



## 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 three months ended June 30, 2021 ('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 July 23, 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.
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.





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

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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: July 23, 2021



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

**M N Prabhakar FCA**

Partner

M No 207188

UDIN: 21207188AAAACV5668



**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 ENDED JUNE 30 , 2021**

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

Particulars		Quarter ended			Year ended
		30-Jun-21 (Unaudited)	31-Mar-21 (Unaudited)	30-Jun-20 (Unaudited)	31-Mar-21 (Audited)
	<b>Revenue from operations</b>				
(i)	Interest income	1,630.84	1,561.36	1,164.40	5,442.37
(ii)	Sale of services	3.65	13.43	0.56	28.15
(iii)	Net gain on fair value changes on investments	-	0.80	3.66	13.84
(iv)	Net gain on derecognition of financial instruments	-	59.66	-	31.86
(I)	<b>Total Revenue from operations</b>	<b>1,634.49</b>	<b>1,635.25</b>	<b>1,168.62</b>	<b>5,516.22</b>
(II)	Other Income	0.65	5.37	2.10	15.37
(III)	<b>Total Income (I + II)</b>	<b>1,635.14</b>	<b>1,640.62</b>	<b>1,170.72</b>	<b>5,531.59</b>
	<b>Expenses</b>				
(i)	Finance cost	680.16	629.45	524.89	2,344.55
(ii)	Fee and commission expenses	44.15	38.89	23.51	129.03
(iii)	Net Loss on derecognition of financial instruments	119.60	-	-	-
(iv)	Impairment of financial instruments	334.41	372.73	71.02	807.55
(v)	Employee benefit expenses	327.19	330.27	276.33	1,217.65
(vi)	Depreciation, amortization and impairment	20.58	24.84	22.20	92.55
(vii)	Other expenses	89.53	114.46	64.64	370.14
(IV)	<b>Total Expenses (IV)</b>	<b>1,615.62</b>	<b>1,510.64</b>	<b>982.60</b>	<b>4,961.47</b>
(V)	<b>Profit/(loss) before tax (III- IV)</b>	<b>19.52</b>	<b>129.98</b>	<b>188.12</b>	<b>570.12</b>
(VI)	Tax Expense:				
	(1) Current tax	112.48	81.18	56.12	261.36
	(2) Deferred tax	(113.37)	(67.88)	(13.23)	(150.52)
	(3) Earlier years adjustments	-	-	-	(7.25)
(VII)	<b>Profit/(loss) for the period</b>	<b>20.41</b>	<b>116.68</b>	<b>145.22</b>	<b>466.51</b>
(VIII)	<b>Other Comprehensive Income</b>				
A	<b>Items that will not be classified to profit or loss</b>				
	(i) Actuarial Loss on defined benefit obligation	-	2.93	(0.32)	2.99
	(ii) Tax impact thereon	-	(0.74)	0.08	(0.75)
	<b>Subtotal (A)</b>	<b>-</b>	<b>2.19</b>	<b>(0.24)</b>	<b>2.24</b>
B	<b>Items that will be classified to profit or loss</b>				
	(i) Fair value gain on debt instruments measured at FVOCI	(8.27)	7.35	9.78	(9.84)
	(ii) Tax impact thereon	2.08	(1.85)	(2.46)	2.48
	<b>Subtotal (B)</b>	<b>(6.19)</b>	<b>5.50</b>	<b>7.32</b>	<b>(7.36)</b>
	<b>Other Comprehensive Income (A + B)</b>	<b>(6.19)</b>	<b>7.69</b>	<b>7.08</b>	<b>(5.12)</b>
(IX)	<b>Total Comprehensive Income for the period</b>	<b>14.22</b>	<b>124.37</b>	<b>152.30</b>	<b>461.39</b>
(X)	<b>Earnings per equity share</b>				
	Basic (Rs.)	0.54	3.11	3.87	12.43
	Diluted (Rs.)	0.54	3.11	3.87	12.43
		(Not Annualized)	(Not Annualized)	(Not Annualized)	(Annualized)
See accompanying notes to financial results					



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Website:www.belstar.in

**BALANCE SHEET AS AT JUNE 30, 2021**

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

Particulars	As at	As at
	June 30, 2021	March 31, 2021
	(Unaudited)	(Audited)
<b>I ASSETS</b>		
<b>1 Financial assets</b>		
a) Cash and cash equivalents	2,644.29	4,521.23
b) Bank Balance other than (a) above	1,161.35	1,256.62
c) Trade Receivables	3.78	3.14
d) Loans	26,453.31	27,837.47
e) Investments	-	-
f) Other Financial assets	463.90	625.47
<b>2 Non-financial Assets</b>		
a) Current tax assets (Net)	-	-
b) Deferred tax assets (Net)	311.30	195.84
c) Investment Property	1.10	1.10
d) Property, Plant and Equipment	30.11	35.76
e) Right of use assets	66.75	72.89
f) Other Intangible assets	10.85	13.31
g) Intangible assets under development	0.55	0.55
h) Other non financial assets	116.18	109.50
<b>TOTAL ASSETS</b>	<b>31,263.47</b>	<b>34,672.88</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	3.95	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	8.06	2.31
c) Debt Securities	5,201.41	5,284.95
d) Borrowings (other than debt securities)	17,922.71	21,032.99
e) Subordinated Liabilities	1,639.64	1,638.42
f) Other Financial liabilities	761.94	1,051.27
<b>2 Non-financial Liabilities</b>		
a) Current tax liabilities (net)	76.60	20.34
b) Provisions	61.68	50.97
c) Other non-financial liabilities	156.09	168.74
<b>3 Equity</b>		
a) Equity share capital	375.21	375.21
b) Other equity	5,056.19	5,041.95
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>31,263.47</b>	<b>34,672.88</b>
See accompanying notes to financial results		





**BELSTAR MICROFINANCE LIMITED**  
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**Cash Flow Statement for the period ended June 30, 2021**  
(All amounts are in Millions of Indian Rupees, unless otherwise stated)

Particulars	For the period ended June 30, 2021	For the period ended June 30, 2020
Operating activities		
<b>Profit before tax</b>	<b>19.53</b>	<b>188.12</b>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	20.58	22.20
Impairment on financial instruments	334.41	71.02
Finance cost	680.16	524.89
Realised gain on investment held for trading	-	(3.66)
Interest income on deposits	(50.38)	(37.92)
Profit on sale of asset	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>1,004.30</b>	<b>764.65</b>
Working capital changes		
(Increase) / Decrease in Trade receivables	(0.64)	1.43
(Increase) / Decrease in Loans	1,041.48	(120.35)
(Increase) / Decrease in Other financial asset	152.90	311.72
(Increase) / Decrease in Other non financial asset	(6.68)	(5.61)
Increase / (Decrease) in Trade and Other payables	3.96	6.56
Increase / (Decrease) in Other liabilities	(264.15)	(416.21)
Increase / (Decrease) in Provision	10.71	7.86
<b>Cash flows from/(used in) operating activities before tax</b>	<b>1,941.89</b>	<b>550.05</b>
Interest paid on borrowings	(686.47)	(446.05)
Income tax paid	(56.22)	(15.48)
<b>Net cash flows from/(used in) operating activities</b>	<b>1,199.20</b>	<b>88.52</b>
<b>Investing activities</b>		
Acquisition of fixed and intangible assets	(1.16)	(2.83)
Acquisition of investment property	-	-
Realised gain on investment held for trading	-	3.66
Proceeds from sale of fixed assets	-	-
Investment in fixed deposits	95.27	96.17
Interest received on deposits	58.96	44.69
<b>Net cash flows from/(used in) investing activities</b>	<b>153.07</b>	<b>141.69</b>
<b>Financing activities</b>		
Proceeds from issue of shares	-	-
Net receipts/Payments from borrowings	(3,216.45)	3,562.12
Interest paid on Lease liabilities	(2.28)	(2.62)
Payment towards Lease liabilities	(10.49)	(8.42)
Dividend paid on equity shares	-	-
<b>Net cash flows from financing activities</b>	<b>(3,229.21)</b>	<b>3,551.08</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,876.94)</b>	<b>3,781.28</b>
Net foreign exchange difference	-	-
Cash and cash equivalents at 1 April	4,521.23	1,719.28
<b>Cash and cash equivalents at reporting date</b>	<b>2,644.29</b>	<b>5,500.56</b>



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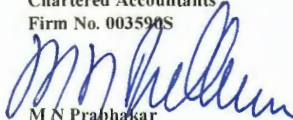
**NOTES TO FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021**  
(All amounts are in Millions of Indian Rupees, unless otherwise stated)

- 1 The above results for the period ended June 30, 2021 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 23, 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 June 30, 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 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 extent of impact that the second wave of Covid 19 pandemic on results of the company will depend on future developments, lockdowns, collection trends 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 digitisation initiatives undertaken by company over the last few months has strengthened our ability to deal with the pandemic challenge by reaching out to our customers. The Company has developed estimates and applied management overlays for the purpose of determination of the provision for impairment of financial assets and provision held by the Company are in excess of the RBI prescribed norms.
- 5 Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 pertaining to Resolution Framework for COVID-19-related Stress

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan**
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	50,144	715.15	-	-	121.57
<b>Total</b>	<b>50,144</b>	<b>715.15</b>	<b>-</b>	<b>-</b>	<b>121.57</b>

- 6 During the quarter ended June 30, 2021, the Company has implemented resolution plan in line with RBI Circular No RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 for providing relief to Members who were impacted on account of Covid 19 pandemic related stress. The Resolution plan are based on the parameters laid down in line with RBI circular and does not include borrowers to whom resolution were already implemented as per Resolution Framework 1.0. The Company has recognized provision on such restructured accounts in accordance with its Expected Credit Loss policy after taking into consideration provisioning norms laid down in above circular. The Resolution were duly approved by Board of Directors of the company.
- 7 These results for the period ended June 30, 2021 have been subjected to "Limited Review" by the Statutory Auditors of the Company
- 8 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: July 23, 2021



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

  
Dr. Kalpanaa Sankar  
Managing Director

