



## LIMITED REVIEW REPORT

### 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 unaudited financial results of M/s Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited) ('the Company') for the quarter and nine months ended December 31, 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, 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 January 29, 2021. Our responsibility is to express an opinion on the Statement based on our review of such interim financial statements, which have been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard (Ind AS34) "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.





**N. SANKARAN & CO.**  
**CHARTERED ACCOUNTANTS**

**1-A, RAJA ANNAMALAI BUILDING,  
2nd FLOOR, NO. 72,  
MARSHALLS ROAD, EGMORE,  
CHENNAI - 600 008.  
Phone : 2855 4090 / 4214 8283  
Fax : 2855 5009  
e-mail : nsankaranandco@gmail.com**

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.
5. We draw attention to Note 4 to the financial results in which the Company describes the uncertainties arising from the COVID 19 pandemic and its impact on the Company.

Our conclusion on the statement is not modified in respect of this matter.

Place: Chennai  
Date: January 29, 2021



for **N Sankaran & Co**  
Chartered Accountants  
FRN 003590S

**M N Prabhakar FCA**  
Partner  
M No 207188  
UDIN : 21207188AAAAAI8456

**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 QUARTER AND NINE MONTHS ENDED DECEMBER 31 , 2020**

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

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Revenue from operations</b>						
(i) Interest income	1,437.07	1,279.54	1,201.03	3,881.01	3,408.11	4,649.45
(ii) Sale of services	9.45	4.71	1.36	14.72	7.64	10.64
(iii) Net gain on fair value changes on investments	2.66	6.72	18.32	13.03	49.12	66.75
(iv) Net gain on derecognition of financial instruments	-	25.76	108.38	-	206.60	266.76
<b>Total Revenue from operations</b>	<b>1,449.18</b>	<b>1,316.73</b>	<b>1,329.09</b>	<b>3,908.76</b>	<b>3,671.47</b>	<b>4,993.60</b>
(II) Other Income	4.45	3.45	3.48	10.00	9.17	13.87
<b>Total Income (I + II)</b>	<b>1,453.63</b>	<b>1,320.18</b>	<b>1,332.57</b>	<b>3,918.76</b>	<b>3,680.64</b>	<b>5,007.47</b>
<b>Expenses</b>						
(i) Finance cost	604.47	585.74	481.21	1,715.10	1,324.57	1,821.85
(ii) Fee and commission expenses	32.00	34.62	28.25	90.14	58.75	99.07
(iii) Net loss on derecognition of financial instruments	53.56	-	-	27.80	-	-
(iv) Impairment of financial instruments	267.77	96.03	91.14	434.82	188.68	229.50
(v) Employee benefit expenses	320.28	290.77	285.14	887.38	752.14	1,050.93
(vi) Depreciation, amortization and impairment	21.78	23.73	35.92	67.71	65.61	90.80
(vii) Other expenses	98.05	92.99	76.90	255.68	264.37	382.87
<b>Total Expenses (IV)</b>	<b>1,397.91</b>	<b>1,123.88</b>	<b>998.56</b>	<b>3,478.63</b>	<b>2,654.12</b>	<b>3,675.02</b>
<b>Profit/(loss) before tax (III- IV)</b>	<b>55.72</b>	<b>196.30</b>	<b>334.01</b>	<b>440.13</b>	<b>1,026.52</b>	<b>1,332.45</b>
(VI) Tax Expense:						
(1) Current tax	81.38	63.26	58.43	200.76	217.15	291.45
(2) Deferred tax	(51.83)	(17.57)	15.67	(82.63)	40.14	51.01
(3) Earlier years adjustments	(27.83)	-	-	(27.83)	-	-
<b>Profit/(loss) for the period</b>	<b>54.00</b>	<b>150.61</b>	<b>259.91</b>	<b>349.83</b>	<b>769.23</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	-	0.39	(0.18)	0.07	(1.65)	(1.28)
(ii) Tax impact thereon	-	(0.10)	0.04	(0.02)	0.42	0.32
<b>Subtotal (A)</b>	<b>-</b>	<b>0.29</b>	<b>(0.14)</b>	<b>0.05</b>	<b>(1.24)</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	(6.59)	(20.38)	(27.93)	(17.19)	(13.04)	(0.25)
(ii) Tax impact thereon	1.66	5.13	7.10	4.33	3.28	0.06
<b>Subtotal (B)</b>	<b>(4.93)</b>	<b>(15.25)</b>	<b>(20.83)</b>	<b>(12.86)</b>	<b>(9.76)</b>	<b>(0.19)</b>
<b>Other Comprehensive Income (A + B)</b>	<b>(4.93)</b>	<b>(14.96)</b>	<b>(20.97)</b>	<b>(12.81)</b>	<b>(11.00)</b>	<b>(1.15)</b>
<b>Total Comprehensive Income for the period</b>	<b>49.07</b>	<b>135.65</b>	<b>238.94</b>	<b>337.02</b>	<b>758.23</b>	<b>988.84</b>
<b>Earnings per equity share</b>						
Basic (Rs.)	1.44	4.01	6.93	9.32	20.50	26.39
Diluted (Rs.)	1.44	4.01	6.93	9.32	20.50	26.39
	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Annualized)
<b>See accompanying notes to financial results</b>						



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**NOTES TO FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020**  
(All amounts are in Millions of Indian Rupees, unless otherwise stated)

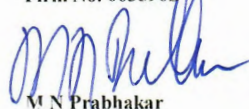
- 1 The above results for the quarter and nine months ended December 31, 2020 have been reviewed by the Statutory Auditors of the Company and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 29, 2021, in accordance with the 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 December 31, 2020 are secured by first pari-passeu 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 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and corresponding slowdown in the economic activities. The Reserve Bank of India (RBI) had issued guidelines relating to COVID-19 Regulatory Package and in accordance therewith, the Company had provided a moratorium on the payment of all principal amount and/or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as standard, even if the said amounts were overdue on February 29, 2020. For all such accounts, where the moratorium was granted, the asset classification remained standstill during the moratorium period (i.e., the number of days past due shall exclude the moratorium period for the purpose of asset classification as per the policy).

Given the uncertainty over the potential macro-economic impact and external developments including the final decision of the Honourable Supreme Court of India in a public interest litigation ( Gajendra Sharma vs Union of India & Anr ) vide an interim order dated September 3, 2020 has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further order, Basis the said interim order, the Company has not classified any account which was not NPA as of 31st Aug 20 as per the RBI IRAC norms, as NPA after August 31, 2020. Accordingly, provision for such borrowers have been made appropriately and in accordance with the Company's expected credit policy. Based on the current indicators of future economic conditions, the Company considers these provisions are adequate.

The extent to which the pandemic will impact future results of the company will depend on future developments, which are highly uncertain. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from the ones estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future periods. The provision held by the Company are in excess of the RBI prescribed norms.

- 5 These results for the quarter and nine months ended December 31 2020 have been subjected to "Limited Review" by the Statutory Auditors of the Company
- 6 Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period presentation.

For M/s. N. Sankaran & Co.  
Chartered Accountants  
Firm No. 0035908

  
M.N. Prabhakar

Partner  
M. No. 207188  
Place: Chennai  
Date: January 29, 2021



For and on behalf of the Board of Directors of Belstar Microfinance Limited  
(Formerly known as Belstar Investment and Finance Private Limited)

  
Kalpana Sankar

Managing Director

