



*A subsidiary of Muthoot Finance Limited*

BELSTAR MICROFINANCE LIMITED

Creating livelihoods....transforming lives



# GROW WITH BELSTAR

CORPORATE DECK  
FY 2021-22

# DISCLAIMER



## BELSTAR MICROFINANCE LIMITED

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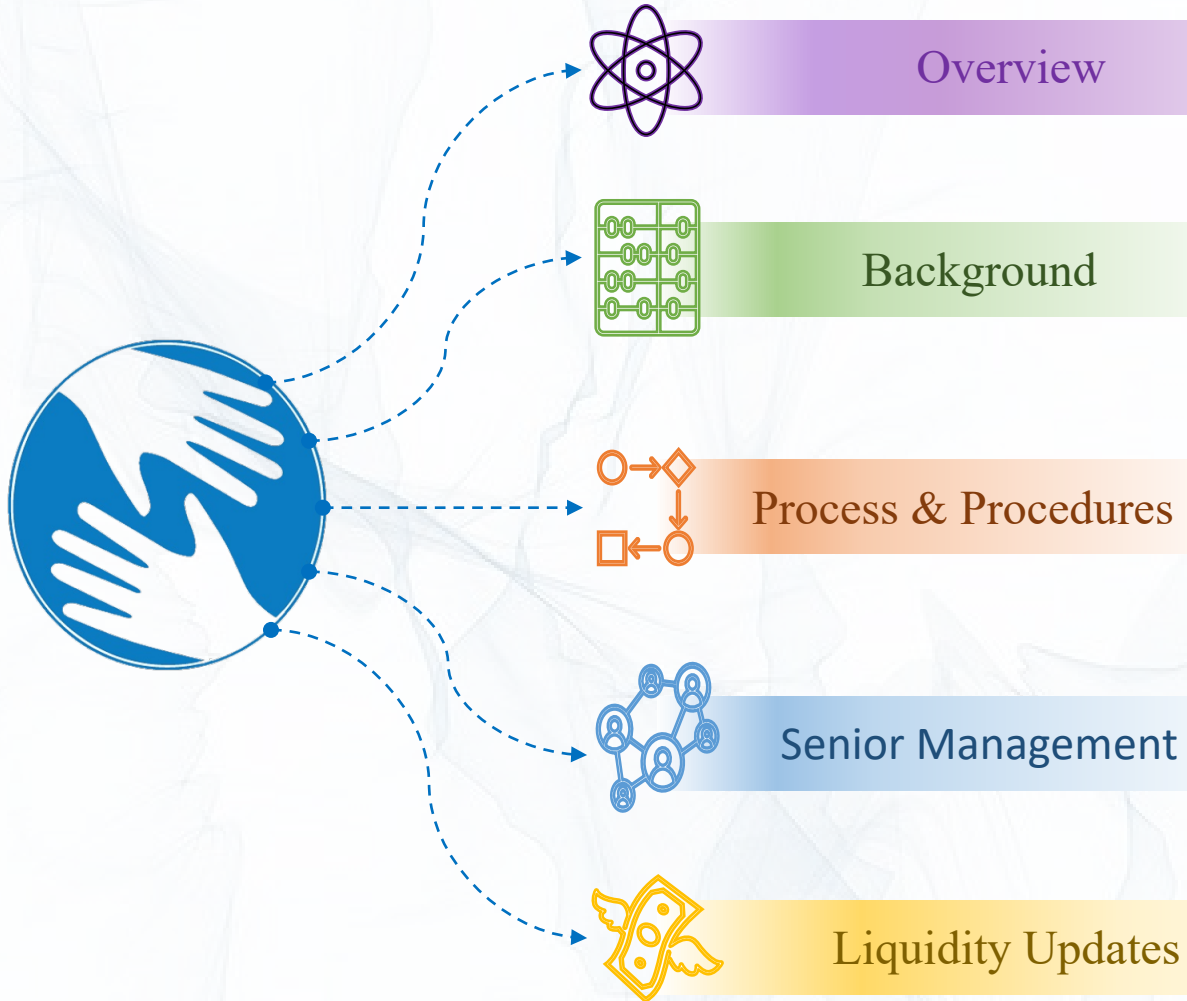
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## C O N T E N T S







### **RATED AS "AA- STABLE" RATING BY CRISIL**

Currently HIGHEST rated NBFC MFI in the country. Registered as NBFC – MFI NDSI with RBI

### **FINANCIALLY STRONG**

Higher CRAR of 24.09% & Profitable from the initiation

### **SUBSIDIARY OF MUTHOOT FINANCE**

Subsidiary of the largest Gold loan provider of the country

### **GOOD GOVERNANCE**

Professionally managed by the Promoter and well renowned highly qualified Board





### OUR VISION

To be a socially responsible, microfinance institution working towards entrepreneurship and economic empowerment of women and achieving double bottom line (Economic and Social empowerment)

### OUR MISSION

To further impact over 3.5 million women through affordable credit and entrepreneurship by 2025

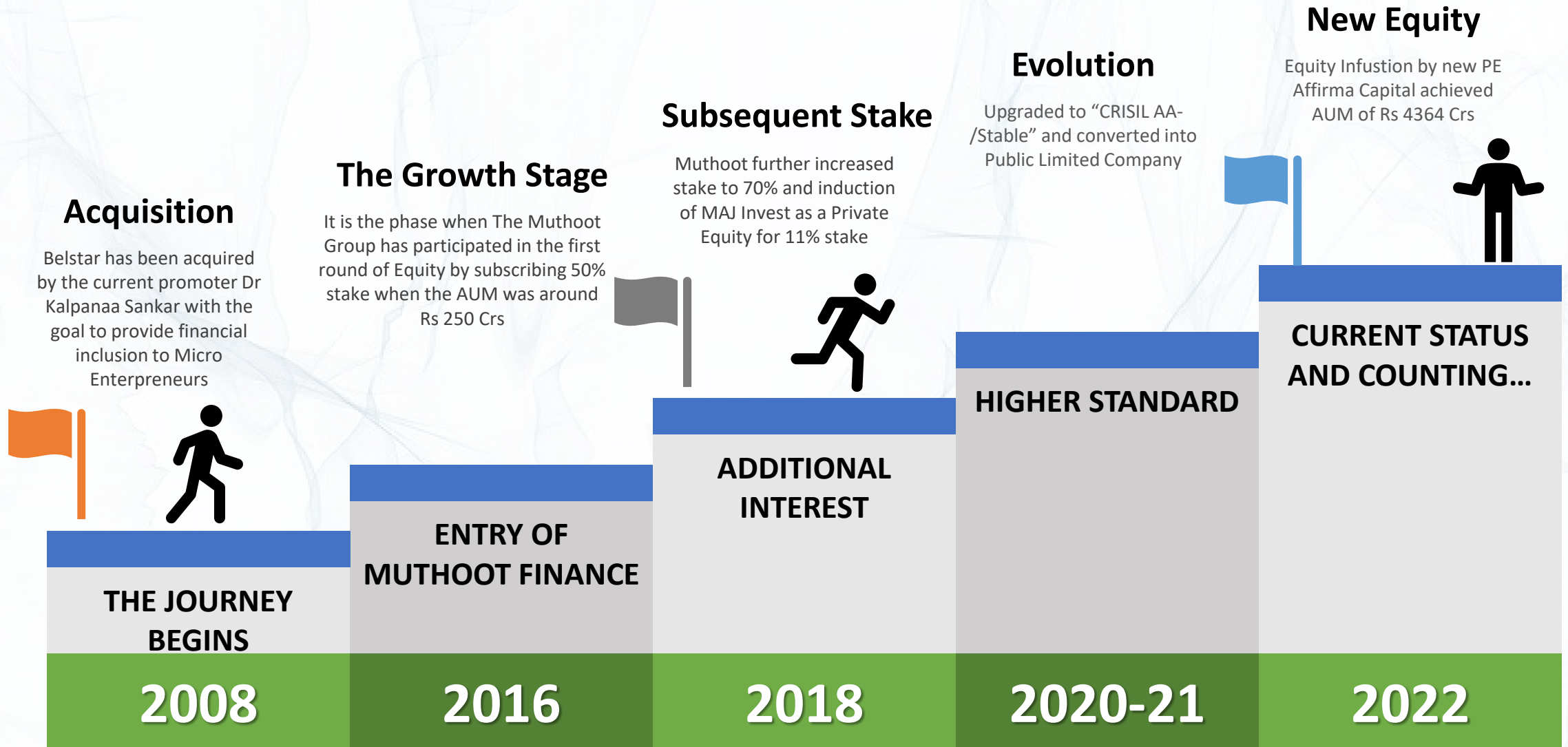


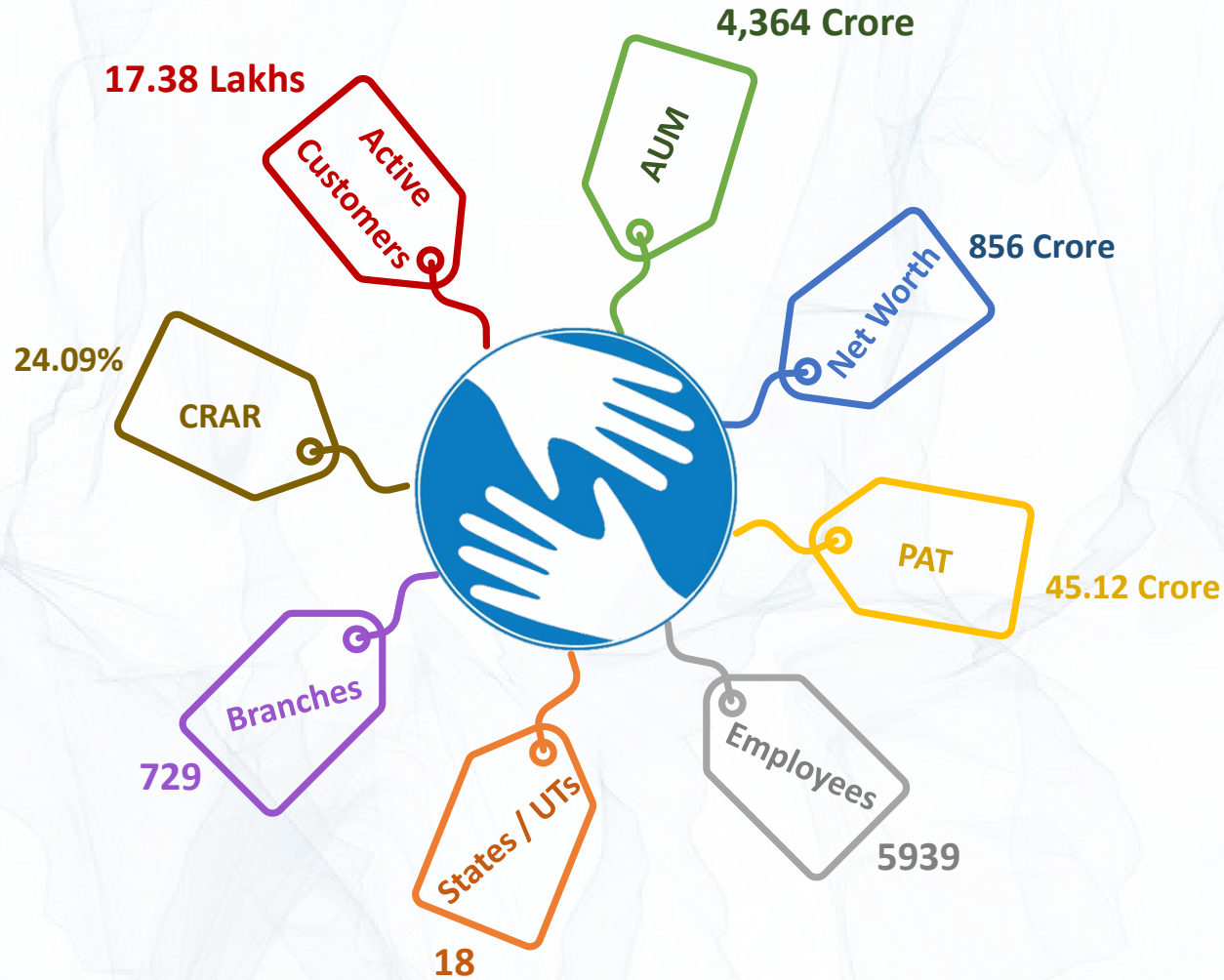
### OUR GOAL

To provide digital finance inclusion to microentrepreneurs

### OUR VALUES

Integrity, Professionalism, Accountability, Transparency, Team work







Instrument	Rating Agency	Rating/Grading	
		FY 22	FY 21
Long Term Bank Facilities #	CRISIL	CRISIL AA-	CRISIL AA-
Non-Convertible Debentures #	CRISIL	CRISIL AA-	CRISIL AA-
Non-Convertible Debentures	CARE	CARE A+	CARE A+
COCA- Highest Rating *	ICRA / CARE	CARE M1C1	ICRA C1
Subordinated Debts \$	ICRA	ICRA A+	ICRA A
MFI Grading- Highest Rating*	CARE	MFR 1	MFR 1
Social Rating @	MFR	A-	
Client Protection* @	MFR	Gold	



- \* - Highest rating in the rating scale
- # - Highest rating by an NBFC – MFI as on date
- \$ - upgraded during the year
- @ - New rating during the year





# Successfully raised Equity

The Company has raised Rs 275 Crs Equity from the existing and New PE Investor during the year. Onboarded New Private Equity firm Affirma Capital to Belstar



01

COMPLETION OF EQUITY ROUND

CLIENT PROTECTION RATING

02



# Golden Certificate

Achieved Golden Level Certificate for Client protection by MFR rating. Only second MFI to get this status

SME AWARD

03



# SME Empowering India Awards

SME –Entrepreneur of the year award -2021, in appreciation to the accomplishments and contribution to empower India

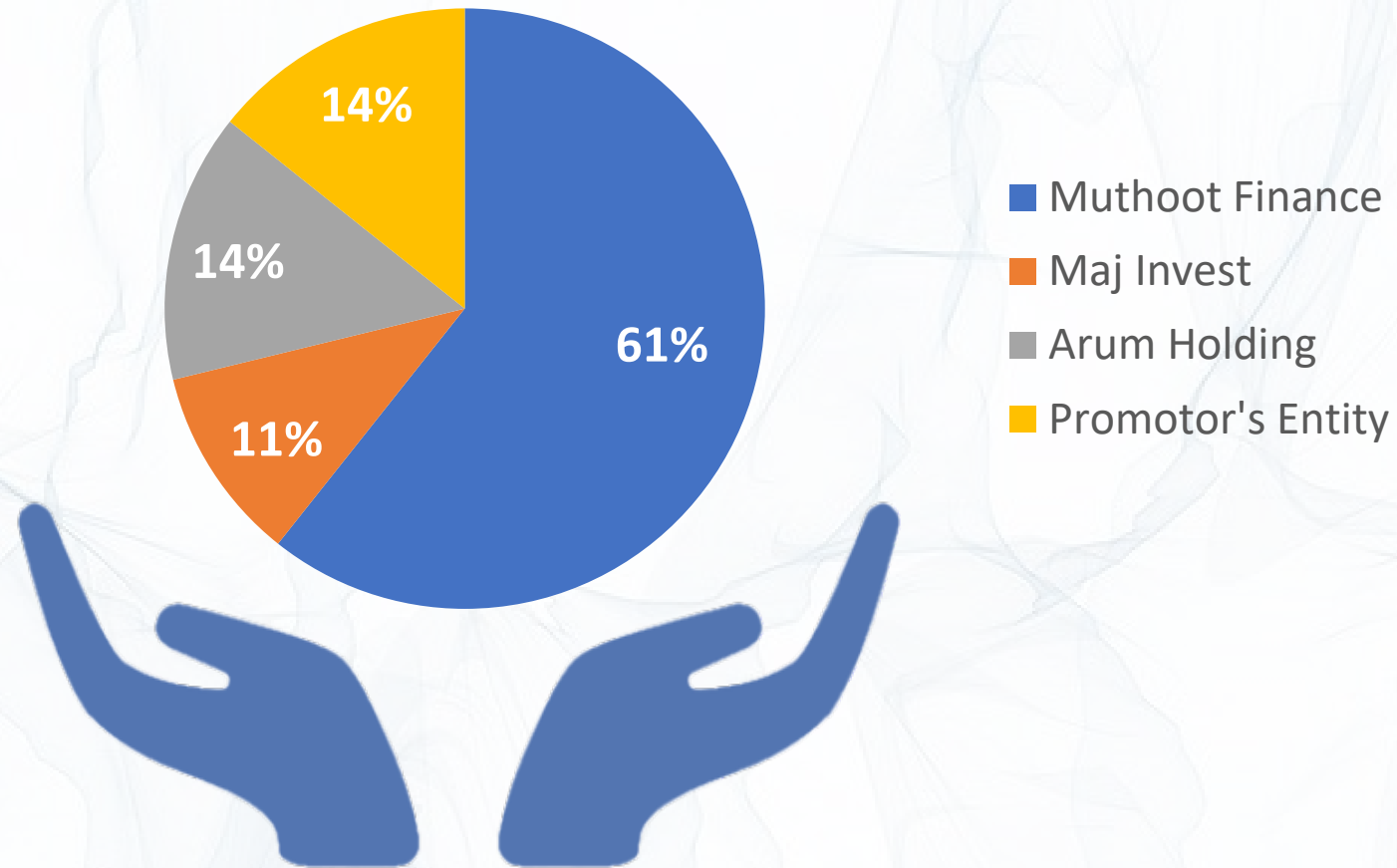
GROWTH & PERFORMANCE

04



# Robust growth & Strong performance

Achieved growth of 32% (YoY) on AUM PAT at Rs 43 Crs





***Muthoot Finance***

**Largest Gold Loan NBFC with 178 Tonnes of Gold Jewellery which is kept as security.**

**Trusted pan-India brand in the gold loans sector, revolutionised India's Gold banking**

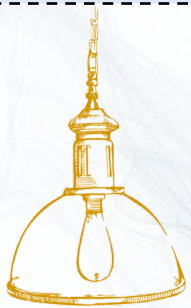
**Muthoot Finance Limited holds 61% of the shareholding and is the holding company.**

**Summary of Muthoot Finance Limited as on 31<sup>st</sup> December 2021 is as follows:**

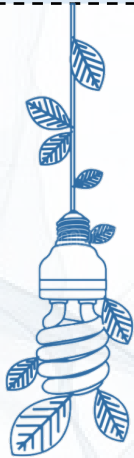
- 135 year of existence
- Rated AA+ on Long Term (Bank Loans)
- Rs 60,896 Crs Assets under Management
- 26,599 Employees
- 4,617 Branches
- 29 States



**HAND IN HAND INDIA (HIH)** , an NGO and Belstar share the same logo. Dr. Kalpanaa Sankar is also the Managing Trustee of Hand in Hand India. Belstar leverages on HIHs strengths in the areas of training, women's development activities and CSR activities. The achievements of Hand in Hand are listed below:




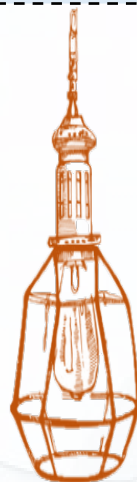
  
**4.4 Million  
Jobs created**



**7,23,416 provided with  
healthcare access**




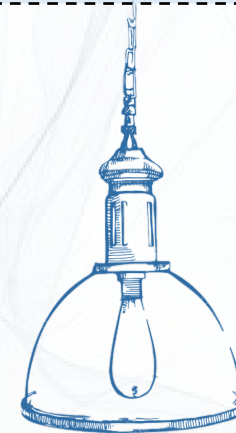
  
**1,53,282 women trained  
in various skills**



  
**445 Villages  
uplifted**




  
**6,29,935 households  
segregate & recycle waste**



  
**22,194 farmers trained in  
organic farming**



  
**3,43,037 children  
enrolled in schools**





### Recent recognitions



**Nari Shakti Puraskar-2016** (from the Hon'ble President of India and Ministry of Women & Child)

**Pradhan Mantri Bal Kalyan Puraskar**(for her leadership in Hand in Hand India and dedicated work towards child welfare and education)

**Princess Sabeeka Bint Ibrahim Al- Khalifa Global Award- 2019** (instituted by Kingdom of Bahrain and UN Women)

**Women Transforming India- 2019** (Award from NITI Aayog & United Nations India from the Hon'ble Defense Minister of India)

Dr. Kalpanaa Sankar is the Managing Director of Belstar Microfinance Limited. She holds doctorates in nuclear physics and gender studies respectively. Passionate about the empowerment of women. She has been pivotal in replicating the model globally across 8 countries and across 18 states in India. She has been involved in the self-help group movement for 21 years and has specialized in participatory assessment, gender differentiated impact and monitoring tools. She was the Monitoring and Evaluation Officer for IFAD and was Consultant with UNOPS, UNDP, Christian Aid and Wetlands International. She has also been Consultant with the South African government and supported poverty reduction, job creation and microfinance programmes in Afghanistan and Brazil. She has authored publications on child labour, microfinance and self-help groups. Dr Kalpanaa Sankar is also the Managing Trustee of Hand in Hand India and has been with the organization since 2004, being one of its co-founders. She has an Executive MBA from TRIUM, where she was the first recipient of a scholarship to pursue the programme. TRIUM is an alliance among NYU Stern School of Business, London School of Economics and Political Science and HEC School of Management, Paris.



- Danish Asset management Company with USD 11 Billion
- Is a spin off from a Danish Pension Fund
- More than 100 large institution clients & 38,000 Private Investors

International Private Equity – Financial Inclusion					
Funds	Vintage	Commitment	Focus	Investments	Status
Danish Microfinance Partners K/S	2010	USD 65m	Tier 1 financial institutions	6 companies	Fully invested
Maj Invest Financial Inclusion Fund II K/S	2015	USD 137m	Tier 1 financial institutions	7 companies	Investing
Maj Invest Financial Inclusion Fund III K/S	2019	Target USD 300m	Tier 1 financial institutions	10–12 companies	Fundraising

## Strong Governance & Experienced Board – Independent Directors



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The Company which has transparency as one of its core values, has always had highly seasoned bankers and expert professionals from various fields in the financial sectors, on its Board. The present list of Independent Directors are:



**Mr. Subramanian A**

- 40+ Years of Banking experience
- Former ED of Indian Bank
- Was GM in OBC in-charge of Treasury



**Mr. V A George**

- 40+ Years of Corporate experience
- Was a member of Advisory Committee of RBI, Past Chairman of Equipment leasing association.
- Alumni of IMD Lausanne and INSEAD France



**Mr. Chinnasamy Ganesan**

- 32 + years of experience in Audit
- Former Director in networking firm of PwC & Partner in KPMG
- **“Jewel of India”** awardee from Intl Business Council
- Closely associated with ICAI and various chambers of Commerce, Industry Association and Universities



**Mr. K .Venkataraman**

- 40+ years of Banking experience
- Ex MD & CEO of KVB, 3 Decades with SBI
- Was Chairman for FEDAI, Member on Commission on Banking Techniques, Intl Chamber of Commerce, France
- Part-time Non-Executive Chairman of Coastal Local Area Bank



## Strong Governance & Experienced Board – Investor Directors



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**Mr. David Arturo  
Paradiso**

MBA Finance & Private Equity  
Brigham Young University(US) and  
Strategic leadership from Harvard  
University  
13+ Years of International  
experience managing finance  
operation, private Equity &  
Venture capital in the US and Latin  
America at Ernst & Young and Dell.



**Mr. George M Jacob**

A Management graduate from Cass  
Business School (London) & LLM in  
International Economic Law from  
the university of Wavwick,  
Coventry, UK  
ED at The Muthoot Group and  
manages Legal, Corporate Affairs &  
Marketing



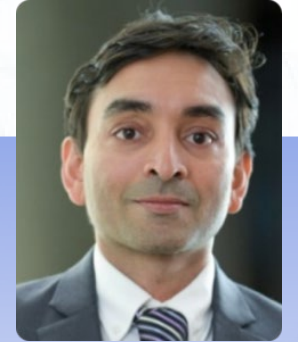
**Mr. K.R. Bijimon**  
Chartered Accountant

ED of The Muthoot Group  
Oversees credit & operation of  
Zonal offices, Internal Audit,  
Marketing, IT & Vigilance divisions  
He is also COO for the global  
operations of Muthoot Group



**Mr. George Alexander**

MBA -University of North Carolina  
Kenan & Flagler Business School  
ED of The Muthoot Group  
Take cares of operations in the  
state of Karnataka & monitoring  
the global operation of the  
Muthoot Group in the US.



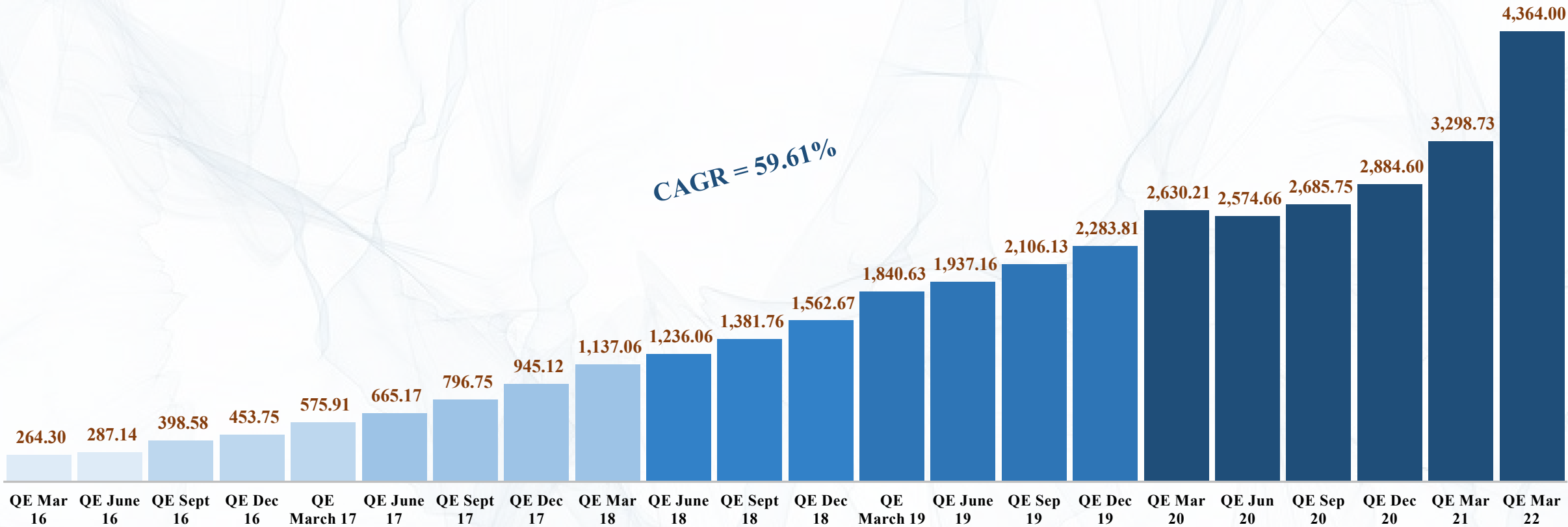
**Mr. Vijay Nallan  
Chakravarthi**

MBA from the Kellogg School of  
Management, MS from The Ohio  
State University.  
20+ yrs experience  
MD in the Indian team of Affirma  
Capital



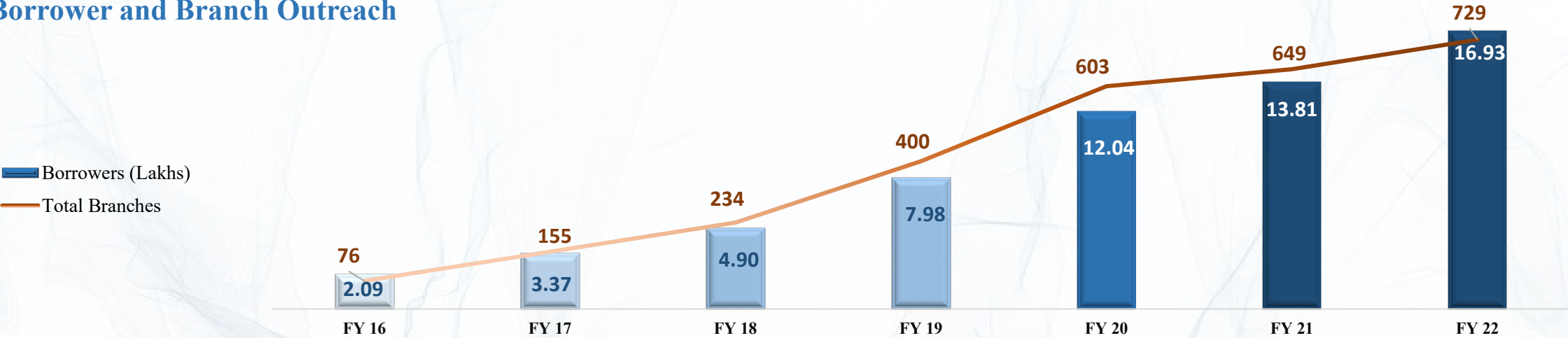


Quarterly Gross Portfolio Growth over the Years (in Rs. Crs)

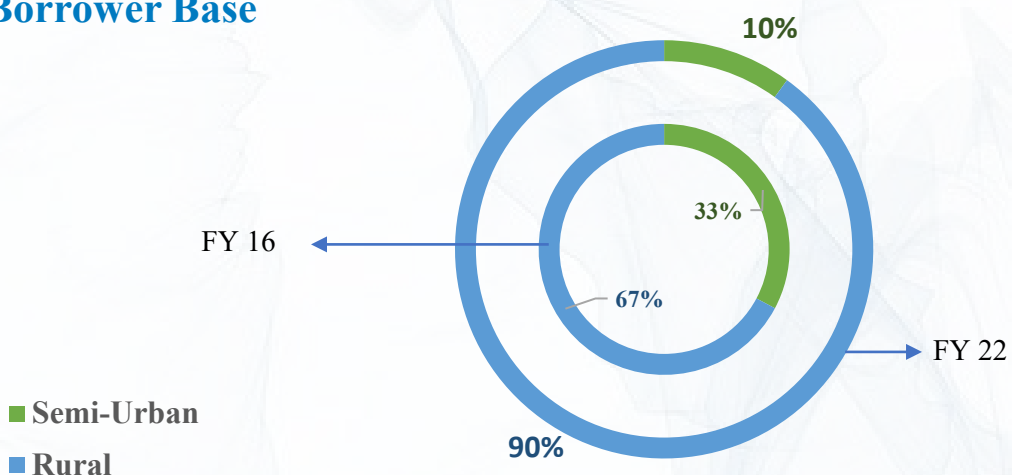




Borrower and Branch Outreach



Borrower Base



100% women borrowers

Predominantly rural outreach

We do not have exposure to migrant workers, whose income level is impacted on COVID 19

Predominately the borrowers are engaged in agriculture and allied agriculture



## Branch Collection Model

The branch collection model minimizes risk of potential frauds by SOs and is preferred by both customers and employees alike

## Credit Plus Initiative

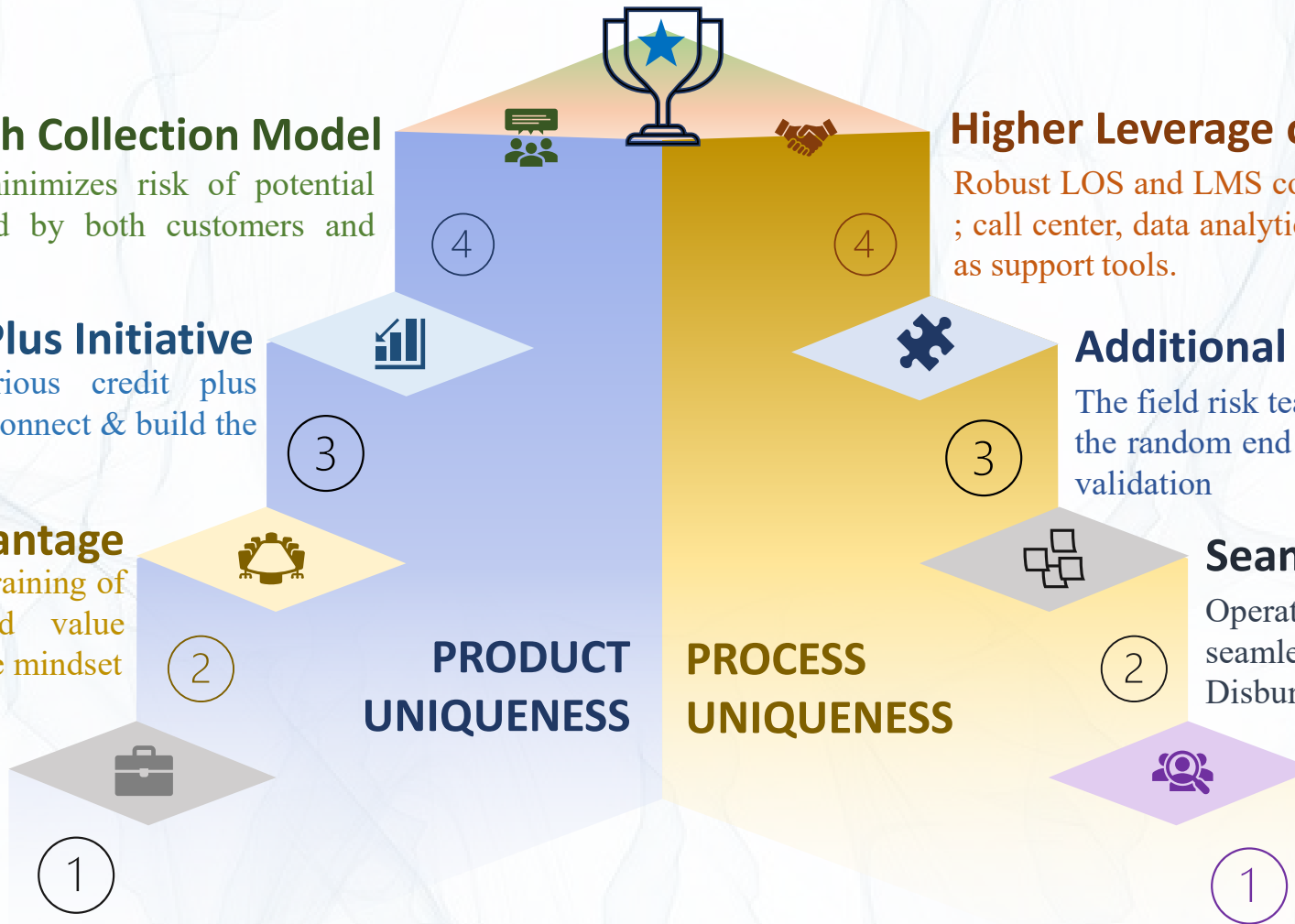
The company undertakes various credit plus initiatives to establish customer connect & build the brand image

## HIH Parantage

Provides support in conducting training of group and staff; The brand value established in the customer image mindset

## ONLY SHG IN MFI

We traditionally operate under the SHG Model but present and only NBFC MFI to follow the SHG model in the country



## Higher Leverage on Tech

Robust LOS and LMS coupled with TAB usage by field staff ; call center, data analytics and HRMS/ Training applications as support tools.

## Additional Risk Layer

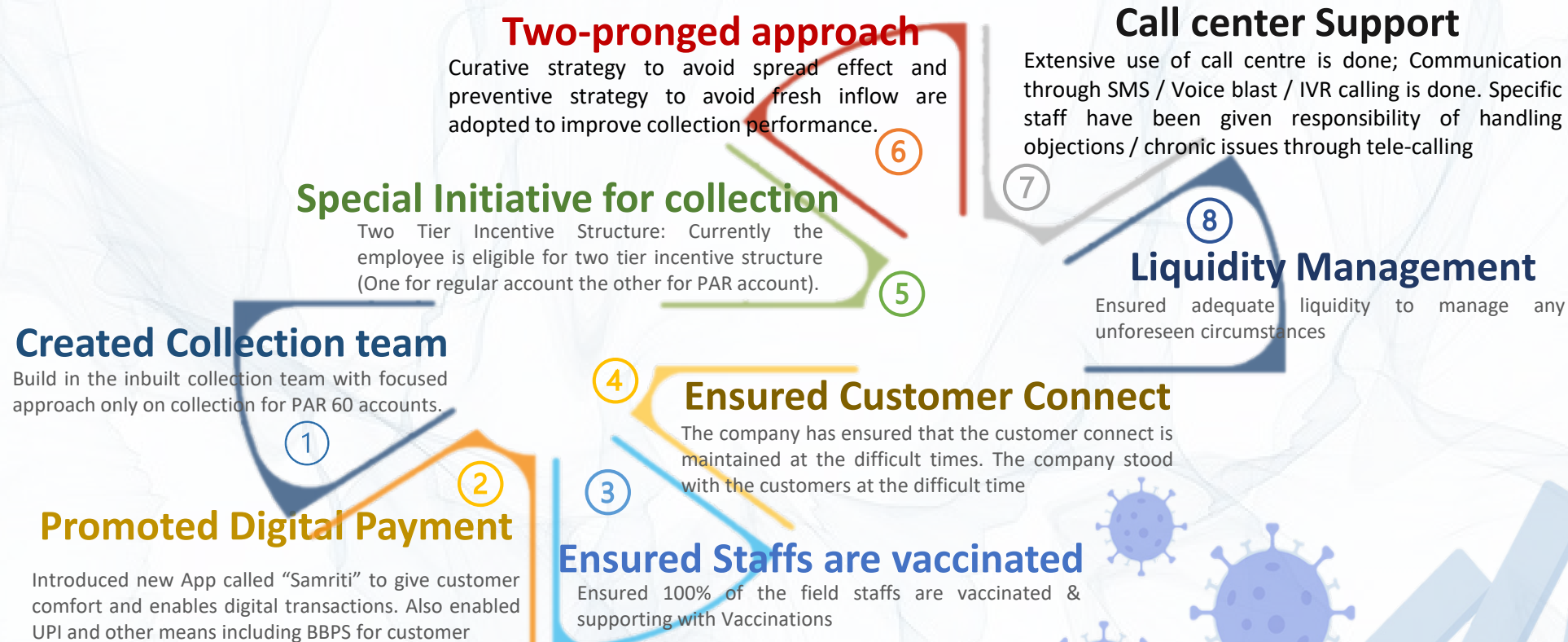
The field risk team which is the additional layer does the random end use verification & pre disbursement validation

## Seamless operationflow

Operation process driven stagewise and seamless flow from onboarding to Disbursement

## Quicker TAT

Quick Loan disbursements: We typically disburse a JLG loan in 3-4 days as opposed to 7-8 days taken by some of the other MFI players

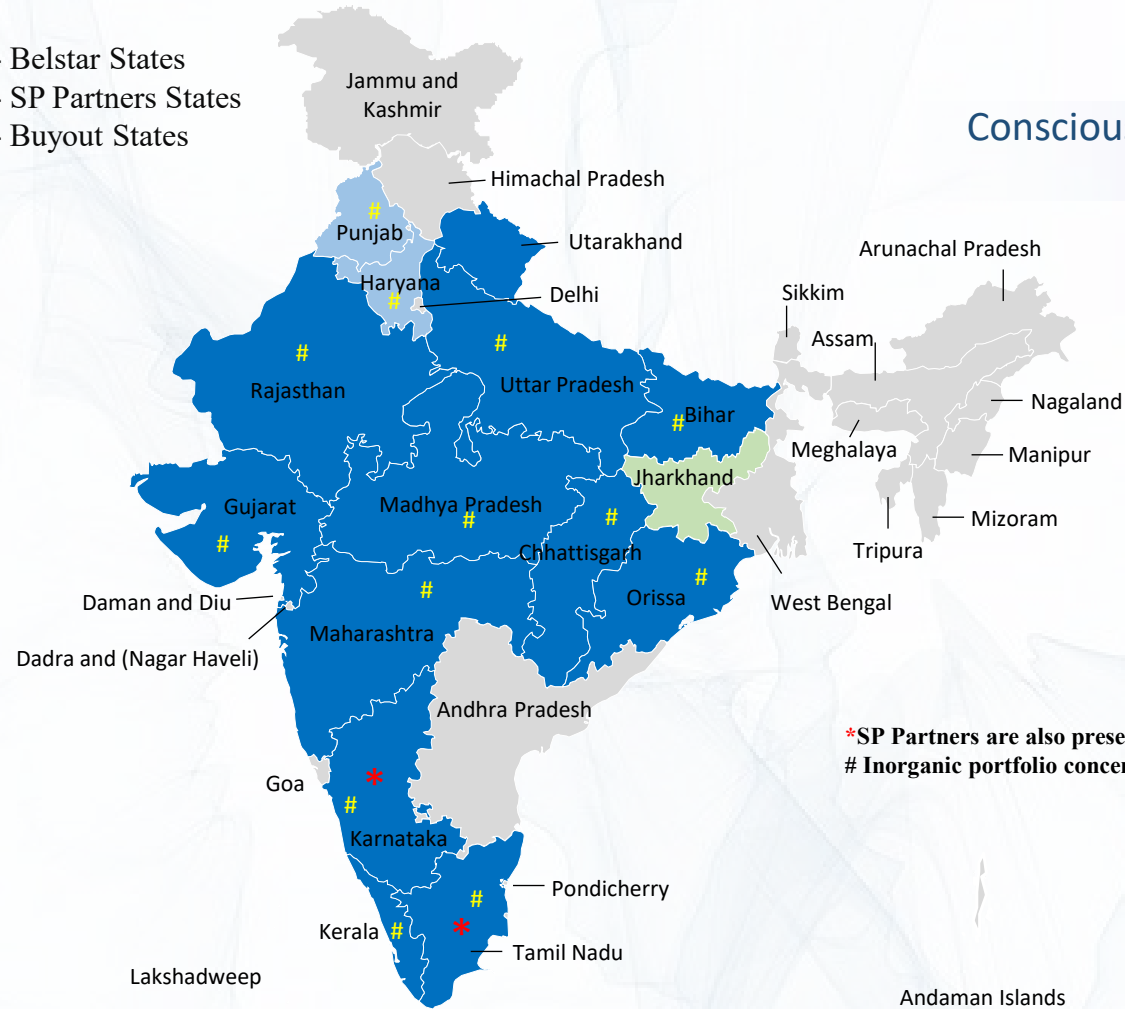






### Operations in 18 States/UT

- - Belstar States
- - SP Partners States
- - Buyout States



\*SP Partners are also present in Tamil Nadu & Karnataka  
# Inorganic portfolio concentration

The company has a diversified geographical presence.

Consciously pursuing diversification of loan portfolio from a single state to PAN India operations

The presence in Tamil Nadu has been reduced drastically from 80% in 2015 to around than 50% in 2022.

Expanding in new geographies like West Bengal, UP, Bihar and Uttarakhand

Collaborative working with service providers predominately in newer geographies



**Mr. N. Karuppusamy**

(Business Head)

16 years of expertise



**Mr. Banabihari Panda**

(Chief Compliance Officer)

40 Years of expertise



**Mr. K. B. Balakumaran**

(Executive Director)

31 years of expertise Veteran Banker



**Mr. L. Muralidharan**

(CFO)

20 years of expertise



**Mr. Ravindran**

(Head HR)

14 Years of expertise



**Mr. G. Parthasarathy**

(Chief Risk Officer)

22 Years of expertise



GE Capital



**Mr. S. Dhanasekaran**

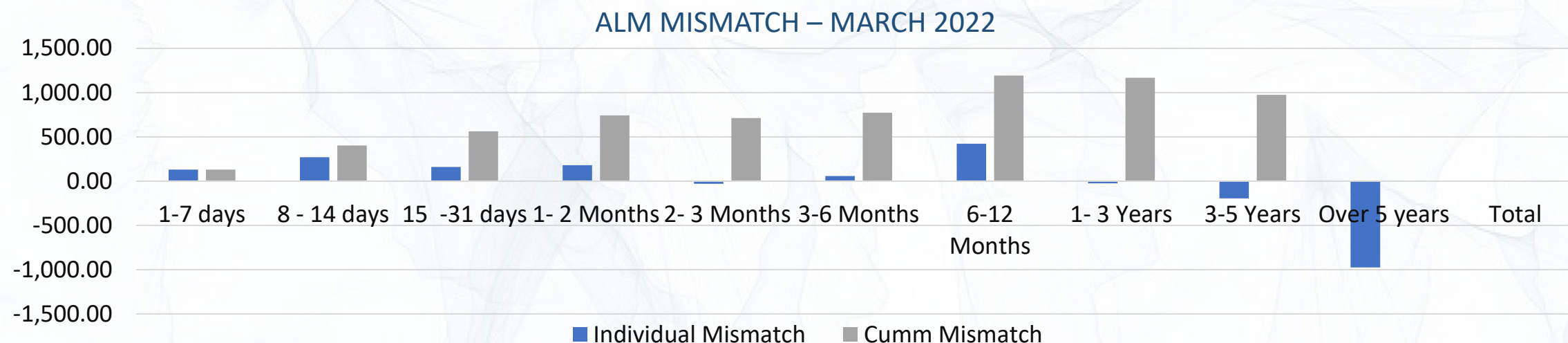
(Chief Technology Officer)

26 years of expertise





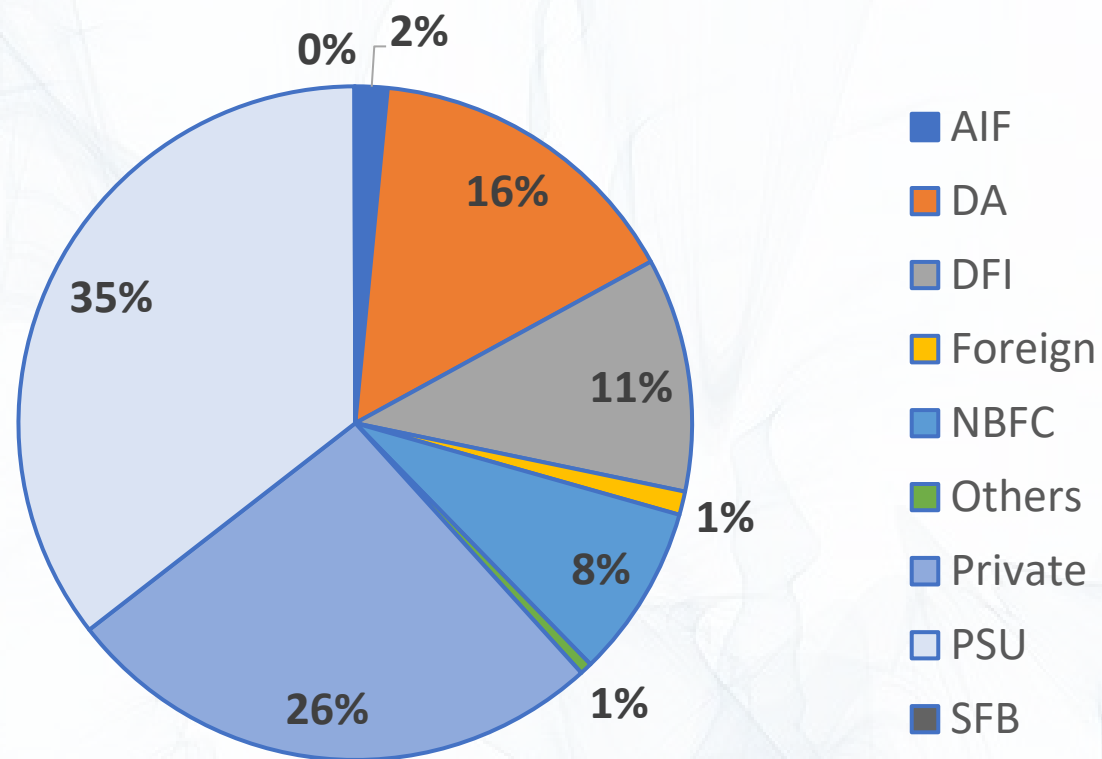
- Assets and Liability maturity transformation risk is managed through adequate buffers maintained with consciously avoiding very short/near term funding source.
- Additional funding is sought to fund Growth needs emanating from feedback at grass root level.
- The average maturity of Assets is 14 months, and the average maturity of Liabilities is 18 months.
- The Company has adequate liquidity for the next six months borrowing obligation. However, the organisation is looking for funds to support business growth.
- Strong base formed in over 3 years in the form of Sub Debt & Share capital
- Funding support from Holding company







Total



The company has a diversified funding mix. The company has facilities with more than 50 lenders in a form of Term Loan, Non-Convertible Debentures, Cash Credit, Securitisation, Direct Assignment and Sub Debt.

The Cost of funds has been reducing drastically for the company on the diversified lender base; a demonstration of strong Balance Sheet, quality of underwriting ability of the organization and support of the Holding Company.



## Robust Process & Unique Features



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The Company has an additional layer of Risk evaluation independent of operations, where a Risk Executive evaluates the loan proposal and clears it for Disbursement; also carries out end use evaluation.

The Company's USP is the branch-based collection model which is well accepted by the customers and has stood the test of times during crisis like Demo, natural calamities etc.

On boarding of customer through TAB and all the data points captured in electronic mode

The Company is carrying out 100% Disbursements in cashless mode through Bank Transfer.

Internal Audit does two level of Audits – Regular Audit (based on documentation), Short Audit (based on parameters), apart from surprise and management audits

Shuffling of field personnel across roles/location as per policy

One of the very few in the MFI space adopting the SHG model as well as hybrid JLG model (Pragati)

Competitive TAT for loan disbursal

Better recognition of the Brand

Credit plus activities to strengthen customer connect, provide training to improve livelihoods and offer value added services

Regular third-party evaluation and updation of systems and processes

# Thank You



## BELSTAR MICROFINANCE LIMITED

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### Registered Office

No 33, 48th Street ,9th Avenue , Ashok Nagar, Chennai- 600083 !

### Corporate Office

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Chennai- 600083 !

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