

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED DECEMBER 31, 2021
(All amounts are in Millions of Indian Rupees, unless otherwise stated)

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-21	30-Sep-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Mar-21
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
(i) Interest income	1,746.96	1,485.81	1,319.81	4,744.01	3,789.51	5,229.37
(ii) Fees and commission Income	13.02	10.17	9.45	26.84	14.72	28.15
(iii) Net gain on fair value changes	2.50	2.49	2.66	4.99	13.03	13.84
(iv) Net gain on derecognition of financial instruments under amortised cost category	86.23	-	63.70	86.23	63.70	244.86
Total Revenue from operations	1,848.71	1,498.47	1,395.62	4,862.07	3,880.96	5,516.22
(II) Other Income	2.87	2.22	4.45	5.74	10.00	15.37
Total Income (I + II)	1,851.58	1,500.69	1,400.07	4,867.81	3,890.96	5,531.59
Expenses						
(i) Finance cost	752.51	656.17	604.47	2,088.85	1,715.10	2,344.55
(ii) Fee and commission expenses	48.27	49.48	32.00	141.90	90.14	129.03
(iii) Impairment of financial instruments	358.08	243.72	267.77	936.21	434.82	807.55
(iv) Employee benefit expenses	402.53	397.96	320.28	1,127.68	887.38	1,217.65
(v) Depreciation, amortization and impairment	23.85	13.59	21.78	58.01	67.71	92.55
(vi) Other expenses	118.69	118.14	98.05	326.36	255.68	370.14
Total Expenses (IV)	1,703.93	1,479.06	1,344.35	4,679.01	3,450.83	4,961.47
(V) Profit/(loss) before tax (III- IV)	147.65	21.63	55.72	188.80	440.13	570.12
(VI) Tax Expense:						
(i) Current tax	95.75	83.18	60.79	291.41	180.18	261.36
(ii) Deferred tax	(64.27)	(83.60)	(51.83)	(261.25)	(82.63)	(150.50)
(iii) Earlier years adjustments	-	-	(7.25)	-	(7.25)	(7.25)
Profit/(loss) for the period	116.17	22.05	54.01	158.64	349.83	466.51
(VIII) Other Comprehensive Income						
A Items that will not be classified to profit or loss						
(i) Actuarial Gain/(Loss) on defined benefit obligation	(1.35)	(2.71)	-	(4.06)	0.07	2.99
(ii) Tax impact thereon	0.34	0.68	-	1.02	(0.02)	(0.75)
Subtotal (A)	(1.01)	(2.03)	-	(3.04)	0.05	2.24
B Items that will be classified to profit or loss						
(i) Fair value changes on Financial instruments measured at FVOCI	(19.75)	10.13	(6.59)	(17.89)	(17.19)	(9.84)
(ii) Tax impact thereon	6.64	(2.55)	1.66	6.18	4.33	2.48
Subtotal (B)	(13.11)	7.58	(4.93)	(11.71)	(12.86)	(7.36)
Other Comprehensive Income (A + B)	(14.12)	5.55	(4.93)	(14.75)	(12.81)	(5.12)
(IX) Total Comprehensive Income for the period	102.05	27.60	49.08	143.89	337.02	461.39
(X) Earnings per equity share						
Basic (Rs.)	3.10	0.59	1.44	4.23	9.32	12.43
Diluted (Rs.)	3.10	0.59	1.44	4.23	9.32	12.43
	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Not Annualized)	(Annualized)
See accompanying notes to financial results						



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UNAUDITED STATEMENT OF ASSETS & LIABILITIES (BALANCE SHEET) AS AT DECEMBER 31, 2021

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

Particulars	As at December 31, 2021	As at March 31, 2021
	(Unaudited)	(Audited)
I ASSETS		
1 Financial assets		
a) Cash and cash equivalents	2,714.82	4,521.23
b) Bank Balance other than (a) above	1,272.65	1,256.62
c) Trade Receivables	0.48	3.14
d) Loans	34,381.47	27,837.47
e) Investments	-	-
f) Other Financial assets	362.91	625.47
2 Non-financial Assets		
a) Current tax assets (Net)	-	-
b) Deferred tax assets (Net)	464.29	195.84
c) Investment Property	1.10	1.10
d) Property, Plant and Equipment	39.54	35.76
e) Right of use assets	83.41	72.89
f) Other Intangible assets	9.20	13.31
g) Intangible assets under development	0.49	0.55
h) Other non financial assets	133.34	109.50
TOTAL ASSETS	39,463.70	34,672.88
II LIABILITIES AND EQUITY		
1 Financial Liabilities		
a) 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	4.74	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	15.10	2.31
b) Debt Securities	4,938.17	5,284.95
c) Borrowings (other than debt securities)	26,359.57	21,032.99
d) Subordinated Liabilities	1,642.25	1,638.42
e) Other Financial liabilities	659.66	1,051.27
2 Non-financial Liabilities		
a) Current tax liabilities (net)	9.17	20.34
b) Provisions	53.00	50.97
c) Other non-financial liabilities	232.24	168.74
3 Equity		
a) Equity share capital	375.21	375.21
b) Other equity	5,174.59	5,041.95
TOTAL LIABILITIES AND EQUITY	39,463.70	34,672.88
See accompanying notes to financial results		



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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED DECEMBER 31 , 2021
(All amounts are in Millions of Indian Rupees, unless otherwise stated)

- 1 The above results for the Quarter and Nine Month ended December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 31, 2022.
- 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 month ended December 31, 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 '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 December 31, 2021 are secured by first pari-passu charge by way of hypothecation, over present standard receivables to the extent of minimum 1.05 times of the amount outstanding. 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. As the pandemic situation is dynamic and still evolving, the extent to which it will continue to impact the Company's results is dependent on ongoing as well as future developments, which are highly uncertain. The company will continue to monitor future economic conditions and update its assessment.
- 7 On November 12,2021, Reserve Bank of India issued Circular requiring changes to and clarifying certain aspects of Income Recognition and Asset Classification Norms. The Management has aligned the criteria for asset classification in line with the above Circular, as a result of which the interest income and consequently, the profit before tax for the current quarter/period is lower by Rs. 16.48 Million.
- 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 1
- 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 2
- 10 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 nine month ended 31st December, 2021. Refer Annexure 3
- 11 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

Place : Chennai
Date : January 31, 2022



Kalpana Sankar

Dr. Kalpana Sankar
Managing Director

Independent Auditors Review Report on the unaudited quarterly financial results and year to date 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 (formerly known as Belstar Investment and Finance Private Limited) (the "Company"), for the quarter and nine months ended December 31, 2021 (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.



Emphasis of Matter

5. We draw attention to Note 6 to the statement which describes that the potential impact of the continuing COVID-19 pandemic on the Company's operations and financial results are dependent on future developments, which are highly uncertain.
Our conclusion is not modified in respect of the above matter.


Other Matter

6. The review of unaudited financial results for the quarter and nine months ended December 31, 2020 and the audit of financial results for the year ended March 31, 2021 included in the Statement were carried out and reported by the predecessor auditor who has expressed unmodified conclusion/opinion thereon, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.
Our conclusion is not modified in respect of the above matter.

Place : Chennai
Date : 31st January, 2022



For Varma & Varma
Chartered Accountants
FRN. 004532S


P. R. Prasanna Varma
Partner

M. No. 025854
UDIN: 22025854AAAAAK3759

BELSTAR MICROFINANCE LIMITED

Annexure 1

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

SI No	Description	Individual Borrowers	
		Personal Loans	Business Loans
(A)	Number of requests received for invoking resolution process under Part A	-	178,527
(B)	Number of accounts where resolution plan has been implemented under this window	-	178,527
(C)	Exposure to accounts mentioned at (B) before implementation of the plan (Amount in Million)	-	3,801.38
(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 *	-	471.57

* 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

Annexure 2

Disclosure in compliance with Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the Nine Months ended December 31, 2021

SI No	Particulars	Ratios
1	Debt Equity Ratio	5.94
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	Net worth - (Amount in Million)	5,549.80
8	Net Profit after tax (Amount in Million)	158.64
9	Earning Per Share - Basic	4.23
10	Earning Per Share - Diluted	4.23
11	Current ratio	1.29
12	Long term debt to working capital;	2.15
13	Bad debts to Account receivable ratio;	Not Applicable
14	Current liability ratio;	22.46%
15	Total debts to total assets;	83.47%
16	Debtors turnover;	Not Applicable
17	Inventory turnover;	Not Applicable
18	Operating margin (%);	23.11%
19	Net profit margin (%);	3.26%
20	Sector Specific Ratio as per RBI Norms;	
	Gross NPA Ratio;	5.89%
	Net NPA Ratio;	2.71%
1)	Debt Equity Ratio	[Debt securities + Borrowings (Other than debt
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)	% of Gross NPA	[Gross NPA Loans EAD/ Gross Loan EAD]. (Exposure at default (EAD) Includes Loan Balance & Interest
6)	% of Net NPA	[Gross NPA Loans EAD - Impairment loss for NPA]/ [Gross Loan EAD - 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 3

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

(i) Details of transfer through assignment in respect of loans not in default during the nine months ended 31 December 2021

Entity	NBFC (Micro Finance Company)
Count of Loan accounts Assigned (No. of Accounts)	63229
Amount of Loan Account Assigned (In Mn)	1,398.74
Weighted average residual maturity (In Months)	14
Weighted average holding period of loans (In Months)	8.95
Retention of beneficial economic interest (MRR)	10%
Coverage of tangible security coverage	Nil
Rating-wise distribution of rated loans	Retail loans - NA

(ii) The Company has not transferred any Stressed Loans [Special Mention Account (SMA) during the nine months ended 31 December and Non-performing Assets (NPAs).

(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 nine months.

