

From the MD's Desk



Dear Friends,

It has been an eventful first half of the year, with significant headwinds in terms of regulatory changes and liquidity pressure affecting our microfinance sector overall. I am confident that our team, led by very seasoned leaders, can drive this organization forward through these challenges and maintain strong operational resilience.

I urge each one of you to keep your functions and team members highly motivated and be agile in seizing every opportunity. We must find newer avenues of business through smart thinking and by leveraging technology to our advantage, ensuring we continue to maintain portfolio quality. It is also crucial for our risk and audit functions to scale up to meet the new compliance standards.

As we step into the crucial Q3 quarter, I am pleased to inform you that we have received the necessary approvals on our DRHP filing with the regulators, marking the first step in our journey to becoming a listed company. I want each one of you to work with commitment, passion, and perseverance to make this a memorable quarter.

-Dr Kalpana Sankar



Q&A with
Mr. L Muralidharan,
Chief Financial Officer

Q1. What has led to Belstar's remarkable growth in the last few years?

Belstar's growth stems from our focus on rural markets, with 80% of branches in remote areas. Our local presence provides crucial credit access where traditional banks are limited. Adding 400+ branches in 3 years, improving productivity, and offering tailored products have driven our expansion

Q2. What do you believe will be the biggest financial challenges and opportunities we will face in the future?

Tighter regulations on bank lending to NBFC MFIs may limit credit access. Opportunity: As a Muthoot Finance subsidiary, we can leverage diverse funding sources, including international agencies, even in tough times.

Q3. Any specific financial risk or opportunities you anticipate for the company/employees to be wary of?

- Careful loan origination is crucial. Branch teams must thoroughly verify KYC and financial parameters.
- Diligent credit assessment is vital to prevent NPAs and protect public funds borrowed from banks and FIs.

Q4. If you had to give a piece of financial advice to our team of 10,000+ employees, what would it be?

Prioritize regular savings and invest in SIPs. Diversify personal investments to combat inflation. Be prudent with borrowing. Secure adequate health and life insurance.

Q5. What are the key learnings from your varied experience in the finance sector?

- Prioritize honesty and transparency
- Admit unintentional mistakes to management promptly
- Understand that not all decisions will be correct
- Take proactive measures to reverse poor decisions when possible
- Learn from mistakes to avoid repeating them
- Build management's confidence through open communication

SNAPSHOTS

IPO Greenlight: SEBI Approves DRHP

Transrail Lighting, Belstar Microfinance and SK Finance Get Sebi Nod for Public Issues



MUMBAI Transrail Lighting, Belstar Microfinance and SK Finance have received Sebi approval for their proposed initial public offers. Engineering, procurement and construction company, Transrail Lighting's IPO will consist of a fresh issue of ₹450 crore and an offer for sale of 1.01 crore shares by promoter Ajanma Holdings Private Limited. Muthoot Finance's subsidiary, Belstar Microfinance's IPO will comprise a fresh issue of ₹1,000 crore and an offer for sale of ₹300 crore by investors MAJ Invest Financial Inclusion Fund II K/S, Arum Holdings Limited and Augusta Investments Zero. SK Finance's IPO will consist of a fresh issue of ₹500 crore and an offer for sale of ₹1,700 crore by promoters Rajendra Kumar Setia and Rajendra Kumar Setia HUF along with investors Evolve Invest I, Evolve India Fund III, Norwest Venture Partners X -Mauritius and TPG Growth IV SF.

We are elated to announce that we have hit a major milestone with SEBI approving our IPO plans. This approval brings us one step closer to taking our company public and opening new avenues for growth.

The proceeds from the fresh issue will be allocated towards future capital needs for onward lending and other general corporate purposes. We congratulate our Finance and Company Secretarial teams for their tireless efforts in achieving this significant milestone.

As we move forward with our IPO preparations, we remain committed to maintaining the highest standards of corporate governance and transparency.

We extend our gratitude to all our employees, whose hard work and dedication have been instrumental in reaching this stage. As we embark on this exciting new phase, we look forward to the continued support and enthusiasm of our entire team in realizing our vision for the company's future.

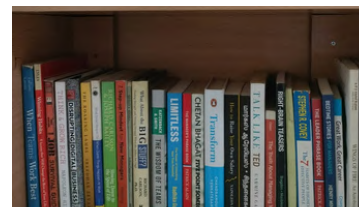
Corporate Retreat: Singapore



To celebrate the achievement of ₹10,000 crore AUM, over 100 employees from all functions embarked on an

exciting corporate retreat to Singapore. The trip was a great opportunity to unwind, connect with colleagues, and celebrate our collective success.

Community Library



To instill a love for reading and continuous learning, we have launched a

community library at the HO. Employees have generously donated books from all genres. Everyone is encouraged to borrow from the collection and rekindle the lost joy of reading, the highest of passions.

Potluck - Culinary Bonding



Our employees got together to share a variety of delicious homemade dishes. The event was a resounding success, celebrating the diverse culinary cultures of our team.

SNAPSHOTS

Independence Day Extravaganza



This year's Independence Day was marked by a grand flag hoisting ceremony, followed by engaging activities, quizzes, and fun-filled events that brought out the spirit of unity and freedom.

New Era of Learning



Say goodbye to BML Shiksha and Welcome Workline! All training and certification programs, including Common Induction,

and Role-Based Training, will now be conducted on our new learning management system on Workline for a streamlined experience.

Annual General Meeting 2024

On September 13, 2024, our AGM successfully concluded with important discussions shaping the future course of the company.

Sankalp - Sep 2024

The quarterly review meeting was conducted in Pondicherry and was attended by Business Heads, Circle Heads, Zonal Heads and Zonal Collection Managers.

WELCOME ABOARD



MANISH CHAUDHARY
COLLECTIONS HEAD - NORTH

OUR LOGO IN A NEW AVATAR



We are excited to announce the launch of our updated logo! The brand name 'Belstar' now features increased weight, making it more prominent and recognizable. Additionally, the tagline has been separated into a new line for improved readability and a cleaner design. This change reflects our commitment to enhancing our brand identity.

We will soon release a set of guidelines for the usage of the logo across different mediums. We seek your cooperation in following these guidelines to help us take the brand forward.

BELSTAR PLEDGE

To kickstart each day with a shared sense of purpose and energy as we continue to work in this dynamic environment. It is essential to stay connected in our journey and move forward with focus and determination.

To help us stay aligned, we have introduced a daily pledge to reinforce our collective purpose & agenda.

“Peace in my Heart, Peace with Others, Peace with the Cosmos!”

I pledge to forever hold gratitude for all that has been bestowed upon me and all that I have.

Each day, I commit to doing better than yesterday, putting my best foot forward in every task.

I vow to uphold my responsibility and loyalty to this great organization.

I commit to driving results, inspiring those around me, and ensuring the highest standards of honesty and integrity.

I pledge to avoid any action that could harm our organization, our customers, or investors.

EMPLOYEE SPOTLIGHT

We are thrilled to highlight some of our outstanding employees, whose dedication and hard work have set a high standard for all of us. Let's hear their success mantras and get inspired to elevate our own performance.

You could be featured in the next issue!



Kritiy Singh

Sr. Branch Accountant,
Samastipur

I believe that positive thinking, dedication to work and hard work have helped me overcome challenges and achieve my goals even in difficult times.

I believe in the advice given by seniors and follow them so I can achieve in my work beyond their expectations.



Chinmay Barman

Branch Officer, Malbazar

EMPLOYEE SPOTLIGHT



A Kavitha

Sr Branch Manager, Mittur

My specialty is working with my team from sourcing customers to receiving collections. I am able to keep my team motivated by helping them achieve their goals and doing everything I can to qualify them for the incentives they deserve.

For me, I believe it is important not only to think positively but to put in constant effort. I rely on the guidance of my seniors to keep me motivated and moving forward.



Minakshi More

Sr Collections Exec, Kamshet

I analyze the MIS reports to understand the payment patterns of customers and share that data with my team, thereby not only ensuring timely payment by customers but also helping me to guide my team in follow-up with customers.



Uthaman P

Collections Manager, Tirunelveli

CASELETS



Nirmala's journey from financial struggle to success in Bilod, Madhya Pradesh, exemplifies the transformative power of Belstar's Customer Service and Training Department.

Facing hardship due to her husband's unstable labor income, Nirmala found hope through the program's financial literacy training and loan support. With newfound knowledge and an approved loan, she invested in grocery materials to start her own business. This venture not only improved her family's financial stability but also boosted her confidence and decision-making power.

She says with pride, "Through the support of Belstar's Customer Service and Training Department and my hard work, my grocery business is flourishing, and our family's financial situation has significantly improved."



Manjavva Kwati from Shiranahalli village, Karnataka and her family relied solely on agriculture, with a monthly income of Rs. 5000. Determined to improve her financial situation, Manjavva participated in Business Motivation Training provided by the Belstar Customer Service and Training team.

Inspired by the training, Manjavva took a Rs. 50,000 loan from Belstar to invest in two cows and start a milk sale business. She says with pride, "Through the support of Belstar and my hard work, my milk business is thriving, and our family income has significantly increased."

Manjavva adds, "Belstar not only provided the loan but also gave us valuable insights into financial management and entrepreneurship. This has boosted my confidence and independence!"

CSR HIGHLIGHTS



Eye Care Medical Camp in Kanchipuram and Kerala

The Dhanashree, Ushas, and Tamarai CLNs belonging to Belstar Microfinance Limited in association with Hand In Hand India organized eye care camps in collaboration with Shankar Eye Hospital, Atlas Eye Hospital, and Saveetha Medical College, benefitting 290 individuals across Kanchipuram and Kerala. The camp provided eye exams, and affordable glasses, and referred 42 patients for further treatment, with 18 successful surgeries. The initiative was well-received, boosting awareness of Belstar Microfinance Limited's efforts in providing essential healthcare services.

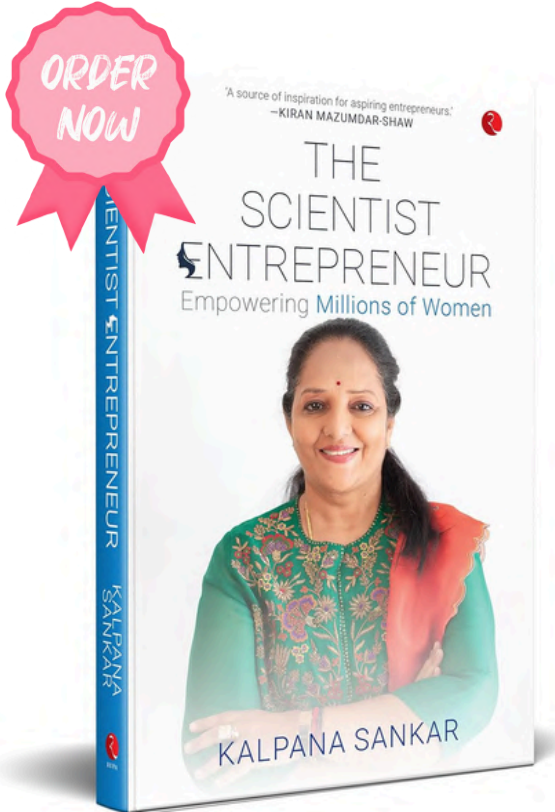


CM Beloved Sisters' Scheme, Maharashtra

The Maharashtra Chief Minister Beloved Sister Scheme is a pioneering initiative to provide ₹3,000 in financial assistance to economically disadvantaged women, aiming to enhance their economic stability and empowerment. Our Cluster Level Network and Belstar Customer Service and Training department facilitated enrollment. Through community sessions, document preparation, and personalized guidance, we ensured the scheme's smooth implementation.

In collaboration with CLNs from Pune, Maval, Shirur, and Rahuri, we successfully enrolled 836 women, including 100 Belstar customers. As a result, 770 women received ₹3,000 directly into their bank accounts, amounting to a total disbursement of ₹23,10,000. This initiative has provided much-needed financial relief to women and strengthened their economic foundation.

BOOK LAUNCH



Ms Martin receiving the first copy of the book from Dr Swaminathan



On August 21, 2024, a gala evening in Chennai marked the release of our MD, Dr. Kalpana Sankar's autobiography, **The Scientist Entrepreneur**. The event was graced by prominent personalities including Dr. Soumya Swaminathan, Sridhar Vembu, Swaady Martin, and Actress & Anchor Anu Hasan.

The book chronicles Dr. Sankar's extraordinary journey from a double doctorate scientist to a social entrepreneur.

Here's what some of the leaders had to say about the book and her impactful work:

Dr Sankar's life has been an extraordinary journey characterised by resilience, ambition and a commitment to social impact. It will inspire young men and women to become social entrepreneurs and touch the lives of millions. – **Dr Soumya Swaminathan, former WHO Chief Scientist and Chairperson of the M.S. Swaminathan Research Foundation**

She is a pathbreaking changemaker whose life is filled with compassion, determination, and an unwavering belief in the power of humanity. – **Swaady Martin, Serial Entrepreneur and Founder, YSWARA**

Dr. Sankar's pioneering work in social entrepreneurship is inspirational. We need more role models like her. – **Sridhar Vembu, Founder & CEO of Zoho Corporation**

Send your valuable feedback/suggestions to
corpcomm@belstar.in