

Independent Auditor's Report on the Quarterly and Year to Date Standalone Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**To
The Board of Directors of
Belstar Microfinance Limited**

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying Statement of Standalone Financial results of Belstar Microfinance Limited ("the Company") for the quarter and year ended 31st March 2024 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the Statement;

1. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
2. gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the quarter and year ended 31st March 2024.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013, as amended ('the Act'). Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Standalone Financial Results" section of our report. 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 Statement under the provisions of the Act and the Rules thereunder, 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 audit opinion.



Management's Responsibility for the Standalone Financial Results

The Statement has been prepared on the basis of the annual audited financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives 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 under applicable accounting standards 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 SAs 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 the Statement.



Varma & Varma

Chartered Accountants

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

- Identify and assess the risks of material misstatement of the Statement, 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Director's 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 financial results 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

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.



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Chartered Accountants

Other Matter

Attention is invited to Note No.10 to the Statement. As stated therein, the Statement includes the results for the Quarter ended 31st March 2024 being the balancing figures between the annual audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the financial year, which were subject to limited review by us.

Our opinion is not modified in respect of the above matter.

Place: Chennai
Date: 09.05.2024



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

**P.R. Prasanna Varma
Partner
M.No.025854**

UDIN: 24025854BKGPGY9121

BELSTAR MICROFINANCE 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 YEAR ENDED MARCH 31, 2024

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

Particulars	Quarter ended			Year ended	
	31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-24	31-Mar-23
	Refer Note 10	(Unaudited)	Refer Note 10	(Audited)	(Audited)
Revenue from operations					
(i) Interest income	5,025.55	4,489.97	2,480.95	16,617.88	8,817.73
(ii) Fee and commission income	2.23	1.34	16.02	5.04	64.29
(iii) Net gain on fair value changes on investments	16.82	10.76	11.00	53.56	27.47
(iv) Net gain on de-recognition of financial instruments under amortised cost category	450.75	475.53	781.73	1,650.27	1,403.12
Total Revenue from operations	5,495.35	4,977.60	3,289.70	18,326.75	10,312.61
(II) Other Income	66.34	62.79	25.27	187.09	66.54
(III) Total Income (I + II)	5,561.69	5,040.39	3,314.97	18,513.84	10,379.15
Expenses					
(i) Finance cost	1,759.86	1,541.48	1,043.65	5,840.48	3,654.44
(ii) Fee and commission expenses	75.11	77.07	68.87	309.81	263.79
(iii) Net loss on fair value changes	26.69	116.56	193.06	279.65	193.06
(iv) Impairment of financial instruments	1,049.63	864.88	70.40	3,199.70	1,445.79
(v) Employee benefit expenses	923.57	822.56	587.23	3,182.34	2,155.78
(vi) Depreciation, amortization and impairment	24.35	31.25	31.10	118.11	118.39
(vii) Other expenses	357.39	287.61	244.14	1,165.28	854.83
Total Expenses (IV)	4,216.60	3,741.41	2,238.45	14,095.37	8,686.08
(V) Profit/(loss) before tax (III- IV)	1,345.09	1,298.98	1,076.52	4,418.47	1,693.07
(VI) Tax Expense:					
(i) Current tax	396.61	446.14	(218.80)	1,458.06	48.16
(ii) Deferred tax	(98.80)	(133.27)	490.55	(420.92)	351.25
(iii) Earlier years adjustments	(0.05)	(17.15)	(10.26)	(17.21)	(9.59)
(VII) Profit/(loss) for the period	1,047.33	1,003.26	815.03	3,398.54	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	5.25	(3.95)	(0.13)	(14.58)	(7.74)
(ii) Changes in value of forward element of forward contract	-	-	(2.42)	8.89	(8.89)
(iii) Tax impact thereon	(1.32)	0.99	0.64	1.43	4.18
Subtotal (A)	3.93	(2.96)	(1.91)	(4.26)	(12.45)
B Items that will be classified to profit or loss					
(i) Effective portion of gain on Hedging Instruments in Cash Flow Hedges	-	-	(0.60)	0.23	(0.23)
(ii) Tax impact thereon	-	-	0.15	(0.06)	0.06
Subtotal (B)	-	-	(0.45)	0.17	(0.17)
Other Comprehensive Income (A + B)	3.93	(2.96)	(2.36)	(4.09)	(12.62)
(IX) Total Comprehensive Income for the period	1,051.26	1,000.30	812.67	3,394.45	1,290.63
(X) Paid Up Equity Share Capital (Face value of Rs.10 per each)	548.44	488.44	488.44	548.44	488.44
Other Equity	-	-	-	16,739.70	10,434.55
Earnings per equity share (Face Value - Rs 10 per share)					
Basic (Rs.)	21.10	20.54	16.69	69.30	27.13
Diluted (Rs.)	21.10	20.54	16.69	69.30	27.13
		(Not Annualized)			
See accompanying notes to financial results					



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STATEMENT OF ASSETS & LIABILITIES (BALANCE SHEET) AS AT MARCH 31, 2024

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

Particulars	As at March 31, 2024	As at March 31, 2023
	(Audited)	(Audited)
I ASSETS		
1 Financial assets		
a) Cash and cash equivalents	6,943.00	12,812.45
b) Bank Balance other than (a) above	394.95	448.80
c) Receivables		
(I)Trade Receivables	12.59	7.61
d) Loans	83,274.92	46,275.36
e) Investments	-	528.64
f) Other Financial assets	1,442.59	1,318.56
2 Non-financial Assets		
a) Current tax assets (Net)	508.31	362.15
b) Deferred tax assets (Net)	589.89	167.59
c) Investment Property	1.10	1.10
d) Property, Plant and Equipment	49.58	53.60
e) Right of use assets	59.39	97.12
f) Intangible assets under development	3.65	0.44
g) Other Intangible assets	3.74	7.95
h) Other non financial assets	307.42	187.64
TOTAL ASSETS	93,591.13	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	7.68	7.20
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	27.10	24.55
c) Debt Securities	7,413.59	6,215.71
d) Borrowings (other than debt securities)	62,515.85	40,399.64
e) Subordinated Liabilities	2,806.78	1,649.51
f) Lease liabilities	65.04	105.86
g) Other Financial liabilities	3,210.20	2,773.08
2 Non-financial Liabilities		
a) Provisions	175.06	81.86
b) Other non-financial liabilities	81.69	59.29
EQUITY		
a) Equity share capital	548.44	488.44
b) Other equity	16,739.70	10,434.55
TOTAL LIABILITIES AND EQUITY	93,591.13	62,269.01
See accompanying notes to financial results		



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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(Audited)	(Audited)
Operating activities		
Profit before tax	4,418.47	1,693.07
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	118.11	118.39
Impairment on financial instruments	3,199.70	1,445.79
Finance cost	5,840.48	3,654.44
Net loss on fair value changes	279.65	193.06
Net gain on fair value changes	(53.56)	(27.47)
Interest income on deposits	(297.90)	(286.68)
Loss on sale of asset	1.11	-
Operating Profit Before Working Capital Changes	13,506.06	6,790.60
Working capital changes		
(Increase) / Decrease in Trade receivables	(4.99)	(4.15)
(Increase) / Decrease in Loans	(40,199.25)	(12,178.62)
(Increase) / Decrease in Other financial asset	(128.62)	(724.37)
(Increase) / Decrease in Other non financial asset	(119.79)	(47.22)
Increase / (Decrease) in Trade and Other payables	3.03	29.01
Increase / (Decrease) in Other liabilities	363.90	1,378.29
Increase / (Decrease) in Provision	78.62	12.58
Cash flows from/(used in) operating activities before tax	(26,501.04)	(4,743.88)
Interest paid on borrowings	(5,857.44)	(3,476.05)
Income tax paid	(1,593.97)	(465.61)
Net cash flows from/(used in) operating activities	(33,952.45)	(8,685.54)
Investing activities		
Acquisition of fixed and intangible assets	(61.55)	(69.28)
Net gain on fair value changes	53.56	27.47
Proceeds from sale of fixed assets	0.53	-
Investment in security receipts (ARC)	-	(721.70)
Redemption of security receipts (ARC)	248.99	-
Net (Investment) in / Redemption of fixed deposits	53.85	911.38
Interest received on deposits	308.15	361.42
Net cash flows from/(used in) investing activities	603.53	509.29
Financing activities		
Proceeds from issue of shares	3,000.00	1,086.70
Net receipts/Payments from borrowings	24,572.37	12,763.79
Interest paid on Lease liabilities	(8.59)	(11.02)
Payment towards Lease liabilities	(55.00)	(55.45)
Dividend paid on equity shares	(29.31)	(13.68)
Net cash flows from financing activities	27,479.47	13,770.34
Net increase in cash and cash equivalents	(5,869.45)	5,594.09
Cash and cash equivalents at 1st April 2023, 1st April 2022	12,812.45	7,218.36
Cash and cash equivalents at March 31,2024 / March 31,2023	6,943.00	12,812.45



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STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31 , 2024

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

- 1 The above results for the Quarter and Year ended March 31, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 9, 2024.
- 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 Year ended March 31, 2024 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 Pursuant to the resolution passed in meeting held on 20th March, 2024, the board of directors have approved allotment of 60,00,000 equity shares of face value Rs 10/- each at a premium of Rs 490/- each on rights issue basis to Muthoot Finance Limited. Consequently, the issued, subscribed and paid-up share capital has increased to Rs. 548.44 Million comprising of 5,48,44,055 equity shares of Rs. 10/- each.
- 6 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
- 7 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
- 8 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 March 31, 2024. Refer Annexure 3
- 9 The secured Non-Convertible Debt Securities of the company as on March 31, 2024 are secured by way of exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 1.115 times of the outstanding principal and interest thereon. Refer Annexure 4
- 10 The figures for the quarter ended March 31, 2024 and March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year and published unaudited year to date figures up to the third quarter of the respective financial year.
- 11 The Board of Directors in its meeting held on May 09, 2024 has recommended a final dividend of Rs.0.75 per equity share of face value of Rs.10 each for the financial year ended March 31, 2024 subject to the approval of the shareholders of the Company at its ensuing Annual General Meeting.
- 12 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 Year ended March 31, 2024

SI No	Particulars	Quarter ended March 31, 2024	Year ended March 31, 2024
1	Debt Equity Ratio	4.21	4.21
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)	17,288.14	17,288.14
8	Net Profit after tax (Amount in Million)	1,047.33	3,398.54
9	Earning Per Share - Basic	21.10	69.30
10	Earning Per Share - Diluted	21.10	69.30
11	Current ratio	1.38	1.38
12	Long term debt to working capital;	1.91	1.91
13	Bad debts to Account receivable ratio;	Not Applicable	Not Applicable
14	Current liability ratio;	47.38%	47.38%
15	Total debts to total assets;	77.72%	77.72%
16	Debtors turnover;	Not Applicable	Not Applicable
17	Inventory turnover;	Not Applicable	Not Applicable
18	Operating margin (%);	43.06%	41.15%
19	Net profit margin (%);	18.83%	18.36%
20	Sector Specific Ratio;		
	(a) Gross NPA Ratio;	1.82%	1.82%
	(b) Net NPA Ratio;	0.17%	0.17%
	(c) Capital Adequacy Ratio	20.64%	20.64%
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	13.77	1.06	5.87	8.40	0.22
	Total					

There were 10,109 borrower accounts having an aggregate exposure of Rs.48.23 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 March 31, 2024

Entity	NBFC (MFI)
Count of Loan accounts Assigned (No. of Accounts)	147,172
Amount of Loan Account Assigned (In Mn)	5,315.85
Weighted average residual maturity (In Months)	16.11
Weighted average holding period of loans (In Months)	6.89
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 March 31, 2024.

b. Recovery Rating assigned for Security receipts ("SR") is 'IND RR3' as on 31st March 2024. The carrying value of SR held by the Company as on March 31, 2024 is Nil (Gross book value Rs.472.71 Mn, Impairment Allowance 472.71 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 Year ended March 31, 2024.

