstar with the **Elaben Memorial Award 2024 (1st Prize)** for being the **Best Women-Friendly Financial Institution**. A heartfelt thank you to all our stakeholders, especially the women customers who inspire us daily with their resilience and determination.

## Great Place to Work, Again!



Belstar emerged as a Great Place to Work! for the second time in a row! The certification cements Belstar's reputation as an equal opportunity employer.

## JFW Achievers Awards 2024



Our Managing Director, Dr Kalpanaa Sankar, was felicitated with the **Excellence in Social Service Award** at the JFW Achievers Awards 2024, which was telecast on Zee Tamil. Her work in social service and women empowerment has transcended national and international borders, transforming the lives of millions of families.

## Best Customer Centric IT Implementation of the Year



We were awarded the **Best Customer Centric IT Implementation of the Year Award** at the 18th NBFC Fintech Conclave and Awards 2024! Shri R Anand, CGM, NABARD, presented the award to our Head-Audit, Mr. Chandramouli S.

## Belstar in now on WhatsApp Pay!



**Pay Smart, Pay Safe:  
Belstar on WhatsApp!**



**96000 27049**

Belstar Microfinance Limited is delighted to announce the launch of WhatsApp Pay. It is a new digital payment solution adopted to make loan repayments easier and more convenient for our customers. This initiative aligns with our commitment to leveraging technology to improve accessibility and enhance customer experiences.

With Samrithi, custom QR codes and now WhatsApp Pay, Belstar is at the forefront of building digital payments infrastructure for its customers in the microfinance industry.

## Make it Work - Workmate



Belstar has introduced the MapMyIndia integrated Workmate app, to transform field operations. It is a simple and effective tool that improves field team efficiency and supervision.

*Did you know?*

Ms. Kamatchi N (Sr. Sales Officer, Villupuram Zone) visited more than 1,150 customers in the month of December alone!

## Creating 10 million Jobs in Two Decades



**KALPANA SANKAR**

MD Belstar Microfinance Limited & Chairperson  
Hand in Hand  
India

Hand in Hand India, in synergy with Belstar, has achieved the remarkable milestone of creating 10 MILLION jobs over the last 20 years! An independent audit by M-CRIL confirmed the results. This achievement is dedicated to the passion and unwavering commitment of the teams at Hand In Hand India and Belstar Microfinance Limited.

The women entrepreneurs run around 5.4 million family-based enterprises (investment of less than ₹ 50,000) employing around 1.7 million people, 135,000 micro enterprises (investment between ₹ 50,000 and ₹ 75,000) employing around 6.2 million people, and 1,250 SMEs (investment between ₹ 75,000 and ₹ 3,00,000) employing around 3.8 million people thereby providing cumulative employment to 10 million people. Ancillary sectors within Agriculture such as dairy, livestock and food have the largest concentration of enterprises.

Belstar was acquired with a vision to empower and transform the lives of underserved women, primarily in rural areas of the country, by helping them build sustainable livelihoods.

Through financial literacy, entrepreneurial training and access to credit, the HiH-Belstar synergy has transformed the lives of millions of women and their families. We thank all our stakeholders for their continued trust and support. Without them, the vision wouldn't have become a reality!

# WELCOME ABOARD



**J Balakrishnan**  
Chief Operating Officer



**Sandeep Popshetwar**  
Circle Head (West)



**Umasankarrao Kalivarapu**  
Deputy Chief Financial Officer



**Perumal Balakrishnan**  
Head - Technology Services



**Rajesh Hardayal Mewani**  
Head - Collections (West)



## CASELETS



**Anusaya**, a 38-year-old homemaker from P.C.S. Chowk Charhavli, Maharashtra struggled to support her family and educate her two children on her husband's limited income. With no capital, she dreamed of starting a small tea business.

Her turning point came when she attended a local workshop on business management and digital financial literacy. Armed with this knowledge, Anusaya secured a loan from Belstar Microfinance and launched her tea business.

Today, her business thrives, generating steady income that has transformed her family's financial situation and ensured her children's education. Her kids are faring well academically and she is a proud mother. Anusaya's success showcases the impact of financial assistance, mentorship, and empowerment, enabling her to build a brighter future.

Anusaya credits Belstar Microfinance for its invaluable training and support in realizing her entrepreneurial dreams.



**Vijayalakshmi**, a 38-year-old woman from Undenahalli village, Gadag district, Karnataka is a testament to resilience and entrepreneurship. Married to a handicapped husband and a mother of two, she was previously engaged in agriculture before venturing into sheep farming.

Despite completing her 10th standard and undergoing training in sheep farming, Vijayalakshmi faced financial challenges in starting and scaling her business.

Vijayalakshmi learned about Belstar's loan services and secured a ₹70,000 loan. This funding enabled her to purchase 23 sheep, marking the beginning of her entrepreneurial journey.

Within four months, Vijayalakshmi sold her sheep, earning a significant profit. Her family's monthly income now stands at ₹25,000, ensuring a steady financial foundation. The repayment process, facilitated through our digital payment solutions, has been seamless and convenient.

Vijayalakshmi appreciates the financial assistance provided by Belstar, which has empowered her to become an independent and successful entrepreneur.



## Empowering Women through Mushroom Cultivation Training

Belstar, in collaboration with the Rural Self Employment Training Institute (RSETI), organized a mushroom cultivation training program in Vallapuzha, Kerala.

The training featured theoretical and practical modules, alongside entrepreneurship guidance. Participants learned about various types of mushrooms, the benefits of mushroom farming, and market demand. Practical sessions included substrate preparation, sterilization techniques, spawning, maintenance, harvesting, and storage. Additionally, the entrepreneurship module covered cost analysis, branding, packaging, marketing, and accessing loans and subsidies.

The program yielded impressive results: all 30 women completed the training, gained confidence in mushroom cultivation, and learned about mushrooms' nutritional and medicinal benefits. Equipped with new skills, they are now empowered to make financial decisions, boosting their self-esteem and social standing.



## Cyclone Relief: Basudevpur & Pattamundai, Odisha

Following Cyclone Strome in October 2024, Belstar Microfinance launched a CSR initiative to assist affected communities in Odisha's Kendrapada and Bhadrak districts.

Belstar distributed 140 blankets to flood-impacted members across Basudevpur (75 blankets) and Pattamundai (65 blankets), with a total expenditure of ₹51,300. This support addressed the immediate need for warmth during winter, aiding families in rebuilding their lives.

The initiative demonstrated Belstar's commitment to supporting members in times of crisis, reinforcing its role as a socially responsible institution.