

**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 nine months ended December 31, 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.

Place : Chennai  
Date : 2<sup>nd</sup> February, 2024



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

  
**P. R. Prasanna Varma  
Partner  
M.No. 025854  
UDIN: 24025854BKGPXP7847**

**BELSTAR MICROFINANCE LIMITED**

CIN NO-U065997N1988PLC081652

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 MONTH ENDED DECEMBER 31, 2023**

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

	Particulars	Quarter ended			Nine month ended		Year ended
		31-Dec-23	30-Sep-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Mar-23
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Revenue from operations</b>						
(i)	Interest income	4,489.97	3,878.02	2,363.00	11,592.33	6,336.78	8,817.73
(ii)	Fee and commission income	1.34	1.47	16.85	2.81	48.27	64.29
(iii)	Net gain on fair value changes on investments	10.76	11.85	7.07	36.74	16.47	27.47
(iv)	Net gain on de-recognition of financial instruments under amortised cost category	475.53	376.49	107.73	1,199.52	621.39	1,403.12
(I)	<b>Total Revenue from operations</b>	<b>4,977.60</b>	<b>4,267.83</b>	<b>2,494.65</b>	<b>12,831.40</b>	<b>7,022.91</b>	<b>10,312.61</b>
(II)	Other Income	62.79	40.90	24.08	120.74	41.27	66.54
(III)	<b>Total Income (I + II)</b>	<b>5,040.39</b>	<b>4,308.73</b>	<b>2,518.73</b>	<b>12,952.14</b>	<b>7,064.18</b>	<b>10,379.15</b>
	<b>Expenses</b>						
(i)	Finance cost	1,541.48	1,306.17	946.80	4,080.62	2,610.79	3,654.44
(ii)	Fee and commission expenses	77.07	80.67	68.75	234.71	194.92	263.79
(iii)	Net loss on fair value changes	116.56	136.40	-	252.96	-	193.06
(iv)	Impairment of financial instruments	864.88	625.04	518.64	2,150.07	1,375.39	1,445.79
(v)	Employee benefit expenses	822.56	754.37	547.50	2,258.76	1,568.55	2,155.78
(vi)	Depreciation, amortization and impairment	31.25	34.57	28.48	93.76	87.28	118.39
(vii)	Other expenses	287.61	275.33	235.31	807.89	610.69	854.83
(IV)	<b>Total Expenses (IV)</b>	<b>3,741.41</b>	<b>3,212.55</b>	<b>2,345.48</b>	<b>9,878.77</b>	<b>6,447.62</b>	<b>8,686.08</b>
(V)	<b>Profit/(loss) before tax (III- IV)</b>	<b>1,298.98</b>	<b>1,096.18</b>	<b>173.25</b>	<b>3,073.37</b>	<b>616.56</b>	<b>1,693.07</b>
(VI)	Tax Expense:						
(i)	Current tax	446.14	381.59	54.12	1,061.45	266.95	48.16
(ii)	Deferred tax	(133.27)	(116.40)	(18.73)	(322.12)	(139.30)	351.25
(iii)	Earlier years adjustments	(17.15)	-	0.68	(17.15)	0.68	(9.59)
(VII)	<b>Profit/(loss) for the period</b>	<b>1,003.26</b>	<b>830.99</b>	<b>137.18</b>	<b>2,351.19</b>	<b>488.23</b>	<b>1,303.25</b>
(VIII)	<b>Other Comprehensive Income</b>						
A	<b>Items that will not be classified to profit or loss</b>						
(i)	Actuarial Gain/(Loss) on defined benefit obligation	(3.95)	(13.95)	(2.53)	(19.83)	(7.60)	(7.74)
(ii)	Changes in value of forward element of forward contract	-	0.74	4.45	8.89	(6.47)	(8.89)
(iii)	Tax impact thereon	0.99	3.32	(0.48)	2.75	3.54	4.18
	<b>Subtotal (A)</b>	<b>(2.96)</b>	<b>(9.89)</b>	<b>1.44</b>	<b>(8.19)</b>	<b>(10.53)</b>	<b>(12.45)</b>
B	<b>Items that will be classified to profit or loss</b>						
(i)	Effective portion of gain on Hedging Instruments in Cash Flow Hedges	-	0.12	(0.54)	0.23	0.37	(0.23)
(ii)	Tax impact thereon	-	(0.03)	0.14	(0.06)	(0.09)	0.06
	<b>Subtotal (B)</b>	<b>-</b>	<b>0.09</b>	<b>(0.40)</b>	<b>0.17</b>	<b>0.28</b>	<b>(0.17)</b>
	<b>Other Comprehensive Income (A + B)</b>	<b>(2.96)</b>	<b>(9.80)</b>	<b>1.04</b>	<b>(8.02)</b>	<b>(10.25)</b>	<b>(12.62)</b>
(IX)	<b>Total Comprehensive Income for the period</b>	<b>1,000.30</b>	<b>821.19</b>	<b>138.22</b>	<b>2,343.17</b>	<b>477.98</b>	<b>1,290.63</b>
(X)	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	-	-	-	-	-	10,434.55
	<b>Earnings per equity share (Face Value - Rs 10 per share)</b>						
	Basic (Rs.)	20.54	17.01	2.81	48.14	10.22	27.13
	Diluted (Rs.)	20.54	17.01	2.81	48.14	10.22	27.13
				(Not Annualized)		(Not Annualized)	
	See accompanying notes to financial results						



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### STATEMENT OF ASSETS & LIABILITIES (BALANCE SHEET) AS AT DECEMBER 31, 2023

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

Particulars	As at Dec 31, 2023	As at March 31, 2023
	(Unaudited)	(Audited)
<b>I ASSETS</b>		
<b>1 Financial assets</b>		
a) Cash and cash equivalents	5,885.01	12,812.45
b) Bank Balance other than (a) above	398.50	448.80
c) Receivables		
(i) Trade Receivables	3.38	7.61
d) Loans	71,874.02	46,275.36
e) Investments	59.89	528.64
f) Other Financial assets	1,398.77	1,318.56
<b>2 Non-financial Assets</b>		
a) Current tax assets (Net)	477.20	362.15
b) Deferred tax assets (Net)	492.41	167.59
c) Investment Property	1.10	1.10
d) Property, Plant and Equipment	56.84	53.60
e) Right of use assets	72.36	97.12
f) Intangible assets under development	3.29	0.44
g) Other Intangible assets	4.11	7.95
h) Other non financial assets	241.93	187.64
<b>TOTAL ASSETS</b>	<b>80,968.81</b>	<b>62,269.01</b>
<b>II LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>1 Financial Liabilities</b>		
a) Derivative financial instruments	-	29.32
b) Payables		
(i) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	7.20
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.99	24.55
c) Debt Securities	8,924.04	6,215.71
d) Borrowings (other than debt securities)	52,512.41	40,399.64
e) Subordinated Liabilities	2,805.36	1,649.51
f) Lease liabilities	78.37	105.86
g) Other Financial liabilities	3,174.49	2,773.08
<b>2 Non-financial Liabilities</b>		
a) Provisions	152.71	81.86
b) Other non-financial liabilities	81.57	59.29
<b>EQUITY</b>		
a) Equity share capital	488.44	488.44
b) Other equity	12,748.43	10,434.55
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>80,968.81</b>	<b>62,269.01</b>
See accompanying notes to financial results		



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### CASH FLOW STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2023

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

Particulars	For the Period ended Dec 31, 2023	For the Period ended Dec 31, 2022
	(Unaudited)	(Unaudited)
<b>Operating activities</b>		
Profit before tax	3,073.37	616.56
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation & amortisation	93.76	87.28
Impairment on financial instruments	2,150.07	1,375.39
Finance cost	4,080.62	2,610.79
Net loss on fair value changes	252.96	-
Net gain on fair value changes	(36.74)	(16.47)
Interest income on deposits	(224.40)	(204.58)
<b>Operating Profit Before Working Capital Changes</b>	<b>9,389.64</b>	<b>4,468.97</b>
<b>Working capital changes</b>		
(Increase) / Decrease in Trade receivables	4.23	(1.01)
(Increase) / Decrease in Loans	(27,748.74)	(8,167.94)
(Increase) / Decrease in Other financial asset	(91.16)	(43.73)
(Increase) / Decrease in Other non financial asset	(54.30)	(17.14)
Increase / (Decrease) in Trade and Other payables	(28.75)	(2.83)
Increase / (Decrease) in Other liabilities	142.47	511.99
Increase / (Decrease) in Provision	51.03	11.83
<b>Cash flows from/(used in) operating activities before tax</b>	<b>(18,335.58)</b>	<b>(3,239.87)</b>
Interest paid on borrowings	(3,911.84)	(2,483.72)
Income tax paid	(1,166.31)	(451.02)
<b>Net cash flows from/(used in) operating activities</b>	<b>(23,413.73)</b>	<b>(6,174.61)</b>
<b>Investing activities</b>		
Acquisition of fixed and intangible assets	(55.02)	(57.16)
Net gain on fair value changes	36.74	16.47
Redemption of security receipts (ARC)	215.79	-
Net (Investment) in / Redemption of fixed deposits	50.30	504.67
Interest received on deposits	240.80	220.27
<b>Net cash flows from/(used in) investing activities</b>	<b>488.61</b>	<b>684.25</b>
<b>Financing activities</b>		
Proceeds from issue of shares	-	1,086.70
Net receipts/Payments from borrowings	16,076.07	4,264.45
Interest paid on Lease liabilities	(6.86)	(8.23)
Payment towards Lease liabilities	(42.22)	(41.63)
Dividend paid on equity shares	(29.31)	(13.68)
<b>Net cash flows from financing activities</b>	<b>15,997.68</b>	<b>5,287.61</b>
<b>Net increase in cash and cash equivalents</b>	<b>(6,927.44)</b>	<b>(202.75)</b>
Cash and cash equivalents at 1st April 2023, 1st April 2022	12,812.45	7,218.36
<b>Cash and cash equivalents at Dec 31,2023 / Dec 31,2022</b>	<b>5,885.01</b>	<b>7,015.61</b>



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### STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31 , 2023

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

- 1 The above results for the Quarter and Nine months ended December 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on February 01, 2024 and February 02, 2024 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 Nine months ended December 31, 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 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 December 31, 2023. Refer Annexure 2
- 7 The secured Non-Convertible Debt Securities of the company as on December 31, 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 3
- 8 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 Nine months ended December 31, 2023

SI No	Particulars	Quarter ended Dec 31, 2023	Nine months ended Dec 31, 2023
1	Debt Equity Ratio	4.85	4.85
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)	13,236.87	13,236.87
8	Net Profit after tax (Amount in Million)	1,003.26	2,351.19
9	Earning Per Share - Basic	20.54	48.14
10	Earning Per Share - Diluted	20.54	48.14
11	Current ratio	1.40	1.40
12	Long term debt to working capital;	1.82	1.82
13	Bad debts to Account receivable ratio;	Not Applicable	Not Applicable
14	Current liability ratio;	48.23%	48.23%
15	Total debts to total assets;	79.34%	79.34%
16	Debtors turnover;	Not Applicable	Not Applicable
17	Inventory turnover;	Not Applicable	Not Applicable
18	Operating margin (%);	42.93%	40.33%
19	Net profit margin (%);	19.90%	18.15%
20	<b>Sector Specific Ratio;</b>		
	(a) Gross NPA Ratio;	1.88%	1.88%
	(b) Net NPA Ratio;	0.16%	0.16%
	(c) Capital Adequacy Ratio	18.64%	18.64%
1)	<b>Debt Equity Ratio</b> - [Debt securities + Borrowings (Other than debt securities)+ Subordinate Liabilities]/[Equity share capital + Other equity]		
2)	<b>Total debt to total assets</b> - [Debt securities + Borrowings (Other than debt securities)+ Subordinate Liabilities]/[Total assets]		
3)	<b>Operating Margin</b> - [Profit before tax (PBT) + Impairment of financial instruments]/[Total Income]		
4)	<b>Net Profit Margin</b> - [Profit after tax before OCI]/[Total Income]		
5)	<b>Gross NPA %</b> - [Stage 3 Loans Total EAD / Gross Loan EAD]. (Exposure at default (EAD) Includes Loan Balance & Interest thereon)		
6)	<b>Net NPA %</b> - [Stage 3 Loans Total EAD less impairment loss for Stage 3 loans] / [Gross Loan EAD Less Total Impairment loss Provision]		
7)	<b>Current Ratio</b> - [Current assets]/[Current liabilities]		
8)	<b>Current Liability Ratio</b> - [Current Liabilities]/ [Total Liabilities]		
9)	<b>Long term debt to working capital</b> - [Long term debt] / [current assets-current liabilities]		

**Annexure 2**

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 December 31, 2023

Entity	NBFC (MFI)
Count of Loan accounts Assigned (No. of Accounts)	159,109
Amount of Loan Account Assigned (In Mn)	5,429.41
Weighted average residual maturity (In Months)	15.26
Weighted average holding period of loans (In Months)	5.74
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 December 31, 2023.

b. Recovery Rating assigned for Security receipts ("SR") is 'IND RR3' (as on 30th Sept 2023, being the latest date for which NAV was declared by ARC trust). The carrying value of SR held by the Company as on December 31, 2023 is Rs.59.89 million ( Gross book value Rs.505.91 Mn, Impairment Allowance 446.02 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 Nine months ended December 31, 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
Particulars	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in Column F)	Assets not offered as Security	debt amount considered more than once (due to exclusive plus pari-passu charge)	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, DSEA market value is not applicable)	Market Value for Pari passu charge Assets <sup>am</sup>	Carrying value/book value for pari passu charge where market value is not ascertainable or applicable (For Eg. Bank Balance, DSEA market value is not applicable)	Total Value=(K+L+M+N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value					Relating to Column F			
<b>ASSETS</b>														
Property, Plant and Equipment				No	NA	NA	56.84		56.84					
Capital Work-in-Progress				No	NA	NA								
Right of Use Assets				No	NA	NA	72.36		72.36					
Goodwill				No	NA	NA								
Intangible Assets				No	NA	NA	4.11		4.11					
Intangible Assets under Development				No	NA	NA	3.29		3.29					
Investments				No	NA	NA	59.89		59.89					
Loans	Receivables under financing activities	5,327.78	51,184.60	No	NA	NA	17,373.57		73,885.95	5,327.78				5,327.78
Inventories				No	NA	NA								
Trade Receivables				No	NA	NA	3.38		3.38					
Cash and Cash Equivalents				No	NA	NA	5,885.01		5,885.01					
Bank Balances other than Cash and Cash Equivalents				No	NA	NA	121.35		398.50					
Others	Interest accrued on Fixed Deposits, Security deposits and Other receivables			No	NA	NA	2,611.41		2,611.41					
<b>Total</b>		<b>5,327.78</b>	<b>51,461.75</b>				<b>26,191.20</b>		<b>82,980.74</b>	<b>5,327.78</b>				<b>5,327.78</b>
<b>LIABILITIES</b>														
Debt securities to which this certificate pertains	Listed Non Convertible Debentures	4,773.76		No	NA	NA	4,728.75		9,502.51					
Other debt sharing pari-passu charge with above debt				No	NA	NA								
Other Debt				No	NA	NA								
Subordinated debt				No	NA	NA	2,805.36		2,805.36					
Borrowings				No	NA	NA								
Bank				No	NA	NA	8,688.60		51,041.52					
Debt Securities				No	NA	NA								
Others				No	NA	NA								
Trade payables				No	NA	NA	2.99		1,646.54					
Lease Liabilities				No	NA	NA	78.37		78.37					
Provisions				No	NA	NA	152.71		152.71					
Others	Other Non Financial Liabilities, Other payables, Other financial Liabilities			No	NA	NA			2,501.94					
<b>Total Cover on Book Value</b>		<b>4,773.76</b>	<b>43,999.46</b>				<b>2,501.94</b>		<b>67,731.94</b>					
<b>Cover on Market Value</b>		<b>1.116</b>					<b>18,958.71</b>							
		<b>Exclusive Security Cover Ratio</b>			<b>Pari-Passu Security Cover Ratio</b>									

