



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 Belstar Microfinance Limited (Formerly known as Belstar Investment and Finance Private Limited) (the Company) for the quarter and six months ended 30 September 2021 ('the Statement').
2. This statement is the responsibility of the Company's Management and approved by its Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard – 34 'Interim Financial Reporting' ('IND AS 34') prescribed under section 133 of Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures 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 applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Emphasis of matter paragraph

5. We draw attention to Note 6 of 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: 26.10.2021



For N Sankaran & Co.
Chartered Accountants
FRN 003590S


M N Prabhakar, FCA

Partner

M.No. 207188

UDIN: 21207188AAAADT6206

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 HALF YEAR ENDED SEPTEMBER 30, 2021
(All amounts are in Millions of Indian Rupees, unless otherwise stated)

Particulars	Quarter ended			Period ended		Year ended
	30-Sep-21	30-Jun-21	30-Sep-20	30-Sep-21	30-Sep-20	31-Mar-21
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
(i) Interest income	1,485.81	1,511.24	1,305.30	2,997.05	2,469.71	5,229.37
(ii) Sale of services	10.17	3.65	4.71	13.82	5.27	28.15
(iii) Net gain on fair value changes on investments	2.49	-	6.72	2.49	10.37	13.84
(iv) Net gain on derecognition of financial instruments	-	-	-	-	-	244.86
Total Revenue from operations	1,498.47	1,514.89	1,316.73	3,013.36	2,485.35	5,516.22
(II) Other Income	2.22	0.65	3.45	2.87	5.55	15.37
Total Income (I + II)	1,500.69	1,515.54	1,320.18	3,016.23	2,490.90	5,531.59
Expenses						
(i) Finance cost	656.17	680.16	585.74	1,336.33	1,110.62	2,344.55
(ii) Fee and commission expenses	49.48	44.15	34.62	93.63	58.14	129.03
(iii) Impairment of financial instruments	243.72	334.41	96.03	578.13	167.05	807.55
(iv) Employee benefit expenses	397.96	327.19	290.77	725.15	567.10	1,217.65
(v) Depreciation, amortization and impairment	13.59	20.58	23.73	34.17	45.94	92.55
(vi) Other expenses	118.14	89.53	92.99	207.67	157.63	370.14
Total Expenses (IV)	1,479.06	1,496.02	1,123.88	2,975.08	2,106.48	4,961.47
Profit/(loss) before tax (III- IV)	21.63	19.52	196.30	41.15	384.42	570.12
(VI) Tax Expense:						
(i) Current tax	83.18	112.48	63.26	195.66	119.39	261.36
(ii) Deferred tax	(83.60)	(113.37)	(17.57)	(196.97)	(30.80)	(150.52)
(iii) Earlier years adjustments	-	-	-	-	-	(7.25)
Profit/(loss) for the period	22.05	20.41	150.61	42.46	295.83	466.51
(VIII) Other Comprehensive Income						
A Items that will not be classified to profit or loss						
(i) Actuarial Loss on defined benefit obligation	(2.71)	-	0.39	(2.71)	0.07	2.99
(ii) Tax impact thereon	0.68	-	(0.10)	0.68	(0.02)	(0.75)
Subtotal (A)	(2.03)	-	0.29	(2.03)	0.05	2.24
B Items that will be classified to profit or loss						
(i) Fair value gain on debt instruments measured at FVOCI	10.13	(8.27)	(20.38)	1.86	(10.60)	(9.84)
(ii) Tax impact thereon	(2.55)	2.08	5.13	(0.47)	2.67	2.48
Subtotal (B)	7.58	(6.19)	(15.25)	1.39	(7.93)	(7.36)
Other Comprehensive Income (A + B)	5.55	(6.19)	(14.96)	(0.64)	(7.88)	(5.12)
Total Comprehensive Income for the period	27.60	14.22	135.65	41.82	287.95	461.39
(IX) Earnings per equity share						
Basic (Rs.)	0.59	0.54	4.01	1.13	7.88	12.43
Diluted (Rs.)	0.59	0.54	4.01	1.13	7.88	12.43
	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Annualized)
See accompanying notes to financial results						



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BALANCE SHEET AS AT SEPTEMBER 30, 2021
(All amounts are in Millions of Indian Rupees, unless otherwise stated)

Particulars	As at	As at	As at
	September 30, 2021	March 31, 2021	September 30, 2020
	(Unaudited)	(Audited)	(Unaudited)
I ASSETS			
1 Financial assets			
a) Cash and cash equivalents	2,738.69	4,521.23	4,409.52
b) Bank Balance other than (a) above	1,149.56	1,256.62	1,288.83
c) Trade Receivables	5.96	3.14	6.39
d) Loans	30,152.82	27,837.47	22,930.17
e) Investments	-	-	-
f) Other Financial assets	345.71	625.47	620.17
2 Non-financial Assets			
a) Current tax assets (Net)	-	-	-
b) Deferred tax assets (Net)	393.03	195.84	77.06
c) Investment Property	1.10	1.10	1.10
d) Property, Plant and Equipment	34.56	35.76	38.64
e) Right of use assets	87.45	72.89	86.17
f) Other Intangible assets	9.07	13.31	10.40
g) Intangible assets under development	-	0.55	-
h) Other non financial assets	122.71	109.50	75.57
TOTAL ASSETS	35,040.66	34,672.88	29,544.02
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	5.07	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	2.19	2.31	3.58
c) Debt Securities	5,055.51	5,284.95	4,346.46
d) Borrowings (other than debt securities)	21,877.48	21,032.99	17,186.67
e) Subordinated Liabilities	1,640.92	1,638.42	1,735.94
f) Other Financial liabilities	593.79	1,051.27	770.65
2 Non-financial Liabilities			
a) Current tax liabilities (net)	67.58	20.34	26.71
b) Provisions	53.78	50.97	33.78
c) Other non-financial liabilities	296.59	168.74	196.51
3 Equity			
a) Equity share capital	375.21	375.21	375.21
b) Other equity	5,072.54	5,041.95	4,868.51
TOTAL LIABILITIES AND EQUITY	35,040.66	34,672.88	29,544.02

See accompanying notes to financial results



BELSTAR MICROFINANCE LIMITED
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Cash Flow Statement for the period ended September 30, 2021

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

Particulars	For the period ended Sept 30, 2021	For the period ended Sept 30, 2020	For the Year ended Mar 31, 2021
Operating activities			
Profit before tax	41.15	384.42	570.12
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation & amortisation	34.17	45.93	92.55
Impairment on financial instruments	578.12	167.05	807.55
Finance cost	1,336.33	1,110.62	2,344.55
Realised gain on investment held for trading	(2.49)	(10.37)	(13.83)
Interest income on deposits	(81.96)	(82.82)	(163.26)
Profit on sale of asset	-	-	(0.13)
Operating Profit Before Working Capital Changes	1,905.32	1,614.83	3,637.55
Working capital changes			
(Increase) / Decrease in Trade receivables	(2.82)	(4.78)	(1.54)
(Increase) / Decrease in Loans	(2,891.59)	(2,216.24)	(7,763.27)
(Increase) / Decrease in Other financial asset	282.80	251.47	232.30
(Increase) / Decrease in Other non financial asset	(13.21)	(5.31)	(0.62)
Increase / (Decrease) in Trade and Other payables	(0.78)	3.58	8.05
Increase / (Decrease) in Other liabilities	(162.85)	(262.98)	(228.43)
Increase / (Decrease) in Provision	0.11	(24.22)	(4.11)
Cash flows from/(used in) operating activities before tax	(883.04)	(643.64)	(4,120.07)
Interest paid on borrowings	(1,493.41)	(1,067.45)	(2,130.41)
Income tax paid	(148.42)	(86.79)	(266.51)
Net cash flows from/(used in) operating activities	(2,524.85)	(1,797.88)	(6,516.99)
Investing activities			
Acquisition of fixed and intangible assets	(12.88)	(8.22)	(34.19)
Acquisition of investment property	-	-	-
Realised gain on investment held for trading	2.49	10.37	13.83
Proceeds from sale of fixed assets	-	-	0.18
Investment in fixed deposits	107.06	134.95	167.17
Interest received on deposits	78.27	83.02	177.10
Net cash flows from/(used in) investing activities	174.94	220.13	324.09
Financing activities			
Proceeds from issue of shares	-	-	-
Net receipts/Payments from borrowings	586.18	4,313.39	9,065.09
Interest paid on Lease liabilities	(6.45)	(5.32)	(10.33)
Payment towards Lease liabilities	(12.36)	(17.56)	(37.40)
Dividend paid on equity shares	-	(22.51)	(22.51)
Net cash flows from financing activities	567.37	4,268.00	8,994.85
Net increase in cash and cash equivalents	(1,782.54)	2,690.24	2,801.95
Net foreign exchange difference	-	-	-
Cash and cash equivalents at April 1, 2021 / April 1, 2020 / April 1, 2020	4,521.23	1,719.28	1,719.28
Cash and cash equivalents at Sept 30, 2021 / Sept 30, 2020 / March 31, 2021	2,738.69	4,409.52	4,521.23



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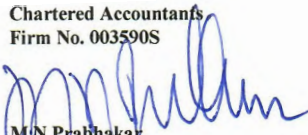
Website:www.belstar.in

NOTES TO FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021

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

- 1 The above results for the Quarter and Half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 26, 2021,
- 2 The standalone financial results has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 3 In accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a " Limited Review of standalone financial results for the quarter and half year ended September 30, 2021 have been carried out by the Statutory Auditors of the Company.
- 4 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.
- 5 The secured Non-Convertible Debt. Securities of the company as on September 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.
- 6 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 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.
- 7 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. Refer Annexure 1
- 8 Disclosure pursuant to Reserve Bank of India 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. Refer Annexure 2
- 9 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. Refer Annexure 3
- 10 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: October 26, 2021



for and on behalf of the Board of Directors of Belstar Microfinance Limited


Dr. Kalpana Sankar
Managing Director



BELSTAR MICROFINANCE LIMITED

Annexure 1

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

Format A

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 (Amount in Million)	(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* (Amount in Million)
Personal Loans	-	-	-	-	-
Corporate Persons	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	50,144	715.15	-	-	258.88
Total	50,144	715.15	-	-	258.88

* Provisions given above are total ECL calculated as per Ind AS

The Company, being NBFC, has complied with Ind-AS and its Expected Credit Loss policy duly approved by the Board for the purpose of provision on such restructured accounts.

Format B

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at end of the previous half- year (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half year	(Amount in Million) Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half year
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	715.15	391.73	-	125.89	589.26
Total	715.15	391.73	-	125.89	589.26



BELSTAR MICROFINANCE LIMITED
Annexure 2

Disclosure pursuant to Reserve Bank of India 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

Sl No	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	-	1,40,717	
(B)	Number of accounts where resolution plan has been implemented under this window	-	1,40,717	
(C)	Exposure to accounts mentioned at (B) before implementation of the plan (Amount in Million)	-	3,761.80	
(D)	Of (C), aggregate amount of debt that was converted in other securities	-	-	
(E)	Additional funding sanctioned, in any including between invocation of the plan and implementation.	-	-	
(F)	Increase in provisions on account of the implementation of the resolution plan * (Amount in Million)	-	375.08	

* Provisions given above are total ECL calculated as per Ind AS

The Company, being NBFC, has complied with Ind-AS and its Expected Credit Loss policy duly approved by the Board for the purpose of provision on

Annexure 3

Disclosure in compliance with Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the half year ended September 30, 2021

Sl No	Particulars	Ratios
1	Debt Equity Ratio	5.25
2	Debt Service Coverage Ratio	Not Applicable
3	Interest Service Coverage Ratio	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Not Applicable
5	Debenture redemption reserve	Not Applicable
6	Capital redemption reserve (Amount in Million)	500.00
7	Networth - (Amount in Million)	5,447.75
8	Net Profit after tax (Amount in Million)	42.46
9	Earning Per Share - Basic	1.13
10	Earning Per Share - Diluted	1.13
11	Current ratio	1.28
12	Long term debt to working capital;	1.91
13	Bad debts to Account receivable ratio;(%)	3.84%
14	Current liability ratio;(%)	21.92%
15	Total debts to total assets; (%)	81.55%
16	Debtors turnover;	Not Applicable
17	Inventory turnover;	Not Applicable
18	Operating margin (%);	20.53%
19	Net profit margin (%);	1.41%

