

**BELSTAR MICROFINANCE LIMITED**  
(Formerly known as Belstar Investment and Finance Private Limited)

CIN NO-U06599TN1988PLC081652

Regd Office-No 33,48th Street 9th Avenue Ashok Nagar ,Chennai-83

Website:www.belstar.in

**STATEMENT OF FINANCIAL RESULTS FOR THE PERIOD ENDED JUNE 30 , 2020**

(All amounts are in Millions of Indian Rupees, unless otherwise stated)

Particulars	Quarter ended			Year ended
	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
	(Unaudited)	(Audited) (Refer Note 5)	(Unaudited)	(Audited)
<b>Revenue from operations</b>				
(i) Interest income	1,164.40	1,241.34	1,004.77	4,649.45
(ii) Sale of services	0.56	3.01	4.74	10.64
(iii) Net gain on fair value changes on investments	3.66	17.63	18.96	66.75
(iv) Net gain on derecognition of financial instruments	-	60.16	47.64	266.76
<b>Total Revenue from operations</b>	<b>1,168.62</b>	<b>1,322.14</b>	<b>1,076.11</b>	<b>4,993.60</b>
Other Income	2.10	4.69	2.38	13.87
<b>Total Income (I + II)</b>	<b>1,170.72</b>	<b>1,326.83</b>	<b>1,078.49</b>	<b>5,007.47</b>
<b>Expenses</b>				
(i) Finance cost	524.89	497.28	415.14	1,821.85
(ii) Fee and commission expenses	23.52	40.32	10.15	99.07
(iii) Impairment of financial instruments	71.02	40.82	38.89	229.50
(iv) Employee benefit expenses	276.33	298.79	208.87	1,050.93
(v) Depreciation, amortization and impairment	22.20	25.19	13.22	90.80
(vi) Other expenses	64.64	118.50	82.33	382.87
<b>Total Expenses (IV)</b>	<b>982.60</b>	<b>1,020.90</b>	<b>768.60</b>	<b>3,675.02</b>
<b>Profit/(loss) before tax (III- IV)</b>	<b>188.11</b>	<b>305.93</b>	<b>309.89</b>	<b>1,332.45</b>
Tax Expense:				
(1) Current tax	37.19	74.30	84.98	291.45
(2) Deferred tax	5.71	10.87	-3.85	51.01
<b>Profit/(loss) for the period</b>	<b>145.22</b>	<b>220.77</b>	<b>228.76</b>	<b>989.99</b>
<b>Other Comprehensive Income</b>				
<b>A Items that will not be classified to profit or loss</b>				
(i) Actuarial Loss on defined benefit obligation	(0.32)	0.37	-	(1.28)
(ii) Tax impact thereon	0.08	(0.09)	-	0.32
<b>Subtotal (A)</b>	<b>(0.24)</b>	<b>0.28</b>	<b>-</b>	<b>(0.96)</b>
<b>B Items that will be classified to profit or loss</b>				
(i) Fair value gain on debt instruments measured at FVOCI	9.78	12.79	3.13	(0.25)
(ii) Tax impact thereon	(2.46)	(3.22)	(0.91)	0.06
<b>Subtotal (B)</b>	<b>7.32</b>	<b>9.57</b>	<b>2.22</b>	<b>(0.19)</b>
<b>Other Comprehensive Income (A + B)</b>	<b>7.08</b>	<b>9.85</b>	<b>2.22</b>	<b>(1.15)</b>
<b>Total Comprehensive Income for the period</b>	<b>152.30</b>	<b>230.62</b>	<b>230.98</b>	<b>988.84</b>
<b>Earnings per equity share</b>				
Basic (Rs.)	3.87	5.88	6.10	26.39
Diluted (Rs.)	3.87	5.88	6.10	26.39
	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Annualized)
See accompanying notes to financial results				



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**BALANCE SHEET AS AT JUNE 30, 2020**  
(All amounts are in Millions of Indian Rupees, unless otherwise stated)

Particulars	As at June 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
	<b>I ASSETS</b>	
<b>1 Financial assets</b>		
a) Cash and cash equivalents	5,500.56	1,719.28
b) Bank Balance other than (a) above	1,327.62	1,423.79
c) Trade Receivables	0.17	1.60
d) Loans	20,950.70	20,888.68
e) Investments	-	-
f) Other Financial assets	553.56	872.05
<b>2 Non-financial Assets</b>		
a) Current tax assets (Net)	-	5.88
b) Deferred tax assets (Net)	35.52	46.52
c) Investment Property	1.10	1.10
d) Property, Plant and Equipment	45.14	53.73
e) Right of use assets	82.18	91.89
f) Other Intangible assets	12.01	13.09
g) Other non financial assets	75.88	70.27
<b>TOTAL ASSETS</b>	<b>28,584.44</b>	<b>25,187.88</b>
<b>II LIABILITIES AND EQUITY</b>		
<b>1 Financial Liabilities</b>		
a) Derivative financial instruments	-	-
b) Payables		
(i) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.87	-
(ii) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.69	-
c) Debt Securities	1,833.43	369.90
d) Borrowings (other than debt securities)	19,639.42	17,541.68
e) Subordinated Liabilities	1,044.94	1,044.09
f) Other Financial liabilities	653.50	975.52
<b>2 Non-financial Liabilities</b>		
a) Current tax liabilities (net)	15.82	-
b) Provisions	66.25	58.07
c) Other non-financial liabilities	193.94	220.34
<b>3 Equity</b>		
a) Equity share capital	375.21	375.21
b) Other equity	4,755.37	4,603.07
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>28,584.44</b>	<b>25,187.88</b>
See accompanying notes to financial results		





**BELSTAR MICROFINANCE LIMITED**  
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**Cash Flow Statement for the period ended June 30, 2020**

(All amounts are in Millions of Indian Rupees, unless otherwise stated)

Particulars	For the period ended June 30, 2020	For the year ended March 31, 2020
Operating activities		
<b>Profit before tax</b>	<b>188.12</b>	<b>1,332.45</b>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	22.20	90.80
Impairment on financial instruments	71.02	229.50
Finance cost	524.89	1,821.85
Realised gain on investment held for trading	(3.66)	(66.75)
Interest income on deposits	(37.92)	(99.99)
Profit on sale of asset	-	(0.17)
<b>Operating Profit Before Working Capital Changes</b>	<b>764.65</b>	<b>3,307.69</b>
Working capital changes		
(Increase) / Decrease in Trade receivables	1.43	6.86
(Increase) / Decrease in Loans	(120.35)	(4,720.44)
(Increase) / Decrease in Other financial asset	311.72	(296.64)
(Increase) / Decrease in Other non financial asset	(5.61)	(17.20)
Increase / (Decrease) in Trade and Other payables	6.56	-
Increase / (Decrease) in Other liabilities	(416.21)	586.62
Increase / (Decrease) in Provision	7.86	9.88
<b>Cash flows from/(used in) operating activities before tax</b>	<b>550.05</b>	<b>(1,123.23)</b>
Interest paid on borrowings	(446.05)	(1,891.16)
Income tax paid	(15.48)	(299.72)
<b>Net cash flows from/(used in) operating activities</b>	<b>88.52</b>	<b>(3,314.11)</b>
<b>Investing activities</b>		
Acquisition of fixed and intangible assets	(2.83)	(73.43)
Acquisition of investment property	-	-
Realised gain on investment held for trading	3.66	66.75
Proceeds from sale of fixed assets	-	0.31
Investment in fixed deposits	96.17	(328.92)
Interest received on deposits	44.69	80.02
<b>Net cash flows from/(used in) investing activities</b>	<b>141.69</b>	<b>(255.27)</b>
<b>Financing activities</b>		
Proceeds from issue of shares	-	-
Net receipts/Payments from borrowings	3,562.12	3,158.15
Interest paid on Lease liabilities	(2.62)	(10.02)
Payment towards Lease liabilities	(8.42)	(25.07)
Dividend paid on equity shares	-	(22.62)
<b>Net cash flows from financing activities</b>	<b>3,551.08</b>	<b>3,100.44</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,781.28</b>	<b>(468.95)</b>
Net foreign exchange difference	-	-
Cash and cash equivalents at 1 April	1,719.28	2,188.23
<b>Cash and cash equivalents at reporting date</b>	<b>5,500.56</b>	<b>1,719.28</b>



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**NOTES TO FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020**

(All amounts are in Millions of Indian Rupees, unless otherwise stated)

- 1 The above results for the period ended June 30, 2020 have been reviewed by the Statutory Auditors of the Company and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 29, 2020, in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
- 2 The Company operates in a single business segment i.e. lending to customers. having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.
- 3 The secured Non-Convertible Debt. Securities of the company as on June 30, 2020 are secured by first pari-passu charge by way of hypothecation, over standard present and future receivables. The total assets cover required thereof has been maintained as per the terms and conditions stated in the Debenture Trust Deed.
- 4 COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in economic activities. The impact of the same is also seen in the microfinance borrowers with whom the Company is dealing . On March 24, 2020, the Indian Government announced a strict 21 day lockdown which was further extended till May 31, 2020 across the Country to contain the spread of the virus. On June 01, 2020 the respective state Government announced phased reopening of certain activities outside specified containment zones while the lockdown also was extended in some of the states till July 31, 2020.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company has proposed a moratorium of three months on the payment of all instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections made already made in the month of March 31, 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification). Further in line with the additional regulatory package guidelines announced by RBI on May 23, 2020, the Company has further granted additional three months moratorium on instalments and or interest as applicable to all its eligible borrowers due between June 01, 2020 and August 31, 2020.

The Company based on current information available, has analysed various scenarios and applied management estimates on the proposed collection trend for the demand and created an additional COVID 19 provision based on approval from the board . The provision held by the Company are in excess of the RBI prescribed norms.

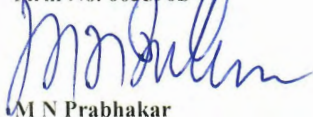
Based on relaxations granted in the lockdown rules, a significant number of branches of the company are operational and the employees in these branches are permitted to work in accordance with the extent guidelines issued by the Ministry of Home Affairs, Government of India and respective state governments.

- 5 The standalone financial results for the quarter ended March 31, 2020 are the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the nine months of the relevant financial year which were subject to limited review by statutory auditor
- 6 These results for the quarter ended June 30, 2020 have been subjected to "Limited Review" by the Statutory Auditors of the
- 7 Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period presentaion.

For M/s. N. Sankaran & Co.

Chartered Accountants

Firm No. 003590S



M N Prabhakar

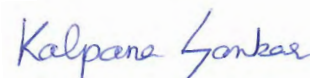
Partner

M. No.207188

Place: Chennai

Date: 29-07-2020

for and on behalf of the Board of Directors of **Belstar Microfinance Limited**  
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Dr. Kalpana Sankar

Managing Director







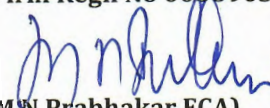
**INDEPENDENT AUDITORS' REVIEW REPORT ON QUARTERLY STANDALONE FINANCIAL RESULTS**

**Review Report**

**To The Board of Directors of Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited)**

1. We have reviewed the accompanying statement of Ind AS unaudited financial results of M/s Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited) ('the Company') for the quarter ended June 30, 2020 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), as amended.
2. These interim financial statements are the responsibility of the Company's management and have been approved by the Board of Directors of the company in its meeting held on July 29, 2020. Our responsibility is to express an opinion on the Statement based on our review of such interim financial statements, which has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India and the relevant requirements of the Regulation and the Circular.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. The review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For N.SANKARAN & CO  
Chartered Accountants  
Firm Regn No 003590S**

  
**(M N Prabhakar FCA)**

**Partner**

**Membership No. 207188  
UDIN:20207188AAAABR5017**



**Place: Chennai  
Date: July 29, 2020**