



**Press Release**  
**Belstar Microfinance Limited**  
**September 06, 2024**  
**Rating Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Non Convertible Debentures (NCD)</b>	125.00	Not Applicable   Withdrawn	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	0.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	125.00	-	-

**Rating Rationale**

Acuite has withdrawn the long term on the Rs. 125.00 crore Principal protected market linked debentures of Belstar Microfinance Limited. The same is withdrawn without assigning any rating as the Instrument is fully repaid and no longer an outstanding obligation of the company. The rating is being withdrawn on account of the request received from the company and the NOC received from the trustee's as per Acuite's policy on withdrawal of ratings as applicable to the respective facility/instrument.

**About the company**

Incorporated in 1988, Belstar Microfinance Limited (Formerly known as Belstar Investment and Finance Private Limited) is a Chennai headquartered non-banking finance company (NBFC) registered with the Reserve Bank of India (RBI). Belstar Microfinance Limited has a wide network of more than 900+ branches across 19 states. Belstar is in the business of micro finance lending being in this field for more than 34 years, they provide financing to Self Help Groups, PRAGTI, MSMEs i.e., Micro, Small and Medium Enterprises at attractive interest rates. The company was acquired by Hand in Hand Group (NGO) in September 2008. In 2016, Muthoot Finance Limited, the largest gold loan NBFC in the country, made an equity investment in the company and their stake is at 56.97 percent as on March 31, 2023. Dr. Kalpanaa Sankar currently manages the company.

**About the Group**

Muthoot Finance Limited (MFL) is the flagship company of the Kerala-based business house, The Muthoot Group, which has diversified operations in financial services, healthcare, real estate, education, hospitality, power generation and entertainment. MFL was incorporated in 1997 and is India's largest gold loan focused NBFC spread across 4,700+ branches across India with Rs. 71,182 Cr. Assets under management. The company derives a major proportion of its business from South India (50 percent of the total portfolio as on September 30, 2023),

where gold loans have traditionally been accepted as a means of availing short-term credit, although MFL has increased its presence beyond South India over the last few years. In addition to financing gold transactions, the company offers foreign exchange services, money transfers, wealth management services, travel and tourism services and sells gold coins.

**Unsupported Rating**

Not applicable

**Analytical Approach**

Not applicable

## Key Rating Drivers

### Strength

Not applicable

### Weakness

Not applicable

### Rating Sensitivity

Not applicable

### Liquidity Position

Not applicable

### Outlook: Not Applicable

### Other Factors affecting Rating

None

### Key Financials - Standalone / Originator

Particulars	Unit	FY24 (Actual)	FY23 (Actual)
Total Assets*	Rs. Cr.	9359.11	6210.14
Total Income**	Rs. Cr.	1267.34	660.79
PAT	Rs. Cr.	339.85	130.33
Networth	Rs. Cr.	1728.81	1092.30
Return on Average Assets (RoAA)	(%)	4.37	2.43
Return on Net Worth (RoNW)	(%)	24.09	13.38
Total Debt/Tangible Net Worth (Gearing)	Times	4.40	4.42
Gross NPA's	(%)	1.82	2.42
Net NPA's	(%)	0.17	0.66

\*Total Assets excludes deferred tax assets

\*\*Total Income equals Net Interest Income plus Other Income

Ratio's as per Acuite's calculations

### Status of non-cooperation with previous CRA (if applicable):

Not applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Feb 2024	Principal protected market linked debentures	Long Term	125.00	ACUITE PP-MLD AA   Stable (Reaffirmed)
25 Feb 2023	Principal protected market linked debentures	Long Term	125.00	ACUITE PP-MLD AA   Stable (Reaffirmed)
25 Feb 2022	Proposed principal protected market linked debentures	Long Term	125.00	ACUITE PP-MLD AA   Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	INE443L07158	Principal protected market linked debentures	28 Feb 2022	Not avl. / Not appl.	28 Feb 2024	Complex	125.00	Not Applicable   Withdrawn

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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