

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 HALF YEAR AND YEAR ENDED MARCH 31 , 2021
(All amounts are in Millions of Indian Rupees, unless otherwise stated)

Particulars		For the half year ended	For the half year ended	For the year ended	For the year ended
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
		(Audited)*	(Audited)*	(Audited)	(Audited)
	Revenue from operations				
	(i) Interest income	2,998.42	2,442.37	5,442.37	4,649.45
	(ii) Sale of services	22.89	4.36	28.15	10.64
	(iii) Net gain on fair value changes on investments	3.46	35.95	13.84	66.75
	(iv) Net gain on derecognition of financial instruments	6.10	168.54	31.86	266.76
(I)	Total Revenue from operations	3,030.87	2,651.22	5,516.22	4,993.60
(II)	Other Income	9.82	8.18	15.37	13.87
(III)	Total Income (I + II)	3,040.69	2,659.40	5,531.59	5,007.47
	Expenses				
	(i) Finance cost	1,233.93	978.49	2,344.55	1,821.85
	(ii) Fee and commission expenses	70.89	68.58	129.03	99.07
	(iii) Impairment of financial instruments	640.50	131.96	807.55	229.50
	(iv) Employee benefit expenses	650.55	583.92	1,217.65	1,050.93
	(v) Depreciation, amortization and impairment	46.62	61.11	92.55	90.80
	(vi) Other expenses	212.50	195.40	370.14	382.87
(IV)	Total Expenses (IV)	2,854.99	2,019.46	4,961.47	3,675.02
(V)	Profit/(loss) before tax (III- IV)	185.70	639.94	570.12	1,332.45
(VI)	Tax Expense:				
	(1) Current tax	141.97	132.73	261.36	291.45
	(2) Deferred tax	(119.71)	26.53	(150.50)	51.01
	(3) Earlier years adjustments	(7.25)	-	(7.25)	-
(VII)	Profit/(loss) for the period	170.69	480.68	466.51	989.99
(VIII)	Other Comprehensive Income				
	A Items that will not be classified to profit or loss				
	(i) Actuarial Loss on defined benefit obligation	2.93	0.19	2.99	(1.28)
	(ii) Tax impact thereon	(0.74)	(0.05)	(0.75)	0.32
	Subtotal (A)	2.19	0.14	2.24	(0.96)
	B Items that will be classified to profit or loss				
	(i) Fair value gain on debt instruments measured at FVOCI	0.76	(15.14)	(9.84)	(0.25)
	(ii) Tax impact thereon	(0.19)	3.88	2.48	0.06
	Subtotal (B)	0.57	(11.26)	(7.36)	(0.19)
	Other Comprehensive Income (A + B)	2.76	(11.12)	(5.12)	(1.15)
(IX)	Total Comprehensive Income for the period	173.45	469.56	461.39	988.84
(X)	Earnings per equity share				
	Basic (Rs.)	4.55	12.81	12.43	26.39
	Diluted (Rs.)	4.55	12.81	12.43	26.39
		(Not Annualized)	(Not Annualized)	(Annualized)	(Annualized)
	See accompanying notes to financial results				

Kalpana Sankar



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BALANCE SHEET AS AT MARCH 31, 2021

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

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	(Audited)	(Audited)
I ASSETS		
1 Financial assets		
a) Cash and cash equivalents	4,521.23	1,719.28
b) Bank Balance other than (a) above	1,256.62	1,423.79
c) Trade Receivables	3.14	1.60
d) Loans	27,837.47	20,888.68
e) Investments	-	-
f) Other Financial assets	625.47	872.05
2 Non-financial Assets		
a) Current tax assets (Net)	-	5.88
b) Deferred tax assets (Net)	195.84	46.52
c) Investment Property	1.10	1.10
d) Property, Plant and Equipment	35.76	53.73
e) Right of use assets	72.89	91.89
f) Other Intangible assets	13.31	13.09
g) Intangible assets under development	0.55	-
h) Other non financial assets	109.50	70.27
TOTAL ASSETS	34,672.88	25,187.88
II LIABILITIES AND EQUITY		
1 Financial Liabilities		
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	5.73	-
(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	2.31	-
c) Debt Securities	5,284.95	369.90
d) Borrowings (other than debt securities)	21,032.99	17,541.68
e) Subordinated Liabilities	1,638.42	1,044.09
f) Other Financial liabilities	1,051.27	975.52
2 Non-financial Liabilities		
a) Current tax liabilities (net)	20.34	-
b) Provisions	50.97	58.07
c) Other non-financial liabilities	168.74	220.34
3 Equity		
a) Equity share capital	375.21	375.21
b) Other equity	5,041.95	4,603.07
TOTAL LIABILITIES AND EQUITY	34,672.88	25,187.88
See accompanying notes to financial results		



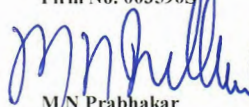
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NOTES TO FINANCIAL RESULTS FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2021

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

- 1 The above results for the period ended March 31, 2021 have been audited 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 April 29, 2021, in accordance with the requirements of Regulation 52 (1) 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 March 31, 2021 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 The Company had recognized provision on loans for which moratorium was granted in accordance with the COVID-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated March 27, 2020, April 17, 2020 and May 23, 2020. The provision amount is reviewed regularly and is adjusted against the ECL provision when these loans are classified as impaired.
- 5 During the year ended March 31, 2021, the Company has restructured loan accounts vide Reserve Bank of India circulars on Resolution framework for COVID-19 related stress and restructuring of advances dated August 06, 2020 and the Company has recognized provision on such restructured accounts in accordance with its Expected Credit Loss policy.
- 6 The Honourable Supreme Court of India vide order dated March 23, 2021 has stated that interim relief granted vide an interim order dated September 03, 2020 stands vacated. Accordingly, the Company has classified and recognised provision as at March 31, 2021 in accordance with the Company's Expected Credit Loss policy.
- 7 RBI circular dated April 07, 2021 advised all lending institutions to immediately put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 01, 2020 to August 31, 2020. Since the Company has not charged interest on interest to borrowers during such period, the above circular is not applicable.
- 8 The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact, if any, in the financial result following the Code becoming effective and the related rules being framed and notified.
- 9 For FY 2020-21 the Board in its meeting held on April 29, 2021 recommended a final dividend of Rs. 0.30/- per equity share. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.
- 10 *The standalone financial results for the half year ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the half year of the current financial year which were subject to limited review
- 11 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. 003590S



M/N Prabhakar
Partner
M. No.207188
Place: Chennai
Date: April 29, 2021



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


Dr. Kalpana Sankar
Managing Director





Independent Auditors Report

To The Board of Directors of M/s Belstar Microfinance Limited

Opinion

We have audited the accompanying statement of Ind AS financial results of **M/s Belstar Microfinance Limited** (formerly known as M/s Belstar Investment and Finance Private Limited) ('the Company') for the half year and year ended 31 March, 2021 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the annual financial results for the year ended 31st March 2021:

- a) are presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') in this regard, and
- b) give a true and fair view of state of affairs as at 31 March 2021 and net profit for the year and half year ended 31 March 2021 and other financial information, in conformity with Indian Accounting Standard issued under section 133 of Companies Act, 2013 read with relevant rules issued there under.

Basis of opinion

We conducted our audit in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Companies Act, 2013 ("the Act"). We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial results.

Management Responsibility

This Statement, which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited financial statements for the year ended March 31, 2021. This responsibility includes the preparation and presentation of the Financial Results for the year ended March 31, 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations.





This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In Preparing the Financial Results, the Management and the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for audit of Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2021 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

As part of an audit in accordance with SA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.





N. SANKARAN & CO.
CHARTERED ACCOUNTANTS

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- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

Date: 29th April, 2021

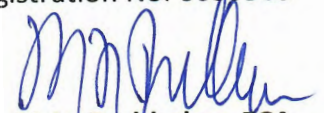
Place: Chennai



For N.SANKARAN & CO.

Chartered Accountants

Firm Registration No. 0035905


M.N. Prabhakar, FCA

Partner

Membership No. 207188

UDIN: 21207188AAAABZ9723