

Independent Auditors Review Report on the unaudited quarterly financial results of Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited) pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Belstar Microfinance Limited (the "Company"), for the quarter and half-year ended September 30, 2023 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), read with relevant circular issued by SEBI.
2. This Statement, which is the responsibility of the Company's Management and has been approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations read with the relevant circulars issued by SEBI. Our responsibility is to issue a report on the Statement 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's 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 the applicable Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Varma & Varma
Chartered Accountants
FRN. 004532S**

POONJAR RAMA
PRASANNA VARMA

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RAMA PRASANNA VARMA
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**P. R. Prasanna Varma
Partner**

M.No. 025854

UDIN: 23025854BGRHYX6249

Place : Chennai

Date : 7th November, 2023

BELSTAR MICROFINANCE LIMITED

CIN NO-U06599TN1988PLCD81652

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, 2023

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

Particulars	Quarter ended			Half Year ended		Year ended
	30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	(Audited)
Revenue from operations						
(i) Interest income	3,878.02	3,224.34	2,130.89	7,102.36	3,973.78	8,817.73
(ii) Fee and commission income	1.47	-	19.43	1.47	31.43	64.29
(iii) Net gain on fair value changes on investments	11.85	14.13	5.21	25.98	9.40	27.47
(iv) Net gain on de-recognition of financial instruments under amortised cost category	376.49	347.50	280.71	723.99	513.67	1,403.12
Total Revenue from operations	4,267.83	3,585.97	2,436.24	7,853.80	4,528.28	10,312.61
(II) Other Income	40.90	17.06	12.03	57.96	17.19	66.54
(III) Total Income (I + II)	4,308.73	3,603.03	2,448.27	7,911.76	4,545.47	10,379.15
Expenses						
(i) Finance cost	1,306.17	1,232.98	852.51	2,539.15	1,663.99	3,654.44
(ii) Fee and commission expenses	80.67	76.97	65.65	157.64	126.17	263.79
(iii) Net loss on fair value changes	136.40	-	-	136.40	-	193.06
(iv) Impairment of financial instruments	625.04	660.15	480.63	1,285.19	856.75	1,445.79
(v) Employee benefit expenses	754.37	681.84	546.25	1,436.21	1,021.05	2,155.78
(vi) Depreciation, amortization and impairment	34.57	27.94	31.81	62.51	58.80	118.39
(vii) Other expenses	275.33	244.95	199.86	520.28	375.39	854.83
(IV) Total Expenses (IV)	3,212.55	2,924.83	2,176.71	6,137.38	4,102.15	8,686.08
(V) Profit/(loss) before tax (III- IV)	1,096.18	678.20	271.56	1,774.38	443.32	1,693.07
(VI) Tax Expense:						
(i) Current tax	381.59	233.72	87.75	615.31	212.84	48.16
(ii) Deferred tax	(116.40)	(72.46)	(29.11)	(188.86)	(120.57)	351.25
(iii) Earlier years adjustments	-	-	-	-	-	(9.59)
(VII) Profit/(loss) for the period (V-VI)	830.99	516.94	212.92	1,347.93	351.05	1,303.25
(VIII) Other Comprehensive Income						
A Items that will not be classified to profit or loss						
(i) Actuarial Gain/(Loss) on defined benefit obligation	(13.95)	(1.93)	(4.50)	(15.88)	(5.07)	(7.74)
(ii) Changes in value of forward element of forward contract	0.74	8.15	(10.91)	8.89	(10.91)	(8.89)
(iii) Tax impact thereon	3.32	(1.57)	3.88	1.75	4.02	4.18
Subtotal (A)	(9.89)	4.65	(11.53)	(5.24)	(11.96)	(12.45)
B Items that will be classified to profit or loss						
(i) Fair value changes on Financial instruments measured at FVOCI	-	-	-	-	-	-
(ii) Effective portion of gain on Hedging Instruments in Cash Flow Hedges	0.12	0.10	0.91	0.22	0.91	(0.23)
(iii) Tax impact thereon	(0.03)	(0.03)	(0.23)	(0.06)	(0.23)	0.06
Subtotal (B)	0.09	0.07	0.68	0.16	0.68	(0.17)
Other Comprehensive Income (A + B)	(9.80)	4.72	(10.85)	(5.08)	(11.28)	(12.62)
(IX) Total Comprehensive Income for the period (VII + VIII)	821.19	521.66	202.07	1,342.85	339.77	1,290.63
Paid Up Equity Share Capital (Face value of Rs.10 per each)	488.44	488.44	488.44	488.44	488.44	488.44
Other Equity	-	-	-	-	-	-
Earnings per equity share (Face Value - Rs 10 per share)						10,434.55
Basic (Rs.)	17.01	10.58	4.36	27.60	7.43	27.13
Diluted (Rs.)	17.01	10.58	4.36	27.60	7.43	27.13
	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Annualized)
See accompanying notes to financial results						



BELSTAR MICROFINANCE LIMITED

CIN NO-U06599TN1988PLC081652

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

Website:www.belstar.in

STATEMENT OF ASSETS & LIABILITIES (BALANCE SHEET) AS AT SEPTEMBER 30, 2023

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

Particulars	As at September 30, 2023	As at March 31, 2023
	(Unaudited)	(Audited)
I ASSETS		
1 Financial assets		
a) Cash and cash equivalents	4,160.16	12,812.45
b) Bank Balance other than (a) above	360.83	448.80
c) Receivables		
(I)Trade Receivables	0.11	7.61
d) Loans	63,161.36	46,275.36
e) Investments	216.14	528.64
f) Other Financial assets	1,311.33	1,318.56
2 Non-financial Assets		
a) Current tax assets (Net)	169.15	362.15
b) Deferred tax assets (Net)	358.14	167.59
c) Investment Property	1.10	1.10
d) Property, Plant and Equipment	51.83	53.60
e) Right of use assets	85.98	97.12
f) Intangible assets under development	0.78	0.44
g) Other Intangible assets	5.20	7.95
h) Other non financial assets	246.25	187.64
TOTAL ASSETS	70,128.36	62,269.01
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	-	29.32
b) Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	0.14	7.20
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5.70	24.55
c) Debt Securities	6,386.10	6,215.71
d) Borrowings (other than debt securities)	45,418.86	40,399.64
e) Subordinated Liabilities	2,803.96	1,649.51
f) Lease liabilities	91.99	105.86
g) Other Financial liabilities	2,980.92	2,773.08
2 Non-financial Liabilities		
a) Provisions	106.65	81.86
b) Other non-financial liabilities	97.48	59.29
EQUITY		
a) Equity share capital	488.44	488.44
b) Other equity	11,748.12	10,434.55
TOTAL LIABILITIES AND EQUITY	70,128.36	62,269.01



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CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

Particulars	For the Period ended September 30, 2023	For the Period ended September 30, 2022	For the Year ended March 31, 2023
	(Unaudited)	(Unaudited)	(Audited)
Operating activities			
Profit before tax	1,774.39	443.32	1,693.07
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation & amortisation	62.51	58.80	118.39
Impairment on financial instruments	1,285.19	856.75	1,445.79
Finance cost	2,539.15	1,663.99	3,654.44
Net Loss on fair value changes	136.40	-	193.06
Net gain on fair value changes	(25.98)	(9.40)	(27.47)
Interest income on deposits	(159.20)	(129.09)	(286.68)
Operating Profit Before Working Capital Changes	5,612.46	2,884.37	6,790.60
Working capital changes			
(Increase) / Decrease in Trade receivables	7.49	(2.73)	(4.15)
(Increase) / Decrease in Loans	(18,171.21)	(4,778.68)	(12,178.62)
(Increase) / Decrease in Other financial asset	(3.10)	(194.83)	(724.37)
(Increase) / Decrease in Other non financial asset	(58.61)	(13.04)	(47.22)
Increase / (Decrease) in Trade and Other payables	(25.90)	0.32	29.01
Increase / (Decrease) in Other liabilities	128.92	453.78	1,378.29
Increase / (Decrease) in Provision	8.92	(5.36)	12.58
Cash flows from/(used in) operating activities before tax	(12,501.03)	(1,656.17)	(4,743.88)
Interest paid on borrowings	(2,456.30)	(1,709.47)	(3,476.05)
Income tax paid	(422.29)	(299.41)	(465.61)
Net cash flows from/(used in) operating activities	(15,379.62)	(3,665.05)	(8,685.54)
Investing activities			
Acquisition of fixed and intangible assets	(30.32)	(38.51)	(69.28)
Net gain on fair value changes	25.98	9.40	27.47
Investment in security receipts (ARC)	-	-	(721.70)
Redemption of security receipts (ARC)	176.09	-	-
Redemption of fixed deposits	87.97	400.94	911.38
Interest received on deposits	167.81	156.00	361.42
Net cash flows from/(used in) investing activities	427.53	527.83	509.29
Financing activities			
Proceeds from issue of shares	-	1,086.70	1,086.70
Net receipts/(Payments from) borrowings	6,360.83	(152.88)	12,763.79
Interest paid on Lease liabilities	(4.74)	(5.68)	(11.02)
Payment towards Lease liabilities	(29.04)	(28.79)	(55.45)
Dividend paid on equity shares	(27.25)	(12.66)	(13.68)
Net cash flows from financing activities	6,299.80	886.69	13,770.34
Net increase in cash and cash equivalents	(8,652.29)	(2,250.53)	5,594.09
Cash and cash equivalents at beginning of the period / year	12,812.45	7,218.36	7,218.36
Cash and cash equivalents at end of the period / year	4,160.16	4,967.83	12,812.45



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STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30 , 2023

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

- 1 The above results for the Quarter and Half year ended September 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 06, 2023, November 07 , 2023 respectively.
- 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. These financial results may require further adjustments, if any, necessitated by, guidelines/ clarifications/ directions to be issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.
- 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, 2023 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 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. Refer Annexure 1
- 6 Disclosure pursuant to Reserve Bank of India RBI Circular No. DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 pertaining to Resolution Framework for COVID-19-related Stress read with RBI/2021-22/31 DOR.STR.11/21.04.048/2021-22 dated May 5, 2021 Pursuant to Resolution Framework 2.0 . Refer Annexure 2
- 7 Disclosure pursuant to Reserve Bank of India RBI Circular No RBI/DOR/2021-22/86 DOR,STR,REC,51/21.04.048/2021-22 dated September 24, 2021 for details of loans transferred / acquired during the Quarter ended September 30, 2023. Refer Annexure 3
- 8 The secured Non-Convertible Debt Securities of the company as on September 30, 2023 are secured by way of exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 1.11 times of the outstanding principal and interest thereon. Refer Annexure 4
- 9 Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period presentation.

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

Kalpana Sankar
Dr.Kalpanaa Sankar
Managing Director



Annexure 1

Disclosure in compliance with Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the Quarter and Half year ended September 30, 2023

Sl No	Particulars	Quarter ended Sept 30, 2023	Half year ended Sept 30, 2023
1	Debt Equity Ratio	4.46	4.46
2	Debt Service Coverage Ratio	Not Applicable	Not Applicable
3	Interest Service Coverage Ratio	Not Applicable	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Not Applicable	Not Applicable
5	Debenture redemption reserve	Not Applicable	Not Applicable
6	Capital redemption reserve (Amount in Million)	500.00	500.00
7	Net worth - (Amount in Million)	12,236.56	12,236.56
8	Net Profit after tax (Amount in Million)	830.99	1,347.93
9	Earning Per Share - Basic	17.01	27.60
10	Earning Per Share - Diluted	17.01	27.60
11	Current ratio	1.46	1.46
12	Long term debt to working capital;	1.74	1.74
13	Bad debts to Account receivable ratio;	Not Applicable	Not Applicable
14	Current liability ratio;	45.48%	45.48%
15	Total debts to total assets;	77.87%	77.87%
16	Debtors turnover;	Not Applicable	Not Applicable
17	Inventory turnover;	Not Applicable	Not Applicable
18	Operating margin (%);	39.95%	38.67%
19	Net profit margin (%);	19.29%	17.04%
20	Sector Specific Ratio;		
	(a) Gross NPA Ratio;	1.47%	1.47%
	(b) Net NPA Ratio;	0.13%	0.13%
	(c) Capital Adequacy Ratio	20.66%	20.66%
1)	Debt Equity Ratio - [Debt securities + Borrowings (Other than debt securities)+ Subordinate Liabilities]/[Equity share capital + Other equity]		
2)	Total debt to total assets - [Debt securities + Borrowings (Other than debt securities)+ Subordinate Liabilities]/[Total assets]		
3)	Operating Margin - [Profit before tax (PBT) + Impairment of financial instruments]/[Total Income]		
4)	Net Profit Margin - [Profit after tax before OCI]/[Total Income]		
5)	Gross NPA % - [Stage 3 Loans Total EAD / Gross Loan EAD]. (Exposure at default (EAD) Includes Loan Balance & Interest thereon)		
6)	Net NPA % - [Stage 3 Loans Total EAD less impairment loss for Stage 3 loans] / [Gross Loan EAD Less Total Impairment loss Provision]		
7)	Current Ratio - [Current assets]/[Current liabilities]		
8)	Current Liability Ratio - [Current Liabilities]/ [Total Liabilities]		
9)	Long term debt to working capital - [Long term debt] / [current assets-current liabilities]		

Annexure 2

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 read with RBI/2021-22/31 DOR.STR.11/21.04.048/2021-22 dated May 5, 2021 Pursuant to Resolution Framework 2.0 . - Format B

Sno	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	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half year *
1	Personal Loans					
2	Corporate Persons					
3	Of Which MSMEs					
4	Others	105.82	10.22	18.70	64.81	13.77
	Total					

There were 10,634 borrower accounts having an aggregate exposure of Rs.55.01 Million, where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and modified under RBI's Resolution Framework 2.0 dated May 5, 2021.

Annexure 3

Disclosure in compliance with RBI Notification - RBI/DOR/2021-22/86 DOR,STR,REC,51/21.04.048/2021-22 dated 24 September 2021

- (i) Details of transfer through assignment in respect of loans not in default during the Quarter ended September 30, 2023

Entity	NBFC (MFI)
Count of Loan accounts Assigned (No. of Accounts)	1,43,789
Amount of Loan Account Assigned (In Mn)	5,003.29
Weighted average residual maturity (In Months)	16.98
Weighted average holding period of loans (In Months)	5.90
Retention of beneficial economic interest (MRR)	10%
Coverage of tangible security coverage	Nil
Rating-wise distribution of rated loans	Retail Loans - NA

- (ii) a. The Company has not transferred any stressed loans [(Special Mention Account (SMA) and Non- Performing Asset (NPAs)] during the quarter ended September 30, 2023.
- b. Details of Recovery Rating assigned for Security receipts is 'IND RR3' having implied recovery more than 50% and upto 75%. The Carrying value of Security Receipts ("SRs") held by the Company as on September 30, 2023 is Rs.216.14 million (Gross book value - 545.60 Mn, Impairment Allowance - 329.46 Mn.
- (iii) The Company has not acquired any loans not in default or Stressed loans [Special Mention Account (SMA) and Non-performing Assets (NPAs)] during the Quarter and Half year ended September 30, 2023.



Annexure 4

Security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (LODR) Regulation, 2015 as on September 30, 2023

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Parli- Passu Charge	Parli- Passu Charge	Parli- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Total C (Total C to H)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Parli Passu charge Assets ⁱⁱⁱ	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value=(K+L+M+N)
	Description of asset for which this certificate relate	Book Value	Book Value	Yes/ No	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Book Value	Book Value	debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Parli Passu charge Assets ⁱⁱⁱ	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value=(K+L+M+N)
ASSETS														
	Property, Plant and Equipment			No	NA	NA	51.83		51.83					
	Capital Work-in- Progress			No	NA	NA								
	Right of Use Assets			No	NA	NA	85.98		85.98					
	Goodwill			No	NA	NA								
	Intangible Assets			No	NA	NA	5.20		5.20					
	Intangible Assets under Development			No	NA	NA	0.78		0.78					
	Investments			No	NA	NA	216.14		216.14					
	Loans	5,213.51	48,122.67	No	NA	NA	11,262.54		64,598.72		5,213.51			5,213.51
	Inventories			No	NA	NA								
	Trade Receivables			No	NA	NA	0.11		0.11					
	Cash and Cash Equivalents			No	NA	NA	4,160.16		4,160.16					
	Bank Balances other than Cash and Cash Equivalents		360.02	No	NA	NA	0.81		360.83					
	Others			No	NA	NA			2,085.97					
	Interest accrued on Fixed Deposits, Security deposits and Other receivables			No	NA	NA								
Total		5,213.51	48,482.69				17,869.52		71,565.72		5,213.51			5,213.51
LIABILITIES														
	Debt securities to which this certificate pertains		4,712.55	No	NA	NA	2,170.00		6,882.55					
	Listed Non Convertible Debentures			No	NA	NA								
	Other debt sharing pari-passu charge with above debt			No	NA	NA								
	Other Debt			No	NA	NA								
	Subordinated debt			No	NA	NA	2,803.96		2,803.96					
	Borrowings			No	NA	NA								
	Bank		42,369.25	No	NA	NA	3,110.00		45,479.25					
	Debt Securities			No	NA	NA								
	Others		58.29	No	NA	NA			58.29					
	Trade payables			No	NA	NA	5.84		5.84					
	Lease Liabilities			No	NA	NA	91.99		91.99					
	Provisions			No	NA	NA	106.65		106.65					
	Others			No	NA	NA			2,463.28					
Total		4,712.55	42,477.54				2,463.28		57,891.80					
Cover on Book Value		1.106					10,751.72							
Cover on Market Value		Exclusive Security Cover Ratio			Parli-Passu Security Cover Ratio									

